Viewpoint | Citi Research

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US Diversified Utilities

Utility/Pwr/Infra Tracker: Sector Momentum Builds, Specifics Matter

CITI'S TAKE

As we enter the fall in New York, the US utility sector is picking up more interest from generalists on recessionary fears while specialists continue to question valuations as DC growth & regulatory outcomes continue.

Ryan Levine[AC]
Xinru Yin
Amber Zhao

Hot Topics — Key issues include **1) Recession risk**: Been getting a lot of generalist questions on which stocks to own if the US goes into a recession. We view regulated utilities with little capital market needs, no big multi-year rate cases, and less exposure to commercial/industry load growth best positioned. While no stock perfectly fits this framework, stocks that come to mind include PPL, DUK, EVRG, EIX, CMS, DTE, and ATO. 2) **Gas turbines** are in short supply so utilities with better relations with suppliers may capture more datacenter growth opportunity. 3) **NiSource** recent rally – is it justified? NI has benefited from lower rates, datacenter filings (2.6GW plan, 8.6GW upside opp), GRC settlement (blackbox), PJM DC protests, reduced equity overhang, and expectation of positive capex update with Q3 print (& EEI). At this point, the recent good news seems reflected in the stock and bulls are playing for upside case to DC IRP outlook and very robust Q3 capex update. 4) **California Cost of Capital:** Proposed Decision specified new ROEs for the California utilities for 2025, 42 bps lower than current ROEs due to reduction in cost of capital mechanism ratio. We estimated the ROE drop could result in various EPS impacts to PDC, EIX, and SRE in 2025 (link), 5) **Atmos** continues to benefit from Katy/Waha gas price spread widening (link), but Matterhorn volume ramp starts to trickle in. 6) **MDU has been topical** with the Form-10 filing setting the stage for a full spin of the construction business by December, and revealing new details on synergies, structuring, datacenter contribution, and operating performance of Everus (link), 7) **New Fortress –** active debate around financing plan, role of its CEO in the future if company dividends LNG business to shareholders, and how credible current financial guide is at this point, and 8) NPWR Analyst Day (Site Visit Takes) – note 5mi away from La Porte explosion this morning (RRC investigating).

Charts of the Week — MDU's Everus revenue growth from datacenters.

Questions of the Week – How much of NiSource's Indiana DC growth is priced in?

What items stood out in our tracker? — Regarding implied volatility, PCG, SWX, SO, increased while NEE, BIP, and NPWR fell. On debt issuances, prices fell to ~5.29% (from 5.6%) in Q3 QTD as volumes dropped. On weather, CDD have been strong throughout the US, with Michigan being the notable exception (down ~13%). **Key regulatory events we are watching include**: 9.23/9.24: Evergy MO West settlement conference held in rate proceeding, 9/26: AEP TX commission may consider GRC settlement at open meeting, 9/30: ED- O&R electric and gas joint proposal filed, 10.1-10.30: DTE Gas commission decision in rate case expected, 10.1-10.31: Duke IN- decision expected in TDSIC proceeding. SRE rate case proposed decision expected in September (FD expected Q4), PEG rate case hearings Sept 18- Oct 2, SWX Arizona rate case intervenor testimony due on Sept 19; Arizona regulatory lag hearing on Oct 3. California new ROE mechanism voting earliest on Oct 17. Others: SCE to file Woolsey recovery, TKM decision (settlement filed). Nov 1 FERC technical conference on colocation of large loads at generating facilities.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

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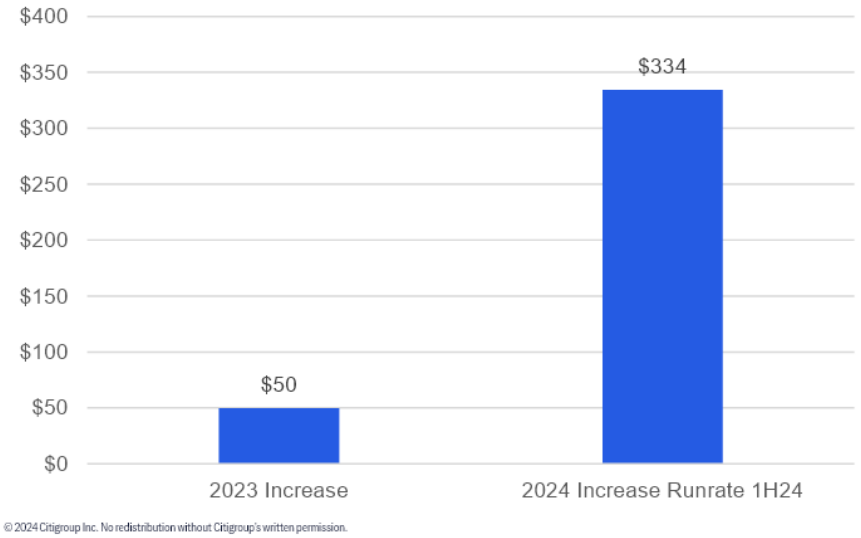
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Utility / Power Tracker

We are publishing a tracker that includes ways to keep an eye on stocks on the move, recent performance, debt and equity capital markets, power market curves and economics, upcoming regulatory events, and valuation and comparable company analysis. Let us know if there is anything additional that would be helpful to track.

Charts of the Week

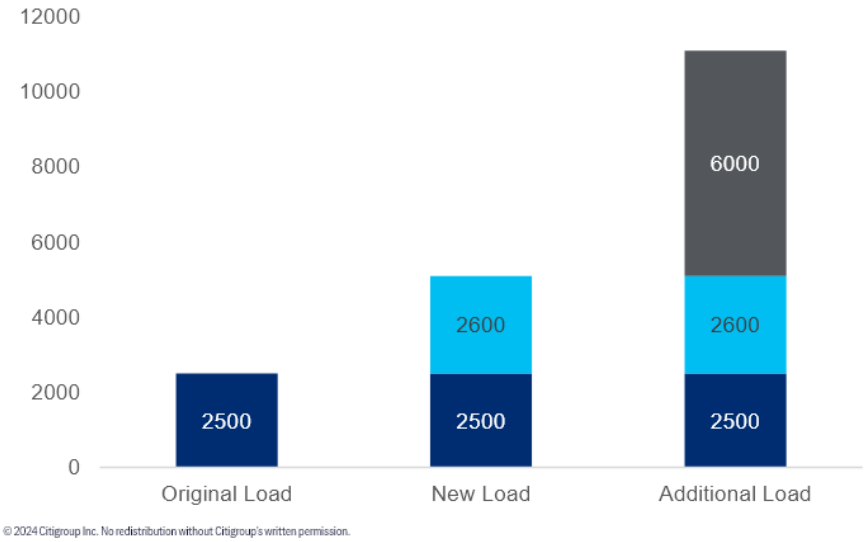
Figure 1. MDU's Everus Datacenter Revenue increases ($ in Millions) – (Ohio is Key Market)



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Source: Citi Research, Company Filings

Figure 2. Indiana Datacenter Growth (in MW per NiSource filing)



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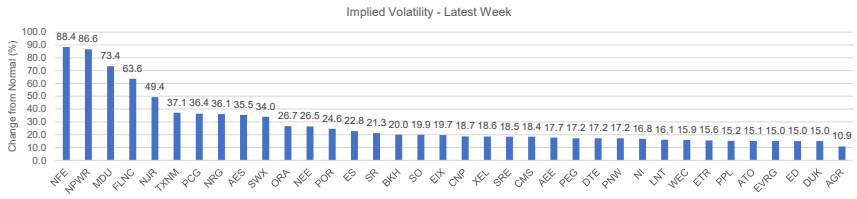
Source: Citi Research

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Implied Volatility

Investors may be inclined to keep a closer eye on stocks that the capital markets are signaling a greater implied volatility in the next 30 days. As a result, for this publication, we are highlighting the latest implied volatility metric for the selected group of stocks.

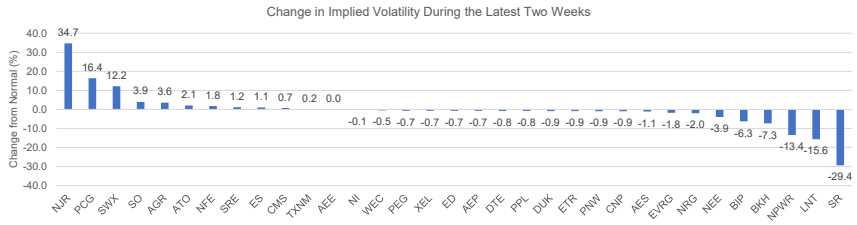
Figure 3. Implied Stock 30-day Volatility – 9/12/2024



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Source: Citi Research, Bloomberg

While the current implied volatility is interesting, we also track the changes in this metric versus last week as it may signal names that the market recently realized has an upcoming catalyst or there is an event in ~3-4 weeks. The stocks to the left have higher upcoming implied volatility while the stocks to the right are lower upcoming implied volatility vs two weeks ago.

Figure 4. Change in Implied Stock 30-day Volatility During the Last Two Weeks – 9/12/2024



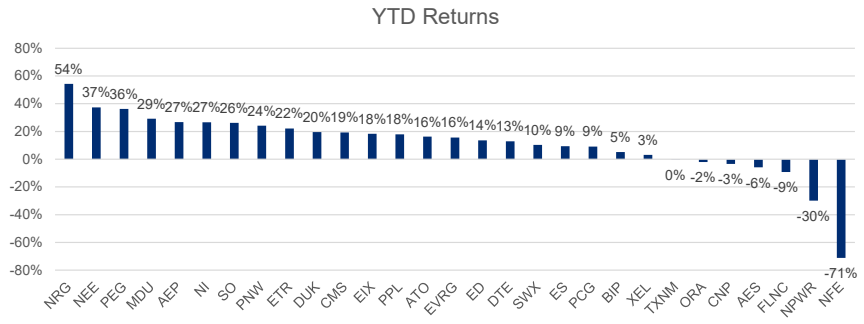
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Recent Stock Price Performance

To frame which stocks have been recent winners and losers QTD and YTD, we highlight the stock performance for select stocks.

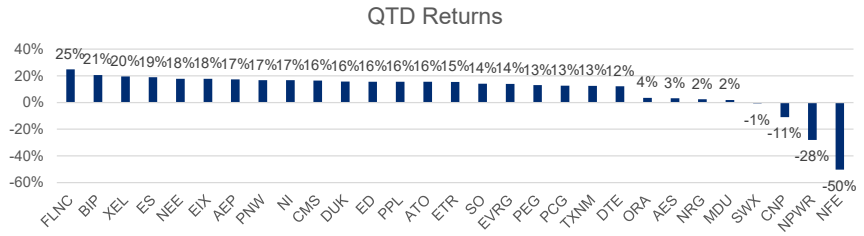
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Figure 5. YTD Stock Price Performance – 09/13/2024



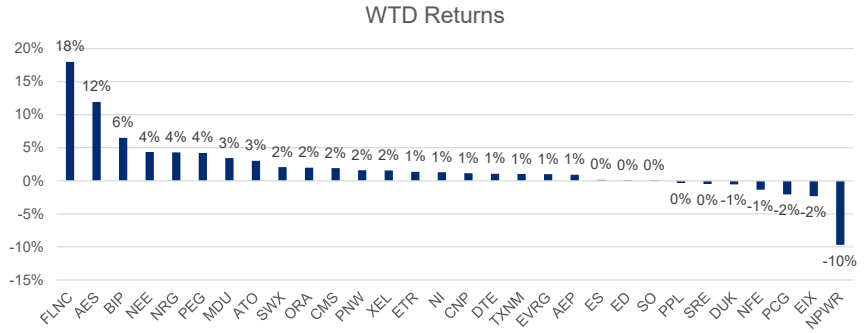
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Figure 6. QTD Returns – 9/13/2024



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Figure 7. WTD Returns – 9/13/2024



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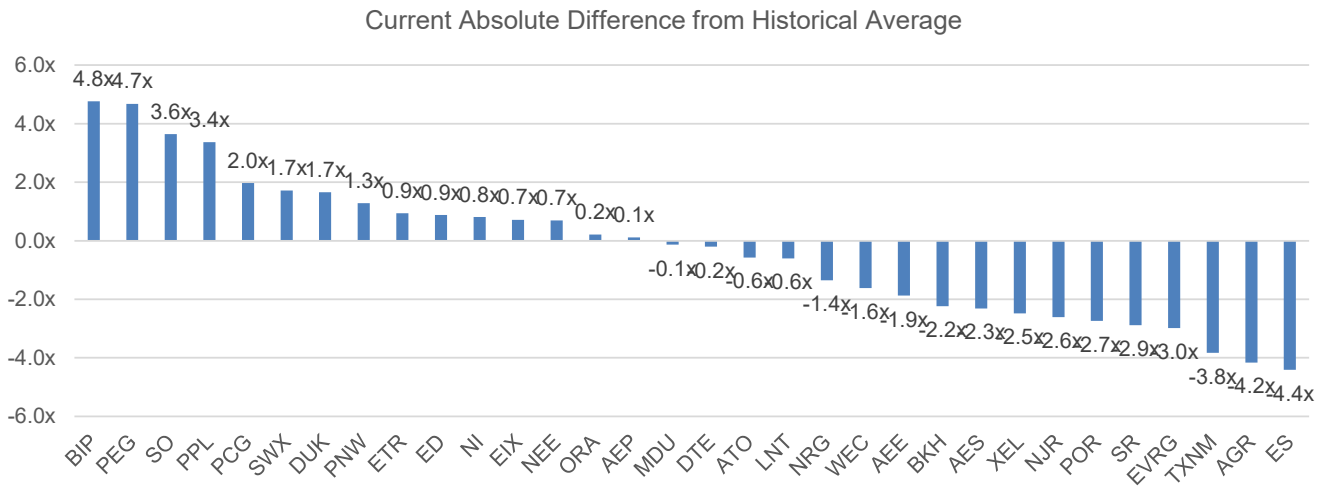
Relative NTM P/E Ratios vs History

Per our investor surveys, utility / power stocks typically trade based on a one year forward P/E multiple (few investors focus on rate base multiples, DCFs, or anything else). As a result, one of the markers of sentiment on the individual stocks is how its forward NTM P/E ratio compares to its own history. Stocks that are trading at a premium to its own history are viewed to have become more in favor while the

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stocks that trade at a discount to history are viewed more unfavorably by the market, per this metric.

Figure 8. Relative Premium (discount) NTM P/E vs Stock's 10 Yr Historical Average



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Power Market Outlook

Figure 9. Power Market Future Curves

SPREAD SUMMARY $/MWH	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
Spark Spread (Natural Gas)	$24	$16	$20	$27	$15	$21	$27	$18	$22
Quark Spread (Nuclear)	$39	$32	$36	$46	$36	$41	$49	$40	$44

"Peak" prices refer to average daily peak prices, not summer seasonal peak periods.

POWER PRICES $/MWH	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
New England	$60	$50	$55	$66	$54	$60	$68	$56	$62
Greater New York	$47	$38	$43	$56	$42	$49	$59	$45	$52
Penn/Jersey/Maryland	$48	$37	$42	$56	$39	$47	$59	$42	$51
Illinois	$42	$33	$37	$48	$34	$41	$51	$34	$42
Texas	$38	$28	$33	$52	$36	$44	$53	$41	$47
So Cal *	$41	$44	$42	$41	$47	$44	$44	$55	$49
North CA *	$53	$50	$52	$55	$52	$54	$58	$62	$60
US Average	**$44**	**$35**	**$40**	**$52**	**$40**	**$46**	**$55**	**$43**	**$49**

* Western flat power is 57% peak, 43% off peak, due to its 6X16 bid block schedule. Other regional flat prices are 50% peak, 50% off peak due to a 5X16 bid block schedule.

GAS PRICES $/mmbtu	Cal-2024 Basis	Cal-2024 $/mmbtu	Cal-2025 Basis	Cal-2025 $/mmbtu	Cal-2026 Basis	Cal-2026 $/mmbtu
New England	1.77	$4.14	1.97	$5.35	2.01	$5.62
Pen/Jersey/Mrylnd	-0.34	$2.03	-0.22	$3.16	-0.24	$3.37
Southeast/Gulf Coast (Actual price)	2.37	$2.37	3.38	$3.38	3.61	$3.61
Texas	-0.52	$1.85	-0.45	$2.93	-0.51	$3.11
So Cal	0.73	$3.10	0.88	$4.26	1.06	$4.67
North CA	0.57	$2.94	0.35	$3.73	0.31	$3.92
Pac Northwest	0.60	$2.97	0.33	$3.71	0.40	$4.01
US Average	**0.94**	**$2.40**	**1.32**	**$3.42**	**1.41**	**$3.65**
Coal PRICES $/mmbtu						
Central App	NM		74.0		76.0	
Illinois Basin	NM		42.8		43.8	
Powder River Basin	NM		14.3		14.6	
US Average	NM		43.7		44.8	

SPARK SPREADS $/MWH	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
New England	$28	$18	$23	$25	$13	$19	$24	$12	$18
Penn/Jersey/Maryland	$32	$21	$27	$31	$15	$23	$33	$16	$25
Texas	$24	$14	$19	$29	$14	$21	$29	$17	$23
So Cal	$17	$20	$19	$8	$15	$11	$8	$19	$13
North CA	$31	$28	$29	$26	$24	$25	$28	$32	$30
	$24	$16	$20	$27	$15	$21	$27	$18	$22

QUARK SPREADS $/MWH	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
New England	$53	$44	$48	$60	$48	$54	$61	$49	$55
Greater New York	$41	$31	$36	$49	$36	$43	$53	$38	$45
Pen/Jersey/Mrylnd	$41	$30	$36	$49	$33	$41	$53	$36	$44
Illinois	$35	$27	$31	$42	$27	$35	$44	$27	$36
Texas	$32	$22	$27	$45	$30	$37	$46	$34	$40
So Cal	$35	$38	$36	$34	$41	$37	$38	$48	$42
North CA	$47	$44	$45	$48	$46	$47	$52	$55	$53
	$39	$32	$36	$46	$36	$41	$49	$40	$44

PEAK	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
Greater New York									
Zone G	$49	$39	$44	$57	$44	$51	$61	$47	$54
Zone J	$52	$41	$46	$62	$47	$54	$67	$49	$58
Zone A	$42	$33	$37	$47	$36	$42	$50	$38	$44
Average, NY Pool	**$47**	**$38**	**$43**	**$56**	**$42**	**$49**	**$59**	**$45**	**$52**

IMPLIED HEAT RATES	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
New England	14,423	12,113	13,268	12,339	10,146	11,242	12,041	9,879	10,960
Pen/Jersey/Mrylnd	23,620	18,226	20,923	17,594	12,457	15,025	17,564	12,480	15,022
Texas	20,715	15,178	17,946	17,584	12,427	15,005	17,021	13,094	15,058
So Cal	13,274	14,256	13,696	9,631	11,161	10,289	9,498	11,705	10,447
North CA	18,113	17,079	17,669	14,663	14,047	14,398	14,876	15,784	15,266
Market Heat Rate	**20,057**		**17,920**	**16,209**		**14,239**	**15,908**		**14,331**

	Peak	Off-Peak	Flat	Peak	Off-Peak	Flat	Peak	Off-Peak	Flat
Texas									
Houston	$39	$28	$33	$53	$37	$45	$55	$41	$48
North	$37	$27	$32	$50	$35	$43	$52	$39	$45
South	$40	$30	$35	$51	$37	$44	$52	$43	$47
Average, Texas Pool	**$38**	**$28**	**$33**	**$52**	**$36**	**$44**	**$53**	**$41**	**$47**

PJM	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Flat	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Flat	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Flat
East	$48	$37	$42	$56	$39	$48	$60	$42	$51
West	$48	$37	$42	$55	$39	$47	$59	$42	$50
Average,PJM Pool	**$48**	**$37**	**$42**	**$56**	**$39**	**$47**	**$59**	**$42**	**$51**

SUB REGIONS $/MWH	Cal-2024 Peak	Cal-2024 Off-Peak	Cal-2024 Basis	Cal-2025 Peak	Cal-2025 Off-Peak	Cal-2025 Basis	Cal-2026 Peak	Cal-2026 Off-Peak	Cal-2026 Basis
PJM East	23,550	18,281	-0.34	17,731	12,505	-0.22	17,699	12,540	-0.27
PJM West	23,690	18,172	-0.34	17,457	12,409	-0.22	17,429	12,421	-0.24

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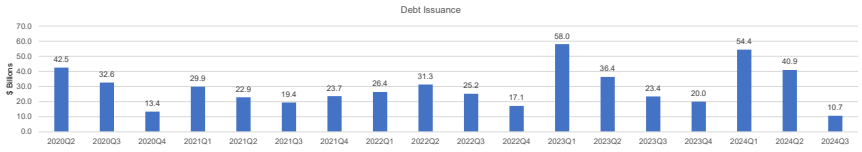
Source: Citi Research, Bloomberg

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Debt Capital Markets

Debt capital markets are key to track the health of the industry, utility customer bills, and earnings outlook for the stocks. Below is historical debt issuance by quarter for the US utility industry.

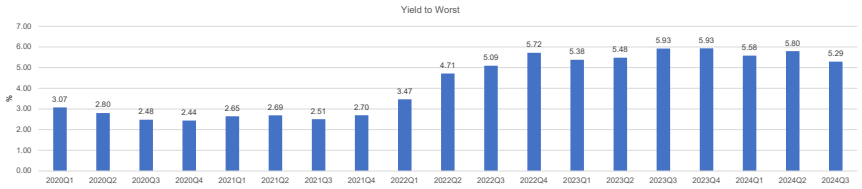
Figure 10. US Utility Debt Issuance by Quarter ($ in billions)



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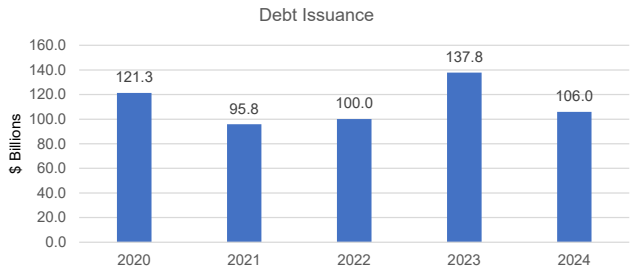
With interest rates increasing, the amount of issuance has slowed, but started to pick up.

Figure 11. US Utility Debt Issuance Yield to Worst by Quarter (in %)



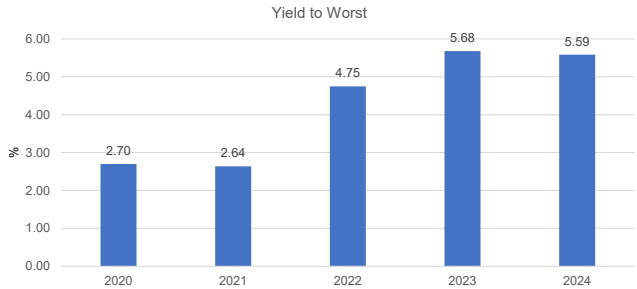
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Figure 12. Annual US Utility Debt Issuance ($ in Billion)



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Figure 13. Annual US Utility Debt Issuance YTW (in %)



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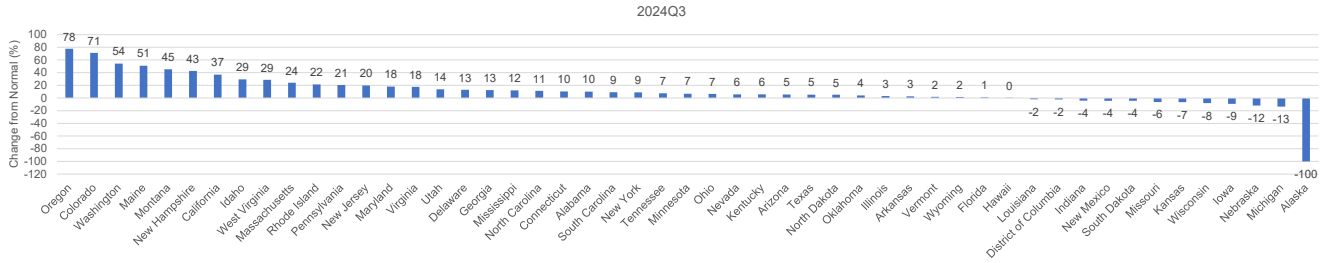
Weather – Heating and Cooling Degree Days

Cooling and heating degree days imply the volumes of electricity and gas for the utility and power market.

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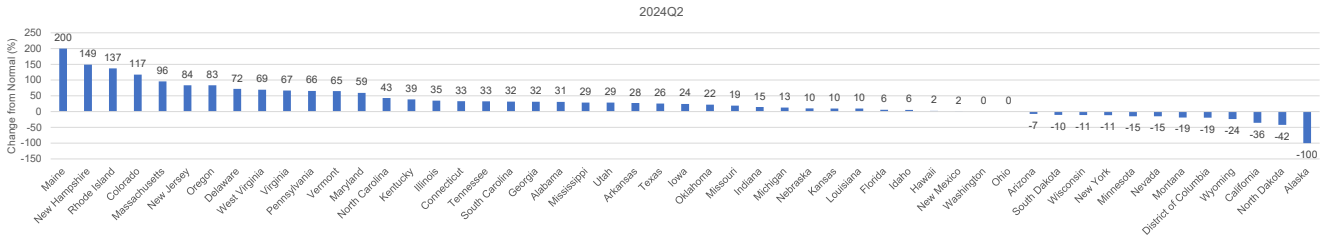
Cooling Degree Days

Figure 14. Q3 2024 QTD Cooling Degree Days – 9/12/2024



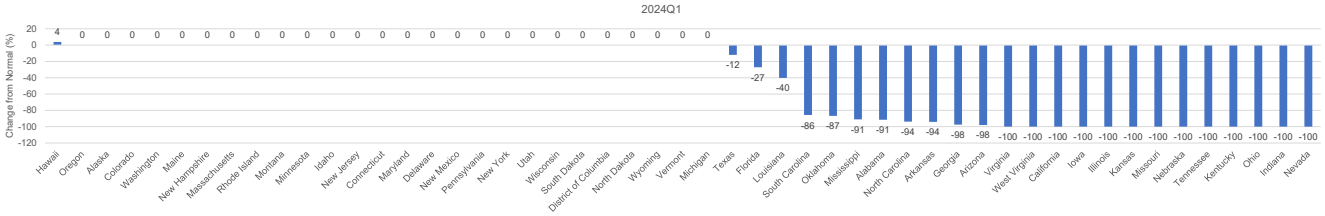
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Figure 15. Q2 2024 Cooling Degree Days



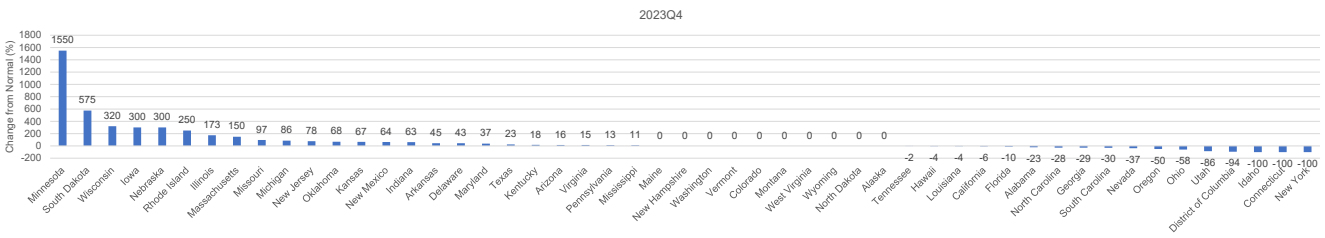
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Figure 16. Q1 2024 Cooling Degree Days



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Figure 17. Q4 2023 Cooling Degree Days

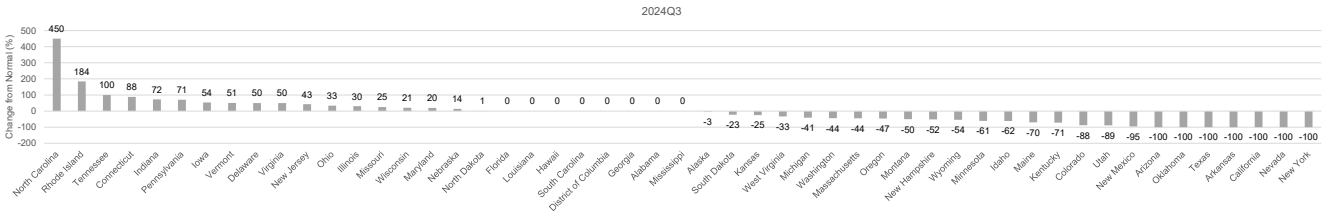


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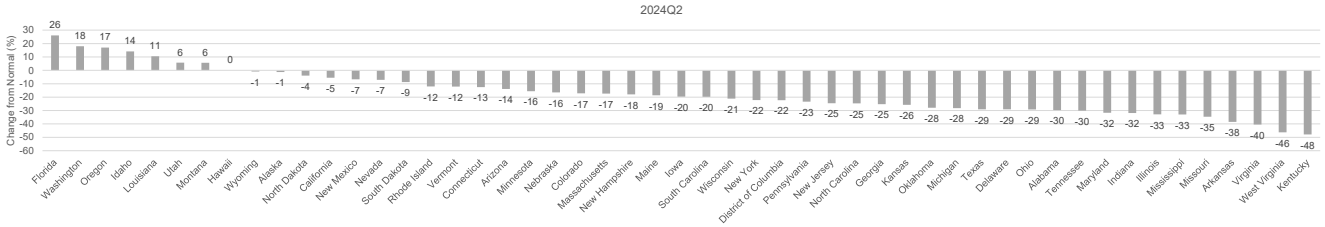
Heating Degree Days

Figure 18. Q3 2024 Heating Degree Days – 9/12/2024



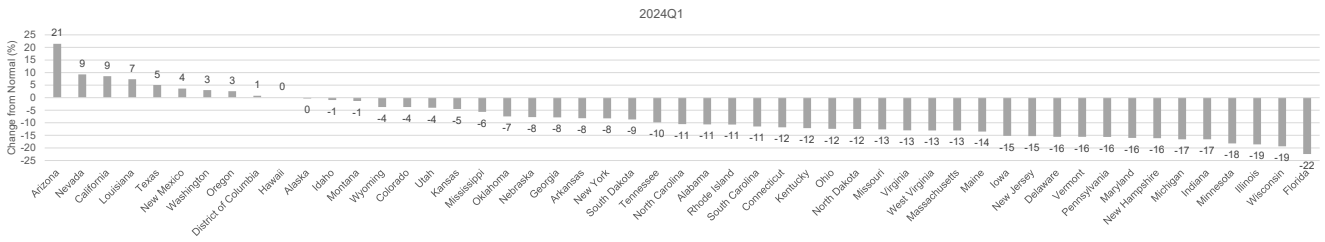
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Figure 19. Q2 2024 Heating Degree Days



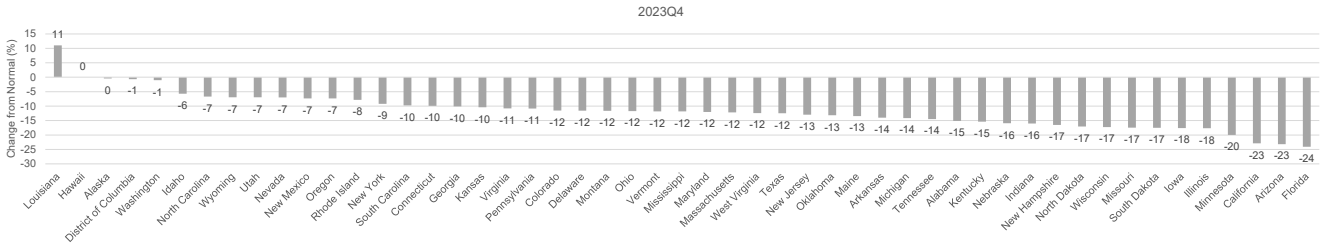
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Figure 20. Q1 2024 Heating Degree Days



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Figure 21. Q4 2023 Heating Degree Days



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Regulatory Calendar

See below for some regulatory tracking calendar events.

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Figure 22. Upcoming Regulatory Events – Aug 2024 to Sep 2024

Date	Event Type	Jurisdiction	Company	Docket	Action or Status	Parent Ticker
10/1/2023-9/3/2024	OTHR	NJ	New Jersey Natural Gas Co.		Gas rate case fiilng may occur in fiscal 2024	NJR
1/1/2024-12/31/2024	OTHR	NJ	Elizabethtown Gas Co.		Gas base rate case may be filed in 2024	Private
1/1/2024-12/31/2024	OTHR	NJ	South Jersey Gas Co.		Gas base rate case may be filed in 2024	Private
1/1/2024-10/1/2024	RATE	TX	AEP Texas Inc.	D-56165	New rates would become effective under proposed settlement	AEP
5/1/2024-12/31/2024	RATE	MT	Cascade Natural Gas Corp.		Gas rate case filing expected	MDU
5/1/2024-12/31/2024	RATE	OR	Cascade Natural Gas Corp.		Gas rate case expected to be filed	MDU
7/1/2024-12/31/2024	RATE	CA	San Diego Gas & Electric Co.	A-22-05-016 (Elec)	ALJ proposed decision expected	SRE
7/1/2024-12/31/2024	RATE	CA	San Diego Gas & Electric Co.	A-22-05-016 (Gas)	ALJ proposed decision expected	SRE
7/1/2024-12/31/2024	RATE	CA	Southern California Gas Co.	A-22-05-016	ALJ proposed decision expected	SRE
7/1/2024-9/30/2024	RATE	CA	Southwest Gas Holdings Inc.		Gas rate case expected to be filed	SWX
7/1/2024-9/30/2024	RATE	MT	NorthWestern Energy Group		Electric, natural gas rate case to be filed	NWE
7/1/2024-12/31/2024	RATE	OR	Avista Corp.		Gas rate case to be filed	AVA
8/1/2024-8/31/2024	OTHR	IN	Northern IN Public Svc Co. LLC	Ca-45330-TDSIC-8	Decision possible in TDSIC proceeding	NI
8/1/2024-9/30/2024	RATE	DE	Chesapeake Utilities Corp.	D-24-XXXX	Gas rate case expected to be filed	CPK
8/1/2024-8/31/2024	RATE	KS	Black Hills Kansas Gas Utility	D-24-BHCG-727-TAR (GSRS)	Decision possible in GSRS proceeding	BKH
8/1/2024-8/31/2024	RATE	OH	Vectren Energy Delivery Ohio		Gas rate case filing possible	CNP
8/1/2024-8/31/2024	RATE	OK	Oklahoma Gas and Electric Co.	Ca-PUD2023-000087	Decision possible in rate proceeding	AEP
8/1/2024-8/31/2024	RATE	OK	Oklahoma Natural Gas Co	Ca-PUD2024-000010	Decision likely in PBR proceeding	OGS
8/1/2024-12/31/2024	RATE	WY	MDU Resources Group		Electric and gas rate cases expected to be filed	MDU
8/12/2024-8/23/2024	RATE	FL	Duke Energy Florida LLC	D-20240025-EI	Commission decision in rate case expected on or about	DUK
8/12/2024-8/19/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPower)	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPenn)	Hearings scheduled in rate case	FE
8/13/2024-8/21/2024	RATE	TX	CenterPoint Energy Houston	D-56211	Briefs to be filed in rate case -abated	CNP
8/14/2024-8/26/2024	RATE	NC	Piedmont Natural Gas Co.	D-G-9 Sub 837	Hearings scheduled in rate proceeding	DUK
8/15/2024-8/31/2024	RATE	NJ	New Jersey Natural Gas Co.	D-GR24010071	Company expected to file update for actual test year data in rate case	NJR
8/15/2024-10/15/2024	RATE	SD	MDU Resources Group	D-EL23-020	Commission decision may occur in electric rate proceeding	MDU
8/15/2024-10/15/2024	RATE	SD	MDU Resources Group	D-NG23-014	Commission decision may occur in gas rate proceeding	MDU
8/16/2024-8/26/2024	RATE	PA	Duquesne Light Co.	D-R-2024-3046523	Briefs to be filed in rate case	Private
8/17/2024-8/31/2024	RATE	MO	Union Electric Co.	C-GR-2024-0369	Gas rate case filing possible	AEE
8/19/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Settlement conference	POR
8/19/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00098 (Rider RNG)	Company response to staff report due in Rider RNG proceeding	RGCO
8/19/2024	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Settlement conference	Private
8/19/2024	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Settlement conference	Private
8/19/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Elec)	Staff testimony due in rate case	WEC
8/19/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Gas)	Staff testimony due in rate case	WEC
8/20/2024-8/30/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	Briefs to be filed in rate case	NI
8/20/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Intervening parties to file testimony in rate case	OGS
8/21/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Company rebuttal testimony	DUK
8/21/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Elec)	Staff testimony due in rate case	WEC
8/21/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Gas)	Staff testimony due in rate case	WEC
8/21/2024	RATE	WI	Wisconsin Gas LLC	D-5-UR-111	Staff testimony due in rate case	WEC
8/22/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Evidentiary hearing	BKH
8/22/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Settlement conference scheduled in rate case	OGS
8/22/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00093 (SAVE)	Comments due on SAVE rider update request	RGCO
8/22/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00093 (SAVE)	Staff report due in SAVE rider update proceeding	RGCO
8/23/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Intervening parties to file testimony in rate case	RGCO
8/26/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Public comment hearing Fayetteville	BKH
8/26/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-E-0060	Evidentiary hearing to commence	ED
8/26/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-G-0061	Evidentiary hearing to commence	ED
8/26/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Rebuttal testimony due in rate proceeding	AEP
8/26/2024	RATE	OR	Northwest Natural Gas Co.	D-UG-490	Staff and intervenors closing briefs due	NWN
8/27/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Settlement agreement, testimony deadline	XEL
8/27/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Staff testimony due in rate case	OGS
8/28/2024	RATE	NC	Piedmont Natural Gas Co.	D-G-9 Sub 837	Rebuttal testimony due in rate case	DUK
8/28/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Settlement conference to be held in rate proceeding	AEP
8/29/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Public comment hearing Manila	BKH
8/29/2024	RATE	IN	Duke Energy Indiana, LLC	D-R-2024-3047068 (WestPenn)	Hearing to begin in rate proceeding	DUK
8/29/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Hearing to be held on settlement (if reached) in rate case	CPK
8/29/2024	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	Briefs due in rate case	WEC
8/29/2024	RATE	MI	Upper MI Energy Rsrc Corp.	C-U-21541	Staff testimony due in rate case	WEC
8/30/2024	RATE	OR	PacifiCorp	D-UE-433	Company surrebuttal testimony due	BRKa
8/30/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	Deadline for the parties to file a settlement in rate case	NI
8/30/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Pre-hearing motions	DUK
8/31/2024	RATE	NY	KeySpan Gas East Corp.	C-23-G-0226	Rate case decision expected to be issued	NG
8/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00093 (SAVE)	Decision expected in SAVE rider update proceeding	RGCO
8/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00098 (Rider RNG)	Decision likely in Rider RNG update proceeding	RGCO
9/1/2024-9/30/2024	RATE	IN	Northern IN Public Svc Co. LLC	Ca-45557-TDSIC-5	Decision possible in TDSIC proceeding	NI
9/1/2024-9/30/2024	RATE	KY	Atmos Energy Corp.		Rate case filing expected	ATO
9/1/2024-9/30/2024	RATE	KY	Atmos Energy Corp.	C-2024-00226 (PRP)	Decision possible in PRP proceeding	ATO
9/1/2024-9/30/2024	RATE	NM	New Mexico Gas Co.	C-23-00255-UT	Final commission decision expected gas rate case	EMA
9/1/2024-9/30/2024	RATE	NV	Sierra Pacific Power Co.	D-24-02026	Final decision expected in electric rate case	BRKa
9/1/2024-9/30/2024	RATE	NV	Sierra Pacific Power Co.	D-24-02027	Final decision expected in gas rate case	BRKa
9/1/2024-9/30/2024	RATE	NY	Natl Fuel Gas Distribution Cor	C-23-G-0627	Rate case decision expected to be issued	NFG
9/1/2024-12/31/2024	RATE	TX	El Paso Electric Co.	D-56851	Company to file base rate case	Private
9/2/2024	RATE	WV	Appalachian Power Co.	C-24-0413-E-ENEC	Decision expected	AEP
9/3/2024	RATE	MN	Minnesota Power Entrprs Inc.	D-E-015/GR-23-155	ALJ proposed decision expected	ALE
9/3/2024	RATE	OR	Northwest Natural Gas Co.	D-UG-490	NW Natural closing brief due	NWN
9/4/2024-9/12/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Hearings	XEL
9/4/2024	RATE	CT	CT Natural Gas Corp.	D-23-11-02 (CNG)	Draft decision to be issued	AGR
9/4/2024	RATE	CT	The Sthrn CT Gas Co	D-23-11-02 (SCG)	Draft decision to be issued	AGR
9/4/2024	RATE	MI	DTE Gas Co.	C-U-21291	ALJ proposed decision due	DTE
9/4/2024-9/13/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Briefs to be filed in rate case	FE
9/4/2024-9/13/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Briefs to be filed in rate case	FE
9/4/2024-9/13/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPower)	Briefs to be filed in rate case	FE
9/4/2024-9/13/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPenn)	Briefs to be filed in rate case	FE
9/6/2024	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Intervenor testimony due in gas rate case	SWX

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Figure 23. Upcoming Regulatory Events – Sep 2024 to Oct 2024

9/6/2024-9/27/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Briefs to be filed in rate case (to be rescheduled)	CPK
9/6/2024-10/1/2024	RATE	VA	Kentucky Utilities Co.	C-PUR-2024-00052	Parties to file testimony in base rate case	PPL
9/9/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Staff and intervenor surrebuttal testimony	Private
9/9/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Hearing	DUK
9/9/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Hearings scheduled in earnings review proceeding	AEP
9/10/2024-9/12/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Settlement hearing	XEL
9/10/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Staff and intervenor testimony due	POR
9/12/2024	RATE	ME	Versant Power	D-2023-00336	Technical conference on rebuttal testimony	Private
9/13/2024	RATE	ME	Versant Power	D-2023-00336	Technical conference on rebuttal testimony	Private
9/13/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Settlement conference	POR
9/16/2024	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	Reply briefs due in rate case	WEC
9/18/2024	OTHR	WA	Puget Sound Energy Inc.	D-UE- 240004	Company rebuttal testimony, staff, intervenor cross-answer testimony due	Private
9/18/2024	OTHR	WA	Puget Sound Energy Inc.	D-UG-240005	Company rebuttal testimony, staff, intervenor cross-answer testimony due	Private
9/18/2024-10/2/2024	RATE	NJ	Public Service Electric Gas	D-ER23120924	Evidentiary hearings scheduled in electric rate case	PEG
9/18/2024-10/2/2024	RATE	NJ	Public Service Electric Gas	D-GR23120925	Evidentiary hearings scheduled in gas rate case	PEG
9/18/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Prehearing conference scheduled in rate case	OGS
9/19/2024	RATE	MI	Upper Peninsula Power Co.	C-U-21555	Initial briefs due in rate proceeding	Private
9/19/2024-9/20/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Hearings scheduled in rate case	OGS
9/20/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Company sur-surrebuttal testimony	Private
9/20/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Consumer advocate testimony	BKH
9/20/2024	RATE	KY	Columbia Gas of Kentucky Inc	C-2024-00092	Company rebuttal testimony due in rate proceeding	NI
9/20/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Staff report due in base rate case	RGCO
9/23/2024	RATE	FL	Tampa Electric Company	D-20240026-EI	Briefs scheduled in rate case	EMA
9/23/2024	RATE	IA	Interstate Power & Light Co.	D-RPU-2023-0002 (electric)	Expected rate case decision	LNT
9/23/2024	RATE	IA	Interstate Power & Light Co.	D-RPU-2023-0002 (gas)	Expected rate case decision	LNT
9/23/2024-9/24/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Settlement conference to be held in rate proceeding	EVRG
9/25/2024	RATE	WA	Cascade Natural Gas Corp.	D-UG-240008	UTC staff, intervenor testimony due	MDU
9/26/2024	RATE	WA	Cascade Natural Gas Corp.	D-UG-240008	Non-company parties' settlement conference	MDU
9/27/2024	RATE	MI	Consumers Energy Co.	C-U-21585	Staff testimony due in rate proceeding	CMS
9/27/2024	RATE	PA	Peoples Natural Gas Co. LLC	D-R-2023-3044549	End of suispension period; deadline for decision in rate case	WTRG
9/27/2024-10/4/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Briefs to be filed in rate case	OGS
9/27/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Elec)	Initial briefs due in rate proceeding	WEC
9/27/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Gas)	Initial briefs due in rate proceeding	WEC
9/30/2024	COMM	NV			Commissioner Tammy Cordova — term expires	
9/30/2024	OTHR	NY	Corning Natural Gas Corp.		Long-term gas system plan to be filed	Private
9/30/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Hearing to begin in rate proceeding	EVRG
9/30/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Hearing to begin in rate proceeding	AEP
9/30/2024	RATE	OR	Portland General Electric Co.	D-UE-435	PGE surrebuttal testimony due	POR
10/1/2024-12/31/2024	RATE	CT	Yankee Gas Services Co.		Rate case to be filed in fourth quarter of 2024.	ES
10/1/2024-10/31/2024	RATE	IN	Duke Energy Indiana, LLC	Ca-45647-TDSIC-3	Decision expected in TDSIC proceeding	DUK
10/1/2024	RATE	OR	Idaho Power Co.	D-UE-426	Target order date	IDA
10/1/2024-10/31/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	Administrative Law Judge's proposed order likely to be issued in rate case	NI
10/1/2024-10/31/2024	RATE	PA	Duquesne Light Co.	D-R-2024-3046523	Administrative Law Judge's recommended decision may be issued in rate case	Private
10/1/2024-10/31/2024	RATE	TX	CenterPoint Energy Houston	D-56211	Administrative law judge's proposed order likely to be issued in rate case - abated	CNP
10/1/2024-10/31/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Hearing examiner's proposed order likely to be issued in earnings review proceeding	AEP
10/1/2024	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Interim rates may be implemented in rate case	NI
10/1/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Elec)	Initial briefs due in rate proceeding	WEC
10/1/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Gas)	Initial briefs due in rate proceeding	WEC
10/1/2024	RATE	WI	Wisconsin Gas LLC	D-5-UR-111	Initial briefs due in rate proceeding	WEC
10/2/2024	RATE	WA	Cascade Natural Gas Corp.	D-UG-240008	Second settlement conference	MDU
10/3/2024	COMM	NJ			Commissioner Marian Abdou — term expires	
10/3/2024	RATE	MI	DTE Electric Co.	C-U-21534	Briefs due in rate case proceeding	DTE
10/4/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	PSC order	BKH
10/4/2024	RATE	AR	Entergy Arkansas LLC	D-16-036-FR (2024 review)	Staff errors and objections	ETR
10/4/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Settlement or issues list	Private
10/4/2024	RATE	ME	Versant Power	D-2023-00336	Surrebuttal testimony and reply bench analysis	Private
10/4/2024	RATE	MI	Upper Peninsula Power Co.	C-U-21555	Reply briefs due in rate proceeding	Private
10/4/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Elec)	Reply briefs due in rate case	WEC
10/4/2024	RATE	WI	Wisconsin Public Service Corp.	D-6690-UR-128 (Gas)	Reply briefs due in rate case	WEC
10/7/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Consumer advocate, intervenor cross-rebuttals	BKH
10/7/2024	RATE	MN	CenterPoint Energy Resources	D-G-008/GR-23-173	Testimony due in rate case proceeding	CNP
10/8/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Elec)	Reply briefs due in rate case	WEC
10/8/2024	RATE	WI	Wisconsin Electric Power Co.	D-5-UR-111 (Gas)	Reply briefs due in rate case	WEC
10/8/2024	RATE	WI	Wisconsin Gas LLC	D-5-UR-111	Reply briefs due in rate case	WEC
10/9/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Opposition to settlement due	Private
10/11/2024	RATE	OR	PacifiCorp	D-UE-433	Opening briefs	BRKa
10/15/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Evidentiary hearing	Private
10/15/2024	RATE	MI	Consumers Energy Co.	C-U-21490	Commission decision in gas rate case expected by	CMS
10/15/2024-10/31/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Administrative law judge's report likely to be filed in rate proceeding	AEP
10/16/2024-10/30/2024	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Parties to file testimony in base rate case	NI
10/17/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase I direct testimony of parties other than PacifiCorp due	BRKa
10/18/2024	RATE	CT	CT Natural Gas Corp.	D-23-11-02 (CNG)	Final decision to be issued	AGR
10/18/2024	RATE	CT	The Sthrn CT Gas Co	D-23-11-02 (SCG)	Final decision to be issued	AGR
10/18/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Company rebuttal	BKH
10/21/2024	OTHR	NY			NY PSC decisions are to be issued on the state's electric utilities climate vulnerability plans by October 21, 2024	
10/21/2024	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	ALJ proposed decision in rate case expected	WEC
10/23/2024	RATE	MI	DTE Electric Co.	C-U-21534	Reply briefs due in rate case	DTE
10/24/2024	RATE	OR	PacifiCorp	D-UE-433	Closing briefs	BRKa
10/25/2024	RATE	KS	Kansas Gas Service Co.	D-24-KGSG-610-RTS	Decision due in rate proceeding	OGS
10/25/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Law judge's proposed order due in rate case (to be rescheduled)	CPK
10/25/2024	RATE	OR	Northwest Natural Gas Co.	D-UG-490	Commission order target date	NWN
10/25/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Openng briefs	POR
10/28/2024	RATE	MN	Northern States Power Co.	D-G-002/GR-23-413	ALJ proposed decision expected	XEL
10/28/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Proposal for decision due in rate case	OGS
10/28/2024	RATE	WA	Avista Corp.	D-UE-240006	Post-hearing briefs, updated joint issues matrix due	AVA
10/28/2024	RATE	WA	Avista Corp.	D-UG-240007	Post-hearing briefs, updated joint issues matrix due	AVA
10/29/2024	RATE	MI	Upper MI Energy Rsrc Corp.	C-U-21541	Briefs due in electric rate case	WEC
10/30/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase II direct testimony of parties other than PacifiCorp due	BRKa
10/31/2024	RATE	CA	Southern California Edison Co.	A-23-05-010	ALJ proposed decision due by	EIX
10/31/2024	RATE	TN	Chattanooga Gas Co.	D-24-00024	Case decision expected	SO

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Figure 24. Upcoming Regulatory Events – Oct 2024 to Feb 2025

10/31/2024	RATE	TX	AEP Texas Inc.	D-56165	End of extended suspension period in rate case; decision expected	AEP
11/1/2024-11/15/2024	RATE	FL	Tampa Electric Company	D-20240026-EI	Commission decision in rate case expected	EMA
11/1/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Consumer advocate surrebuttal	BKH
11/1/2024	RATE	ME	Versant Power	D-2023-00336	Technical conference on surrebuttal/reply bench analysis	Private
11/1/2024-11/30/2024	RATE	MN	Northern States Power Co.		Electric rate case expected to be filed	XEL
11/1/2024-11/30/2024	RATE	MO	Spire Missouri Inc.	C-GR-2025-0026 (ISRS)	Decision expected in ISRS proceeding	SR
11/1/2024-11/30/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPower)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPenn)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/4/2024	RATE	ME	Versant Power	D-2023-00336	Technical conference on surrebuttal/reply bench analysis	Private
11/4/2024-11/5/2024	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Evidentiary hearing	Private
11/4/2024-11/5/2024	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Evidentiary hearing	Private
11/6/2024	COMM	AL			President Twinkle Andress Cavanaugh — term expires	
11/7/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Closing briefs	POR
11/7/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Hearing scheduled in rate case	RGCO
11/8/2024	RATE	MI	Upper Peninsula Power Co.	C-U-21555	ALJ proposed decision in rate case expected	Private
11/12/2024	RATE	MN	CenterPoint Energy Resources	D-G-008/GR-23-173	Rebuttal testimony due in rate case	CNP
11/13/2024	RATE	VA	Kentucky Utilities Co.	C-PUR-2024-00052	Hearing scheduled in base rate case	PPL
11/15/2024	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Prehearing conference to be held in gas rate case	SWX
11/15/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Settlement or joint statement of issues	BKH
11/15/2024	RATE	MI	Upper MI Energy Rsrc Corp.	C-U-21541	Reply briefs due in electric rate case	WEC
11/15/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase I rebuttal testimony due	BRKa
11/20/2024	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Hearing to be held in gas rate case	SWX
11/20/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Decision expected in earnings review proceeding	AEP
11/22/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Prehearing briefs	BKH
11/25/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Expected PSC decision	Private
11/26/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase II rebuttal testimony due	BRKa
11/29/2024-12/2/2024	RATE	MN	Minnesota Power Entrprs Inc.	D-E-015/GR-23-155	Commission order in rate case expected	ALE
11/30/2024	RATE	CA	Southern California Edison Co.	A-23-05-010	Commission decision expected on or around	EIX
12/1/2024-12/31/2024	RATE	AZ	UNS Gas Inc.		Gas rate case expected to be filed	FTS
12/1/2024-12/31/2024	RATE	IL	Ameren Illinois	D-23-0082	Decision expected in company's multiyear rate plan proceeding	AEE
12/1/2024-12/31/2024	RATE	KY	Columbia Gas of Kentucky Inc	C-2024-00092	Decision possible in rate proceeding	NI
12/1/2024-12/31/2024	RATE	MI	Consumers Energy Co.		Gas rate case expected to be filed	CMS
12/1/2024-12/31/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Decision possible in rate proceeding	EVRG
12/1/2024-12/31/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Decision possible in rate proceeding	AEP
12/1/2024-12/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Hearing examiner's report likely to be issued in rate case	RGCO
12/3/2024	RATE	MI	Consumers Energy Co.	C-U-21585	Briefs due in electric rate case	CMS
12/4/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Expected decision	DUK
12/4/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase I surrebuttal testimony due	BRKa
12/9/2024-12/11/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Hearing	BKH
12/9/2024-12/13/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase I hearings scheduled for electric rate case	BRKa
12/10/2024	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Hearings scheduled in base rate case	NI
12/14/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	End of suspension period; decision due in rate case	NI
12/15/2024-1/15/2025	RATE	VA	Kentucky Utilities Co.	C-PUR-2024-00052	Hearing Examiner's report may be issued in rate case	PPL
12/17/2024	RATE	MI	Consumers Energy Co.	C-U-21585	Reply briefs due in electric rate case	CMS
12/18/2024	RATE	SD	NorthWestern Energy Group	D-NG24-005	End of initial suspension period in gas rate case	NWE
12/19/2024	RATE	OR	PacifiCorp	D-UE-433	Final order due in electric rate case	BRKa
12/19/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase II surrebuttal testimony due	BRKa
12/20/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Target PUC order date	POR
12/20/2024	RATE	PA	Duquesne Light Co.	D-R-2024-3046523	Approximate end of statutory suspension period; decision likely in rate case	Private
12/20/2024	RATE	TX	CenterPoint Energy Houston	D-56211	End of extended suspension period in rate case; decision expected	CNP
12/23/2024	RATE	MI	Upper MI Energy Rsrc Corp.	C-U-21541	ALJ proposed decision in rate case due	WEC
12/26/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Expected PSC decision	BKH
12/31/2024	COMM	GA			Chairman Tricia Pridemore — term expires	
12/31/2024	COMM	LA			Commissioner Craig Greene — term expires	
12/31/2024	COMM	ND			Commissioner Randy Christmann — term expires	
12/31/2024	COMM	NM			Commissioner James Ellison — term expires	
12/31/2024	COMM	TX			Commissioner Christi Craddick — term expires	
12/31/2024	RATE	NJ	Public Service Electric Gas	D-ER23120924	Decision expected in electric rate case	PEG
12/31/2024	RATE	NJ	Public Service Electric Gas	D-GR23120925	Decision expected in gas rate case	PEG
12/31/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-E-0060	Commission decision expected to be issued	ED
12/31/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-G-0061	Commission decision expected to be issued	ED
12/31/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPower)	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPenn)	Approximate end of statutory suspension period; decision likely in rate case	FE
1/1/2025	COMM	CA			Commissioner Genevieve Shiroma — term expires	
1/1/2025	COMM	WA			Chairman David Danner — term expires	
1/1/2025-3/31/2025	RATE	FL	Florida Power & Light Co.		Electric rate case expected to be filed	NEE
1/1/2025-3/31/2025	RATE	ID	Avista Corp.		Electric, gas rate cases to be filed	AVA
1/1/2025-1/31/2025	RATE	IN	Duke Energy Indiana, LLC	Ca-46038	Decision possible in rate proceeding	DUK
1/1/2025	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	Commission decision in rate case expected by	WEC
1/1/2025-3/31/2025	RATE	NJ	Elizabethtown Gas Co.	D-GR24020158	Decision likely to be issued in base rate case based on recent history	Private
1/1/2025-3/31/2025	RATE	NJ	New Jersey Natural Gas Co.	D-GR24010071	Decision likely in rate case based on recent history	NJR
1/1/2025-1/31/2025	RATE	NY	Consolidated Edison Company of		Electric and gas rate cases expected to be filed	ED
1/1/2025	RATE	VA	Virginia Natural Gas Inc.	C-PUR-2024-00048	Interim rates may be implemented in base rate case	SO
1/2/2025	COMM	FL			Chairman Mike La Rosa — term expires	
1/2/2025	COMM	ID			Chairman Eric Anderson — term expires	
1/2/2025	COMM	MT			Commissioner Tony O'Donnell — term expires	
1/2/2025	COMM	MT			President James Brown — term expires	
1/2/2025	COMM	MT			Vice President Jennifer Fielder — term expires	
1/2/2025	COMM	OK			Commissioner Bob Anthony — term expires	
1/2/2025	COMM	SD			Chairperson Kristie Fiegen — term expires	
1/5/2025	COMM	AZ			Chairman James O'Connor — term expires	
1/5/2025	COMM	AZ			Commissioner Anna Tovar — term expires	
1/5/2025	COMM	AZ			Commissioner Lea Marquez Peterson — term expires	
1/6/2025	COMM	MN			Commissioner Valerie Means — term expires	
1/7/2025	COMM	NE			Chairman Dan Watermeier — term expires	
1/7/2025	COMM	NE			Vice Chairman Tim Schram — term expires	
1/12/2025	COMM	CO			Chairman Eric Blank — term expires	
1/15/2025	COMM	AR			Commissioner Justin Tate — term expires	
1/15/2025	RATE	ME	Versant Power	D-2023-00336	Briefs to be filed	Private
1/15/2025	RATE	MN	CenterPoint Energy Resources	D-G-008/GR-23-173	Initial briefs due in rate case	CNP
1/15/2025-1/16/2025	RATE	UT	PacifiCorp	D-24-035-04	Phase II hearings scheduled for electric rate case	BRKa
1/15/2025	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Final order due	Private
1/15/2025	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Final order due	Private
1/18/2025-1/20/2025	RATE	ME	Versant Power	D-2023-00336	Hearings to be held	Private
1/20/2025	COMM	IL			Commissioner Michael Carrigan — term expires	
1/20/2025	RATE	MD	Chesapeake Utilities Corp.	C-9722	End of suspension period in rate case	CPK
1/24/2025	RATE	ME	Versant Power	D-2023-00336	Reply briefs to be filed	Private
1/27/2025	RATE	MI	Consumers Energy Co.	C-U-21585	ALJ proposed decision due in rate case	CMS
1/28/2025	RATE	MI	DTE Electric Co.	C-U-21534	Commission order due in rate case	DTE
1/31/2025	RATE	MN	CenterPoint Energy Resources	D-G-008/GR-23-173	Reply briefs due	CNP
2/1/2025-2/28/2025	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Final ACC decision expected in gas rate case	SWX
2/1/2025-2/28/2025	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Hearing examiner's report likely to be issued in base rate case	NI
2/1/2025-2/28/2025	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Decision may be issued in base rate case	RGCO
2/3/2025	RATE	IN	Sthrn IN Gas & Electric Co.	Ca-45990	Target date for decision in rate proceeding	CNP
2/17/2025-2/21/2025	RATE	ME	Versant Power	D-2023-00336	Deliberations to be held	Private

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Figure 25. Upcoming Activities Breakout by Type

Date	Event Type	Jurisdiction	Company	Docket	Action or Status	Parent Ticker
Possible New Cases						
10/1/2023-9/3/2024	OTHR	NJ	New Jersey Natural Gas Co.		Gas rate case filing may occur in fiscal 2024	NJR
1/1/2024-12/31/2024	OTHR	NJ	Elizabethtown Gas Co.		Gas base rate case may be filed in 2024	Private
1/1/2024-12/31/2024	OTHR	NJ	South Jersey Gas Co.		Gas base rate case may be filed in 2024	Private
5/1/2024-12/31/2024	RATE	MT	Cascade Natural Gas Corp.		Gas rate case filing expected	MDU
5/1/2024-12/31/2024	RATE	OR	Cascade Natural Gas Corp.		Gas rate case expected to be filed	MDU
8/1/2024-12/31/2024	RATE	WY	MDU Resources Group		Electric and gas rate case expected to be filed	MDU
7/1/2024-9/30/2024	RATE	CA	Southwest Gas Holdings Inc.		Gas rate case expected to be filed	SWX
7/1/2024-9/30/2024	RATE	MT	NorthWestern Energy Group		Electric, natural gas rate case to be filed	NWE
8/1/2024-8/31/2024	RATE	OH	Vectren Energy Delivery Ohio		Gas rate case filing possible	CNP
7/1/2024-12/31/2024	RATE	OR	Avista Corp.		Gas rate case to be filed	AVA
8/1/2024-9/30/2024	RATE	DE	Chesapeake Utilities Corp.	D-24-XXXX	Gas rate case expected to be filed	CPK
8/17/2024-8/31/2024	RATE	MO	Union Electric Co.	C-GR-2024-0369	Gas rate case filing possible	AEE
9/1/2024-9/30/2024	RATE	KY	Atmos Energy Corp.		Rate case filing expected	ATO
9/1/2024-12/31/2024	RATE	TX	El Paso Electric Co.	D-56851	Company to file base rate case	Private
9/30/2024	OTHR	NY	Corning Natural Gas Corp.		Long-term gas system plan to be filed	Private
10/1/2024-12/31/2024	RATE	CT	Yankee Gas Services Co.		Rate case to be filed in fourth quarter of 2024.	ES
11/1/2024-11/30/2024	RATE	MN	Northern States Power Co.		Electric rate case expected to be filed	XEL
12/1/2024-12/31/2024	RATE	AZ	UNS Gas Inc.		Gas rate case expected to be filed	FTS
12/1/2024-12/31/2024	RATE	MI	Consumers Energy Co.		Gas rate case expected to be filed	CMS
1/1/2025-3/31/2025	RATE	FL	Florida Power & Light Co.		Electric rate case expected to be filed	NEE
1/1/2025-3/31/2025	RATE	ID	Avista Corp.		Electric, gas rate cases to be filed	AVA
1/1/2025-1/31/2025	RATE	NY	Consolidated Edison Company of		Electric and gas rate cases expected to be filed	ED
Existing Cases						
Settlement						
8/19/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Settlement conference	POR
8/19/2024	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Settlement conference	Private
8/19/2024	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Settlement conference	Private
8/22/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Settlement conference scheduled in rate case	OGS
8/27/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Settlement agreement, testimony deadline	XEL
8/28/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Settlement conference to be held in rate proceeding	AEP
8/29/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Hearing to be held on settlement (if reached) in rate case	CPK
8/30/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	Deadline for the parties to file a settlement in rate case	NI
9/10/2024-9/12/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Settlement hearing	XEL
9/13/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Settlement conference	POR
9/23/2024-9/24/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Settlement conference to be held in rate proceeding	EVRG
9/26/2024	RATE	WA	Cascade Natural Gas Corp.	D-UG-240008	Non-company parties' settlement conference	MDU
10/2/2024	RATE	WA	Cascade Natural Gas Corp.	D-UG-240008	Second settlement conference	MDU
10/4/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Settlement or issues list	Private
11/15/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Settlement or joint statement of issues	BKH
Hearing						
8/12/2024-8/19/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPow	Hearings scheduled in rate case	FE
8/12/2024-8/19/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPen	Hearings scheduled in rate case	FE
8/14/2024-8/26/2024	RATE	NC	Piedmont Natural Gas Co.	D-G-9 Sub 837	Hearings scheduled in rate proceeding	DUK
8/22/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Evidentiary hearing	BKH
8/26/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Public comment hearing Fayetteville	BKH
8/26/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-E-0060	Evidentiary hearing to commence	ED
8/26/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-G-0061	Evidentiary hearing to commence	ED
8/29/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	Public comment hearing Manila	BKH
8/29/2024	RATE	IN	Duke Energy Indiana, LLC	D-R-2024-3047068 (WestPen	Hearing to begin in rate proceeding	DUK
8/29/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Hearing to be held on settlement (if reached) in rate case	CPK
9/4/2024-9/12/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Hearings	XEL
9/9/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Hearing	DUK
9/9/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Hearings scheduled in earnings review proceeding	AEP
9/10/2024-9/12/2024	RATE	CO	Public Service Co. of CO	D-24AL-0049G	Settlement hearing	XEL
9/18/2024-10/2/2024	RATE	NJ	Public Service Electric Gas	D-ER23120924	Evidentiary hearings scheduled in electric rate case	PEG
9/18/2024-10/2/2024	RATE	NJ	Public Service Electric Gas	D-GR23120925	Evidentiary hearings scheduled in gas rate case	PEG
9/19/2024-9/20/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Hearings scheduled in rate case	OGS
9/30/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Hearing to begin in rate proceeding	EVRG
9/30/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Hearing to begin in rate proceeding	AEP
10/15/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Evidentiary hearing	Private
11/4/2024-11/5/2024	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Evidentiary hearing	Private
11/4/2024-11/5/2024	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Evidentiary hearing	Private
11/7/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Hearing scheduled in rate case	RGCO
11/13/2024	RATE	VA	Kentucky Utilities Co.	C-PUR-2024-00052	Hearing scheduled in base rate case	PPL
11/15/2024	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Prehearing conference to be held in gas rate case	SWX
11/20/2024	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Hearing to be held in gas rate case	SWX
12/9/2024-12/11/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Hearing	BKH
12/9/2024-12/13/2024	RATE	UT	PacifiCorp	D-24-035-04	Phase I hearings scheduled for electric rate case	BRKa
12/10/2024	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Hearings scheduled in base rate case	NI
1/15/2025-1/16/2025	RATE	UT	PacifiCorp	D-24-035-04	Phase II hearings scheduled for electric rate case	BRKa
1/18/2025-1/20/2025	RATE	ME	Versant Power	D-2023-00336	Hearings to be held	Private
Proposed Decision						
7/1/2024-12/31/2024	RATE	CA	San Diego Gas & Electric Co.	A-22-05-016 (Elec)	ALJ proposed decision expected	SRE
7/1/2024-12/31/2024	RATE	CA	San Diego Gas & Electric Co.	A-22-05-016 (Gas)	ALJ proposed decision expected	SRE
7/1/2024-12/31/2024	RATE	CA	Southern California Gas Co.	A-22-05-016	ALJ proposed decision expected	SRE
9/3/2024	RATE	MN	Minnesota Power Entrprs Inc.	D-E-015/GR-23-155	ALJ proposed decision expected	ALE
9/4/2024	RATE	MI	DTE Gas Co.	C-U-21291	ALJ proposed decision due	DTE
9/4/2024	RATE	CT	CT Natural Gas Corp.	D-23-11-02 (CNG)	Draft decision to be issued	AGR
9/4/2024	RATE	CT	The Sthrn CT Gas Co	D-23-11-02 (SCG)	Draft decision to be issued	AGR
10/1/2024-10/31/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	Administrative Law Judge's proposed order likely to be issued in rate case	NI
10/1/2024-10/31/2024	RATE	PA	Duquesne Light Co.	D-R-2024-3046523	Administrative Law Judge's recommended decision may be issued in rate case	Private
10/1/2024-10/31/2024	RATE	TX	CenterPoint Energy Houston	D-56211	Administrative law judge's proposed order likely to be issued in rate case - abated	CNP
10/1/2024-10/31/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Hearing examiner's proposed order likely to be issued in earnings review proceeding	AEP
10/21/2024	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	ALJ proposed decision in rate case expected	WEC
10/25/2024	RATE	MD	Chesapeake Utilities Corp.	C-9722	Law judge's proposed order due in rate case	CPK
10/28/2024	RATE	MN	Northern States Power Co.	D-G-002/GR-23-413	ALJ proposed decision expected	XEL
10/28/2024	RATE	TX	Texas Gas Service Co.	D-OS-24-00017471	Proposal for decision due in rate case	OGS
10/31/2024	RATE	CA	Southern California Edison Co.	A-23-05-010	ALJ proposed decision due by	EIX
11/1/2024-11/30/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPow	Administrative Law Judge's proposed order may be issued in rate case	FE
11/1/2024-11/30/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPen	Administrative Law Judge's proposed order may be issued in rate case	FE

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Figure 26. Upcoming Activities Breakout by Type

11/8/2024	RATE	MI	Upper Peninsula Power Co.	C-U-21555	ALJ proposed decision in rate case expected	Private
12/1/2024-12/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Hearing examiner's report likely to be issued in rate case	RGCO
12/15/2024-1/15/2025	RATE	VA	Kentucky Utilities Co.	C-PUR-2024-00052	Hearing Examiner's report may be issued in rate case	PPL
12/23/2024	RATE	MI	Upper MI Energy Rsrc Corp.	C-U-21541	ALJ proposed decision in rate case due	WEC
1/27/2025	RATE	MI	Consumers Energy Co.	C-U-21585	ALJ proposed decision due in rate case	CMS
2/1/2025-2/28/2025	RATE	VA	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Hearing examiner's report likely to be issued in base rate case	NI
Final Decisions						
7/1/2024-7/31/2024	RATE	VA	Appalachian Power Co.	C-PUR-2023-00169 (RAC-EE	Decision expected in RAC-EE case	AEP
8/1/2024-8/31/2024	OTHR	IN	Northern IN Public Svc Co. LLC	Ca-45330-TDSIC-8	Decision possible in TDSIC proceeding	NI
8/1/2024-8/31/2024	RATE	KS	Black Hills Kansas Gas Utility	D-24-BHCG-727-TAR (GSRS	Decision possible in GSRS proceeding	BKH
8/1/2024-8/31/2024	RATE	OK	Oklahoma Gas and Electric Co.	Ca-PUD2023-000087	Decision possible in rate proceeding	AEP
8/1/2024-8/31/2024	RATE	OK	Oklahoma Natural Gas Co	Ca-PUD2024-000010	Decision likely in PBR proceeding	OGS
8/12/2024-8/23/2024	RATE	FL	Duke Energy Florida LLC	D-20240025-EI	Commission decision in rate case expected on or about	DUK
8/15/2024-10/15/2024	RATE	SD	MDU Resources Group	D-EL23-020	Commission decision may occur in electric rate proceeding	MDU
8/15/2024-10/15/2024	RATE	SD	MDU Resources Group	D-NG23-014	Commission decision may occur in gas rate proceeding	MDU
8/31/2024	RATE	NY	KeySpan Gas East Corp.	C-23-G-0226	Rate case decision expected to be issued	NG
8/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00093 (SAVE)	Decision expected in SAVE rider update proceeding	RGCO
8/31/2024	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00098 (Rider RN	Decision likely in Rider RNG update proceeding	RGCO
9/1/2024-9/30/2024	RATE	IN	Northern IN Public Svc Co. LLC	Ca-45557-TDSIC-5	Decision possible in TDSIC proceeding	NI
9/1/2024-9/30/2024	RATE	KY	Atmos Energy Corp.	C-2024-00226 (PRP)	Decision possible in PRP proceeding	ATO
9/1/2024-9/30/2024	RATE	NM	New Mexico Gas Co.	C-23-00255-UT	Final commission decision expected gas rate case	EMA
9/1/2024-9/30/2024	RATE	NV	Sierra Pacific Power Co.	D-24-02026	Final decision expected in electric rate case	BRKa
9/1/2024-9/30/2024	RATE	NV	Sierra Pacific Power Co.	D-24-02027	Final decision expected in gas rate case	BRKa
9/1/2024-9/30/2024	RATE	NY	Natl Fuel Gas Distribution Cor	C-23-G-0627	Rate case decision expected to be issued	NFG
9/2/2024	RATE	WV	Appalachian Power Co.	C-24-0413-E-ENEC	Decision expected	AEP
9/23/2024	RATE	IA	Interstate Power & Light Co.	D-RPU-2023-0002 (electric)	Expected rate case decision	LNT
9/23/2024	RATE	IA	Interstate Power & Light Co.	D-RPU-2023-0002 (gas)	Expected rate case decision	LNT
9/27/2024	RATE	PA	Peoples Natural Gas Co. LLC	D-R-2023-3044549	End of suispension period; deadline for decision in rate case	WTRG
10/1/2024-10/31/2024	RATE	IN	Duke Energy Indiana, LLC	Ca-45647-TDSIC-3	Decision expected in TDSIC proceeding	DUK
10/1/2024	RATE	OR	Idaho Power Co.	D-UE-426	Target order date	IDA
10/4/2024	RATE	AR	Black Hills Energy Arkansas	D-23-074-U	PSC order	BKH
10/15/2024	RATE	MI	Consumers Energy Co.	C-U-21490	Commission decision in gas rate case expected by	CMS
10/18/2024	RATE	CT	The Sthrn CT Gas Co	D-23-11-02 (SCG)	Final decision to be issued	AGR
10/18/2024	RATE	CT	CT Natural Gas Corp.	D-23-11-02 (CNG)	Final decision to be issued	AGR
10/21/2024	OTHR	NY			NY PSC decisions are to be issued on the state's electric utilities climate vulnerability plans by October 21, 2024	
10/25/2024	RATE	KS	Kansas Gas Service Co.	D-24-KGSG-610-RTS	Decision possible in rate proceeding	OGS
10/25/2024	RATE	OR	Northwest Natural Gas Co.	D-UG-490	Commission order target date	NWN
10/31/2024	RATE	TN	Chattanooga Gas Co.	D-24-00024	Case decision expected	SO
10/31/2024	RATE	TX	AEP Texas Inc.	D-56165	End of extended suspension period in rate case; decision expected	AEP
11/1/2024-11/15/2024	RATE	FL	Tampa Electric Company	D-20240026-EI	Commission decision in rate case expected	EMA
11/1/2024-11/30/2024	RATE	MO	Spire Missouri Inc.	C-GR-2025-0026 (ISRS)	Decision expected in ISRS proceeding	SR
11/20/2024	RATE	VA	Appalachian Power Co.	C-PUR-2024-00024	Decision expected in earnings review proceeding	AEP
11/25/2024	RATE	AR	Summit Utilities Arkansas Inc.	D-23-079-U	Expected PSC decision	Private
11/29/2024-12/2/2024	RATE	MN	Minnesota Power Entrprs Inc.	D-E-015/GR-23-155	Commission order in rate case expected	ALE
11/30/2024	RATE	CA	Southern California Edison Co.	A-23-05-010	Commission decision expected on or around	EIX
12/1/2024-12/31/2024	RATE	IL	Ameren Illinois	D-23-0082	Decision expected in company's multiyear rate plan proceeding	AEE
12/1/2024-12/31/2024	RATE	KY	Columbia Gas of Kentucky Inc	C-2024-00092	Decision possible in rate proceeding	NI
12/1/2024-12/31/2024	RATE	MO	Evergy Missouri West	C-ER-2024-0189	Decision possible in rate proceeding	EVRG
12/1/2024-12/31/2024	RATE	OK	Public Service Co. of OK	Ca-PUD2023-000086	Decision possible in rate proceeding	AEP
12/4/2024	RATE	TN	Piedmont Natural Gas Co.	D-24-00036	Expected decision	DUK
12/14/2024	RATE	PA	Columbia Gas of Pennsylvania	D-R-2024-3046519	End of suspension period; decision due in rate case	NI
12/19/2024	RATE	OR	PacifiCorp	D-UE-433	Final order due in electric rate case	BRKa
12/20/2024	RATE	OR	Portland General Electric Co.	D-UE-435	Target PUC order date	POR
12/20/2024	RATE	PA	Duquesne Light Co.	D-R-2024-3046523	Approximate end of statutory suspension period; decision likely in rate case	Private
12/20/2024	RATE	TX	CenterPoint Energy Houston	D-56211	End of extended suspension period in rate case; decision expected	CNP
12/26/2024	RATE	IA	Black Hills Iowa Gas Utility	D-RPU-2024-0001	Expected PSC decision	BKH
12/31/2024	RATE	NJ	Public Service Electric Gas	D-ER23120924	Decision expected in electric rate case	PEG
12/31/2024	RATE	NJ	Public Service Electric Gas	D-GR23120925	Decision expected in gas rate case	PEG
12/31/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-E-0060	Commission decision expected to be issued	ED
12/31/2024	RATE	NY	Orange & Rockland Utlts Inc.	C-24-G-0061	Commission decision expected to be issued	ED
12/31/2024	RATE	PA	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	Pennsylvania Power Co.	D-R-2024-3047068 (PennPow	Approximate end of statutory suspension period; decision likely in rate case	FE
12/31/2024	RATE	PA	West Penn Power Co.	D-R-2024-3047068 (WestPen	Approximate end of statutory suspension period; decision likely in rate case	FE
1/1/2025-1/31/2025	RATE	IN	Duke Energy Indiana, LLC	Ca-46038	Decision possible in rate proceeding	DUK
1/1/2025	RATE	MI	Michigan Gas Utilities Corp.	C-U-21540	Commission decision in rate case expected by	WEC
1/1/2025-3/31/2025	RATE	NJ	Elizabethtown Gas Co.	D-GR24020158	Decision likely to be issued in base rate case based on recent history	Private
1/1/2025-3/31/2025	RATE	NJ	New Jersey Natural Gas Co.	D-GR24010071	Decision likely in rate case based on recent history	NJR
1/15/2025	RATE	WA	Puget Sound Energy Inc.	D-UE- 240004	Final order due	Private
1/15/2025	RATE	WA	Puget Sound Energy Inc.	D-UG-240005	Final order due	Private
1/28/2025	RATE	MI	DTE Electric Co.	C-U-21534	Commission order due in rate case	DTE
2/1/2025-2/28/2025	RATE	AZ	Southwest Gas Holdings Inc.	D-G-01551A-23-0341	Final ACC decision expected in gas rate case	SWX
2/1/2025-2/28/2025	RATE	VA	Roanoke Gas Co.	C-PUR-2024-00006	Decision may be issued in base rate case	RGCO
2/3/2025	RATE	IN	Sthrn IN Gas & Electric Co.	Ca-45990	Target date for decision in rate proceeding	CNP

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Figure 27. Commissioner Term Expiry

Date	*Event Type*	*Jurisdiction*	*Action or Status*
9/30/2024	COMM	NV	Commissioner Tammy Cordova — term expires
10/3/2024	COMM	NJ	Commissioner Marian Abdou — term expires
11/6/2024	COMM	AL	President Twinkle Andress Cavanaugh — term expires
12/31/2024	COMM	GA	Chairman Tricia Pridemore — term expires
12/31/2024	COMM	LA	Commissioner Craig Greene — term expires
12/31/2024	COMM	ND	Commissioner Randy Christmann — term expires
12/31/2024	COMM	NM	Commissioner James Ellison — term expires
12/31/2024	COMM	TX	Commissioner Christi Craddick — term expires
1/1/2025	COMM	CA	Commissioner Genevieve Shiroma — term expires
1/1/2025	COMM	WA	Chairman David Danner — term expires
1/2/2025	COMM	FL	Chairman Mike La Rosa — term expires
1/2/2025	COMM	ID	Chairman Eric Anderson — term expires
1/2/2025	COMM	MT	Commissioner Tony O'Donnell — term expires
1/2/2025	COMM	MT	President James Brown — term expires
1/2/2025	COMM	MT	Vice President Jennifer Fielder — term expires
1/2/2025	COMM	OK	Commissioner Bob Anthony — term expires
1/2/2025	COMM	SD	Chairperson Kristie Fiegen — term expires
1/5/2025	COMM	AZ	Chairman James O'Connor — term expires
1/5/2025	COMM	AZ	Commissioner Anna Tovar — term expires
1/5/2025	COMM	AZ	Commissioner Lea Marquez Peterson — term expires
1/6/2025	COMM	MN	Commissioner Valerie Means — term expires
1/7/2025	COMM	NE	Chairman Dan Watermeier — term expires
1/7/2025	COMM	NE	Vice Chairman Tim Schram — term expires
1/12/2025	COMM	CO	Chairman Eric Blank — term expires
1/15/2025	COMM	AR	Commissioner Justin Tate — term expires
1/20/2025	COMM	IL	Commissioner Michael Carrigan — term expires

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Figure 28. All Pending Rate Cases – 2024

State	Company	Case Identification	Service	Date	Rate Change ($000)	Requested Rate Change/Revenue (%)	Return on Rate Base (%)	Return on Equity (%)	Requested Equity Ratio (% of Total Capital)	Rate Base ($000)	Rate Base Valuation Method	Case Type	Decision	Requested Rate Case Test Year End (mm/dd/yyyy)	Phase-In? Yes/No	Interim Authorized? Yes/No	Parent Ticker
AK	Alaska Electric Light and Power Company	D-U-22-078	Electric	7/18/2022	3,193	9.00	10.00	13.45	60.70	130,677	Average	Vertically Integrated		12/31/2021	No	Yes	AVA
AK	ENSTAR Natural Gas Company	D-U-22-081	Natural Gas	8/1/2022	5,041	5.68	8.32	12.95	54.11	293,178	Average	Distribution		12/31/2021	0	Yes	ALA
AR	Entergy Arkansas, LLC	D-16-036-FR (2022 review)	Electric	7/7/2022	79,816	0.00	0.00	0.00	0.00	0		Vertically Integrated		0	0	0	ETR
AR	Oklahoma Gas and Electric Company	D-18-046-FR (2022 update)	Electric	10/3/2022	8,530	0.00	5.33	0.00	38.57	746,967	Average	Vertically Integrated		3/31/2022	0	0	OGE
AZ	Southwest Gas Corporation	D-G-01551A-21-0368	Natural Gas	12/3/2021	90,730	11.40	7.08	9.90	51.00	2,642,068	Year-end	Distribution		8/31/2021	0	0	SWX
AZ	Tucson Electric Power Company	D-E-01933A-22-0107	Electric	6/17/2022	234,113	22.20	7.31	10.25	54.32	3,625,148	Year-end	Vertically Integrated		12/31/2021	0	0	FTS
CA	Pacific Gas and Electric Company	A-21-06-021 (Elec)	Electric	6/30/2021	3,452,000	0.00	0.00	0.00	0.00	31,382,572	Average	Vertically Integrated		12/31/2023	Yes	No	PCG
CA	Pacific Gas and Electric Company	A-21-06-021 (Gas)	Natural Gas	6/30/2021	2,009,000	0.00	0.00	0.00	0.00	17,796,007	Average	Distribution		12/31/2023	Yes	No	PCG
CA	Liberty Utilities (CalPeco Electric) LLC	A-21-05-017	Electric	5/28/2021	35,681	30.90	7.42	10.50	54.00	0	Average	Vertically Integrated		12/31/2022	0	0	AQN
CA	Pacific Gas and Electric Company	A-21-08-015	Electric	8/23/2021	201,300	0.00	7.72	11.00	52.00	0		Vertically Integrated		12/31/2022	No	No	PCG
CA	Southern California Edison Company	A-21-08-013	Electric	8/23/2021	0	0.00	7.63	10.53	52.00	0		Vertically Integrated		12/31/2022	No	No	EIX
CA	San Diego Gas & Electric Company	A-21-08-014 (Elec)	Electric	8/23/2021	-140	0.00	7.46	10.55	54.00	0		Vertically Integrated		12/31/2022	No	No	SRE
CA	San Diego Gas & Electric Company	A-21-08-014 (Gas)	Natural Gas	8/23/2021	-30	0.00	7.46	10.55	54.00	0		Distribution		12/31/2022	No	No	SRE
CA	Pacific Gas and Electric Company	A-21-06-021 (Track 2)	Electric	9/16/2021	241,000	0.00	0.00	0.00	0.00	0		Limited-Issue Rider			No	No	PCG
CA	Pacific Gas and Electric Company	A-22-04-008	Electric	4/20/2022	226,200	0.00	7.78	11.00	52.00	0		Vertically Integrated		12/31/2023	No	No	PCG
CA	Southern California Edison Company	A-22-04-009	Electric	4/20/2022	0	0.00	7.60	10.53	52.00	0		Vertically Integrated		12/31/2023	No	No	EIX
CA	San Diego Gas & Electric Company	A-22-04-012	Electric	4/20/2022	-400	0.00	7.48	10.55	54.00	0		Vertically Integrated		12/31/2022	No	No	SRE
CA	Southern California Gas Company	A-22-04-011	Natural Gas	4/20/2022	51,800	1.30	7.60	10.75	54.00	0		Distribution		12/31/2023	No	No	SRE
CA	Southern California Edison Company	A-19-08-013 (Track 4)	Electric	5/13/2022	971,344	0.00	0.00	0.00	0.00	34,444,200		Limited-Issue Rider		12/31/2024	No	No	EIX
CA	Southern California Gas Company	A-22-05-016	Natural Gas	5/16/2022	1,739,000	0.00	0.00	0.00	0.00	13,446,034	Average	Distribution		12/31/2024	No	No	SRE
CA	San Diego Gas & Electric Company	A-22-05-016 (Elec)	Electric	5/16/2022	286,000	0.00	0.00	0.00	0.00	6,546,265	Average	Vertically Integrated		12/31/2024	No	No	SRE
CA	San Diego Gas & Electric Company	A-22-05-016 (Gas)	Natural Gas	5/16/2022	160,000	0.00	0.00	0.00	0.00	2,339,411	Average	Distribution		12/31/2024	No	No	SRE
CT	The United Illuminating Company	D-22-08-08	Electric	9/9/2022	136,540	0.00	7.47	10.20	52.00	1,537,167	Average	Distribution		12/31/2021	Yes	No	IBE
DC	Washington Gas Light Company	FC-1169	Natural Gas	4/4/2022	52,966	0.00	7.39	10.40	53.69	728,902	Average	Distribution		12/31/2021	No	No	ALA
FL	Florida Public Utilities Company	D-20220067-GU	Natural Gas	5/24/2022	24,062	0.00	6.43	11.25	45.14	454,887	Average	Distribution		12/31/2023	No	Yes	CPK
FL	Tampa Electric Company	D-20220148	Electric	8/26/2022	91,012	0.00	6.38	10.20	45.07	780,115		Limited-Issue Rider			No	No	EMA
ID	Intermountain Gas Company	C-INT-G-22-07	Natural Gas		0	0.00	0.00	0.00	0.00	0		Distribution		0	0	0	MDU
IL	Ameren Illinois Company	D-22-0297	Electric	4/14/2022	85,916	8.13	6.06	7.85	53.99	3,891,160	Year-end	Distribution		12/31/2021	0	0	AEE
IN	Southern Indiana Gas and Electric Company	Ca-44910-TDSIC-11	Electric	8/1/2022	14,663	0.00	0.00	0.00	0.00	337,454	Year-end	Limited-Issue Rider		4/30/2022	0	0	CNP
IN	Northern Indiana Public Service Company	Ca-45772	Electric	9/19/2022	291,780	19.09	7.10	10.40	51.63	5,945,682	Year-end	Vertically Integrated		12/31/2023	0	0	NI
KS	Kansas Gas Service Company, Inc.	D-23-KGSG-281-TAR (GSRS)	Natural Gas	8/26/2022	7,845	0.00	0.00	0.00	0.00	229,940	Year-end	Limited-Issue Rider		6/30/2022	0	0	OGS
KS	Atmos Energy Corporation	D-23-ATMG-359-RTS	Natural Gas	9/9/2022	8,318	12.50	8.18	10.95	61.14	302,394	Year-end	Distribution		3/31/2022	0	0	ATO
KY	Atmos Energy Corporation	C-2022-00222 (PRP)	Natural Gas	7/29/2022	2,242	0.00	7.75	10.95	54.50	15,996	Average	Limited-Issue Rider		9/30/2023	0	0	ATO
LA	Southwestern Electric Power Company	D-U-35441	Electric	12/13/2019	94,697	0.00	7.32	10.35	50.80	1,988,674	Year-end	Vertically Integrated		12/31/2019	0	0	AEP
MA	NSTAR Electric Company	DPU 22-22	Electric	1/14/2022	93,443	0.00	7.43	10.50	53.21	4,095,188	Year-end	Distribution		12/31/2020	0	0	ES
MD	Columbia Gas of Maryland, Incorporated	C-9680	Natural Gas	5/13/2022	6,726	10.73	7.79	10.95	52.97	203,082	Average	Distribution	Settled	5/31/2022	No	No	NI
ME	Versant Power	D-2022-00255	Electric	10/3/2022	33,490	31.50	6.50	9.35	49.00	524,509	Average	Distribution		12/31/2021	0	0	
MI	DTE Electric Company	C-U-20836	Electric	1/18/2022	367,242	0.00	5.56	10.25	39.62	21,234,976	Average	Vertically Integrated		10/31/2023	No	No	DTE
MI	Consumers Energy Company	C-U-21224	Electric	4/25/2022	287,514	0.00	5.84	10.25	42.18	13,739,879	Average	Vertically Integrated		12/31/2023	0	0	CMS
MN	Northern States Power Company	D-E-002/GR-21-630	Electric	10/25/2021	677,347	21.20	7.30	10.20	52.50	11,918,156	Average	Vertically Integrated		12/31/2024	Yes	Yes	XEL
MN	Minnesota Power Enterprises, Inc.	D-E-015/GR-21-335	Electric	11/1/2021	108,259	17.58	7.51	10.25	53.81	2,113,032	Average	Vertically Integrated		12/31/2022	No	Yes	ALE
MN	Northern States Power Company	D-G-002/GR-21-678	Natural Gas	11/1/2021	35,629	6.59	7.46	10.50	52.50	934,448	Average	Distribution		12/31/2022	No	Yes	XEL
MO	Spire Missouri Inc.	C-GR-2022-0179	Natural Gas	4/1/2022	151,880	10.29	7.57	10.50	55.00	3,408,478	Year-end	Distribution		12/31/2021	0	0	SR
MO	Union Electric Company	C-ER-2022-0337	Electric	8/1/2022	315,629	11.61	7.19	10.20	51.93	11,605,779	Year-end	Vertically Integrated		3/31/2022	0	0	AEE
MT	NorthWestern Corporation	D-2022-7-78 (elec)	Electric	8/8/2022	102,893	0.00	7.27	10.54	48.02	2,789,683	Average	Vertically Integrated		12/31/2021	0	0	NWE
MT	NorthWestern Corporation	D-2022-7-78 (gas)	Natural Gas	8/8/2022	22,992	0.00	7.17	10.60	48.02	575,272	Average	Distribution		12/31/2021	0	0	NWE
NC	Duke Energy Progress, LLC	D-E-2 Sub 1300	Electric	10/6/2022	623,500	0.00	7.13	10.20	53.00	12,304,250	Year-end	Vertically Integrated		12/31/2021	No	Yes	DUK
ND	MDU Resources Group, Inc.	C-PU-22-194	Electric	5/16/2022	20,990	12.30	7.51	10.50	50.81	612,178	Average	Vertically Integrated		12/31/2023	No	Yes	MDU
NJ	South Jersey Gas Company	D-GR22040253	Natural Gas	4/15/2022	73,311	11.04	7.77	10.72	57.00	2,656,155	Year-end	Distribution		8/31/2022	No	No	
NM	New Mexico Gas Company, Inc.	C-21-00267-UT	Natural Gas	12/13/2021	40,742	20.80	6.89	10.10	53.00	880,236	Average	Distribution		12/31/2023	0	0	EMA
NV	Sierra Pacific Power Company	D-22-06014	Electric	6/6/2022	77,242	19.10	7.49	10.26	54.76	2,079,308	Year-end	Vertically Integrated		12/31/2021	0	0	BRK.A
NY	Consolidated Edison Company of New York, Inc.	C-22-E-0064	Electric	1/28/2022	1,037,788	0.00	7.14	10.00	50.00	26,408,343	Average	Distribution		12/31/2023	0	0	ED
NY	Consolidated Edison Company of New York, Inc.	C-22-G-0065	Natural Gas	1/28/2022	402,200	0.00	7.14	10.00	50.00	9,696,958	Average	Distribution		12/31/2023	0	0	ED
NY	New York State Electric & Gas Corporation	C-22-E-0317	Electric	5/26/2022	274,445	0.00	6.95	10.20	50.00	3,926,456	Average	Distribution		4/30/2024	0	0	IBE
NY	New York State Electric & Gas Corporation	C-22-G-0318	Natural Gas	5/26/2022	30,053	0.00	6.95	10.20	50.00	797,035	Average	Distribution		4/30/2024	0	0	IBE
NY	Rochester Gas and Electric Co	C-22-E-0319	Electric	5/26/2022	93,364	0.00	7.24	10.20	50.00	2,172,276	Average	Distribution		4/30/2024	0	0	IBE
NY	Rochester Gas and Electric Co	C-22-G-0320	Natural Gas	5/26/2022	32,208	0.00	7.24	10.20	50.00	669,945	Average	Distribution		4/30/2024	0	0	IBE
OH	The Dayton Power and Light Company	C-20-1651-EL-AIR	Electric	11/30/2020	120,772	49.40	7.71	10.50	53.87	796,384	Date Certain	Distribution		5/31/2021	0	0	AES
OH	Columbia Gas of Ohio, Inc.	C-21-0637-GA-AIR	Natural Gas	6/30/2021	221,429	27.10	7.85	10.95	50.60	3,560,230	Date Certain	Distribution		12/31/2021	0	0	NI
OH	Duke Energy Ohio, Inc.	C-21-0887-EL-AIR	Electric	10/1/2021	54,687	10.00	7.26	10.30	50.50	2,068,551	Date Certain	Distribution		3/31/2022	0	0	DUK
OH	Duke Energy Ohio, Inc.	C-22-0507-GA-AIR	Natural Gas	6/30/2022	48,745	9.76	7.33	10.30	52.34	1,911,461	Date Certain	Distribution		12/31/2022	0	0	DUK
OK	Empire District Electric Company	Ca-PUD202100163	Electric	2/28/2022	6,214	52.40	7.06	10.00	52.79	81,394	Year-end	Vertically Integrated		6/30/2021	0	0	AQN
OK	Oklahoma Natural Gas Company	Ca-PUD202200023	Natural Gas	3/15/2022	19,668	0.00	0.00	0.00	0.00	0		Distribution		12/31/2021	0	0	OGS
OK	Summit Utilities, Inc.	Ca-PUD202200022	Natural Gas	3/15/2022	0	0.00	0.00	0.00	0.00	87,473	Year-end	Distribution		12/31/2021	0	0	JPM
PA	Columbia Gas of Pennsylvania, Inc.	D-R-2022-3031211	Natural Gas	3/18/2022	81,090	9.96	8.08	11.20	54.38	2,958,295	Year-end	Distribution	Settled	12/31/2023	No	No	NI
SC	Duke Energy Progress, LLC	D-2022-254-E	Electric	9/1/2022	90,019	0.00	7.18	10.20	53.00	1,948,408	Year-end	Vertically Integrated		12/31/2021	No	No	DUK
SD	MidAmerican Energy Company	D-NG22-005	Natural Gas	5/18/2022	7,037	6.40	0.00	10.75	53.33	152,187	Average	Distribution		12/31/2021	0	0	BRK.A
SD	Northern States Power Company	D-EL22-017	Electric	6/30/2022	85,823	0.00	7.65	10.75	53.01	947,135	Year-end	Vertically Integrated		12/31/2021	0	0	XEL
TX	Entergy Texas, Inc.	D-53719	Electric	7/1/2022	131,398	11.20	7.24	10.80	51.21	4,412,141	Year-end	Vertically Integrated		12/31/2021	No	No	ETR
VA	Appalachian Power Company	C-PUR-2022-00001 (E-RAC)	Electric	3/18/2022	6,163	0.00	6.82	0.00	48.29	95,322	Average	Limited-Issue Rider		11/30/2023	No	No	AEP
VA	Columbia Gas of Virginia, Incorporated	C-PUR-2022-00036	Natural Gas	4/29/2022	58,241	0.00	7.02	10.75	39.28	996,763	Average	Distribution		9/30/2023	No	No	NI
VA	Washington Gas Light Company	C-PUR-2022-00054	Natural Gas	6/29/2022	86,630	0.00	7.65	10.75	53.72	1,424,239	Average	Distribution		12/31/2021	0	0	ALA
VA	Appalachian Power Company	C-PUR-2022-00020 (BC-RAC)	Electric	6/8/2022	-6,189	0.00	6.84	9.20	49.78	26,532	Average	Limited-Issue Rider		1/31/2024	No	No	AEP
VA	Roanoke Gas Company	C-PUR-2022-00125 (Rider RNG)	Natural Gas	8/3/2022	947	0.00	7.90	10.44	59.63	6,952	Average	Limited-Issue Rider		9/30/2023	No	No	RGCO
VA	Washington Gas Light Company	C-PUR-2022-00161 (SAVE)	Natural Gas	9/23/2022	5,007	0.00	0.00	0.00	0.00	63,049	Average	Limited-Issue Rider		12/31/2023	No	No	ALA
WA	Avista Corporation	D-UE-220053	Electric	1/21/2022	52,852	9.60	7.31	10.25	48.50	2,045,845	Average	Vertically Integrated		9/30/2021	Yes	No	AVA
WA	Avista Corporation	D-UG-220054	Natural Gas	1/21/2022	10,922	9.51	7.31	10.25	48.50	514,942	Average	Distribution		9/30/2021	0	0	AVA
WA	Puget Sound Energy, Inc.	D-UE-220066	Electric	1/31/2022	347,065	15.19	7.39	9.90	49.00	5,659,074	Average	Vertically Integrated		6/30/2021	Yes	No	
WA	Puget Sound Energy, Inc.	D-UG-220067	Natural Gas	1/31/2022	142,993	12.98	7.39	9.90	49.00	2,963,664	Average	Distribution		6/30/2021	Yes	No	
WI	Wisconsin Electric Power Company	D-5-UR-110 (WEP-Elec)	Electric	4/28/2022	258,289	8.50	8.43	10.00	53.00	5,689,553	Average	Vertically Integrated		12/31/2023	No	No	WEC
WI	Wisconsin Electric Power Company	D-5-UR-110 (WEP-Gas)	Natural Gas	4/28/2022	50,689	10.70	8.32	10.00	53.00	1,082,756	Average	Distribution		12/31/2023	No	No	WEC
WI	Wisconsin Gas LLC	D-5-UR-110	Natural Gas	4/28/2022	60,136	8.30	8.13	10.20	53.00	1,667,742	Average	Distribution		12/31/2023	No	No	WEC
WI	Wisconsin Public Service Corporation	D-6690-UR-127 (Elec)	Electric	4/28/2022	73,024	6.50	7.56	10.00	53.00	3,356,536	Average	Vertically Integrated		12/31/2023	No	No	WEC
WI	Wisconsin Public Service Corporation	D-6690-UR-127 (Gas)	Natural Gas	4/28/2022	30,284	8.30	7.53	10.00	53.00	783,410	Average	Distribution		12/31/2023	No	No	WEC
WV	Appalachian Power Company	C-22-0393-E-ENEC	Electric	4/19/2022	297,000	0.00	0.00	0.00	0.00	0		Limited-Issue Rider		2/28/2022	0	0	AEP
WV	Mountaineer Gas Company	C-22-0709-G-390P (IREP)	Natural Gas	7/29/2022	5,371	0.00	6.85	0.00	47.18	0	Average	Limited-Issue Rider		12/31/2023	0	0	UGI
WY	Cheyenne Light, Fuel and Power Company	D-20003-214-ER-22	Electric	6/1/2022	26,810	0.00	7.89	10.30	54.00	428,533	Year-end	Vertically Integrated		12/31/2021	No	No	BKH

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Source: Citi Research, S&P

Prepared for Sophroni Popovski

Comparable Company Analysis

Figure 29. Comparable Company Analysis – P/E and Yields

9/13/2024		Target	Current				P/E - Citi			P/E Consensus			
Ticker	Rating	Price	Price	ETR	Payout Ratio	Div. Yield	2024E	2025E	2026E	2023	2024E	2025E	2026E
Regulated Utilities													
AEP	Neutral	$102.00	$104.17	1.3%	62.5%	3.4%	18.5x	17.5x	16.5x	19.8x	18.5x	17.4x	16.4x
AES	Buy	$23.00	$18.54	27.8%	36.0%	3.7%	9.7x	8.9x	8.5x	10.5x	9.7x	8.9x	8.7x
ATO	Neutral	$138.00	$136.97	3.1%	47.2%	2.4%	20.1x	19.3x	18.0x	22.5x	20.2x	19.3x	18.0x
CMS	Neutral	$55.00	$70.09	(18.6%)	62.4%	2.9%	21.2x	19.4x	18.0x	22.5x	21.0x	19.5x	18.1x
CNP	Neutral	$34.00	$27.93	24.6%	49.1%	2.9%	17.2x	16.0x	15.1x	18.6x	17.3x	16.1x	15.0x
DTE	Buy	$132.00	$125.95	8.0%	60.9%	3.2%	18.8x	17.5x	16.3x	22.0x	18.8x	17.5x	16.3x
DUK	Buy	$120.00	$117.31	5.8%	68.7%	3.5%	19.7x	18.7x	17.5x	21.1x	19.6x	18.5x	17.4x
ED	Neutral	$103.00	$104.56	1.7%	62.3%	3.2%	19.6x	18.6x	17.5x	20.6x	19.7x	18.6x	17.7x
EIX	Buy	$86.00	$85.42	4.3%	62.0%	3.7%	17.0x	14.8x	14.2x	17.9x	17.3x	15.2x	14.2x
ES	Neutral	$69.00	$67.97	5.7%	62.8%	4.2%	14.9x	14.2x	13.2x	15.7x	14.9x	14.2x	13.4x
ETR	Neutral	$117.00	$127.09	(4.4%)	62.5%	3.6%	17.6x	16.4x	15.3x	18.8x	17.6x	16.5x	15.3x
EVRG	Buy	$64.00	$61.06	9.0%	67.0%	4.2%	15.9x	14.7x	14.0x	17.2x	15.9x	15.0x	14.2x
MDU	Neutral	$26.00	$27.41	(3.3%)	29.3%	1.8%	16.1x	15.9x	14.5x	18.3x	16.8x	15.9x	14.5x
NEE	Buy	$84.00	$84.65	1.7%	60.5%	2.4%	24.9x	23.1x	21.9x	26.7x	24.8x	23.0x	21.2x
NI	Neutral	$30.00	$34.06	(8.8%)	61.2%	3.1%	19.7x	18.7x	17.0x	21.3x	19.7x	18.5x	17.2x
PCG	Buy	$21.00	$19.77	6.4%	2.9%	0.2%	14.4x	13.2x	12.4x	16.1x	14.5x	13.3x	12.3x
PEG	Neutral	$74.00	$84.16	(9.2%)	66.4%	2.9%	23.3x	20.5x	19.4x	24.2x	23.0x	20.6x	19.3x
PNW	Neutral	$85.00	$90.70	(2.4%)	73.6%	3.9%	19.0x	18.6x	17.6x	20.6x	19.0x	18.6x	17.1x
PPL	Neutral	$31.00	$32.46	(1.3%)	59.4%	3.2%	18.7x	17.7x	16.7x	20.3x	19.0x	17.8x	16.6x
SO	Buy	$82.00	$89.44	(5.1%)	71.0%	3.2%	22.0x	20.4x	19.2x	24.5x	22.2x	20.7x	19.4x
SRE	Neutral	$85.50	$82.97	6.0%	53.9%	3.0%	18.0x	16.2x	15.2x	18.0x	17.3x	16.1x	15.1x
SWX	Neutral	$76.00	$72.27	8.6%	77.7%	3.4%	22.6x	20.8x	N/A	21.5x	24.1x	19.1x	17.1x
TXNM	Neutral	$45.00	$42.29	10.1%	56.1%	3.7%	15.3x	14.9x	14.2x	15.0x	15.6x	15.0x	14.0x
XEL	Buy	$71.00	$63.84	14.6%	61.6%	3.4%	18.0x	16.7x	15.8x	19.1x	17.9x	16.6x	15.4x
Power/Non-Regulated													
BIP	Neutral	$34.00	$33.19	7%	370.3%	4.9%	75.8x	27.1x	21.2x	132.8x	N/A	37.7x	28.1x
NFE	Buy/High Risk	$34.00	$11.76	192.5%	(54.3%)	3.4%	N/A	6.5x	60.7x	4.3x	20.4x	8.6x	4.0x
NPWR	Neutral/High Risk	$8.00	$7.19	11.3%	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NRG	Buy	$84.00	$81.04	5.7%	17.6%	2.0%	8.7x	13.2x	11.1x	13.4x	12.4x	10.9x	9.8x
ORA	Neutral	$77.00	$75.93	2.0%	23.4%	0.6%	37.0x	31.8x	28.0x	37.0x	38.3x	30.2x	26.3x
Not Covered													
AEE			$83.99		58.0%	3.2%				19.2x	18.2x	17.1x	16.0x
AGR			$35.88		78.4%	4.9%				17.2x	16.0x	14.8x	14.3x
BKH			$60.55		66.5%	4.3%				15.5x	15.5x	14.7x	13.9x
IDA			$103.51		61.5%	3.2%				20.1x	19.2x	18.0x	17.1x
LNT			$59.65		62.8%	3.2%				21.2x	19.5x	18.3x	17.2x
OGE			$40.97		78.2%	4.1%				19.8x	19.1x	18.0x	17.0x
NJR			$47.63		57.1%	3.5%				17.6x	16.2x	16.4x	15.5x
POR			$48.59		64.8%	4.1%				20.4x	15.7x	15.0x	14.3x
SR			$66.28		71.2%	4.6%				16.4x	15.6x	14.5x	13.6x
WEC			$95.85		68.6%	3.5%				20.7x	19.7x	18.4x	17.2x
CEG			$195.98		17.6%	0.7%				40.9x	24.5x	22.0x	20.5x
Min					(54.3%)	0.0%	8.7x	6.5x	8.5x	4.3x	9.7x	8.6x	4.0x
Median					61.8%	3.2%	18.8x	17.5x	16.5x	20.0x	18.9x	17.5x	16.4x
Average					59.3%	3.0%	24.1x	17.7x	18.1x	22.8x	23.1x	18.1x	16.3x
Max					370.3%	4.9%	112.4x	31.8x	60.7x	132.8x	188.3x	37.7x	28.1x

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Source: Citi Research, FactSet

Prepared for Sophroni Popovski

Figure 30. Comparable Company Analysis – Market Values, EPS

9/13/2024		Target	Current			Diluted	Market	Firm	EPS - Citi				2023-26	EPS - Consensus				2023-26
Ticker	Rating	Price	Price	ETR	DPS	Shares (M)	Cap ($M)	Value ($M)	2023	2024E	2025E	2026E	CAGR	2023	2024E	2025E	2026E	CAGR
Regulated Utilities																		
AEP	Neutral	$102.00	$104	1.3%	$3.52	532	54,803	98,506	$5.25	$5.63	$5.94	$6.32	6.4%	$5.25	$5.62	$5.98	$6.34	6.5%
AES	Buy	$23.00	$19	27.8%	$0.69	711	12,882	44,180	$1.76	$1.91	$2.08	$2.18	7.3%	$1.76	$1.92	$2.08	$2.14	6.7%
ATO	Neutral	$138.00	$137	3.1%	$3.22	155	20,921	27,870	$6.10	$6.83	$7.10	$7.62	7.7%	$6.10	$6.78	$7.08	$7.62	7.7%
CMS	Neutral	$55.00	$70	(18.6%)	$2.06	299	20,705	36,430	$3.11	$3.30	$3.61	$3.89	7.7%	$3.11	$3.33	$3.59	$3.86	7.5%
CNP	Neutral	$34.00	$28	24.6%	$0.80	652	17,981	36,828	$1.50	$1.63	$1.75	$1.85	7.2%	$1.50	$1.62	$1.73	$1.86	7.5%
DTE	Buy	$132.00	$126	8.0%	$4.08	207	25,772	47,838	$5.73	$6.70	$7.20	$7.74	10.5%	$5.73	$6.69	$7.18	$7.73	10.5%
DUK	Buy	$120.00	$117	5.8%	$4.10	772	89,552	175,500	$5.56	$5.97	$6.26	$6.71	6.4%	$5.56	$5.98	$6.33	$6.73	6.6%
ED	Neutral	$103.00	$105	1.7%	$3.32	346	35,788	60,941	$5.07	$5.33	$5.63	$5.98	5.7%	$5.07	$5.30	$5.62	$5.92	5.3%
EIX	Buy	$86.00	$85	4.3%	$3.12	386	32,682	73,924	$4.76	$5.03	$5.76	$6.03	8.2%	$4.76	$4.95	$5.61	$6.00	8.0%
ES	Neutral	$69.00	$68	5.7%	$2.86	357	24,123	52,933	$4.34	$4.56	$4.79	$5.17	6.0%	$4.34	$4.56	$4.80	$5.09	5.4%
ETR	Neutral	$117.00	$127	(4.4%)	$4.52	214	26,419	54,215	$6.77	$7.24	$7.75	$8.31	7.1%	$6.77	$7.21	$7.72	$8.31	7.1%
EVRG	Buy	$64.00	$61	9.0%	$2.57	230	13,880	27,980	$3.54	$3.83	$4.16	$4.38	7.3%	$3.54	$3.84	$4.08	$4.29	6.6%
MDU	Neutral	$26.00	$27	(3.3%)	$0.50	204	5,215	7,623	$1.50	$1.71	$1.73	$1.89	7.9%	$1.50	$1.64	$1.72	$1.89	7.9%
NEE	Buy	$84.00	$85	1.7%	$2.06	2,055	171,540	262,604	$3.17	$3.40	$3.66	$3.86	6.8%	$3.17	$3.41	$3.69	$3.99	8.0%
NI	Neutral	$30.00	$34	(8.8%)	$1.06	449	15,083	30,432	$1.60	$1.73	$1.83	$2.00	7.8%	$1.60	$1.73	$1.85	$1.98	7.4%
PCG	Buy	$21.00	$20	6.4%	$0.04	2,137	42,044	101,444	$1.23	$1.37	$1.50	$1.60	9.2%	$1.23	$1.36	$1.49	$1.61	9.4%
PEG	Neutral	$74.00	$84	(9.2%)	$2.40	498	41,502	63,094	$3.48	$3.61	$4.10	$4.34	7.6%	$3.48	$3.67	$4.08	$4.36	7.8%
PNW	Neutral	$85.00	$91	(2.4%)	$3.52	114	10,136	21,642	$4.41	$4.78	$4.88	$5.17	5.4%	$4.41	$4.76	$4.88	$5.32	6.4%
PPL	Neutral	$31.00	$32	(1.3%)	$1.03	738	23,579	39,458	$1.60	$1.73	$1.83	$1.94	6.6%	$1.60	$1.71	$1.83	$1.95	6.9%
SO	Buy	$82.00	$89	(5.1%)	$2.88	1,095	96,858	165,499	$3.63	$4.06	$4.38	$4.65	8.6%	$3.65	$4.04	$4.32	$4.60	8.0%
SRE	Neutral	$85.50	$83	6.0%	$2.48	633	51,728	91,443	$3.65	$4.60	$5.12	$5.46	14.4%	$4.61	$4.78	$5.15	$5.51	6.1%
SWX	Neutral	$76.00	$72	8.6%	$2.48	72	5,013	9,823	$4.61	$3.19	$3.48	N/A	N/A	$3.36	$2.99	$3.78	$4.23	8.0%
TXNM	Neutral	$45.00	$42	10.1%	$1.55	90	3,751	9,182	$2.82	$2.76	$2.84	$2.98	1.9%	$2.82	$2.71	$2.81	$3.01	2.2%
XEL	Buy	$71.00	$64	14.6%	$2.19	558	35,619	64,314	$3.35	$3.55	$3.82	$4.03	6.4%	$3.35	$3.57	$3.85	$4.13	7.3%
Power/Non-Regulated																		
BIP	Neutral	$34.00	$33	7.3%	$1.62	462	15,281	93,356	$0.25	$0.44	$1.22	$1.57	84.4%	$0.25	N/A	$0.88	$1.18	67.7%
NFE	Buy/High Risk	$34.00	$12	192.5%	$0.40	205	2,237	10,444	$2.75	($0.74)	$1.81	$0.19	(58.7%)	$2.75	$0.58	$1.37	$2.94	2.3%
NPWR	Neutral/High Risk	$8.00	$7	11.3%	$0.00	73	518	1,445	($0.25)	($0.16)	($0.21)	($0.17)	2.8%	N/A	N/A	N/A	N/A	N/A
NRG	Buy	$84.00	$81	5.7%	$1.63	206	16,469	28,257	$6.04	$9.28	$6.12	$7.28	(7.8%)	$6.04	$6.51	$7.43	$8.26	11.0%
ORA	Neutral	$77.00	$76	2.0%	$0.48	60	4,488	6,860	$2.02	$2.05	$2.38	$2.71	9.7%	$2.05	$1.98	$2.51	$2.89	12.1%
Not Covered																		
AEE			$83.99		$2.68	267	22,279	40,140						$4.38	$4.62	$4.91	$5.25	6.2%
AGR			$35.88		$1.76	387	13,832	28,619						$2.09	$2.25	$2.42	$2.51	6.3%
BKH			$60.55		$2.60	70	4,142	8,399						$3.91	$3.91	$4.12	$4.35	3.6%
IDA			$103.51		$3.32	53	5,485	8,044						$5.14	$5.40	$5.76	$6.06	5.6%
LNT			$59.65		$1.92	256	15,110	24,786						$2.82	$3.06	$3.26	$3.48	7.2%
OGE			$40.97		$1.67	201	8,037	13,320						$2.07	$2.14	$2.27	$2.41	5.2%
NJR			$47.63		$1.68	99	4,605	7,967						$2.70	$2.94	$2.90	$3.07	4.3%
POR			$48.59		$2.00	103	4,899	9,641						$2.38	$3.09	$3.24	$3.40	12.6%
SR			$66.28		$3.02	58	3,754	8,495						$4.05	$4.24	$4.57	$4.88	6.4%
WEC			$95.85		$3.34	316	30,031	48,905						$4.63	$4.87	$5.22	$5.57	6.3%
CEG			$195.98		$1.41	313	59,389	69,115						$4.79	$8.00	$8.91	$9.55	25.9%
Min					$0.00				($0.55)	($0.74)	($0.21)	($0.17)	(58.7%)	($0.55)	$0.12	$0.66	$1.10	2.2%
Median					$2.06				$3.41	$3.48	$3.74	$4.19	7.3%	$3.48	$3.75	$4.08	$4.29	7.1%
Average					$2.08				$3.29	$3.52	$3.78	$4.13	7.2%	$3.45	$3.80	$4.05	$4.39	9.0%
Max					$4.52				$6.77	$9.28	$7.75	$8.31	84.4%	$6.77	$8.00	$8.91	$9.55	67.7%

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Source: Citi Research, FactSet

Figure 31. Comparable Company Analysis – Capex and Equity Issuances

9/13/2024		Equity Issuance/(Repurchase) ($M) - Citi					Capex ($M) - Citi					Capex ($M) - Consensus				
Ticker	Rating	2022	2023	2024E	2025E	2026E	2022	2023	2024E	2025E	2026E	2022	2023	2024E	2025E	2026E
Regulated Utilities																
AEP	Neutral	$827	$1,000	$776	$600	$600	$6,672	$7,378	$7,340	$10,225	$8,571	$7,514	$7,442	$7,989	$10,220	$8,388
AES	Buy	$168	$1,590	$292	$0	$0	$4,551	$7,724	$4,209	$5,520	$2,750	$4,551	$7,724	$6,167	$4,760	$4,663
ATO	Neutral	$782	$822	$900	$135	$135	$2,444	$2,806	$2,836	$2,860	$2,906	$2,400	$2,806	$3,093	$3,171	$3,368
CMS	Neutral	$69	$192	$0	$350	$350	$2,374	$2,407	$3,300	$3,900	$3,300	$2,526	$2,870	$3,242	$3,846	$3,284
CNP	Neutral	$0	$0	$500	$0	$0	$4,419	$4,401	$3,559	$4,820	$5,096	$4,800	$4,222	$3,794	$4,770	$4,892
DTE	Buy	$1,245	$0	$50	$0	$0	$3,378	$3,934	$4,164	$4,950	$4,950	$3,452	$3,998	$4,646	$4,916	$5,046
DUK	Buy	$9	$8	$4	$0	$0	$11,367	$12,604	$12,216	$13,875	$14,425	$11,855	$12,453	$12,220	$14,057	$14,586
ED	Neutral	$0	$0	$0	$100	$100	$4,168	$4,494	$4,815	$5,138	$5,768	$4,298	$4,669	$4,881	$5,244	$5,988
EIX	Buy	$13	$20	$262	$250	$250	$5,778	$5,448	$5,602	$5,600	$6,104	$5,778	$5,448	$5,807	$7,147	$7,604
ES	Neutral	$197	$0	$445	$370	$370	$3,442	$4,337	$4,843	$4,721	$4,807	$3,790	$4,497	$4,434	$4,407	$4,446
ETR	Neutral	$885	$140	$46	$700	$700	$5,065	$4,441	$5,087	$6,519	$7,340	$4,988	$4,369	$5,482	$7,016	$6,717
EVRG	Buy	$0	$0	$0	$0	$0	$2,167	$2,334	$2,475	$2,091	$2,458	$2,167	$2,334	$2,109	$2,075	$2,443
MDU	Neutral	($8)	($5)	($0)	$0	$0	$597	$639	$646	$576	$582	$654	$536	N/A	N/A	N/A
NEE	Buy	$1,460	$4,514	$3,006	$0	$0	$18,608	$24,867	$21,436	$20,671	$23,565	$9,067	$9,302	$22,843	$23,665	$26,276
NI	Neutral	$90	$1,558	($503)	$40	$40	$2,203	$2,646	$3,319	$3,700	$3,538	$2,473	$3,165	$3,315	$3,750	$3,095
PCG	Buy	$0	$0	$0	$750	$750	$9,584	$9,714	$10,136	$12,700	$11,500	$9,189	$9,728	$10,171	$12,116	$11,156
PEG	Neutral	($500)	$0	$0	$0	$0	$2,888	$3,325	$3,378	$3,915	$4,195	$3,000	$3,420	$3,513	$3,813	$3,964
PNW	Neutral	($3)	($4)	$721	$200	$200	$1,707	$1,846	$2,131	$2,025	$2,005	$1,620	$1,828	$1,948	$2,003	$2,078
PPL	Neutral	$0	$0	$0	$0	$0	$2,155	$2,390	$2,779	$3,575	$3,700	$2,155	$2,390	$2,794	$3,519	$3,502
SO	Buy	$1,808	$36	$999	$1,171	$571	$7,923	$9,095	$9,045	$10,050	$9,200	$7,993	$9,095	$10,231	$10,081	$9,189
SRE	Neutral	($474)	$113	($30)	$0	$0	$5,357	$8,397	$5,309	$4,540	$4,540	$5,733	$8,779	$7,033	$7,450	$6,996
SWX	Neutral	$462	$252	$13	$17	N/A	$859	$873	$882	$851	N/A	$859	$873	$902	$839	$845
TXNM	Neutral	($8)	($10)	($5)	$0	$0	$913	$1,076	$1,185	$1,323	$1,203	$613	$1,102	$1,196	$1,298	$1,191
XEL	Buy	$322	$270	$608	$800	$800	$4,638	$5,854	$7,117	$9,580	$7,930	$4,873	$5,554	$7,360	$9,309	$7,924
Power/Non-Regulated																
BIP	Neutral	($230)	($13)	$490	$968	$968	$2,734	$2,325	$3,626	$2,576	$2,627	$2,766	$2,239	$3,241	$2,362	N/A
NFE	Buy/High Risk	$0	$0	$0	$0	$0	$1,174	$3,285	$1,138	$93	$91	$1,174	$3,030	$1,923	$778	$550
NPWR	Neutral/High Risk	N/A	$331	$0	$0	$0	N/A	$9	$27	$20	$20	N/A	N/A	N/A	N/A	N/A
NRG	Buy	($606)	($537)	($686)	($663)	($1,400)	$367	$598	$504	$690	$395	$381	$729	$516	$617	$619
ORA	Neutral	($18)	$462	($20)	$0	$0	$563	$618	$547	$568	$451	$560	$589	$541	$499	$450
Not Covered																
AEE												$3,351	$3,597	$4,133	$4,053	$4,340
AGR												$2,756	$2,954	$3,578	$2,552	$2,360
BKH												$608	$597	$840	$803	$1,263
IDA												$468	$734	$934	$846	$724
LNT												$1,486	$1,842	$2,210	$2,023	$2,422
OGE												$1,051	$1,169	$1,100	$1,150	$1,200
NJR												$569	$537	$651	$660	$669
POR												$766	$1,358	$1,330	$1,271	$1,230
SR												$552	$663	$785	$654	$659
WEC												$2,315	$2,493	$4,076	$4,245	$4,708
CEG												$1,709	$2,474	$3,071	$2,700	$2,398
Min		($606)	($537)	($686)	($663)	($1,400)	$8	$9	$3	$0	$20	$8	$9	$38	$36	$27
Median		$9	$6	$2	$0	$0	$2,888	$3,305	$3,469	$3,908	$3,948	$2,436	$2,870	$3,279	$3,634	$3,368
Average		$256	$358	$262	$193	$158	$4,073	$4,663	$4,455	$4,922	$5,143	$3,216	$3,725	$4,359	$4,620	$4,627
Max		$1,808	$4,514	$3,006	$1,171	$968	$18,608	$24,867	$21,436	$20,671	$23,565	$11,855	$12,453	$22,843	$23,665	$26,276

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Source: Citi Research, FactSet

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Figure 32. Comparable Company Analysis – EBITDA Multiples

9/13/2024			EBITDA ($M) - Citi			EBITDA ($M) - Consensus					EV/EBITDA - Citi			EV/EBITDA - Consensus				
Ticker	Rating	Enterprise Value ($M)	2024E	2025E	2026E	2022	2023	2024E	2025E	2026E	2024E	2025E	2026E	2022	2023	2024E	2025E	2026E
Regulated Utilities																		
AEP	Neutral	$98,506	$7,508	$8,293	$8,922	$6,686	$7,319	$8,212	$8,857	$9,538	13.1x	11.9x	11.0x	14.7x	13.5x	12.0x	11.1x	10.3x
AES	Buy	$44,180	$3,290	$3,415	$3,197	$3,394	$3,388	$3,189	$3,512	$3,895	13.4x	12.9x	13.8x	13.0x	13.0x	13.9x	12.6x	11.3x
ATO	Neutral	$27,870	$2,015	$2,104	$2,224	$1,457	$1,671	$2,023	$2,220	$2,482	13.8x	13.2x	12.5x	19.1x	16.7x	13.8x	12.6x	11.2x
CMS	Neutral	$36,430	$2,486	$2,724	$2,940	$2,350	$2,415	$3,009	$3,228	$3,488	14.7x	13.4x	12.4x	15.5x	15.1x	12.1x	11.3x	10.4x
CNP	Neutral	$36,828	$3,184	$3,009	$3,140	$2,855	$3,161	$3,529	$3,754	$3,982	11.6x	12.2x	11.7x	12.9x	11.7x	10.4x	9.8x	9.2x
DTE	Buy	$47,838	$3,933	$4,319	$4,607	$3,359	$3,541	$3,995	$4,312	$4,630	12.2x	11.1x	10.4x	14.2x	13.5x	12.0x	11.1x	10.3x
DUK	Buy	$175,500	$13,350	$14,072	$14,675	$11,510	$12,356	$13,885	$14,766	$15,734	13.1x	12.5x	12.0x	15.2x	14.2x	12.6x	11.9x	11.2x
ED	Neutral	$60,941	$5,206	$5,933	$5,954	$4,671	$4,341	$5,232	$5,708	$6,088	11.7x	10.3x	10.2x	13.0x	14.0x	11.6x	10.7x	10.0x
EIX	Buy	$73,924	$6,109	$6,979	$7,466	$5,478	$6,016	$6,743	$7,519	$8,093	12.1x	10.6x	9.9x	13.5x	12.3x	11.0x	9.8x	9.1x
ES	Neutral	$52,933	$4,165	$4,477	$4,909	$3,841	$3,215	$4,191	$4,519	$4,829	12.7x	11.8x	10.8x	13.8x	16.5x	12.6x	11.7x	11.0x
ETR	Neutral	$54,215	$4,576	$5,699	$6,262	$3,821	$4,829	$4,841	$5,498	$5,749	11.8x	9.5x	8.7x	14.2x	11.2x	11.2x	9.9x	9.4x
EVRG	Buy	$27,980	$2,432	$2,537	$2,631	$2,289	$2,398	$2,622	$2,744	$2,893	11.5x	11.0x	10.6x	12.2x	11.7x	10.7x	10.2x	9.7x
MDU	Neutral	$7,623	$700	$712	$756	$580	$640	$751	$779	$792	10.9x	10.7x	10.1x	13.1x	11.9x	10.1x	9.8x	9.6x
NEE	Buy	$262,604	$14,890	$18,697	$20,466	$13,989	$10,678	$16,450	$18,386	$19,411	17.6x	14.0x	12.8x	18.8x	24.6x	16.0x	14.3x	13.5x
NI	Neutral	$30,432	$2,485	$2,905	$3,214	$1,982	$2,207	$2,555	$2,854	$3,188	12.2x	10.5x	9.5x	15.4x	13.8x	11.9x	10.7x	9.5x
PCG	Buy	$101,444	$9,463	$10,726	$11,424	$7,015	$8,307	$9,725	$10,809	$11,744	10.7x	9.5x	8.9x	14.5x	12.2x	10.4x	9.4x	8.6x
PEG	Neutral	$63,094	$3,842	$4,562	$4,790	$4,533	$3,449	$4,106	$4,548	$4,864	16.4x	13.8x	13.2x	13.9x	18.3x	15.4x	13.9x	13.0x
PNW	Neutral	$21,642	$1,835	$2,050	$2,266	$1,242	$2,049	$1,820	$1,997	$2,180	11.8x	10.6x	9.5x	17.4x	10.6x	11.9x	10.8x	9.9x
PPL	Neutral	$39,458	$3,317	$3,847	$4,083	$2,632	$2,993	$3,482	$3,738	$4,059	11.9x	10.3x	9.7x	15.0x	13.2x	11.3x	10.6x	9.7x
SO	Buy	$165,499	$11,069	$11,690	$12,243	$9,720	$10,847	$11,649	$12,436	$13,169	15.0x	14.2x	13.5x	17.0x	15.3x	14.2x	13.3x	12.6x
SRE	Neutral	$91,443	$5,526	$6,185	$6,491	$5,545	$5,297	$5,972	$6,560	$6,796	16.5x	14.8x	14.1x	16.5x	17.3x	15.3x	13.9x	13.5x
SWX	Neutral	$9,823	$928	$985	N/A	$901	$930	$957	$1,060	$1,186	10.6x	10.0x	N/A	10.9x	10.6x	10.3x	9.3x	8.3x
TXNM	Neutral	$9,182	$657	$706	$791	$736	$657	$800	$891	$970	14.0x	13.0x	11.6x	12.5x	14.0x	11.5x	10.3x	9.5x
XEL	Buy	$64,314	$5,518	$6,079	$6,448	$4,984	$5,189	$5,604	$6,220	$6,836	11.7x	10.6x	10.0x	12.9x	12.4x	11.5x	10.3x	9.4x
Power/Non-Regulated																		
BIP	Neutral	$93,356	$6,225	$4,477	$4,926	$2,451	$3,047	$4,091	$4,476	$4,810	15.0x	20.9x	19.0x	38.1x	30.6x	22.8x	20.9x	19.4x
NFE	Buy/High Risk	$10,444	$683	$1,165	$837	$414	$1,018	$924	$1,142	$1,426	15.3x	9.0x	12.5x	25.2x	10.3x	11.3x	9.1x	7.3x
NPWR	Neutral/High Risk	$1,445	($94)	($110)	($67)	N/A	N/A	($65)	($78)	($69)	-15.4x	-13.1x	-21.4x	N/A	N/A	-22.2x	-18.5x	-21.1x
NRG	Buy	$28,257	$4,726	$3,490	$3,700	$2,423	$1,754	$3,657	$3,200	$3,334	6.0x	8.1x	7.6x	11.7x	16.1x	7.7x	8.8x	8.5x
ORA	Neutral	$6,860	$448	$521	$567	$401	$435	$533	$594	$644	15.3x	13.2x	12.1x	17.1x	15.8x	12.9x	11.6x	10.7x
Not Covered																		
AEE		$40,140				$2,590	$2,895	$3,312	$3,637	$3,966				15.5x	13.9x	12.1x	11.0x	10.1x
AGR		$28,619				$2,070	$2,099	$2,536	$2,793	$2,966				13.8x	13.6x	11.3x	10.2x	9.6x
BKH		$8,399				$662	$684	$819	$881	$897				12.7x	12.3x	10.3x	9.5x	9.4x
IDA		$8,044				$503	$505	$562	$658	$744				16.0x	15.9x	14.3x	12.2x	10.8x
LNT		$24,786				$1,499	$1,580	$1,855	$1,971	$2,109				16.5x	15.7x	13.4x	12.6x	11.8x
OGE		$13,320				$1,075	$1,212	$1,289	$1,335	$1,426				12.4x	11.0x	10.3x	10.0x	9.3x
NJR		$7,967				$422	$527	$628	$654	$706				18.9x	15.1x	12.7x	12.2x	11.3x
POR		$9,641				$795	$830	$1,037	$1,142	$1,231				12.1x	11.6x	9.3x	8.4x	7.8x
SR		$8,495				$652	$631	$769	$833	$888				13.0x	13.5x	11.0x	10.2x	9.6x
WEC		$48,905				$2,891	$3,179	$3,774	$4,190	$4,507				16.9x	15.4x	13.0x	11.7x	10.8x
CEG		$69,115				$2,561	$2,667	$4,447	$4,829	$5,025				27.0x	25.9x	15.5x	14.3x	13.8x
Min		$1,445	($94)	($110)	($67)	($10)	($185)	($65)	($78)	($69)	-15.4x	-13.1x	-21.4x	-356.9x	-19.8x	-22.2x	-18.5x	-21.1x
Median		$33,431	$3,580	$3,669	$4,345	$2,423	$2,541	$3,251	$3,370	$3,691	12.5x	11.4x	10.9x	14.4x	13.7x	11.9x	10.9x	10.1x
Average		$48,018	$4,351	$4,749	$5,352	$3,171	$3,348	$3,981	$4,329	$4,635	14.1x	11.2x	10.2x	6.8x	13.8x	12.7x	10.8x	9.9x
Max		$262,604	$14,890	$18,697	$20,466	$13,989	$12,356	$16,450	$18,386	$19,411	76.1x	20.9x	19.0x	38.1x	30.6x	61.9x	20.9x	19.4x

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Source: Citi Research, FactSet

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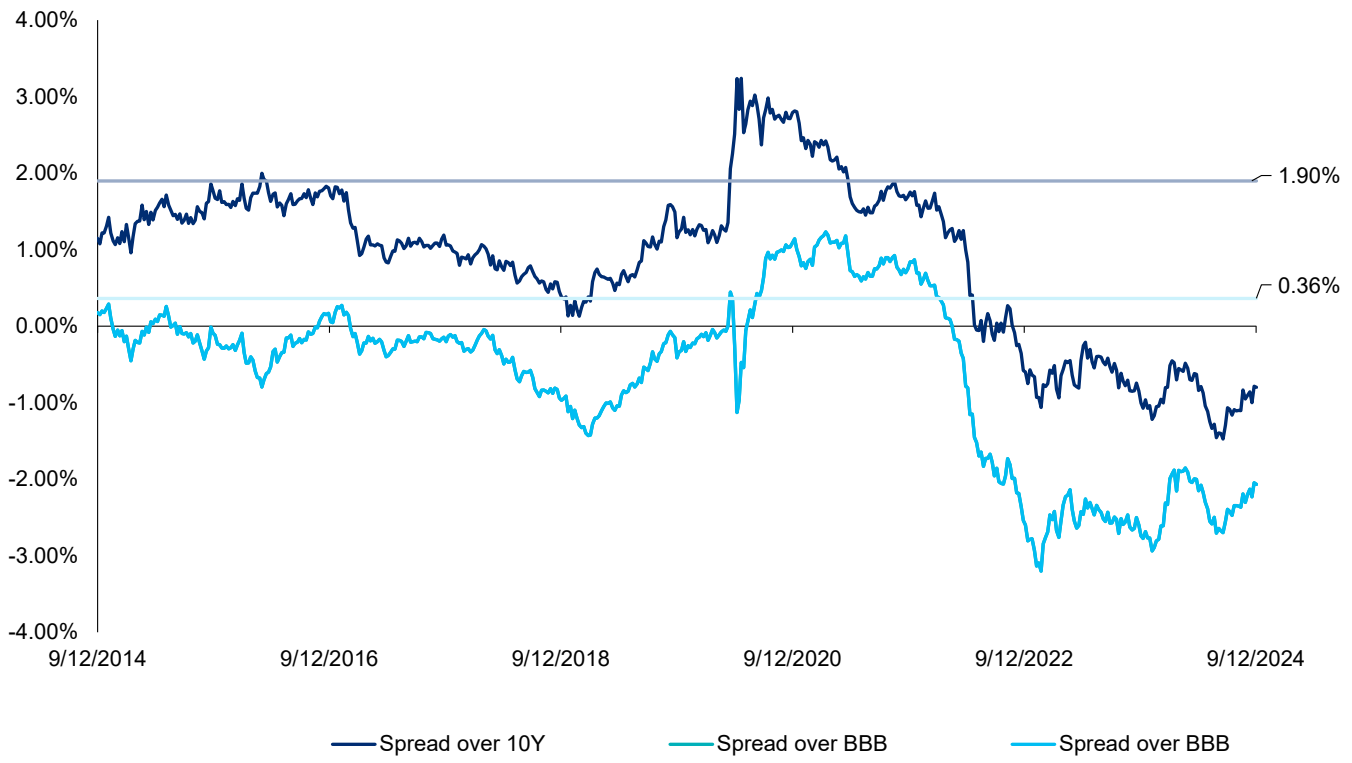
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Relative Equity Yield Spreads

The following analysis highlights relative yield spreads for stocks in our coverage vs. their historical average spreads. A higher gap between the current dividend yield spread and the historic average is attractive for investors (more yield over the benchmark relative to historic levels).

We changed our measurement of average dividend yield of the utilities sector to XLU historical dividend yield from average yield of our coverage.

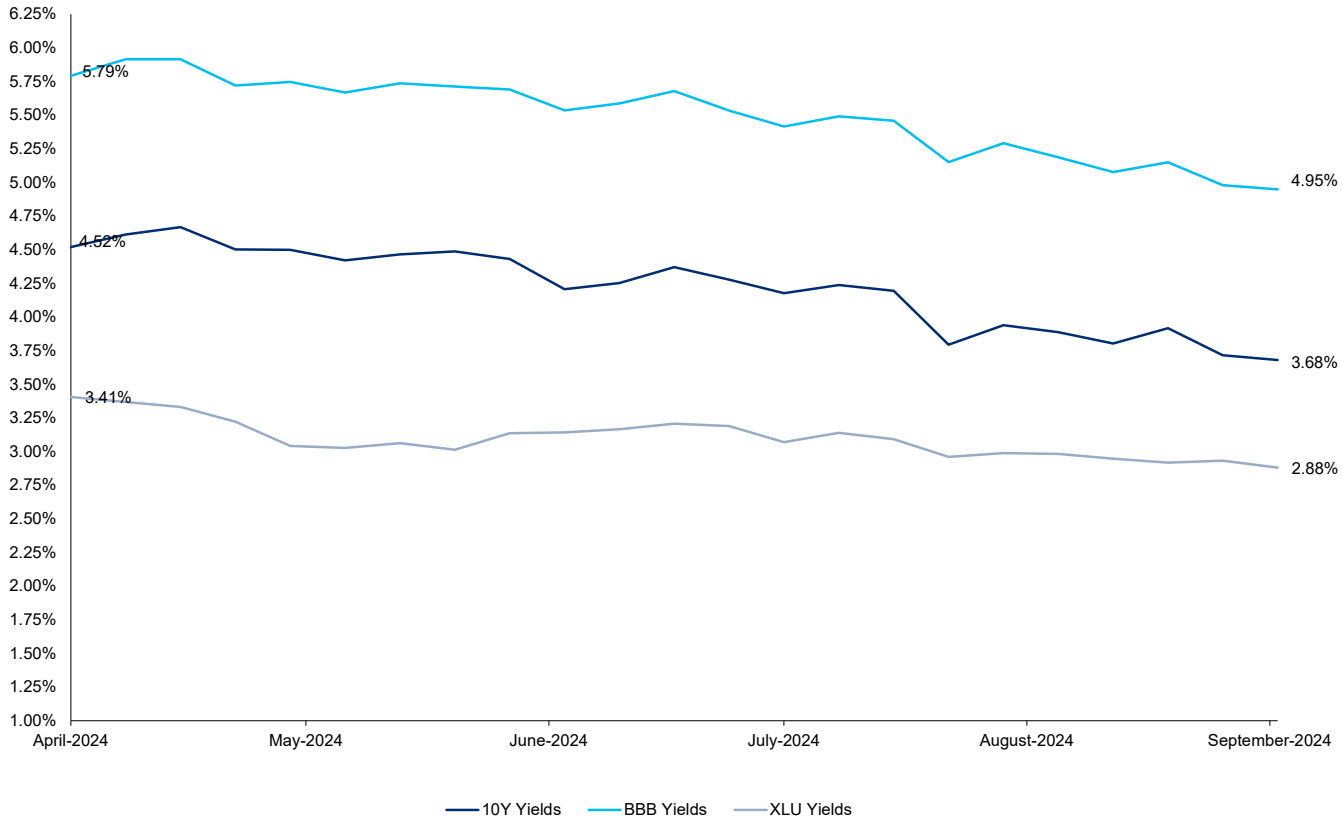
Figure 33. Relative Utility Yield Spreads



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Figure 34. Relative Utility Yield - BBB vs Treasury vs Utility Yields



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Source: Citi Research

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See figures below for a ranked list of each company's dividend yield spread difference over their historic average for both 10yr Treasuries and BBBs. The companies with the largest positive differentials between current dividend yield spread and historic average (value in final column) are positioned most attractively.

Figure 35. 10yr Treasury Yield Spreads

10yr Treasury Yield Spreads			
	Current Div Yield Spread	Historic Average Spread	Difference
NFE	-0.28%	-1.73%	1.45%
ES	0.41%	0.69%	-0.28%
TXNM	-0.06%	0.30%	-0.37%
EVRG	0.53%	0.98%	-0.45%
AES	0.01%	0.74%	-0.74%
XEL	-0.33%	0.58%	-0.90%
SWX	-0.25%	0.51%	-0.76%
AEP	-0.28%	1.00%	-1.29%
CMS	-0.78%	0.45%	-1.23%
EIX	-0.08%	1.14%	-1.21%
SRE	-0.75%	0.49%	-1.24%
ATO	-1.33%	-0.09%	-1.24%
NEE	-1.30%	-0.03%	-1.28%
NI	-0.61%	0.80%	-1.41%
DTE	-0.49%	0.87%	-1.36%
ORA	-3.05%	-1.72%	-1.33%
ETR	-0.10%	1.60%	-1.70%
NRG	-1.71%	-0.17%	-1.54%
ED	-0.52%	1.21%	-1.73%
DUK	-0.16%	1.70%	-1.87%
PEG	-0.90%	1.01%	-1.91%
CNP	-0.82%	1.28%	-2.10%
SO	-0.50%	1.88%	-2.39%
MDU	-1.86%	0.73%	-2.59%
PCG	-3.53%	-1.08%	-2.45%
PPL	-0.61%	2.34%	-2.95%

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Source: Citi Research

Figure 36. BBB Yield Spreads

BBB Yield Spreads			
	Current Div Yield Spread	Historic Average Spread	Difference
NFE	-1.55%	-3.22%	1.67%
ES	-0.86%	-0.84%	-0.02%
TXNM	-1.33%	-1.23%	-0.10%
EVRG	-0.74%	-0.55%	-0.18%
AES	-1.26%	-0.79%	-0.47%
XEL	-1.60%	-0.96%	-0.64%
SWX	-1.52%	-1.03%	-0.49%
AEP	-1.55%	-0.53%	-1.02%
CMS	-2.05%	-1.09%	-0.96%
EIX	-1.35%	-0.40%	-0.95%
SRE	-2.02%	-1.04%	-0.98%
ATO	-2.60%	-1.62%	-0.97%
NEE	-2.57%	-1.56%	-1.01%
NI	-1.88%	-0.74%	-1.14%
DTE	-1.76%	-0.66%	-1.09%
ORA	-4.32%	-3.26%	-1.06%
ETR	-1.37%	0.07%	-1.44%
NRG	-2.97%	-1.70%	-1.27%
ED	-1.79%	-0.33%	-1.46%
DUK	-1.43%	0.17%	-1.60%
PEG	-2.17%	-0.52%	-1.65%
CNP	-2.08%	-0.25%	-1.83%
SO	-1.77%	0.35%	-2.12%
MDU	-3.12%	-0.80%	-2.32%
PCG	-4.80%	-2.61%	-2.18%
PPL	-1.88%	0.80%	-2.68%

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Company Historical Yield Spreads

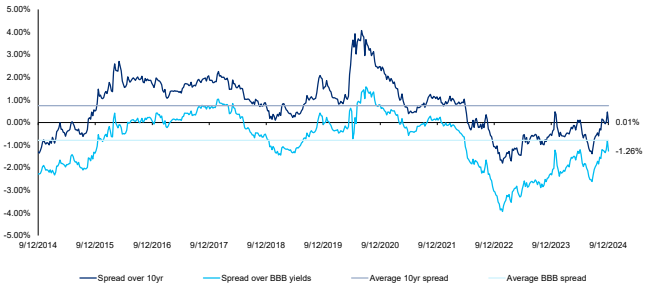
Below we include historical yield spread charts of ~25 companies that pay dividend within our coverage.

Figure 37. AEP Yield Spread



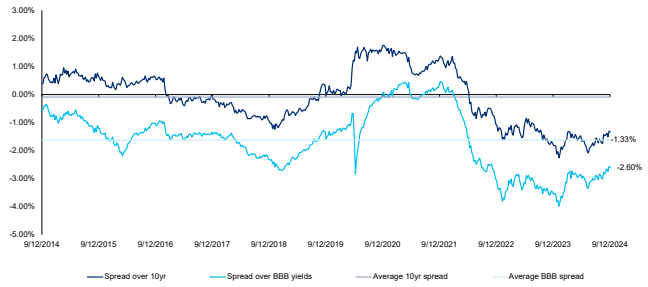
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Source: Citi Research

Figure 38. AES Yield Spread



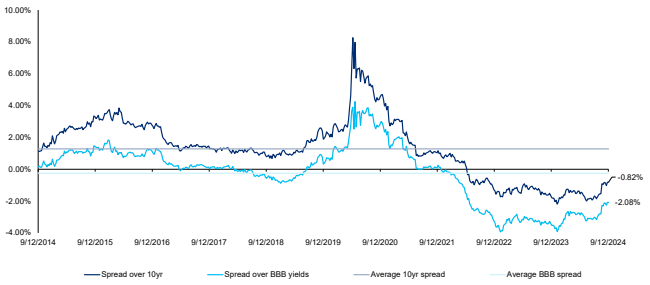
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Figure 39. ATO Yield Spread



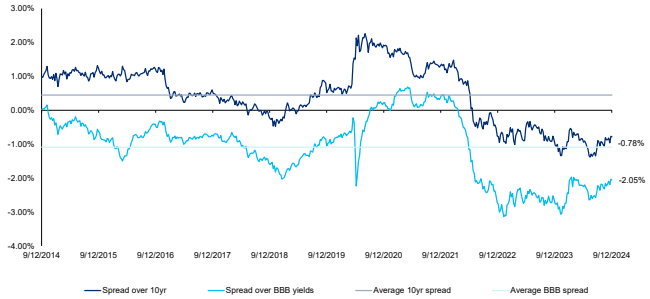
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Source: Citi Research

Figure 40. CNP Yield Spread



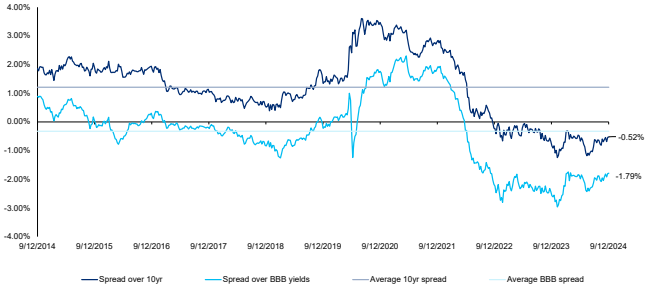
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Source: Citi Research

Figure 41. CMS Yield



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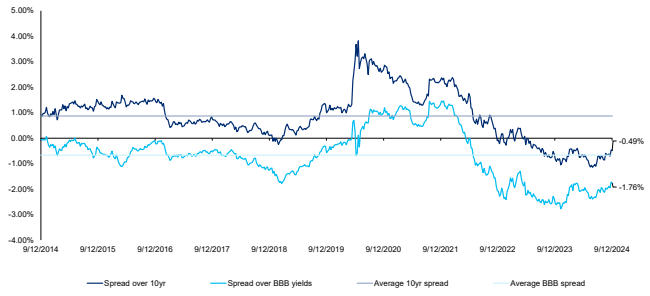
Figure 42. ConEd Yield Spread



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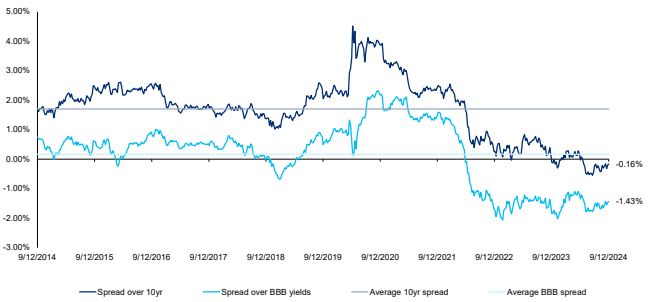
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Figure 43. DTE Yield Spread



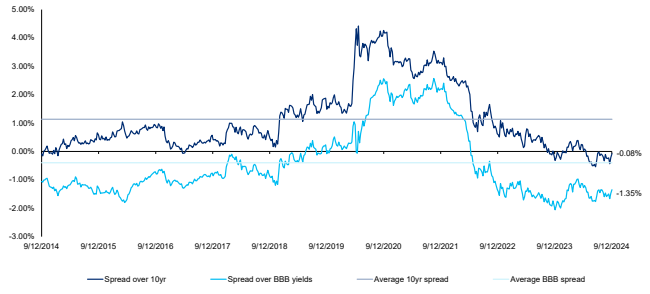
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Figure 44. Duke Energy Yield Spread



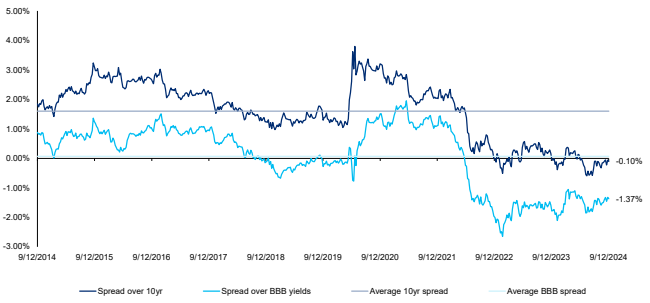
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Source: Citi Research

Figure 45. EIX Yield Spread



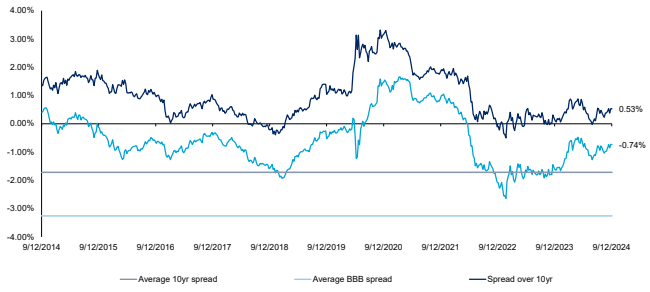
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Source: Citi Research

Figure 46. Entergy Yield Spread



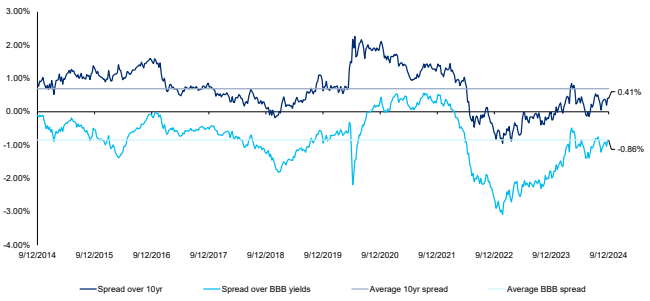
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Source: Citi Research

Figure 47. EVRG Yield Spread



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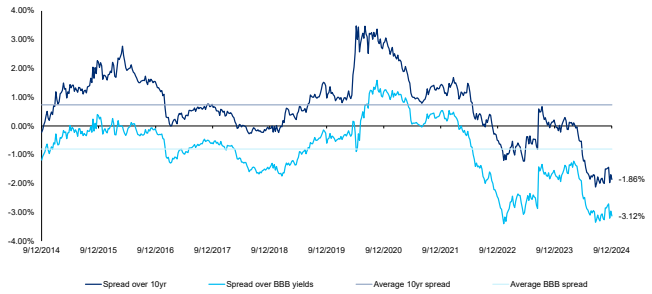
Figure 48. Eversource Yield Spread



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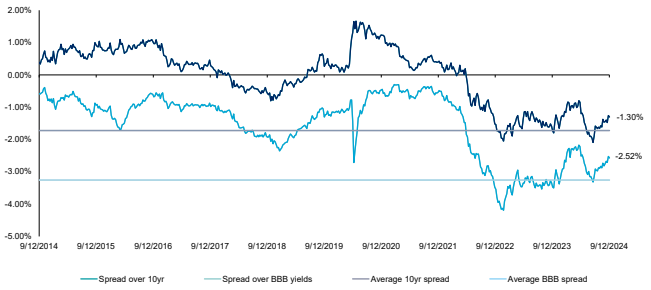
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Figure 49. MDU Yield Spread



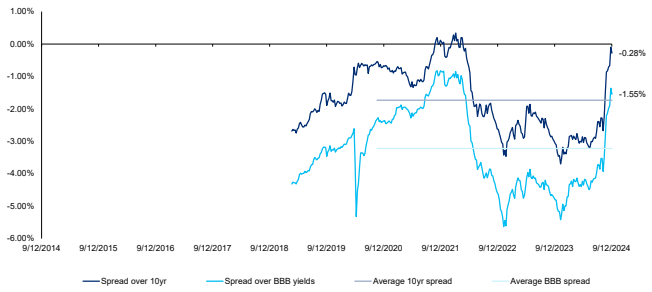
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Source: Citi Research

Figure 50. NEE Yield Spread



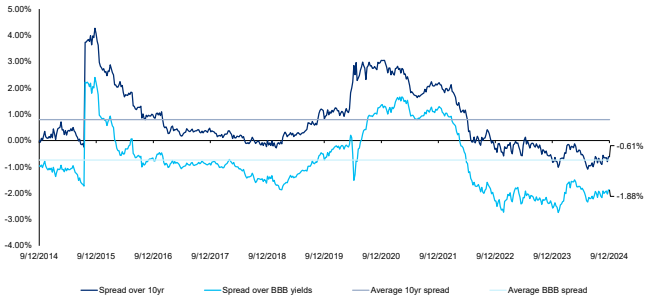
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Source: Citi Research

Figure 51. NFE Yield Spread



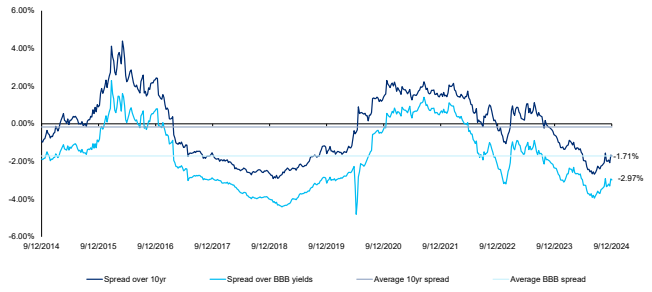
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Source: Citi Research

Figure 52. NiSource Yield Spread



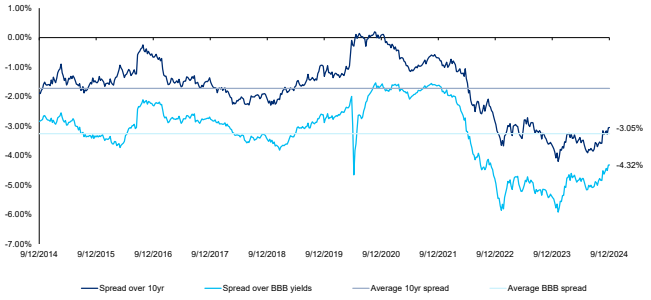
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Figure 53. NRG Yield Spread



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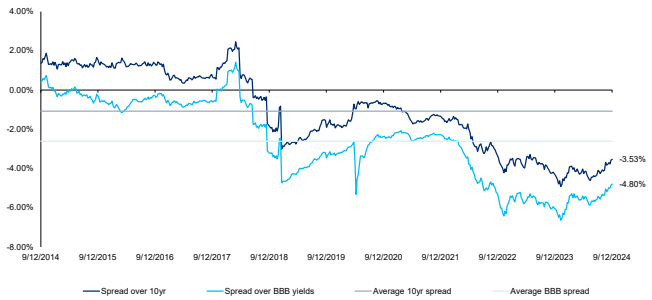
Figure 54. ORA Yield Spread



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Figure 55. PCG Yield Spread



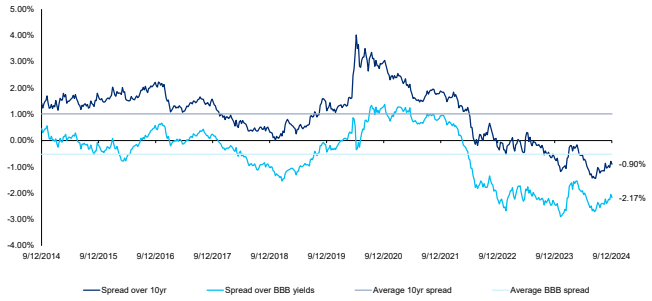
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Figure 56. TXNM Yield Spread



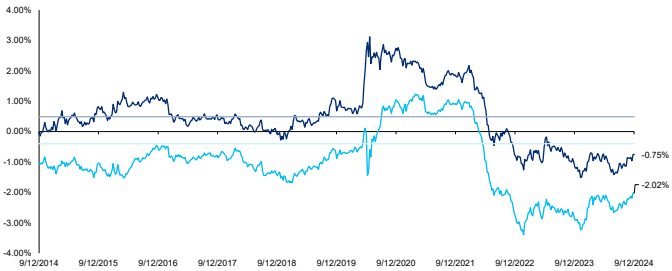
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Figure 57. PSEG Yield Spread



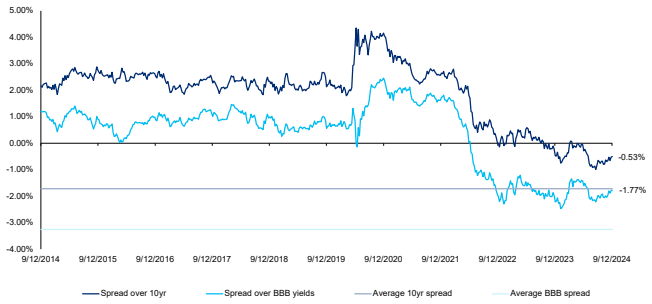
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Figure 58. Sempra Yield Spread



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Figure 59. Southern Company Yield Spread



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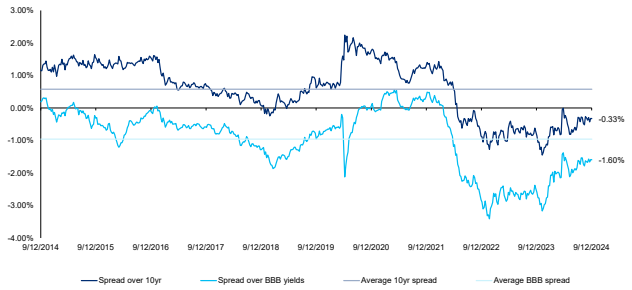
Figure 60. Southwest Gas Yield Spread



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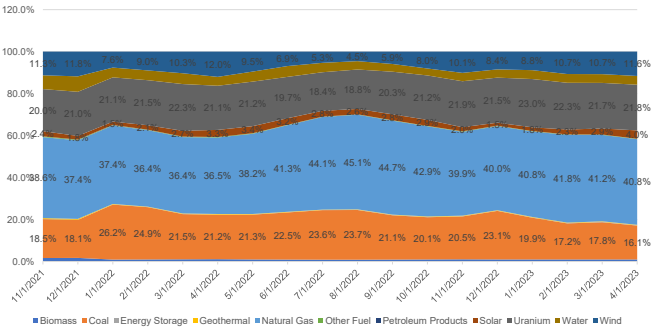
Figure 61. XEL Yield Spread



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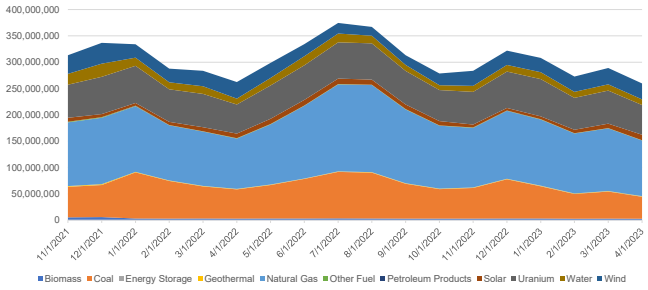
Generation Mix

Figure 62. Generation Mix (%)



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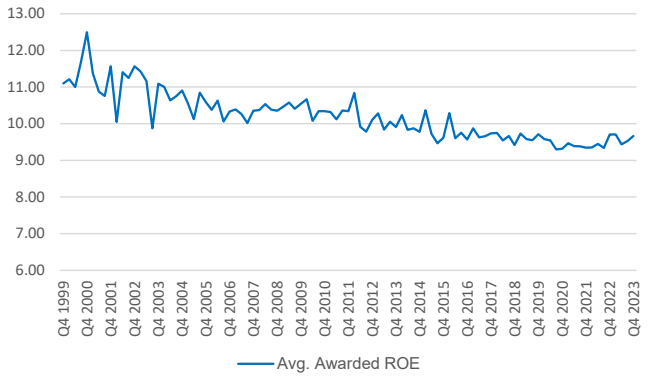
Figure 63. Generation Mix (MWs)



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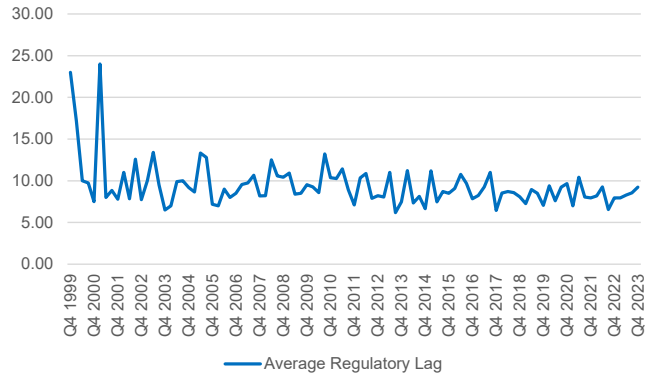
Regulatory Metrics

Figure 64. Authorized ROEs (Rate Case During Quarter)



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Figure 65. Regulatory Lag (Measured in Months)

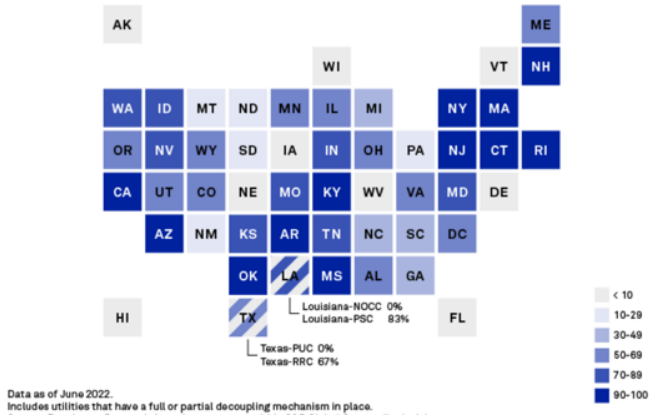


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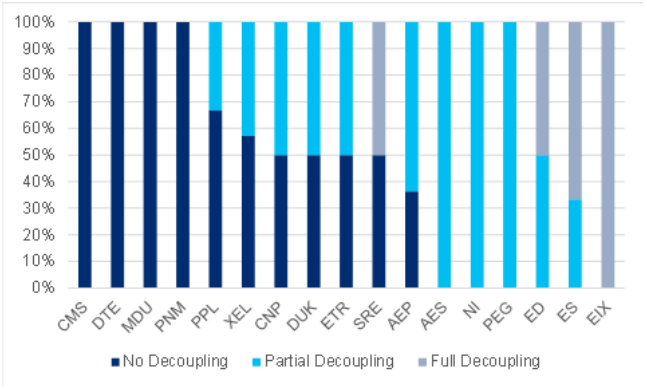
Decoupling Mechanisms

Figure 66. Revenue Decoupling Mechanism by State (Electric & Gas)



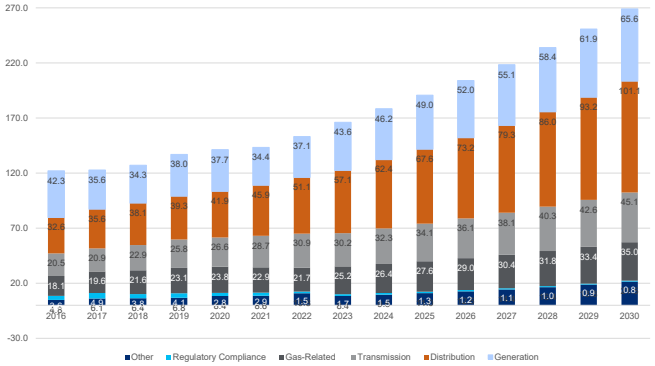
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Figure 67. Electric Revenue Decoupling by Company within Coverage (% of electric state jurisdictions)



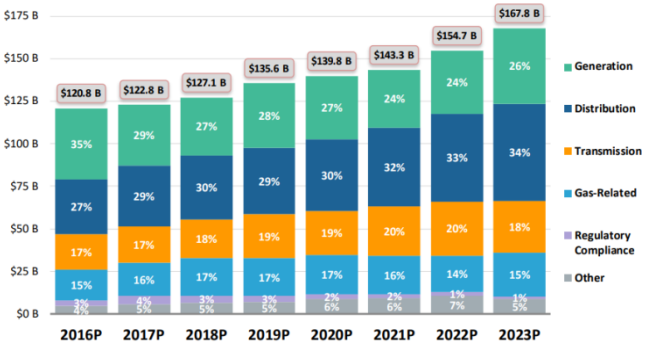
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Figure 68. Utility Capex Outlook ($ in Billions)



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Figure 69. Utility Capex by Function



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Appendix A-1

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EVERCORE ISI

Energy | Power & Utilities

July 16, 2024

Durgesh Chopra
212-653-8998
durgesh.chopra@evercoreisi.com
Michael Lonegan
212-653-8997
michael.lonegan@evercoreisi.com
Sharon Wang
212-653-8999
Sharon.Wang@evercoreisi.com

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Dreaming of Daylight – Q2 2024 Preview

Utilities performed in line with the S&P 500 during Q2, reversing April (UTY+2%/SP500-4%) and May gains (UTY+8%/SP500+5%) in June (UTY-6%/SP500+4%). IPPs was the best performing sub sector, up +16% vs UTY/SP500 +4% during Q2 (pg. 34). YTD, IPPs are up +94% vs UTY/SP500 up +13%/+18% respectively, in part driven by investor expectations of data center/AI power supply opportunities similar to the TLN/AMZN announcement on March 5th (see our data center focused note here and key takeaways from related webinar series here). With YTD underperformance, regulated utilities are now trading at 15.8x, lower than the 15-yr avg. of 16.5x (NTM absolute P/E) (pg. 35). NTM P/E relative to S&P is 0.74x, below the historical avg. of 1.05x (pg. 36). Versus Bond Yields, valuation is now 11% expensive (pg. 37).

We remain In Line rated on the group: On the positive, 2Q weather was a tailwind, positioning most companies to meet/exceed 2024 earnings expectations and higher probability of a September rate cut, should provide valuation support for utility stocks (see Krishna Guha's recent note here). With that said, election overhang (Trump victory and/or Republican sweep) is hard to ignore. Fundamentals while better remain challenging (e.g., inflation, rates, rate case risks), and stock performance will be closely tied to incremental data points around Data Center/AI related opportunities where timing and deal economics are a wild card.

Q2 2024 Results Snapshot: As we point out in our note on July 7th, based on National Oceanic and Atmospheric Administration (NOAA) data, the weather in 2Q 2024 drove 33% higher population-weighted cooling degree days versus 2Q 2023, and 23% higher degree days above normal on average across the United States. With weather as a tailwind, we expect most companies to reaffirm 2024 earnings guidance. On pg. 41, we show our quarterly estimates by company versus current consensus, which is a mixed bag. We are on the margin positive on DUK (O/P) and SO (I/L) and are cautious on AEP (I/L) going into earnings next week.

Key Q2 themes: 1) AI/Data center power supply contracts – timing and economics (focus will be on IPPs - CEG, NRG, and VST). 2) AEP/EXC FERC challenge (Aug 3rd FERC decision). 3) November election and implication for renewables/Utilities (AES, CWEN, NEE, and NEP are most exposed within our coverage). 4) Impact of Supreme Court Chevron reversal on June 28th. And 5) Hurricane Beryl power restoration measures (AEP, ETR, and CNP).

Stock Selection: 2024 Best Ideas (AES, DTE, NI, and PPL)**:** In our regulated coverage universe, we are Outperform-rated on DTE, DUK, EIX, FE, NI, PPL, SRE, and XEL. Within diversified, we view AES as best risk/reward and are Outperform-rated on PEG. Amongst IPP's, we recommend CEG and VST. See our coverage comp sheet on pg. 42.

Within, we include company-specific tear sheets with our / consensus 2Q24 EPS estimates along with discussion on key investor debates. On page 43, we show trends of short interest by company over two-week, four-week and six-month timeframes.

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Outperform **TP $32**
Analyst: Durgesh Chopra / Sharon Wang

- **Q2 EPS Bridge:** We project year-over-year EPS to increase $0.06 to $0.17. Recall that NiSource adjusts weather out of its non-GAAP EPS results. In terms of YoY drivers, we expect rate relief and riders as primary positive drivers, partially offset by increased O&M, higher D&A, interest expense, and other income.
- **What to look for in the earnings report (Key debates/themes):**
  - **Q2 expectations:** We expect reaffirmation of 2024 non-GAAP NOEPS guidance of $1.70-$1.74 and 6-8% long term EPS growth rate. We will also look for update on the $600M of ATM equity issuance planned for 2024.
  - **NIPSCO gas rate case:** On October 25, 2023, NI filed request for $162M revenue increase, based on 10.7% ROE vs current 9.85% and 52.39% equity ratio vs current 49.47%. On March 20, 2024, settlement was filed with a $121M rate increase based on a 9.75% ROE and 52.39% equity ratio. Final decision is expected by August 20, 2024.
  - **PA rate case**: On March 15, 2024, PA rate case was filed, requesting a $124M rate increase, based on a 11.75% ROE and a 54.40% equity layer. Intervenor testimony was filed in late June and the company is privately reviewing the testimony. Settlement discussion will start in September and a decision is expected by year end.
  - **VA rate case**: On April 29, 2024, VA rate case was filed, requesting a $53M rate increase, based on a 10.85% ROE and a 42.76% equity layer. Interim rates are expected to be in effect around October. Decision is expected by May 2025.
  - **KY rate case**: On May 16, 2024, NI filed its rate case in Kentucky, requesting a rate increase of $24M based on 10.8% ROE and 52.64% equity layer. Decision is expected late this year or early next year.
  - **Microsoft data center**: On June 3, 2024, Indiana Governor Eric J. Holcomb announced that Microsoft will invest $1 billion to establish a new data center in northwest Indiana, which is NIPSCO's service territory. T
  - **Incremental capital:** The company has previously discussed $1.6B in incremental capital opportunity which would be added to the base plan periodically following regulatory approvals. Management also highlighted previously need for additional gas pipeline infrastructure to serve new gas generation supporting data centers.
  - **2024 IRP**: The final 2024 IRP will be filed with IURC (Indiana Utility Regulatory Commission) in November 2024, which informs company's CPCN filings going forward. There won't be approval or denial from the commission. The 2024 IRP will evaluate NIPSCO's long-term generating capacity requirements and inform generation investment decisions. It builds on generation already included in five-year base capital plan and will analyze energy demand projected across the next two decades associated with potential data center development, electrification, electric vehicle utilization, while incorporating changing policy and resource adequacy requirements. As of June 24, 2024, second stakeholder advisory meeting the IRP analysis outlines a significant potential upside. Given the potential opportunities in the pipeline from NIPSCO's Economic Development team, the IRP analysis will include 2,600 MW of new load in all scenarios and a load sensitivity with an additional 6,000 MW. Total IRP peak load with emerging load sensitivity is 5,500 MW by 2028, 8,400 MW by 2030, and 11,100 MW by 2035. The build-out of new energy and capacity resources to meet this potential new load will be analyzed in the 2024 IRP process. The third stakeholder advisory meeting is scheduled for Aug 21, 2024.
- **Positioning into Qtr: Neutral.**

Adj. EPS	2021A	2022A	2023A	1Q24A	2Q24E	2024E	2025E	2026E
EVR ISI	**$1.37**	**$1.47**	**$1.60**	**$0.85**	**$0.17**	**$1.72**	**$1.83**	**$1.96**
Consensus					0.14	1.72	1.84	1.97
% diff.					*19%*	*0%*	*-1%*	*-1%*

Source: Evercore ISI, FactSet as of 7/12/24

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Q2 Estimates vs. Consensus and Positioning for Quarter

Q2'24 EPS Estimates vs. Consensus					
Ticker	Evercore ISI	Consensus	% Diff	Positioning for Q2	
AES	0.36	0.34	6.3%	Neutral	
AEE	0.93	0.95	-2.2%	Neutral	
AEP	1.20	1.26	-4.8%	Cautious	✓
CEG	1.77	1.88	-5.9%	Neutral	
CMS	0.63	0.64	-1.6%	Neutral	
CNP	0.32	0.33	-2.3%	Neutral	
D	0.57	0.57	0.0%	Neutral	
DTE	1.41	1.17	20.5%	Neutral	
DUK	1.01	1.01	0.0%	Positive	✓
ED	0.54	0.56	-3.7%	Neutral	
EIX	1.07	1.04	2.8%	Neutral	
ES	0.97	1.00	-2.8%	Neutral	
ETR	1.70	1.79	-4.8%	Neutral	
EVRG	0.89	0.92	-2.7%	Neutral	
EXC	0.40	0.45	-10.5%	Neutral	
FE	0.58	0.56	3.8%	Neutral	
NEE	0.94	0.93	1.1%	Neutral	
NI	0.17	0.14	17.7%	Neutral	
OGE	0.49	0.46	6.5%	Neutral	
PCG	0.33	0.29	13.1%	Neutral	
PEG	0.58	0.71	-17.8%	Neutral	
PNW	1.35	1.22	10.5%	Neutral	
PNM	0.58	0.53	9.1%	Neutral	
PPL	0.35	0.33	5.3%	Neutral	
SO	0.94	0.88	6.8%	Positive	✓
SRE	0.91	0.96	-4.8%	Neutral	
WEC	0.64	0.79	-19.0%	Neutral	
XEL	0.61	0.57	6.2%	Neutral	
Average			**0.9%**		

Q2'24 EBITDA Estimates vs. Consensus ($mm)				
Ticker	Evercore ISI	Consensus	% Diff	Positioning for Q2
CWEN	375	353	6.2%	Neutral
NRG	900	873	3.1%	Neutral
NEP	530	537	-1.3%	Neutral
Average			**2.7%**	

Q2'24 EPS/EBITDA Estimates vs Consensus		
Beats	15	48%
Misses	14	45%
In Lines	2	6%
Total	**31**	

Source: FactSet, Evercore ISI Research
Consensus as of 7/12/24

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Our Coverage Universe Comp Sheet

Regulated Utilities

Ticker	Company Name	7/12/24 Price	ISI Rating	Shares Out	Market Cap	2024 Div Yld	2024 Payout	ISI EPS Estimate 2024	2025	2026	P/E Multiple 2024	2025	2026	Prem. to Group
SO	Southern Company Inc	$79.99	In Line	1,099	87,909	3.6%	71%	4.05	4.30	4.55	19.7x	18.6x	**17.6x**	20%
CNP	CenterPoint Energy Inc	$30.30	In Line	634	19,224	2.6%	48%	1.61	1.73	1.85	18.8x	17.5x	**16.4x**	12%
CMS	CMS Energy Corp	$61.19	In Line	291	17,831	3.4%	62%	3.33	3.58	3.86	18.4x	17.1x	**15.8x**	9%
DUK	Duke Energy Corp	$105.39	Outperform	780	82,158	3.9%	69%	6.00	6.35	6.75	17.6x	16.6x	**15.6x**	7%
ED	Consolidated Edison Inc	$92.19	In Line	361	33,242	3.6%	62%	5.32	5.61	5.91	17.3x	16.4x	**15.6x**	7%
OGE	OGE Energy Corp	$36.71	In Line	201	7,379	4.7%	81%	2.13	2.26	2.38	17.2x	16.3x	**15.4x**	6%
NI	NiSource Inc	$30.07	Outperform	450	13,526	3.5%	60%	1.72	1.83	1.96	17.5x	16.4x	**15.3x**	5%
PNW	Pinnacle West Capital Corp	$80.25	In Line	113	9,093	4.4%	74%	4.80	5.10	5.40	16.7x	15.7x	**14.9x**	2%
DTE	DTE Energy Co	$114.48	Outperform	208	23,763	3.3%	57%	6.69	7.17	7.70	17.1x	16.0x	**14.9x**	2%
D	Dominion Resources Inc	$51.97	In Line	814	42,290	5.3%	97%	2.75	3.29	3.50	18.9x	15.8x	**14.8x**	2%
PPL	PPL Corp	$28.44	Outperform	738	20,994	3.6%	61%	1.70	1.82	1.96	16.7x	15.6x	**14.5x**	0%
WEC	WEC Energy Group	$80.79	In Line	316	25,513	4.1%	68%	4.85	5.25	5.60	16.6x	15.4x	**14.4x**	-1%
AEP	American Electric Power Co Inc	$90.96	In Line	533	48,456	3.8%	61%	5.65	6.00	6.35	16.1x	15.2x	**14.3x**	-2%
SRE	Sempra Energy	$77.05	Outperform	629	43,145	3.5%	59%	4.75	5.10	5.45	16.2x	15.1x	**14.1x**	-3%
AEE	Ameren Corp	$73.88	In Line	270	19,967	3.5%	57%	4.62	4.95	5.25	16.0x	14.9x	**14.1x**	-4%
FE	FirstEnergy Corp	$39.52	Outperform	574	22,677	4.1%	62%	2.63	2.80	2.95	15.0x	14.1x	**13.4x**	-8%
XEL	Xcel Energy Inc	$54.28	Outperform	541	29,379	3.8%	58%	3.59	3.84	4.06	15.1x	14.1x	**13.4x**	-8%
ETR	Entergy Corp	$109.17	In Line	217	23,684	4.0%	61%	7.15	7.70	8.25	15.3x	14.2x	**13.2x**	-9%
EVRG	Evergy	$55.05	In Line	231	12,689	4.7%	68%	3.86	4.13	4.26	14.3x	13.3x	**12.9x**	-11%
PNM	PNM Resources, Inc.	$38.71	In Line	85	3,300	4.0%	58%	2.70	2.80	3.00	14.3x	13.8x	**12.9x**	-12%
EXC	Exelon Corp	$35.24	In Line	1,006	35,449	4.3%	62%	2.45	2.65	2.78	14.4x	13.3x	**12.7x**	-13%
EIX	Edison International	$74.84	Outperform	391	29,282	4.1%	62%	5.00	5.60	5.95	15.0x	13.4x	**12.6x**	-14%
ES	Eversource Energy	$60.34	In Line	352	21,254	4.7%	62%	4.60	4.82	5.07	13.1x	12.5x	**11.9x**	-18%
PCG	PG&E Corp	$18.12	In Line	2,140	38,777	0.3%	4%	1.33	1.45	1.58	13.6x	12.5x	**11.5x**	-21%
HE	Hawaiian Electric Industries, Inc	$10.43	In Line	110	1,143	0.0%	0%	2.00	2.10	2.15	5.2x	5.0x	**4.9x**	-67%
	Regulated Group Average (Excludes PCG for Div Values)					**3.6%**	**59.2%**				**15.9x**	**14.8x**	**14.0x**	
	Regulated Group Average (Excluding Stocks: EIX, PCG, ES, and HE)					3.9%	64.4%				16.6x	15.5x	14.6x	
	Regulated Group Max (Excludes PCG for Div Values)					5.3%	97.0%				19.7x	18.6x	17.6x	
	Regulated Group Min (Excludes PCG for Div Values)					0.0%	0.0%				5.2x	5.0x	4.9x	

Diversified Utilities

Ticker	Company Name	7/12/24 Price	ISI Rating	Shares Out	Market Cap	2024 Div Yld	2024 Payout	ISI EPS Estimate 2024	2025	2026	P/E Multiple 2024	2025	2026	Prem. to Group
NEE	NextEra Energy, Inc.	$76.00	In Line	2,046	155,511	2.7%	60%	3.40	3.65	3.95	22.3x	20.8x	**19.2x**	37%
PEG	Public Service Enterprise Group	$76.28	Outperform	500	38,140	3.1%	63%	3.75	4.00	4.25	20.3x	19.1x	**17.9x**	28%
AES	AES Corp	$18.89	Outperform	670	12,649	3.7%	36%	1.90	2.10	2.15	9.9x	9.0x	**8.8x**	-37%
	Diversified Group Average					**3.2%**	**53%**				**17.5x**	**16.3x**	**15.3x**	
	Diversified Group Max					3.7%	63%				22.3x	20.8x	19.2x	
	Diversified Group Min					2.7%	36%				9.9x	9.0x	8.8x	

Independent Power Producers (IPP's)

Ticker	Company Name	7/12/24 Price	ISI Rating	Shares Out	Market Cap	Enterprise Value	2024 Div Yld	ISI EBITDA Estimate 2024	2025	2026	EV/EBITDA Multiple 2024	2025	2026	Prem. to Group
CEG	Constellation Energy Corporation	$217.14	Outperform	315	68,450	77,591	0.6%	4,000	4,400	4,600	19.4x	17.6x	16.9x	58%
NRG	NRG Energy, Inc.	$79.93	In Line	208	16,663	27,501	2.0%	3,400	3,550	3,600	8.1x	7.7x	7.6x	-28%
VST	Vistra Corp.	$91.33	Outperform	347	31,734	45,102	1.0%	4,800	5,250	6,000	9.4x	8.6x	7.5x	-30%
	IPP Group Average						1.2%				12.3x	11.3x	10.7x	
	IPP Group Max						2.0%				19.4x	17.6x	16.9x	
	IPP Group Min						0.6%				8.1x	7.7x	7.5x	

Source: FactSet, Evercore ISI Research
Updated as of 7/12/24

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Coverage Universe - Short Interest

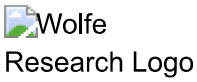
		RSI		Short Interest Ratio (Days to Cover)				Absolute Shares Short				Shares Short
		14-	30-	Current	vs Prior	1-Month Chg	6-Month Chg	Current (MM)	Chg vs. Prior	1-Month Chg	6-Month Chg	(%Float)
	Ticker	Days	Days	6/28/24	6/14/24	5/31/24	12/29/23	6/28/24	6/14/24	5/31/24	12/29/23	Current
Regulated Utilities												
Hawaiian Electric Industries, Inc.	HE	63.9	53.4	**6.0**	-60%	-59%	10%	**25.1**	-2%	6%	72%	**22.8%**
Evergy, Inc.	EVRG	67.1	55.8	**5.3**	-11%	-1%	38%	**8.5**	0%	-9%	12%	**3.7%**
Pinnacle West Capital Corporation	PNW	73.2	57.5	**4.6**	34%	-25%	99%	**5.2**	8%	41%	172%	**4.6%**
Southern Company	SO	57.7	56.9	**4.5**	-26%	-9%	25%	**18.6**	-22%	-10%	50%	**1.7%**
Consolidated Edison, Inc.	ED	56.1	46.0	**4.3**	1%	58%	-5%	**7.6**	1%	10%	7%	**2.2%**
FirstEnergy Corp.	FE	79.2	55.1	**4.1**	-28%	-18%	-19%	**11.5**	-2%	-2%	-21%	**2.0%**
OGE Energy Corp.	OGE	66.4	57.2	**4.1**	-4%	-7%	12%	**4.8**	-16%	2%	-6%	**2.4%**
Sempra	SRE	59.9	54.8	**4.0**	-17%	3%	-30%	**12.7**	-1%	7%	-5%	**2.0%**
Dominion Energy Inc	D	61.5	45.7	**3.6**	-19%	-19%	76%	**15.8**	-9%	-15%	58%	**1.9%**
WEC Energy Group Inc	WEC	57.9	52.1	**3.6**	-20%	46%	30%	**8.1**	-10%	15%	60%	**2.6%**
CenterPoint Energy, Inc.	CNP	33.7	52.4	**3.6**	15%	42%	-25%	**17.4**	5%	36%	30%	**2.7%**
PPL Corporation	PPL	56.8	48.5	**3.6**	-16%	-4%	1%	**16.2**	-6%	-9%	-18%	**2.2%**
NiSource Inc	NI	76.4	63.1	**3.4**	-11%	1%	106%	**17.7**	20%	16%	224%	**4.0%**
Duke Energy Corporation	DUK	71.5	57.7	**3.4**	-13%	-9%	-17%	**9.7**	-2%	-9%	-10%	**1.3%**
CMS Energy Corporation	CMS	58.3	48.3	**3.3**	-17%	-23%	-50%	**8.5**	-13%	-7%	-37%	**2.9%**
Edison International	EIX	65.0	50.5	**3.1**	-28%	13%	33%	**5.5**	-22%	7%	32%	**1.4%**
DTE Energy Company	DTE	57.7	50.7	**3.0**	-19%	-19%	2%	**3.4**	-7%	10%	41%	**1.7%**
American Electric Power Company, In	AEP	63.8	55.9	**2.6**	-27%	-11%	-20%	**7.7**	0%	-1%	-12%	**1.5%**
Xcel Energy Inc.	XEL	57.5	52.8	**2.5**	16%	32%	3%	**8.4**	25%	15%	-5%	**1.5%**
Entergy Corporation	ETR	61.2	52.4	**2.3**	19%	81%	24%	**3.8**	7%	62%	74%	**1.8%**
Eversource Energy	ES	61.9	58.8	**2.3**	-30%	1%	-11%	**4.9**	-14%	7%	10%	**1.4%**
PG&E Corporation	PCG	54.8	47.7	**2.1**	-36%	-21%	-29%	**35.3**	-3%	1%	-20%	**1.8%**
Ameren Corporation	AEE	62.5	55.1	**1.9**	-25%	17%	31%	**3.2**	-6%	5%	2%	**1.2%**
Exelon Corporation	EXC	57.7	43.5	**1.6**	-56%	-35%	30%	**19.4**	-24%	26%	66%	**1.9%**
Regulated Utilities Average		**61.7**	**53.0**	**3.4**	**-16%**	**1%**	**13%**	**11.6**	**-4%**	**9%**	**32%**	**3.0%**
Diversified Utilities												
NextEra Energy, Inc.	NEE	60.8	46.2	**2.4**	-20%	-45%	22%	**38.2**	9%	-18%	111%	**1.9%**
AES Corporation	AES	48.2	38.3	**2.2**	-32%	2%	-40%	**21.8**	9%	25%	45%	**3.1%**
Public Service Enterprise Group Inc	PEG	71.0	56.4	**2.0**	-42%	-38%	-50%	**7.1**	-12%	-17%	-15%	**1.4%**
Diversified Utilities Average		**60.0**	**46.9**	**2.2**	**-31%**	**-27%**	**-23%**	**22.3**	**2%**	**-4%**	**47%**	**2.1%**
Independent Power Producers (IPP's)												
NRG Energy, Inc.	NRG	46.9	44.7	**2.7**	-23%	-17%	-65%	**12.0**	-5%	7%	-42%	**5.9%**
Constellation Energy Corporation	CEG	45.1	45.2	**1.0**	-20%	-54%	-79%	**4.5**	-14%	-32%	-12%	**1.4%**
Vistra Corp.	VST	57.4	39.9	**1.0**	-31%	-47%	-72%	**9.9**	-25%	-32%	5%	**2.9%**
IPP's Average		**49.8**	**43.3**	**1.6**	**-25%**	**-39%**	**-72%**	**8.8**	**-15%**	**-19%**	**-16%**	**3.4%**
Our Coverage Universe Average		**60.4**	**51.4**	**3.1**	**-18%**	**-5%**	**1%**	**12.4**	**-4%**	**5%**	**29%**	**3.0%**

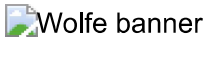
Source: FactSet, Evercore ISI Research
Updated as of 6/28/24. Yellow indicates top moves higher in short interest. Orange indicates top moves lower in short interest.

The Fleishman Daily 8/26/24 - CEG/EXC, EVRG/OGE, NI, EIX, TLN, Power Prices, CAL Watch, D/DUK, Weeklies, ET, SEDG, Offshore Wind

Steve Fleishman <utilities@wolferesearch.com>
Mon 8/26/2024 8:56 AM
To:Popovski \ Sophroni <spopovski@nisource.com>

This Message Is From an External Sender
This message came from outside your organization.
Think before you click links or open attachments. If suspicious, please use the report phishing button or forward to security@nisource.com for review.





August 26, 2024

THE FLEISHMAN DAILY 8/26/24

CEG/EXC, EVRG/OGE, NI, EIX, TLN, Power Prices, CAL Watch, D/DUK, Weeklies, ET, SEDG, Offshore Wind

The Fleishman Daily 8/26/24
Utilities: CEG/EXC, EVRG/OGE, NI, EIX, TLN, Power Prices, CAL Watch, D/DUK
Midstream: Midstream of Consciousness, ET
Clean Energy: SEDG, Offshore Wind, Green Playbook
WEBCAST: Fleish on Fridays; replay here, slides here, polls here

Utilities

CEG/EXC – CEG seeks ComEd's financial performance related to co-located large load customers in pending IL grid plan case
EVRG/OGE – Bryan Buckler leaving OGE to be CFO at EVRG
NI – Files settlement in PA rate case; $74M revenue increase, silent on ROE/capital structure
EIX – Update expected today on TKM wildfire cost recovery case; deadline to file settlement or move to next phase is 9/7
TLN – Receives $300M in escrowed funds from data center sale to AMZN
Power Prices – Weekly Tracker
CAL Watch – Deadline this week for final bills; monitoring any new legislative language on utility bill affordability
D/DUK – SC Senate Special Committee began hearings on comprehensive utility bill; target appears to be for 2025

- Charles Walworth, OGE's Treasurer, has been appointed interim CFO; OGE will evaluate internal and external candidates for a permanent CFO

Strong hire by EVRG. Bryan did a good job at OGE and will be missed though we don't see any issues with the company meeting its growth and financial plans.

NI – Files settlement in PA rate case; $74M revenue increase, silent on ROE/capital structure

- On Friday, NI filed a settlement in its PA rate case; signatories include:
  - PA PUC Bureau of Investigation & Enforcement, Office of Consumer Advocate, Office of Small Business Advocate, and Pennsylvania State University.
  - CAUSE PA and PA Task Force do not oppose the settlement.
- Parties agreed to a $74.0M rate increase; the revenue requirement was settled via "black box", i.e., the ROE and equity ratio were not specified.
  - NI requested a $124.1M revenue increase premised on an 11.75% ROE, 54.40% equity ratio, and $3.489B rate base for the fully projected forecasted test year ending YE25.
  - Recall, NI's last PA rate case in 2022 was also settled via "black box".
- For the purposes of calculating NI's DSIC rider, the ROE shall reflect the return in the PA PUC's most recent Quarterly Report on the Earnings of Jurisdictional Utilities (10.15%).
- New rates are proposed to be implemented on 12/14/24; NI's pilot Weather Normalization Adjustment (WNA) mechanism will continue until a final order in its next rate case.

Black box settlements that are silent on ROE/equity ratio are typical in PA. The agreed upon revenue increase is ~60% of NI's initial ask, which we believe is a constructive outcome. PA is NI's second largest gas LDC and accounts for ~16% of NI's total rate base. We note that FE recently filed stating that parties are nearing an agreement on revenues in its rate case – we view this and NI's settlement as signs that PA regulation remains reasonable for electric/gas utilities despite a noisy outcome for AWK recently.

EIX – Update expected today on TKM wildfire cost recovery case; deadline to file settlement or move to next phase is 9/7

- An update on settlement discussions in the TKM wildfire cost recovery case is expected today, as the ALJ granted the parties' request to do so by 8/24 (today is the first business day after that date).
- The ALJ set the deadline for a motion for settlement or "Case Management Statement" to 9/7. The latter means there no settlement was reached.
- EIX is requesting $2.4B in recoveries related to the 2017 TKM wildfires and mudslides.
- The previous procedural schedule suggested evidentiary hearings in Aug and reply briefs due in Nov, implying a PD as early as 90 days later (Feb/Mar 2025).

We are watching for any update today. The deadline is 9/7. If there is no settlement, the remaining procedural schedule, which includes evidentiary hearings, initial/replay briefs, and proposed decisions would be shifted out by at least several months. This means a PD would come in mid-2025 instead of early 2025 with a final order 30 days after if no settlement.

TLN – Receives $300M in escrowed funds from data center sale to AMZN

- This morning, TLN announced that it had received the remaining $300M cash payment from AMZN for its data center campus sale that had been held in escrow
- The release from escrow was associated with reaching certain development milestones

GUGGENHEIM

Shahriar Pourreza, CFA
shahriar.pourreza@guggenheimpartners.com
212 518 5862

Constantine Lednev
constantine.lednev@guggenheimpartners.com
212 651 0847

James Kennedy
james.kennedy@guggenheimpartners.com
212 823 6741

Alexander Calvert
alexander.calvert@guggenheimpartners.com
212 518 9661

Guggenheim Utilities Research Team
GSUtilities@guggenheimpartners.com

Ticker	Price	Rating
CMS	67.12	Buy
CNP	26.77	Buy
CPK	116.88	Neutral
EIX	84.76	Buy
ETR	118.80	Buy
EVRG	58.53	Neutral
NI	32.62	Buy
OGE	39.56	Neutral
WEC	92.66	Neutral

Power & Utilities

August 26, 2024

The Guggenheim Daily Transmission: EVRG/OGE, EIX, PJM, CMS, CPK, MISO/SPP, Hydropower, ERCOT, TLN, CNP, ETR, NI, WEC

NEAR-TERM CORPORATE ACCESS AND MARKETING EVENTS INCLUDE:

*For details on our upcoming 2024 NDRs, including **NWE, NI, NEE, OGE** as well as others, please scroll down...*

VIRTUAL GROUP –Microsoft (MSFT) and Big Data in the Badger State: A Meeting with MSFT's Senior Director of Public Policy –Tomorrow at 1:00PM ET – DETAILS BELOW

SAVE THE DATE: 3rd Annual Guggenheim Georgia Field Trip: Southern Company (SO), SK Battery Tour, Data Centers, Supercar Racing, & Lionel Messi, September 17 & 18, Atlanta, GA. – DETAILS ON THE TRIP ARE IN THE INVITE BELOW

NEW EVENT: IPP Bus Tour (Calpine, Vistra, Talen, NRG), September 26 & 27, 2024, TEXAS – SEE INVITE BELOW FOR DETAILS

Full 2024 EEI schedule below including DUK CEO Dinner, ETR CEO Dinner, Banker Cocktails and 1on1 schedule over 3 days – SEE INVITE FOR FULL SCHEDULE

EVRG/OGE – EVRG hires OGE CFO Buckler

EIX – TKM errata and information-only updates filed

PJM – Calpine to 'accelerate' PJM investments

CMS – Reply comments filed in PBR process

CPK/MD – OPC files comments on settlement agreement

MISO/SPP – RTO issue head advisories ahead of heat wave

Hydropower – NHA issues release on hydro legislative initiatives

ERCOT – PUCT Staff advance reliability standard order for 8/29 open meeting

ERCOT – ISO Staff present load interconnection queue data points

ERCOT – Frontera CCGT sale process enters final stretch

TLN – TEC receives escrowed funds from AWS transaction

CNP – CEHE files appeal of ALJ's decision to deny its rate case withdrawal request

ETR – Direct testimonies filed in Entergy Texas System Resilience Plan

NI – constructive settlement filed in Columbia Gas of Pennsylvania rate case

WEC – Rebuttal testimonies filed in The Peoples Gas Light and Coke Company System Modernization Program

EVRG/OGE – EVRG hires OGE CFO Buckler

- "Evergy, Inc. (NASDAQ: EVRG) today announced W. Bryan Buckler will become the company's executive vice president and chief financial officer, effective October 1, 2024. As chief financial officer, Buckler will be responsible for Evergy's corporate finance functions, including treasury, accounting, planning, tax, internal audit, capital allocation and investor relations." - release

This report is intended for Sophroni Popovski at NiSource, Inc. (NI). Unauthorized distribution of this report is prohibited.

TLN – TEC receives escrowed funds from AWS transaction

- "We are pleased to announce that the $300 million escrowed portion of the Cumulus data center campus purchase price was released from escrow and paid to Talen on Friday, August 23, after completion of milestones that allow for development of the AWS campus to 960 MW of power consumption," said Cole Muller, General Manager of Cumulus Digital. "We continue to make progress on our collaboration with AWS and look forward to executing on power sales under the PPA." - release
- More HERE

Guggenheim takeaway: *FYI.*

CNP – CEHE files appeal of ALJ's decision to deny its rate case withdrawal request

- PUCT has 20 days to take up the appeal and decide in an open meeting.
- If no response, the ALJ's decision should be considered final.
- More HERE

Guggenheim Takeaway: *FYI. The ALJ recommendation on application withdrawal was rejected on statutory terms as the utilities code over-rides commission rules. The rate case has been a sensitive topic as intervenors want rate refunds, while CEHE seeks to refocus efforts on resiliency before proceeding with the rate case application as filed. There is still a pathway to a constructive order given PUCT Staff's prior support as well as an appeals path. See our recent management meeting note HERE for more.*

ETR – Direct testimonies filed in Entergy Texas System Resilience Plan

- Intervenors filed direct testimony in the ETR TX Resiliency proceeding.
- OPUC broadly supports the ETR TX application, while other intervenors have minor administrative issues, including TIEC questioning the reliability/wind standards used to determine system resiliency needs.
- The schedule includes:
  - Hearing on the Merits Sept. 9-10, 2024
  - Initial Briefs Sept. 16, 2024
  - SOAH PFD Nov. 22, 2024
  - 180-Days After Filing – i.e., tentative approval Dec. 18, 2024
- More HERE / HERE

Guggenheim Takeaway: *FYI. Our views remain constructive.*

NI – Constructive settlement filed in Columbia Gas of Pennsylvania rate case

- This is a black box case.
- Columbia Gas proposed $124.1MM annual revenue increase and petitioners proposed $74MM, which is where all parties settled at**.** One intervenor suggested a much lower revenue increase.
- Columbia Gas asked for a 54% equity layer, which was not disputed by any of the major parties and settled in that area.
- Settled on ROE above proposed ask.
- ALJ response to come in Oct/Nov and final Commission and rate effective in December.
- Parties involved included Office of Consumer Advocates, Office of Small Business Advocates, Bureau of Investigation and Enforcement, and Penn State University.
- More HERE

Guggenheim Takeaway: *Positive settlement and continues to support our view of a constructive regulatory environment in Pennsylvania. NI continues to execute on its regulatory proceedings and has settled key cases. All eyes on the IRP fling later this year.*

WEC – Rebuttal testimonies filed in The Peoples Gas Light and Coke Company System Modernization Program

- Last week, rebuttal testimonies were filed to address The Peoples Gas and Light and Coke Company (PGL') System Modernization Program (SMP).

This report is intended for Sophroni Popovski at NiSource, Inc. (NI). Unauthorized distribution of this report is prohibited.

LADENBURG THALMANN
ESTABLISHED 1876

Power & Utilities
Price Target Change
July 8, 2024
BUY

Paul Fremont; pfremont@ladenburg.com
212.409.2057

NiSource Inc.

Electric Demand Growth Expected to Power Rate Base Growth at Nipsco; Adjust Ests.

NI (NYSE)

Company & Market Data	
Closing Price (as of 07/05/2024)	$28.54
Rating:	BUY
Price Target:	$31.50
Prior Price Target:	*$27.00*
52 Week Range:	$22.86 - $29.44
Shares Outstanding (MM):	448.3
Market Capitalization (MM):	$12,795
Avg Daily Volume (M):	4,255.2
Enterprise Value (MM):	$27,524
Book Value per share:	$27.46
Debt (MM):	$7,950.0
Annual Dividend/Share:	$0.70
Current Dividend Yield:	2.5%
Fiscal Year End:	Dec

Estimates	2024E	2025E	2026E
EPS			
1Q	—	—	—
2Q	—	—	—
3Q	—	—	—
4Q	—	—	—
Full Year	$1.72	$1.83	$1.98
Prior	*$1.69*		
Revenue (MM)	$5,947.0	$6,258.0	$6,612.0
Prior	*$5,768.0*	*$6,153.0*	
EBITDA (MM)	$2,551.0	$2,810.0	$3,150.0
Prior	*$2,462.0*	*$2,759.0*	

Ratios			
P/E	16.6x	15.6x	14.4x
EV/EBITDA	10.8x	9.8x	8.7x

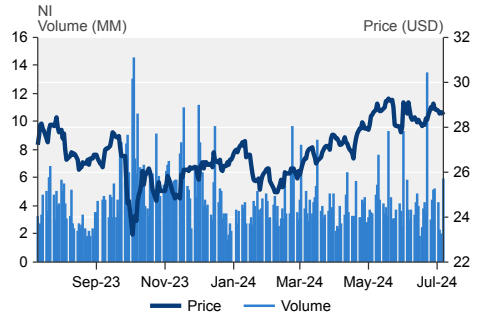


Chart data: Bloomberg

NiSource subsidiary Nipsco recently announced IRP updates identifies up to 2,600 MW of emerging load mostly related to data centers and AI. Coupled with 600 MW of additional load included in the company's base forecast could add an estimated $3.0 billion of generation spending through 2028. Although we are not including this benefit in our estimates, we have added the upside to our valuation providing significant upside potential to our price target. We maintain our Buy rating on NiSource.

- We estimate roughly $3.0 billion of potential generation investment through 2028 associated with Nipsco's most recent IRP update.
- Blackstone, as the owner of QTS, may help spur data center development in Nipsco's service territory.
- This potential new investment would increase rate base growth in our forecast from 9% to 11.2%.
- On a net present value basis, the added rate base investment could add $0.17 per share to Nipsco earnings. We do not include this benefit in our estimates but do include it in our valuation of NiSource.
- Interveners filed testimony in the Pennsylvania Columbia Gas rate case in June. The testimony has not yet been made public. Hearings are scheduled to begin July 31.
- Intervener testimony in the Columbia Gas Virginia proceeding is due October 16.
- We adjust our EPS estimates and introduce our 2027 estimate of $2.11.
- Using a sum of the parts valuation approach, we arrive at a revised price target of $31.50 (see valuation page 6).

Disclosures and Analyst Certifications can be found in Appendix A.

Resource Planning

At the second stakeholder advisory meeting for the company's 2024 integrated resource plan (IRP), NiSource subsidiary Nipsco, introduced updated projections for demand growth through 2035 that are significantly higher than previous projections. Exhibit 1 provides a summary of NiSource updated projections:

Exhibit 1: 2024 IRP

IRP	2028	2030	2035
Original Reference Case	2,300	2,300	2,500
New Load	600	1,600	2,600
IRP New Reference Case	2,900	3,900	5,100
Emerging Load	2,600	4,500	6,000
Total	5,500	8,400	11,100
Incremental to Original Base Case MW Need	3,200	6,100	8,600
% Assumed Nipsco	75%	75%	75%
NI Capacity	2,400	4,575	6,450

Source: NiSource Inc.

Through 2028, Nipsco is projecting 600 MW of additional load as part of its base reference case and up to 2,600 of emerging load under its upside growth scenario driven primarily by data centers and AI. Assuming Nipsco constructs 75% of this additional resource would add construction of 2,400 MW to the company's forecast between now and 2028.

According to NiSource, actions by the Indiana General Assembly and the Governor's Office demonstrate a strong desire for Indiana to be a leader in data centers prompting Nipsco to include this projected demand in its IRP.

Current state law provides for a sales and use tax exemption on purchases of qualifying data center equipment and energy for a period not to exceed 25 years for facilities with an investment of less than $750 million (50 years for facility investments greater than $750 million). Local governments may also provide a personal property tax exemption for data centers that invest in real and personal property in excess of $25 million.

In conjunction with the company's growing load forecast, on May 1, 2024, Nipsco initiated request for proposals (RFP's) for:

- RFP 1 & 2 1,000 MW including 400 MW of renewables and 600 MW of thermal resources.
- RFP 3 600-1,000 MW of generation resources
- RFP 4 up to 10 MW of distribution or transmission interconnected resources.

Exhibit 2 provides the company's most recent rate base forecast:

Exhibit 2: NiSource Rate Base Growth

*Average Rate Base 4Q2021	2021	2022	2023	2024	2025	2026	2027	2028
Rate Base CAGR of 10.0%	14,921	16,705	18,770	20,647	22,712	24,983	27,481	30,229
Rate Base CAGR of 8.0%	14,921	16,705	18,770	20,272	21,893	23,645	25,536	27,579
Mid	14,921	16,705	18,770	20,459	22,303	24,314	26,509	28,904
$ Millions							2023-2028 CAGR:	9.0%

Source: NiSource Inc.

The company's forecast is based on rate base growth of 8%-10%.

Exhibit 3 includes Nipsco's updated IRP projections including 2,400 MW included in its upside scenario and assumes that Nipsco constructs an additional 2,400 MW of generation split evenly between thermal and renewables at a blended cost of $1,600 per MW.

Exhibit 3: IRP MW Projections			
Combo Thermal and Renewable			**NiSource Share**
MW		2.400	
Cost Per MW	$ 1,600.00		
$ Million		$3,840.00	
Total $ Million		$3,840.00	$3,072

Source: NiSource Inc.

The total additional capex for Nipsco amounts to $3.8 billion of which $3.0 billion represents NiSource's share adjusted for Blackstone ownership of Nipsco.

Incorporating this additional investment into NiSource's rate base projections boosts NiSource's rate base growth from 9% at the mid-point to 11.2% as seen in Exhibit 4.

Exhibit 4: NiSource Rate Base Growth (with additional investment)								
Rate Base Stretch	2021	2022	2023	2024	2025	2026	2027	2028
High:	14,921	16,705	18,770	20,647	22,712	24,983	27,481	33,301
Low:	14,921	16,705	18,770	20,272	21,893	23,645	25,536	30,651
Mid:	14,921	16,705	18,770	20,459	22,303	24,314	26,509	31,976
$ Millions							2023-2028 CAGR:	11%

Source: NiSource Inc.

Assuming incremental rate base investment is funded 25% with equity, we estimate $0.17 of accretion associated with Nipsco's updated IRP on a net present value basis.

Nipsco is owned 80.1% by NiSource and 19.9% by Blackstone (BX, $122.72, NR). In 2021, Blackstone acquired QTS Realty Trust, among the country's largest data center developers, for $10.0 billion. As a minority owner of Nipsco, Blackstone would benefit from data center development in Nipsco's service territory.

Regulation Update

The company filed rate cases in Pennsylvania and Virginia earlier this year. Exhibit 5 provides a summary of Columbia Gas Pennsylvania rate request.

Exhibit 5: Columbia Gas Pa. Rate Case

Date	Mar-24			
Docket	R-2024-3046519			
Year	2024			
$ Millions	**Company**	**Settlement**	**CUB**	**PAPUC**
Rate Base				
Electric				
Gas	3,489			
Electric Wholesale & Corporate Services				
Total Electric and Gas	3,489	0		
Equity Ratio	54.40%			52.50%
Earning Equity	1,898	0		
ROE	11.75%			
Net Income	223	0		
Requested Increase				
Electric				
Gas	124			
Total	124	0		

Source: Pennsylvania PUC

Staff and intervener testimony was due June 14 but has not yet been made public. This is fairly common in Pennsylvania rate proceedings. Hearings are scheduled to begin July 31 and a final order is expected by year end.

Exhibit 6 provides a summary of Columbia Gas Virginia's rate filing.

Exhibit 6 :Columbia Gas Va. Rate Case	
Date	Apr-24
Docket	PUR-2024-00030
Year	9/1/2025
$ Millions	**Company**
Rate Base	
Electric	
Gas	1,201
Electric Wholesale & Corporate Services	
Total Electric and Gas	1,201
Equity Ratio	42.76%
Earning Equity	514
ROE	10.85%
Net Income:	56
Requested Increase	
Electric	
Gas	37.0
Total	37.0
Staff and intervener testimony	16-Oct
Rebuttal	20-Nov
Hearings	10-Dec

Source: Virginia SCC

Testimony is due on October 16 and hearings are scheduled to begin in December.

EPS

We adjust our estimates as follows.

Consolidated	2024E	2025E	2026E	2027E
Current	$1.72	$1.83	$1.98	$2.11
Prior	$1.69	$1.83	$1.95	-
Difference	$0.03	$0.00	$0.03	$0.00

Source: Ladenburg Thalmann Estimates

We increase our 2024 EPS estimate $0.03 to $1.72 based on the timing and dollar amount of assumed equity during the year. Our estimate is at the high end of the company's guidance range of $1.68-$1.72.

We maintain our 2025 EPS estimate of $1.83.

We increase our 2026 EPS estimate $0.03 to $1.98 based on additional rate base.

We introduce our 2027 EPS estimate of $2.11.

Valuation

Using a sum of the parts valuation approach we arrive at a price target of $31.50. Based on Friday's closing price of $28.54 this represents price appreciation potential of 10.4% and total return potential of 14.1% including the company's current yield of 3.7%.

We value the electric utility 2026 EPS of $0.81 at a 14.6 P/E multiple, a 5% premium to the electric utility group average multiple, resulting in a price target of $12.00. The premium reflects the current high growth rate in earnings.

We value the gas utility 2025 EPS of $1.48 at a 14.7 P/E multiple, a 5% premium to the gas utility group average multiple, resulting in a price target of $21.50.

We include in our valuation $2.50 of uplift from estimated accretion arising from $3.0 billion of higher capital spending associated with Nipsco's most recent IRP updates.

We deduct $4.50 from our price target for parent unallocated debt of $3.0 billion.

Consistent with our methodology our price targets are dynamic, which means that they will change with the group average P/E multiples and EV/EBITDA multiples, recalculated on a daily basis.

Key Risks

In addition to the normal economic and market risk factors that potentially impact the value of most equities, the primary risks associated with owning shares of NiSource, include, but are not limited to:

NiSource's gas distribution and transmission activities, as well as generation, transmission, and distribution of electricity, involve a variety of inherent hazards and operating risks, including potential public safety risks.

Failure to adapt to advances in technology and manage the related costs could make NiSource less competitive and negatively impact its results of operations and financial condition.

Aging infrastructure may lead to disruptions in operations and increased capital expenditures and maintenance costs, all of which could negatively impact NiSource's financial results.

Aspects of the implementation of NiSource's electric generation strategy, including the retirement of its coal generation units, may be delayed and may not achieve intended results.

NiSource's capital projects and programs subject them to construction risks and natural gas costs and supply risks, and are subject to regulatory oversight, including requirements for permits, approvals and certificates from various governmental agencies.

Fluctuations in weather, gas and electricity commodity costs, inflation and economic conditions impact demand of NiSource's customers and its operating results.

Fluctuations in the price of energy commodities or their related transportation costs or an inability to obtain an adequate, reliable, and cost-effective fuel supply to meet customer demands may have a negative impact on NiSource's financial results.

Failure to attract and retain an appropriately qualified workforce, and maintain good labor relations, could harm NiSource's results of operations.

The actions of activist stockholders could negatively affect NiSource's business and stock price and cause NiSource to incur significant expenses.

NiSource is subject to operational and financial risks and liabilities associated with the implementation and efforts to achieve its carbon emission reduction goals.

A drop in NiSource's credit ratings could adversely impact its cash flows, results of operation, financial condition, and liquidity.

Adverse economic and market conditions, including increased inflation, increases in interest rates, recession or changes in investor sentiment could materially and adversely affect NiSource's business, results of operations, cash flows, financial condition, and liquidity.

The COVID-19 pandemic has adversely impacted and may continue to adversely impact NiSource's business, results of operations, financial condition, liquidity and cash flows. Most of NiSource's revenues are subject to economic regulation and are exposed to the impact of regulatory rate reviews and proceedings.

The actions of regulators and legislators could result in outcomes that may adversely affect NiSource's earnings and liquidity.

The outcome of legal and regulatory proceedings, investigations, inquiries, claims, and litigation related to NiSource's business operations may have a material adverse effect on its results of operations, financial position or liquidity.

Changes in taxation and the ability to quantify such changes as well as challenges to tax positions could adversely affect NiSource's financial results.

NiSource has significant goodwill. Any future impairments of goodwill could result in a significant charge to earnings in a future period and negatively impact its compliance with certain covenants under financing agreements.

The trading prices for NiSource's Equity Units, initially consisting of Corporate Units, and related treasury units and Series C Mandatory Convertible Preferred Stock, are expected to be affected by, among other things, the trading prices of its common stock, the general level of interest rates and its credit quality.

A significant portion of the gas and electricity the company sells is used by residential and commercial customers for heating and air conditioning. Accordingly, fluctuations in weather, gas and electricity commodity costs, inflation and economic conditions impact demand of customers and operating results.

The company has substantial indebtedness which could adversely affect financial condition.

The company is a holding company and is dependent on cash generated by subsidiaries to meet debt obligations and pay dividends on the company's stock.

The Greater Lawrence Incident has materially adversely affected and may continue to affect the company's financial condition materially adversely, results of operations and cash flows and the company may have continued financial liabilities related to the sale of the Massachusetts Business.

Consolidated Financial Statements--NI

Consolidated Income Statement						
($ millions)	2022A	2023A	2024E	2025E	2026E	2027E
Revenues	$5,834	$5,566	5,947	6,258	6,612	6,879
Cost of Goods Sold	2,111	1,533	1,613	1,671	1,681	1,682
O&M	1,487	1,498	1,509	1,498	1,498	1,498
Taxes Other then Income	268	271	274	278	282	286
Other Expenses	0	0	0	0	0	0
EBITDA	**$1,968**	**$2,264**	**$2,551**	**$2,810**	**$3,150**	**$3,413**
D&A	821	908	978	1,053	1,123	1,191
EBIT	**$1,147**	**$1,356**	**$1,573**	**$1,757**	**$2,027**	**$2,222**
Interest	362	490	488	570	685	755
Other Income	42	8	24	32	24	22
EBT	**$828**	**$875**	**$1,109**	**$1,219**	**$1,366**	**$1,488**
Taxes	137	155	182	199	227	249
Non-Controlling	(12)	(40)	69	83	109	124
Preferred Dividends	55	43	11	11	11	11
Net Income	**$648**	**$716**	**$847**	**$926**	**$1,018**	**$1,104**
Shares Million	443	448	491	507	515	522
EPS	**$1.46**	**$1.60**	**$1.72**	**$1.83**	**$1.98**	**$2.11**

Consolidated Cash Flow Statement						
($ millions)	2022A	2023A	2024E	2025E	2026E	2027E
Net Income	$647	$753	$847	$926	$1,018	$1,104
Depreciation	788	867	937	1,012	1,082	1,150
Deferred Taxes	157	134	124	126	128	128
Maintenance Cap-Ex	(860)	(628)	(837)	(812)	(855)	(897)
Growth Cap-Ex	(1,276)	(1,798)	(2,315)	(2,071)	(1,860)	(1,817)
Net Cash Generation	**(544)**	**(672)**	**(1,245)**	**(819)**	**(486)**	**(332)**
EBITDA + Other Income	**1,634**	**1,762**	**1,931**	**2,096**	**2,253**	**2,404**
Interest Expense	40	79	32	75	157	192
Pfd. Dividends	54	30	0	0	0	0
Common Dividends	421	479	535	579	626	677

Consolidated Balance Sheet						
($ millions)	2022A	2023A	2024E	2025E	2026E	2027E
Cash & Equivalents	$75	$2,281	$140	$14	$121	$172
Short Term Debt	1,764	3,061	1,231	10	10	10
Revolver	0	0	0	14	0	0
Current Portion of Long Term Debt	30	24	1,250	0	1,061	1,050
Long Term Debt	9,255	11,121	10,521	13,396	12,785	13,096
Total Debt	**$11,049**	**$14,206**	**$13,002**	**$13,420**	**$13,856**	**$14,156**
Mandatorily Convertible Preferred (0% Equity Credit)	667	667	0	0	0	0
Preferred Stock	879	479	0	0	0	0
Total Debt & Preferred	**$11,929**	**$14,685**	**$13,002**	**$13,420**	**$13,856**	**$14,156**
Shareholder's Equity	7,902	10,136	10,021	9,664	9,402	9,177
Goodwill Portion of Equity	1,486	1,486	1,486	1,486	1,486	1,486
Goodwill / Shareholder's Equity	19%	15%	15%	15%	16%	16%
Total Book Capitalization	**$19,830**	**$24,821**	**$23,023**	**$23,083**	**$23,258**	**$23,333**
Off-Balance Sheet Debt	0	0	0	0	0	0
Consolidated Debt/Pfd. Assoc. w/Min. Int. Exp.	0	0	0	0	0	0
Total Credit Capitalization	**$19,830**	**$24,821**	**$23,023**	**$23,083**	**$23,258**	**$23,333**

Source: Ladenburg Thalmann Estimates

This report is intended exclusively for:
spopovski@ nisource.com

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UBS Evidence Lab

UBS Global Research
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North America Power & Utilities

UBS Evidence Lab inside: 3Q 2024 Preview

Equities

Americas

Electric Utilities

William Appicelli, CFA
Analyst
william.appicelli@ubs.com
+1-212-713 1414

Gregg Orrill
Analyst
gregg.orrill@ubs.com
+1-212-713 1064

Jeffrey Keitel
Associate Analyst
jeffrey.keitel@ubs.com
+1-212-713 4095

Maxwell Grinacoff, CFA
Strategist
maxwell.grinacoff@ubs.com
+1-212-713 3892

2025 Guidance Initiations and Load Growth/Capex Updates Are in Focus:

We see this upcoming quarterly earnings season and subsequent EEI conference as a likely opportunity for management teams to fine tune the outlook and impact of the robust demand growth facing most of the sector. The data center demand theme kicked off in earnest this time last year and we believe company's should be better positioned to articulate the level of expected demand growth and the impact to the longer term capex, and eventually earnings growth. We also expect updates on power implications of colocation and data centers. Key calls we're focused on:

- AEP: New CEO Bill Ferhman's first call. We think the company could widen EPS growth range to 5-7% from 6-7%. Capex and equity needs likely to increase and we look for any strategic action updates or capital recycling opportunities.
- EVRG: Capex refresh should drive rate base growth higher than current 6%, but we don't think the EPS CAGR target of 4-6% changes at this time.
- PNW: The company will introduce 2025 EPS guidance, which we see at $4.61 vs. cons of $4.82, although we think investors need to focus on 2027 earnings power.
- NI: The company will introduce '25 guidance and roll capex. We don't expect IRP related capex to be folded into the base plan at this point.
- NEE: We look for an update on renewable backlog and if the pace continues at ~3.0 GW per quarter or may pull back a bit. We also expect an update on the potential nuclear restart of Duane Arnold.
- PJM T&D companies. AEP, EXC, FE, PPL, PEG. Cost allocation litigation and reviews from FERC.

Regulated Utilities: Largest Variances vs. Consensus

- Quarters we see the biggest positive EPS variances vs. cons: ATO, ES, PNW.
- Quarters we see the biggest negative EPS variances vs. cons: DUK, OGE.

UBS Evidence Lab: Weather Data By Utility Service Territory

- The companies with the biggest increase where there is no decoupling mechanism were: PPL Corp. (+13%), NiSource (+10%-but partially decoupled), FirstEnergy (+8%) and Idacorp (+8%). Companies with negative degree day comparisons to 3Q'23 included: Sempra (-18%), Entergy (-13%), American Electric Power (-12%), and Evergy Inc. (-11%).

Earnings Season Gamma Rentals: UBS Equity Derivative Research

Utility earnings report trades may not be worth pursuing on who beats and misses consensus. Alternatively, UBS Equity Derivatives Research provides Gamma Rental ideas to consider. The methodology screens for stocks that move in sympathy to their direct peers' earnings moves, thereby avoiding the 'volatility crush' of holding onto a long option position through earnings reports directly. Maxwell Grinacoff, CFA (Head of US Equity Derivatives Research) uses a 'Mover' and 'Moocher' approach to screen for opportunistic pairwise moves through earnings season – *see Bust a move: What could move the most through Q3 earnings season?* In summary, **Consolidated Edison** and **Duke Energy** look to be the most attractive candidates ('Moochers') in which to own optionality to capture their peers' moves upon reporting earnings beforehand ('Movers').

spopovski@ nisource.com

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Figure 1: Electric Utility Coverage Universe

Rating	Ticker	10/17/24	Price Target	Total Return inc. Div. Yld	2021A EPS	2022A EPS	2023A EPS	UBS 2024E EPS	UBS 2025E EPS	UBS 2026E EPS	2026 P/E Ratio	2026 Prem/ Disc	Current Dividend Yield	5 Yr EPS Growth	5 Yr DPS Growth	Regulatory Quartile
Buy	ES	$65.00	$83	32%	$3.54	$4.05	$4.34	$4.59	$4.85	$5.13	12.7x	(25%)	4.2%	5.1%	5.7%	4th
Buy	PCG	$20.28	$26	28%	$1.08	$1.10	$1.23	$1.36	$1.49	$1.63	12.4x	(27%)	0.2%	9.6%	10.0%	2nd
Buy	POR	$48.26	$58	24%	$2.72	$2.74	$2.38	$3.08	$3.30	$3.47	13.9x	(18%)	3.9%	9.1%	6.0%	2nd
Buy	NI	$34.95	$40	17%	$1.37	$1.47	$1.60	$1.71	$1.83	$1.99	17.5x	3%	2.9%	7.4%	6.0%	2nd
Neutral	EIX	$84.64	$96	17%	$4.59	$4.63	$4.76	$4.89	$5.64	$5.90	14.4x	(15%)	3.5%	6.9%	4.0%	2nd
Neutral	IDA	$103.83	$116	15%	$4.85	$5.11	$5.14	$5.44	$5.86	$6.26	16.6x	(2%)	3.1%	7.2%	5.4%	2nd
Neutral	FE	$43.49	$48	14%	$2.60	$2.41	$2.56	$2.65	$2.79	$3.05	14.3x	(16%)	3.6%	5.4%	4.1%	3rd
Neutral	XEL	$63.25	$70	14%	$2.96	$3.17	$3.21	$3.56	$3.82	$4.09	15.5x	(9%)	3.3%	8.0%	5.8%	4th
Buy	SRE	$85.49	$95	14%	$4.21	$4.61	$4.56	$4.88	$5.20	$5.51	15.5x	(8%)	2.8%	6.6%	7.0%	3rd
Neutral	EVRG	$60.78	$66	13%	$3.46	$3.34	$3.17	$3.84	$4.02	$4.25	14.3x	(15%)	4.1%	8.0%	4.4%	4th
Neutral	EXC	$40.77	$44	11%	$1.83	$2.27	$2.38	$2.45	$2.64	$2.80	14.6x	(14%)	3.5%	6.0%	7.2%	4th
Buy	AEE	$88.31	$95	10%	$3.82	$4.14	$4.38	$4.62	$4.92	$5.22	16.9x	(0%)	2.9%	6.0%	5.7%	3rd
Neutral	EMA	$53.34	$56	10%	$2.81	$3.03	$2.95	$2.90	$3.19	$3.27	16.3x	(4%)	5.2%	4.1%	-1.4%	2nd
Buy	ETR	$134.63	$144	10%	$6.02	$6.42	$6.77	$7.21	$7.69	$8.32	16.2x	(4%)	3.2%	6.7%	2.3%	3rd
Neutral	CMS	$71.02	$76	10%	$2.65	$2.89	$3.11	$3.34	$3.59	$3.85	18.4x	9%	2.7%	7.4%	7.0%	1st
Buy	NEE	$83.78	$90	10%	$2.55	$2.90	$3.22	$3.39	$3.66	$4.16	20.2x	19%	2.2%	5.2%	8.9%	1st
Neutral	LNT	$61.98	$66	9%	$2.63	$2.80	$2.82	$3.07	$3.26	$3.47	17.8x	5%	2.9%	6.5%	5.5%	1st
Neutral	PPL	$32.37	$34	8%	$1.05	$1.41	$1.60	$1.70	$1.79	$1.93	16.7x	(1%)	3.0%	6.4%	6.9%	3rd
Neutral	OGE	$40.57	$42	8%	$3.68	$3.32	$2.07	$2.12	$2.27	$2.46	16.5x	(3%)	4.1%	5.8%	3.1%	3rd
Neutral	PEG	$89.70	$94	7%	$3.67	$3.47	$3.48	$3.66	$4.00	$4.29	20.9x	24%	2.5%	7.0%	7.0%	2nd
Neutral	ED	$105.66	$109	6%	$4.37	$4.50	$4.74	$5.25	$5.61	$5.89	17.9x	6%	3.1%	6.3%	4.7%	4th
Neutral	PNW	$87.09	$89	6%	$5.47	$4.26	$4.41	$5.40	$4.61	$4.85	18.0x	6%	4.0%	6.7%	5.0%	3rd
Neutral	WEC	$99.14	$102	6%	$4.09	$4.46	$4.21	$4.87	$5.25	$5.62	17.6x	4%	3.1%	7.1%	6.2%	2nd
Neutral	DUK	$120.58	$123	5%	$5.24	$5.27	$5.56	$5.94	$6.30	$6.65	18.1x	7%	3.4%	5.9%	4.0%	1st
Neutral	CNP	$30.18	$31	5%	$1.64	$1.38	$1.50	$1.63	$1.74	$1.85	16.3x	(4%)	2.6%	7.2%	8.0%	4th
Neutral	DTE	$128.44	$129	3%	$5.99	$5.96	$5.73	$6.70	$7.17	$7.67	16.7x	(1%)	3.0%	8.9%	5.8%	1st
Neutral	SO	$92.70	$93	3%	$3.41	$3.60	$3.65	$4.02	$4.30	$4.60	20.2x	19%	3.0%	7.3%	2.7%	1st
Neutral	H	$45.97	$46	3%	$1.61	$1.75	$1.81	$1.92	$2.05	$2.18	21.1x	24%	2.5%	6.8%	6.2%	2nd
Neutral	D	$59.74	$57	(0%)	$3.86	$4.10	$1.99	$2.80	$3.40	$3.61	16.6x	(2%)	4.5%	5.5%	2.0%	4th
Sell	FTS	$61.65	$59	(1%)	$2.59	$2.78	$3.10	$3.18	$3.28	$3.46	17.8x	5%	3.7%	4.7%	4.1%	3rd
Sell	AEP	$100.91	$91	(6%)	$4.74	$5.13	$5.25	$5.62	$5.91	$6.29	16.0x	(5%)	3.3%	6.0%	7.5%	3rd
Electric Utility Average											**16.9x**		**3.3%**	**6.7%**	**5.3%**	

Source: Company reports, Factset, UBS estimates; Suspended stocks reflect FactSet Consensus EPS

Figure 2: Gas Utility Coverage Universe

Rating	Ticker	10/17/24	Price Target	Total Return inc. Div. Yld	2021A EPS	2022A EPS	2023A EPS	UBS 2024E EPS	UBS 2025E EPS	UBS 2026E EPS	2026 P/E Ratio	2026 Prem/ Disc	Current Dividend Yield	5 Yr EPS Growth	5 Yr DPS Growth	Regulatory Quartile
Buy	SR	$63.79	$75	22%	$1.11	$3.86	$4.05	$4.20	$4.62	$4.93	12.9x	(20%)	4.5%	6.4%	5.3%	2nd
Neutral	ATO	$143.76	$146	4%	$5.12	$5.60	$6.10	$6.80	$7.13	$7.65	18.8x	17%	2.3%	7.4%	8.5%	2nd
Sell	OGS	$74.48	$66	-8%	$3.85	$4.08	$4.14	$3.89	$4.15	$4.38	17.0x	6%	3.6%	4.9%	1.9%	3rd
Gas Utility Average											**16.1x**		**3.3%**	**6.3%**		

Source: Company reports, Factset, UBS estimates; Suspended stocks reflect FactSet Consensus EPS

Figure 3: Water Utility Coverage Universe

Rating	Ticker	10/17/24	Price Target	Total Return inc. Div. Yld	2021A EPS	2022A EPS	2023A EPS	UBS 2024E EPS	UBS 2025E EPS	UBS 2026E EPS	2026 P/E Ratio	2026 Prem/ Disc	Current Dividend Yield	5 Yr EPS Growth	5 Yr DPS Growth	Regulatory Quartile
Buy	WTRG	$40.08	$46	18%	$1.67	$1.77	$1.86	$1.90	$2.10	$2.22	18.1x	(17%)	3.0%	6.5%	7.0%	1st
Neutral	AWK	$140.79	$149	8%	$4.25	$4.51	$4.90	$5.27	$5.69	$6.14	22.9x	5%	2.0%	7.8%	8.0%	1st
Water Utility Average											**21.8x**		**2.2%**	**7.5%**	**7.4%**	

Source: Company reports, Factset, UBS estimates; Suspended stocks reflect FactSet Consensus EPS

spopeski@ nisource.com

Figure 4: 3Q'24 Utility Estimates

US Companies in US$		Quarterly						Annual						
Company	Ticker	Scheduled Reporting Date	3Q'24E UBS	3Q'24E Consensus	UBS vs. Consensus	UBS Confidence Indicator[1]	3Q'23A Adjusted	2024E UBS	2024E Consensus	UBS vs. Consensus	Trailing 12 Month	2023A	2024 EPS Guidance Low	2024 EPS Guidance High
ELECTRIC UTILITIES														
Alliant Energy	LNT	31-Oct	$1.10E	$1.11	($0.01)		$1.05A	$3.07	$3.06	$0.01	$2.76	$2.82	$2.99	$3.13
Ameren Corp	AEE	6-Nov	$1.98E	$1.99	($0.02)		$1.87A	$4.62	$4.62	($0.01)	$4.51	$4.38	$4.52	$4.72
American Electric Power	AEP	6-Nov	$1.80E	$1.81	($0.01)		$1.77A	$5.62	$5.63	($0.01)	$5.57	$5.25	$5.53	$5.73
CMS Energy	CMS	31-Oct	$0.76E	$0.77	($0.01)		$0.61A	$3.34	$3.33	$0.01	$3.41	$3.11	$3.29	$3.35
Consolidated Edison	ED		$1.67E	$1.64	$0.03		$1.62A	$5.25	$5.31	($0.06)	$5.29	$4.74	$5.20	$5.40
Dominion Energy	D	1-Nov	$0.94E	$0.93	$0.01		$0.77A	$2.80	$2.76	$0.04	$2.06	$1.99	$2.67	$2.83
DTE Energy	DTE	24-Oct	$1.83E	$1.77	$0.06		$1.44A	$6.70	$6.69	$0.01	$6.73	$5.73	$6.54	$6.83
Duke Energy	DUK	7-Nov	$1.69E	$1.87	($0.17)		$1.94A	$5.94	$5.98	($0.04)	$5.83	$5.56	$5.85	$6.10
Edison International	EIX	29-Oct	$1.38E	$1.44	($0.06)		$1.38A	$4.89	$4.94	($0.05)	$5.02	$4.76	$4.75	$5.05
Emera Inc	EMA	8-Nov	$0.76E	$0.77	($0.01)		$0.75A	$2.90	$2.83	$0.07	$2.57	$2.95		
Entergy Corp	ETR	31-Oct	$3.05E	$3.01	$0.04		$3.27A	$7.21	$7.21	($0.00)	$6.57	$6.77	$7.05	$7.35
Evergy Inc.	EVRG	7-Nov	$1.92E	$1.95	($0.03)		$1.88A	$3.84	$3.84	($0.00)	$3.25	$3.17	$3.73	$3.93
Eversource Energy	ES	5-Nov	$1.12E	$1.04	$0.08		$0.97A	$4.59	$4.56	$0.03	$4.52	$4.34	$4.50	$4.67
Exelon Corp	EXC	30-Oct	$0.66E	$0.70	($0.03)		$0.67A	$2.45	$2.45	$0.01	$2.32	$2.38	$2.40	$2.50
FirstEnergy Corp	FE	29-Oct	$0.87E	$0.91	($0.04)		$0.88A	$2.65	$2.70	($0.05)	$2.60	$2.56	$2.61	$2.81
Fortis Inc	FTS	5-Nov	$0.83E	$0.82	$0.01		$0.81A	$3.18	$2.37	$0.81	$3.20	$3.10		
IDACORP, Inc.	IDA	31-Oct	$2.20E	$2.19	$0.01		$2.08A	$5.44	$5.39	$0.05	$5.52	$5.14	$5.30	$5.45
Hydro One	H	7-Nov	$0.61E	$0.59	$0.02		$0.52A	$1.92	$4.09	($2.17)	$2.03	$1.81		
NextEra Energy	NEE	23-Oct	$1.02E	$0.97	$0.05		$0.94A	$3.39	$3.41	($0.02)	$3.46	$3.22	$3.23	$3.43
OGE Energy Corp	OGE	5-Nov	$1.12E	$1.28	($0.17)		$1.20A	$2.12	$2.15	($0.02)	$1.92	$2.07	$2.06	$2.18
PG&E Corp	PCG	7-Nov	$0.35E	$0.30	$0.05		$0.24A	$1.36	$1.36	$0.01	$1.37	$1.23	$1.33	$1.37
Pinnacle West Corporation	PNW	6-Nov	$3.87E	$3.24	$0.64		$3.50A	$5.40	$4.78	$0.61	$5.78	$4.41	$4.60	$4.80
Portland General Electric	POR	25-Oct	$0.88E	$0.62	$0.26		$0.46A	$3.08	$3.08	($0.00)	$3.32	$2.38	$2.98	$3.18
PPL Corporation	PPL	1-Nov	$0.44E	$0.46	($0.02)		$0.43A	$1.70	$1.71	($0.01)	$1.77	$1.60	$1.63	$1.75
Public Service Enterprise Group	PEG	4-Nov	$0.89E	$0.92	($0.03)		$0.85A	$3.66	$3.67	($0.00)	$3.37	$3.48	$3.60	$3.70
Sempra Energy	SRE		$1.10E	$1.14	($0.04)		$1.08A	$4.88	$4.78	$0.10	$4.42	$4.56	$4.60	$4.90
Southern Company	SO	31-Oct	$1.34E	$1.38	($0.05)		$1.41A	$4.02	$4.04	($0.02)	$4.13	$3.65	$3.95	$4.05
WEC Energy Group	WEC	31-Oct	$0.70E	$0.73	($0.03)		$1.00A	$4.87	$4.86	$0.01	$4.44	$4.21	$4.80	$4.90
Xcel Energy	XEL	31-Oct	$1.26E	$1.32	($0.06)		$1.23A	$3.56	$3.57	($0.01)	$3.51	$3.21	$3.50	$3.60
Average			**$1.32**	**$1.30**	**$0.02**	**1.3%**	**$1.26**	**$3.95**	**$3.97**	**($0.02)**	**$3.84**	**$3.61**		
GAS UTILITIES														
Atmos Energy Corp.	ATO	6-Nov	$1.08E	$0.82	$0.26		$0.94A	$6.79	$6.74	$0.05	$4.21	$6.10	$6.70	$6.80
CenterPoint Energy	CNP	28-Oct	$0.39E	$0.44	($0.06)		$0.40A	$1.63	$1.62	$0.01	$1.63	$1.50	$1.61	$1.63
NiSource Inc.	NI	30-Oct	$0.13E	$0.16	($0.03)		$0.19A	$1.71	$1.73	($0.02)	$1.72	$1.60	$1.70	$1.74
One Gas	OGS	5-Nov	$0.36E	$0.42	($0.06)		$0.45A	$3.89	$3.85	$0.04	$3.87	$4.14	$3.70	$4.00
Spire Inc. (3rd Qtr)	SR	20-Nov	-$0.28E	($0.50)	$0.22		-$0.42A	$4.20	$4.22	($0.02)	$4.04	$4.05	$4.15	$4.25
Average			**$0.33**	**$0.27**	**$0.07**	**26.2%**	**$0.31**	**$3.64**	**$3.63**	**$0.01**	**$3.09**	**$3.48**		
WATER UTILITIES														
American Water Works Company	AWK	30-Oct	$1.93E	$1.84	$0.09		$1.66A	$5.27	$5.27	($0.00)	$5.16	$4.90	$5.25	$5.30
Essential Utilities	WTRG	4-Nov	$0.25E	$0.25	$0.00		$0.30A	$1.90	$1.95	($0.05)	$1.76	$1.86	$1.96	$2.00
Average			**$1.09**	**$1.04**	**$0.05**	**4.4%**	**$0.98**	**$3.58**	**$3.61**	**($0.02)**	**$3.46**	**$3.38**		

1. UBS Confidence Indicator: Green = high confidence in estimate vs. consensus; Red = low confidence in estimate vs. consensus; Yellow = mid confidence in estimate vs. consensus

Source: Factset, company reports, UBS estimates

Support@ nisource.com

Regulated Utilities 3Q'24 Preview

Temperatures Reverted Toward Normal

Total degree days rose 5% versus 3Q'23 and were -2% versus normal based on NOAA data. Link The companies with the biggest increase where there is no decoupling mechanism were: PPL Corp. (+13%), NiSource (+10%), FirstEnergy (+8%) and Idacorp (+8%). Companies with negative degree day comparisons to 3Q'23 included: Sempra (-18%), Entergy (-13%), American Electric Power (-12%), and Evergy Inc. (-11%).

UBS Evidence Lab: Weather Data

We worked with UBS Evidence Lab to collect weather data and to consolidate that local weather data by utility service territory and then collectively by publically listed utility company. This data is produced monthly, and we believe it can give investors a better gauge of the weather impact on earnings. The full methodology of the climate and weather data collected by UBS Evidence Lab is provided below.

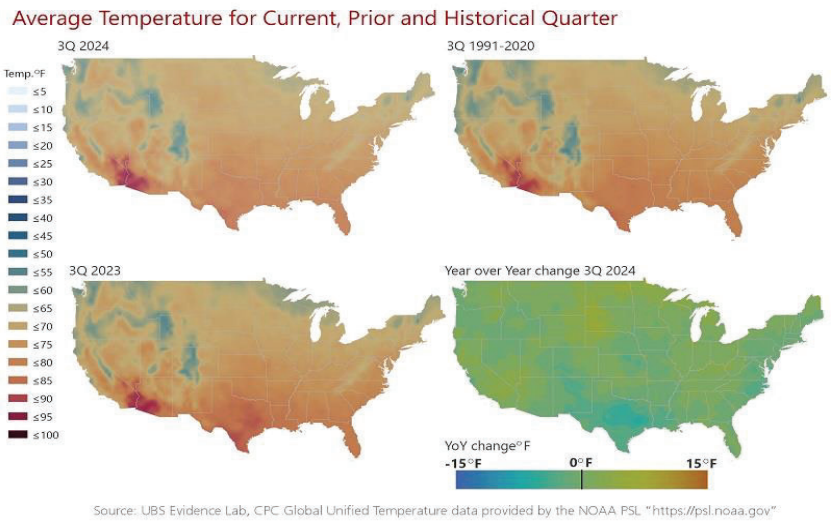
Figure 5: Degree Days by Company - Q3'24 vs. Q3'23

	CDD	Absolute Change	HDD	Absolute Change	Degree Days	Avg Days	vs 3Q'23 % Change	Rank	vs Normal % Change	Electric Decoupling
AES Corp	701	111	35	3	736	594	18%	2	24%	Yes
Alliant Energy Corp	495	-19	63	20	558	494	0%	15	13%	No
Ameren Corp	786	-43	16	12	801	804	-4%	22	0%	IL Yes/MO No
American Electric Power Inc	1,463	-197	0	0	1,463	1,369	-12%	28	7%	No
CenterPoint Energy Inc	1,646	-376	0	0	1,646	1,635	-19%	31	1%	No
CMS Energy Corp	353	78	96	-54	449	364	6%	9	24%	No
Consolidated Edison Inc	598	-16	55	-45	653	554	-9%	26	18%	Yes
Dominion Energy Inc	1,042	-22	2	0	1,045	1,069	-2%	19	-2%	No
DTE Energy Co	335	89	89	-96	424	331	-2%	17	28%	No
Duke Energy Corp	1,130	-3	0	0	1,130	1,095	0%	16	3%	No
Edison International	1,617	230	1	0	1,618	1,226	17%	4	32%	Yes
Emera Inc	1,769	25	0	0	1,769	1,596	1%	12	11%	No
Entergy Corp	1,489	-229	0	0	1,489	1,432	-13%	29	4%	No
Evergy, Inc	1,013	-136	5	4	1,018	963	-11%	27	6%	No
Eversource Energy	433	-21	122	-19	555	406	-7%	25	37%	CT, MA Yes/NH No
Exelon Corp	717	2	22	8	738	700	1%	13	6%	MD-Yes
FirstEnergy Corp	568	77	49	-32	617	511	8%	7	21%	No
Fortis Inc	1,641	237	0	0	1,641	1,303	17%	3	26%	No
Idacorp Inc	367	58	201	-18	568	396	8%	8	43%	No
NextEra Energy Inc	1,695	11	0	0	1,695	1,528	1%	14	11%	No
NiSource Inc	562	73	42	-17	604	577	10%	6	5%	No
OGE Energy Corp	1,426	-46	0	0	1,426	1,304	-3%	20	9%	No
PG&E Corp	610	147	19	-14	629	280	27%	1	124%	Yes
Pinnacle West Capital Corp	1,600	-99	0	0	1,600	1,183	-6%	24	35%	No
Portland General Electric Co	276	10	182	10	458	207	5%	10	122%	No
PPL Corp	897	96	14	10	910	772	13%	5	18%	RI Yes/KY, PA No
Public Service Enterprise Group Ir	789	-8	23	-28	812	729	-4%	23	11%	NJ CIP - Yes
Sempra Energy	1,625	-346	0	0	1,625	1,509	-18%	30	8%	CA Yes/TX No
Southern Co.	1,435	-23	0	0	1,435	1,365	-2%	18	5%	No
WEC Energy Group Inc	229	64	169	-77	397	295	-3%	21	35%	No
Xcel Energy Inc	535	34	40	-9	574	491	5%	11	17%	MN Yes

Source: UBS Evidence Lab (> Access Dataset), CPC Global Unified Temperature data provided by the NOAA PSL "https://psl.noaa.gov", UBS, S&P Capital IQ Pro

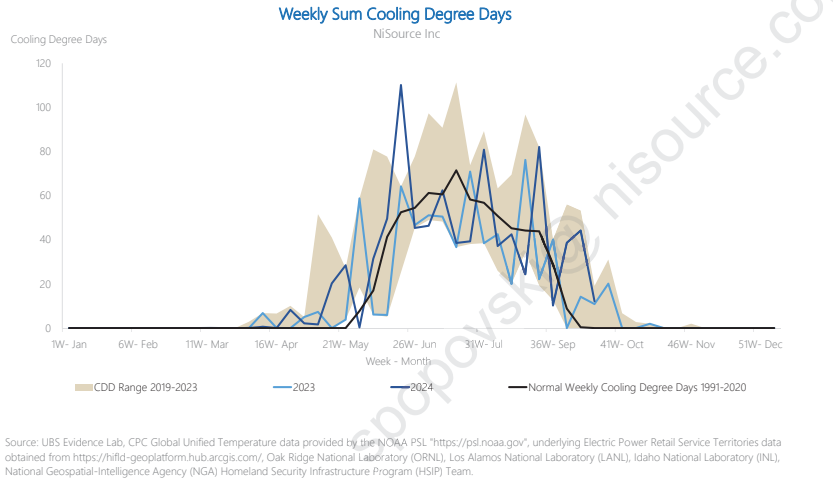
sppatski@nisource.com

Figure 6: Degree Days Map Comparison



Source: UBS Evidence Lab (> Access Dataset), CPC Global Unified Temperature data provided by the NOAA PSL "https://psl.noaa.gov"

Figure 7: NI Cooling Degree Days



Source: UBS Evidence Lab (> Access Dataset), CPC Global Unified Temperature data provided by the NOAA PSL "https://psl.noaa.gov"

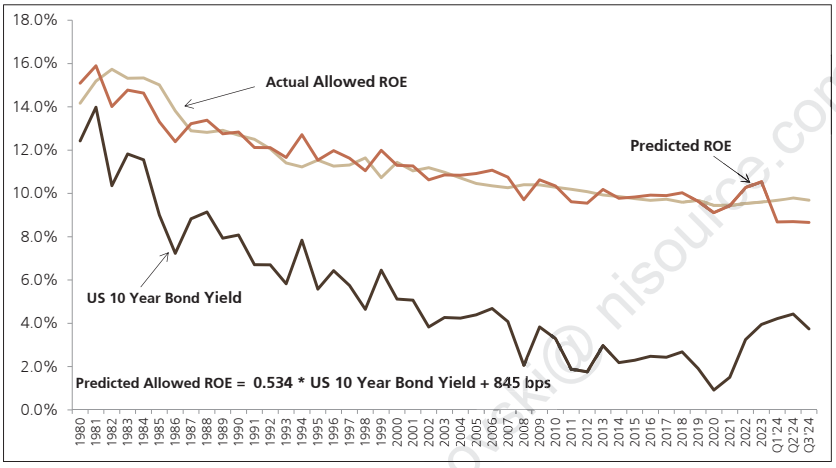
scoppovski@nisource.com

Figure 8: Rate Cases Pending and Potential Filings

Ticker	Filed By	State	Type	Date Filed	Commission Decision Expected	Current ROE (%)	Requested ROE (%)	% of Rate Base	Status
AEE	Union Electric	Missouri	Electric	6/28/2024	5/31/2025	N/A	10.25	52.0%	
AEP	Public Service Co. of OK	Oklahoma	Electric	1/31/2024	12/31/2024	9.30	10.80	7.0%	Stipulation 10/1
AEP	AEP Texas	Texas	Electric	2/29/2024	10/31/2024	9.40	10.60	7.0%	Stipulation 7/25
AEP	Applachian Power Co.	Virginia	Electric	3/29/2024	11/20/2024	N/A	10.80	6.0%	
CMS	Consumers Energy Co.	Michigan	Electric	5/31/2024	2Q'25	9.90	10.25	62.0%	
CNP	Sthrn IN Gas & Electric Co.	Indiana	Electric	5/31/2024	6/30/2025	10.40	10.4	8.0%	
CNP	CenterPoint Energy Resources	Minnesota	Natural Gas	11/1/2023	9/1/2024	9.39	10.30	9.0%	Intervenor testimony
CNP	Centerpoint Energy Houston	Texas	Electric	3/6/2024	12/20/2024	9.40	10.40	53.0%	Motion to withdraw at 10/24 mtg
D	The East Ohio Gas Co.	Ohio	Natural Gas	10/31/2023	12/31/2024	N/A	10.40	7.0%	
D	Virginia Electric and Power	Virginia	Electric			9.70		70.0%	Filing Expected 2Q'25
DTE	DTE Electric	Michigan	Electric	12/8/2023	1/28/2025	9.90	10.50	80.0%	
DTE	DTE Gas	Michigan	Gas	12/28/2023	4Q'24	9.90	10.25	20.0%	
DUK	Duke Energy Carolinas	South Carolina	Electric	1/4/2024	9/3/2024	9.50	10.50	7.0%	
DUK	Duke Energy Florida	Florida	Electric - MYP	4/2/2024	12/2/2024	10.10	11.15	19.0%	Settlement
DUK	Duke Energy Indiana	Indiana	Electric	4/4/2024	1/31/2025	9.70	10.50	10.0%	
DUK	Piedmont Natural Gas	North Carolina	Gas	4/1/2024	11/1/2024	9.60	10.50	6.0%	
ED	Orange & Rockland	New York	Electric/Gas	1/26/2024		9.20		5.00%	Settlement discussions
EIX	Southern California Edison Co.	California	Electric	5/12/2023	4Q'24	10.75	NA	81.0%	Proposed Decision Potential 4Q'24
ES	Yankees Gas	Connecticut	Gas						Notice of intent filed
ES	Pub Svc New Hampshire	New Hampshire	Electric	6/11/2024		9.30	10.30	12.00%	Temporary stipulation/approved 8/1
EXC	Potomac Electric Power Co.	District of Columbia	Electric	4/13/2023	6/1/2024	9.28	10.50	6.0%	Settlement Pending
EXC	PECO Energy Company	Pennslyvania	Electric/Gas	3/29/2024	12/31/2024		11.15	20.0%	Stipulation 9/4
FE	Ohio Subs CE/OE/TE	Ohio	Electric	5/31/2024		10.50	10.50	15.0%	Schedule Pending
FE	Penn. Utilites ME/PE/PP/WPP	Pennsylvania	Electric	4/2/2024			11.3	25.0%	Stipulation 9/13
IDA	Idaho Power Co.	Idaho	Electric			9.60		95.0%	Filing Expected
NI	Northern IN Public Svc Co. LLC	Indiana	Natural Gas	10/25/2023	8/31/2024	9.85	10.70	21.0%	
OGE	Oklahoma Gas & Electric	Oklahoma	Electric	12/29/2023		9.50	10.50	80.0%	Settlement Filed
POR	Portland General Electric	Oregon	Electric	5/23/2024	1/1/25	9.50	9.75	100.0%	Post-Hearing Briefs 10/28
SR	Spire Missouri	Missouri	Gas			9.37			Notice of intent filed
SRE	San Diego Gas & Electric	California	Electric/Gas	5/16/2022	4Q'24	10.65			
SRE	Southern California Gas	California	Gas	5/16/2022	4Q'24	10.50			
WEC	WEPCo / WPS / Wisconsin Gas	Wisconsin	Electric/Gas	4/12/2024		9.80	10.00	73.00%	
WTRG	Aqua Pennsylvania	Pennsylvania	Water	5/23/2024	1Q'25	10.15		46.0%	
XEL	NSP Minnesota	Minnesota	Gas	11/2023	4Q'24	9.57	10.20	3.00%	Stipulation filed 6/26
XEL	Public Svc Co of Colorado	Colorado	Gas	1/2024	4Q'24	9.30	10.25	26.0%	

Source: Company reports, S&P Capital IQ Pro, UBS

Figure 9: Regulated Utility Allowed ROEs



Source: S&P Capital IQ Pro, Factset, UBS Securities LLC

spoporsk@nisource.com

Earnings Season Gamma Rentals: UBS Equity Derivatives Research

Utility earnings report trades may not be worth pursuing on who beats and misses consensus. Alternatively, UBS Equity Derivatives Research provides Gamma Rental ideas to consider. The methodology screens for stocks that move in sympathy to their direct peers' earnings moves, thereby avoiding the 'volatility crush' of holding onto a long option position through earnings reports directly. Maxwell Grinacoff, CFA (Head of US Equity Derivatives Research) uses a 'Mover' and 'Moocher' approach to screen for opportunistic pairwise moves through earnings season – *see Bust a move: What could move the most through Q3 earnings season?*

The methodology uses a three-tiered approach to screening for Gamma Rental candidates ('Moochers'):

1. **Pairwise backtest:** Strong historical pairwise correlation/covariance to Mover earnings, and historically better Moocher volatility performance
2. **Quantamental signals (NLR):** Higher model-implied probability of forward movement based on a suite of quantamental scores
3. **Volatility carry:** Measure of trailing volatility carry based on the current z-score of 1m implied/realized ratio (where lower z-score = better carry, and vice versa)

In summary, **ED, DUK, and PEG** look to be the most attractive candidates ('Moochers') in which to own optionality to capture their peers' moves upon reporting earnings beforehand ('Movers').

Figure 10: Top 20 Utilities Gamma Rental Candidates for 3Q24 Earnings – UBS Equity Derivatives Research

Pair	Moocher	Mover	Name (Moocher)	Name (Mover)	Report Date (Mover)	Report Date (Moocher)	Composite Rank (Backtest)	Composite Rank (NLR)	Composite Rank (Carry)	Final Rank
ED/CNP	ED	CNP	Consolidated Edison Inc	CenterPoint Energy Inc	10/28/2024	11/1/2024	133	297	1011	80
ED/WEC	ED	WEC	Consolidated Edison Inc	WEC Energy Group Inc	10/31/2024	11/1/2024	210	297	1011	95
ED/CMS	ED	CMS	Consolidated Edison Inc	CMS Energy Corp	10/31/2024	11/1/2024	346	297	1011	127
DUK/LNT	DUK	LNT	Duke Energy Corp	Alliant Energy Corp	10/31/2024	11/7/2024	95	228	1488	177
DUK/SO	DUK	SO	Duke Energy Corp	Southern Co/The	10/31/2024	11/7/2024	236	228	1488	227
PEG/CMS	PEG	CMS	Public Service Enterprise Grou	CMS Energy Corp	10/31/2024	11/4/2024	403	877	728	254
DUK/ES	DUK	ES	Duke Energy Corp	Eversource Energy	11/4/2024	11/7/2024	247	228	1488	233
DUK/PNW	DUK	PNW	Duke Energy Corp	Pinnacle West Capital Corp	11/6/2024	11/7/2024	251	228	1488	237
DUK/ETR	DUK	ETR	Duke Energy Corp	Entergy Corp	10/31/2024	11/7/2024	267	228	1488	244
DUK/AEP	DUK	AEP	Duke Energy Corp	American Electric Power Co Inc	11/6/2024	11/7/2024	287	228	1488	249
DUK/XEL	DUK	XEL	Duke Energy Corp	Xcel Energy Inc	10/31/2024	11/7/2024	316	228	1488	266
DUK/PPL	DUK	PPL	Duke Energy Corp	PPL Corp	11/1/2024	11/7/2024	343	228	1488	281
DUK/EXC	DUK	EXC	Duke Energy Corp	Exelon Corp	10/30/2024	11/7/2024	361	228	1488	293
ES/LNT	ES	LNT	Eversource Energy	Alliant Energy Corp	10/31/2024	11/4/2024	76	362	1726	340
WEC/CNP	WEC	CNP	WEC Energy Group Inc	CenterPoint Energy Inc	10/28/2024	10/31/2024	187	452	1510	327
EXC/NEE	EXC	NEE	Exelon Corp	NextEra Energy Inc	10/23/2024	10/30/2024	576	1045	656	416
EXC/FE	EXC	FE	Exelon Corp	FirstEnergy Corp	10/29/2024	10/30/2024	585	1045	656	421
DUK/EIX	DUK	EIX	Duke Energy Corp	Edison International	10/29/2024	11/7/2024	539	228	1488	398
DUK/FE	DUK	FE	Duke Energy Corp	FirstEnergy Corp	10/29/2024	11/7/2024	608	228	1488	441
AEE/CNP	AEE	CNP	Ameren Corp	CenterPoint Energy Inc	10/28/2024	11/7/2024	169	1394	774	451

Source: Bloomberg, UBS; Note: Earnings release dates for both Moocher and Mover are subject to change prior to actual reporting; Final ranking is relative to full S&P 500 pairwise universe; Initial rankings ran a/o 23-Sep-2024, earnings dates a/o 16-Oct-2024; Full details here

spglobal.com/marketintelligence

Key Calls this Quarter

Below we provide a view on key calls this quarter and any likely updates.

American Electric Power. As part of the annual cap-ex 5 year roll (to 2029) the company could also adjust the 6% to 7% EPS growth rate range with widening. AEP's current 5-year cap-ex plan is $43 bln which results in 7.2% ratebase growth. The '23-'27 plan was $40 bln cap-ex and 7.5% ratebase growth. Transmission growth and asset sales will be a focus given the recent joint venture announcement with D and FE. "Transmission Partnership"

Essential Utilities. We look for an update on the Aqua Pennsylvania rate case and on the potential DELCORA acquisition and timing to close.

NextEra Energy. We look for an update on renewable backlog and guidance on the potential nuclear restart of Duane Arnold. We estimate an incremental 2.6 GW of origination down from 3.0 GW in 2Q'24.

NiSource. We expect questions on the call to focus on the incremental capex opportunities following the Microsoft data center announcement in the NIPSCO service territory and the subsequent IRP update that shows a substantial increase in the load growth projections, although we don't think IRP capex will be folded into the base plan at this point.

PG&E Corp. We look for an update on cap-ex additions and cost cuts. With regard to cap-ex the company has identified $4 bln of investment outside of the general rate case cycle. "Files Incremental Capital Plan"

spopovski@ nisource.com

Quarterly Earnings Estimate Details

Electric Utilities

Below we walk through our view on select companies quarterly EPS expectations

Alliant Energy

We see Q3 EPS at $1.10, versus last year's earnings of $1.05, but below consensus of $1.11. No major storms affected LNT's service area and there's no material impact for temperature. The company issued $350 mln of debt at the parent which will drag on earnings this quarter. We expect the call to focus on the updated capital plan, financing, and 2025 earnings guidance.

Figure 11: LNT 3Q'24E Earnings Drivers

3Q 2023	**$ 1.05**
Weather vs. Normal	-$0.02
WP&L rates	$0.06
Temp Normal Sales Growth	$0.02
O&M	$0.04
AFUDC	$0.02
Depreciation	-$0.04
Interest expense-regulated	-$0.02
Tax Timing Benefit	$0.00
Dilution	-$0.01
3Q 2024 Estimate	**$ 1.10**

Source: Company Reports, UBS Estimates

Ameren Corp.

We project AEE's quarter at $1.98/shr vs. last year at $1.87/shr and consensus of $1.99/shr. Weather appears modestly better-than-normal this year and helped by higher rates in Missouri, AFUDC, and higher transmission revenues. These are partially offset by higher corporate drag and the lower ROE and natural gas in Illinois. The key focus in the quarter will be on updates around expectations on MISO Tranche 2 project awards and outlook for regulatory resolution in Illinois for which a decision on the grid refiling and multi-year rate plan is expected in December.

apoplavski@nisource.com

Figure 12: AEE Q3'24E Earnings Drivers

Q3'23	**$ 1.87**
Ameren Missouri	
Weather to normal	-$0.03
Deviation from normal weather, other	$0.08
Rates/ROE	$0.01
O&M	$0.03
PISA/AFUDC	$0.05
Interest Expense	-$0.03
Ameren IL Nat Gas	-$0.03
Ameren Transmission Rate Base	$0.02
Ameren IL Electric - Lower ROE	-$0.01
Ameren IL Electric - Flat Rate Base	$0.00
Parent & Other	
Dilution	-$0.02
Interest Expense	-$0.02
Other	$0.06
Q3'24 Estimate	**$ 1.98**

Source: Company Reports, UBS Estimates

American Electric Power

We expect AEP will report similar EPS to last year and we estimate $1.80 versus the $1.81 consensus and $1.77 last year. We don't see any material impact from weather and rate increases and transmission investment recovery should help to offset a decline at Generation & Marketing following a strong 1H'24.

AEP could provide its annual comprehensive update when they report results on November 6 or at the Edison Electric conference on November 10.

Figure 13: AEP Q3'24E Earnings Drivers

Q3'23	$1.77
Vertically Integrated ($1.04 v. $1.00)	
Weather to Normal	-$0.04
Weather vs Normal	$0.02
Rates	$0.07
Transmission	$0.02
Operations and Maintenance	-$0.02
Depreciation and Interest	-$0.03
Retail Load	$0.02
T&D Utilities ($0.43 v. $0.39)	
Weather	$0.00
Rates	$0.04
Transmission	$0.04
Operations and Maintenance	-$0.01
Depreciation and Interest	-$0.04
Retail Load	$0.01
AEP Transmission ($0.43 v. $0.39)	$0.04
Generation & Marketing ($0.06 v. $0.18)	-$0.12
Corp and Other (-$0.15 v. -$0.19)	$0.04
Q2'24 Estimate	$1.80

Source: Company Reports, UBS Estimates

CMS Energy

We expect CMS to report 3Q'24E EPS of $0.76 versus the $0.77 consensus and $0.61 last year. The company will provide a first look at 2025 EPS guidance off the 2024 midpoint and then off the actual 2024 result on the year-end call. Other items of discussion will include the outlook for HB 4906 sales tax abatement for data center customers and the Renewable Energy Plan filing upcoming November 15.

spopowski@nisource.com

With regard to the quarter weather is likely a positive driver and lower storm expense as well. Rate revenue from prior electric and gas rate cases adds $0.07/share. Depreciation and property taxes is likely offsetting at -$0.07/share. Cost control could represent a small quarterly benefit.

Figure 14: CMS 3Q'24E Earnings Drivers

Q3'23	$0.61
Weather to Normal	$0.06
Weather	$0.04
Electric Rate Case	$0.06
Gas Case	$0.01
Storms Absence of '23 Impact	$0.09
Storms 2024	-$0.04
O&M	$0.02
Financing and Dilution (297M vs. 291M)	-$0.01
Depreciation and other costs	-$0.07
Parent	-$0.01
Q3'24 Estimate	$0.76

Source: Company Reports, UBS Estimates

CenterPoint Energy

We estimate CNP 3Q24 EPS of $0.39 vs last year of $0.40 and consensus of $0.44. We think the company will take a $70m charge associated with storm costs but we assume this to be a 1x item and exclude from our estimate. Questions on the call will be focused around the next steps in the Houston Electric rate case, where the commission recently said they would take up the company's withdraw request at their November 14th open meeting. Recall the company filed a request to withdraw the case with the expectation of refiling the case sometime in mid-2025. Removing the risk of a litigated rate case amidst the turmoil around the storm response would be a constructive development, in our view. On the call we would be curious as to management's expectations for the upcoming legislative session in Texas, which runs from January to June. But we could see bills starting to be filed around November. Other regulatory items worth monitoring include the company's outstanding Minnesota and Ohio rate cases. Intervenor testimony was filed in the Minnesota case earlier this month, so we could likely to see a settlement filed at any time.

Figure 15: CNP 3Q'24E Earnings Drivers

3Q 2023	$0.40
New Rates	$0.09
Load Growth	$0.01
Weather	-$0.02
Operations & Maintenance	-$0.03
Interest Expense	-$0.03
AFUDC	-$0.01
Hurricane Beryl	-$0.02
3Q 2024	$0.39

Source: Source: Company Reports, UBS Estimates

Consolidated Edison

We expect ED to report 3Q'24 Adjusted EPS of $1.67 versus the $1.64 consensus and $1.62 in 3Q'23. Return on increased investment as a result of the steam and CECONY electric and gas cases is somewhat offset by O&M and rate case expenses. ED will likely provide an update on the Orange & Rockland rate case and data center expansion in the territory which causes the need for a 5.5 mile transmission line.

sbronovski@nrdc.org

Figure 16: ED 3Q'24E Earnings Drivers

Q3'23	$1.62
CECONY Rate Increases - Steam	$0.01
Higher Electric Rate Base	$0.05
Higher Gas Rate Base	$0.01
Other	-$0.02
Q3'24 Estimate	$1.67

Source: Company Reports, UBS Estimates

Dominion Energy

We forecast $0.94 in EPS for the third quarter, this compares to consensus of $0.93. We see new rate and Millstone as the biggest growth driver partially offset by higher O&M, property taxes and D&A. On the call we look for management to provide more color on their recently filed VA IRP as well as updates on CVOW / monopiles progress.

Figure 17: D 3Q'24E Earnings Drivers

3Q 2023	$0.77
New Rates / Millstone	$0.25
Operations & Maintenance	-$0.09
TOTI / Property Taxes	-$0.01
Depreciation & Amort.	-$0.01
Interest Expense	-$0.01
Other Operating Income / Expenses	$0.06
Taxes	-$0.02
3Q 2024	$0.94

Source: Company reports, UBS estimates

spopovski@pjmsource.com

DTE Energy

We expect DTE to report $1.83 in 3Q'24 versus the $1.77 consensus and $1.44 last year. DTE looks poised to benefit from more normal weather at DTE Electric which includes a reduction in storm activity. Overall, unfavorable weather impacted DTE Electric a combined -$0.52/share in 3Q'23. DTE Electric benefits from what we assume is 25% of the authorized rate increase and from recovery through the DTE Gas' infrastructure recovery mechanism. Our forecast assumes 50% of the required contribution from DTE Vantage in 2H'24 to meet guidance. DTE Energy Trading made guidance for the year in 1H'24 which leaves a small impact in our forecast.

Figure 18: DTE 3Q'24E Earnings Drivers

Q3'23	$1.44
DTE Electric ($1.89 versus $1.30)	
DTE Electric weather to normal	$0.26
DTE Electric rates	$0.35
DTE Electric O&M	-$0.05
DTE Electric - D&A and other	-$0.10
DTE Electric - storms	$0.13
DTE Gas (-$0.02 versus -$0.02)	
DTE Gas IRM	$0.03
DTE Gas D&A and other	-$0.03
DTE Vantage ($0.26 versus $0.27)	-$0.01
DTE Energy Trading ($0.02 versus $0.15)	-$0.13
Corp & Other (-$0.31 versus -$0.25)	-$0.06
Q3'24 Estimate	$1.83

Source: Company Reports, UBS Estimates

@marketsource.com

Duke Energy

We estimate flat YoY results in 3Q24. We estimate $1.69, flat vs last year and consensus of $1.87. With strong results in the 1H of the year we believe DUK's full year guidance is still on track. Historically the 4th quarter is when DUK refreshes and roll their guidance forward and we continue to expect that update then. In the 3rd quarter we think the company will give broad drivers for next year's earnings. We expect the focus on the call to focus on load trends in their service territory, with their current guidance of 1.5-2% and on the 2Q mgmt. said they were tracking towards the high end of this range so we would like to hear an update on this. Guidance on monetization of PTCs seems to be taking longer than initially expected but we should have clarity by year-end, which should help support DUK's credit. The company could provide storm costs estimates for recent hurricanes that have hit DUK's service territory, we estimate the costs to be in the $500m-1b range.

Figure 19: Duke Energy Q3'24E Earnings Drivers

3Q 2023	$1.69
Load / Volume	$0.06
New Rates	$0.09
Riders	$0.04
Depreciation & Amort.	-$0.05
Interest Expense	-$0.04
Equity Dilution	-$0.01
AFUDC	$0.02
Storms	-$0.02
Other / HoldCo	-$0.09
3Q 2024	$1.69

Source: Company Reports, FactSet, UBS Estimates

Edison International

We expect EIX to report 3Q'24E EPS of $1.38 versus the $1.44 consensus and $1.38 last year on a diluted basis. Aside from the change in non-fuel operations and maintenance expense results look similar to last year. Catastrophic Event Memo account recovery largely occurred in 2Q'24 leaving a +$0.01/share benefit in 3Q'24. There are not likely any meaningful regulatory updates for the investor call since rate case and TKM proposed decisions look more likely in 2025.

Figure 20: Edison International 3Q'24E and Earnings Drivers

3Q'23	$1.38
California Jurisdictional Revenue	$0.28
FERC Transmission Revenue	$0.01
CEMA Recovery	$0.01
O&M	$0.00
Interest on wildfire claims	-$0.11
Property Taxes and Other	-$0.07
Depreciation	-$0.08
Parent and Other	-$0.03
Shares Outstanding (389 mln versus 385 mln)	-$0.01
3Q'24 Estimate	$1.38

Source: Company reports, UBS estimates

Emera Inc (EMA)

We see Q3 EPS at $0.76, versus last year's earnings of $0.75, but below consensus of $0.77. Expected drivers for the quarter are favorable FX, weather, Gas & Infrastructure, Florida Electric, and Other Utilities offset by Emera Energy, Interest Expense, and Corporate. We expect the call to focus on updates on the sale of New Mexico Gas and storm costs from Hurricane Milton.

spopovski@nisource.com

Figure 21: EMA 3Q'24E Earnings Drivers

3Q 2023	**$**	**0.75**
FX	$	0.02
Weather	$	0.04
Gas & Infrastructure	$	0.03
Florida Electric	$	0.02
Other Utilities	$	0.01
Emera Energy	$	(0.03)
Interest Expense	$	(0.03)
Corporate & Other	$	(0.05)
3Q 2024 Estimate	**$**	**0.76**

Source: Company Reports, UBS Estimates

Entergy Corp (ETR)

We expect ETR to report 3Q'24 earnings of $3.05/shr relative to last year of $3.27/shr and consensus of $3.01/shr. Weather was softer than last year's 72c vs. normal, but is still 27c higher than normal. Other positive drivers are rates, O&M savings, and other income offset by D&A, share dilution, interest expense, and income taxes. At EEI, the company will provide a refresh on the overall strategy, with updated capex, sales outlook and financing plans.

spopovski@ nisource.com

Figure 22: ETR 3Q'24E Earnings Drivers

Q3'23	**$ 3.27**
Weather to Normal	-$0.72
Adjusted Base fro Q3'24	$ 2.55
Rates	
E-AR FRP	$0.09
E-LA FRP	$0.04
E-NO FRP	$0.02
E-MS FRP	$0.07
Rate Actions	$0.22
Weather vs Normal	$0.27
Additional Drivers	
D&A	-$0.02
O&M	$0.06
Share Dilution	-$0.01
Other Income	$0.09
Interest Expense	-$0.05
Income Taxes	-$0.06
Q3'24	**$ 3.05**

Source: Company Reports, UBS Estimates

spopovski@nisource.com

Evergy, Inc (EVRG)

UBS estimates 3Q24 EPS of $1.92 vs last year of $1.75 and consensus of $1.95. A big update from the company as they roll forward their capital plans. Update should include refreshed capex, rate base, financing, and earnings growth through 2028. There has been much debate on if the company will raise their growth rate from their current 4-6% and we remain in the camp they will not raise their growth rate at this time. Though we see upward bias to the current rate base CAGR of 6% as they could add additional capex to their plan. Financing the incremental capex would most likely be funded via equity issuances. We expect additional color from management on their current MO rate case, which still has a couple outstanding items mainly the OPC request to change the fuel clause sharing mechanism to 75%/25% from the current 95%/5%. We expect a decision by year-end.

Figure 23: EVRG 3Q24 Earnings Drivers

3Q 2023	**$ 1.75**
New Rates	$0.08
Demand Growth	$0.05
Transmission	$0.03
Weather	-$0.04
Operations & Maintenance	$0.02
Depreciation & Amort.	-$0.02
Interest Expense	$0.02
PISA	$0.02
Other	-$0.01
COLI	$0.03
3Q 2024	**$ 1.92**

Source: Company reports, UBS estimates

spopovski@nisource.com

Eversource Energy (ES)

We expect Eversource Energy to report 3Q'24E EPS of $1.12 versus $1.04 consensus and $0.97 last year. We look for transmission and electric distribution ratebase growth to be major drivers at a combined (+$0.07/share). Sales growth and interim rate increase at PSNH are positives as well. The timing of income taxes offsets the increase in parent interest expense. We also expect small gains at the water and gas utility.

Figure 24: ES 3Q'24E Earnings Drivers

Q3'23	$0.97
Transmission Formula Recovery ($0.50 v. $0.46)	$0.04
Gas Distribution - mainly lower O&M	$0.01
Electric Distribution Ratebase	$0.03
PSNH rate increase	$0.02
PSNH sales growth	$0.01
Storm expense	$0.01
Parent	$0.02
Water Utility	$0.01
Q3'24 Estimate	$1.12

Source: Company Reports, UBS Estimates

Exelon Corp

We estimate 3Q24 EPS of $0.66 vs consensus of $0.70. We see the update as relatively uneventful with the larger update of capex coming in the 4th quarter. We expect the focus on the call to be around regulatory updates mainly from IL which should have an ALJ rec in their case, and PA where a final order is expected before year-end. We expect EXC to outline their view on generation/load co-location agreements and the challenges/205 filings they have made at FERC.

Figure 25: Exelon Corp. 2Q '24E Drivers

3Q 2023	$0.67
New Rates	$0.08
Weather	$0.01
Operations & Maintenance	-$0.02
Depreciation & Amort.	-$0.02
Interest Expense	-$0.04
Other	-$0.03
3Q 2024	$0.66

Source: Company Reports, UBS Estimates

FirstEnergy

We expect FE to report 3Q'24E EPS of $0.87 versus the $0.91 consensus and $0.88 last year. Our forecast compares to the $0.85-$0.95 EPS guidance range provided on the 2Q'24 call. The biggest positive driver is new rates in New Jersey (+$85 mln annualized) and in West Virginia (+$105 mln) which impact the Integrated segment and transmission formula rates. Offsetting factors include Signal Peak on plan with guidance and Ohio storm impacts related to Tropical Storm Debbie. We expect a benefit from residential load growth and an offsetting impact of the sale of FET and debt reduction. The 3Q'24 result will have one-half of the impact of the absence of a -$0.11/share tax benefit.

We do not expect material guidance updates from FE on the investor call or until the year-end investor call when we expect 2025 EPS guidance and a more meaningful update on data center load in the territory.

Figure 26: FirstEnergy 3Q '24E Drivers

Q3'23	$0.88
Weather to normal	$0.02
Weather vs. normal	-$0.01
Rates - NJ/WV/MD	$0.08
Residential Load Growth	$0.02
Non-Fuel Operations & Maintenance - other	$0.01
FET Sale (80% to 50%)/Debt Reduction	$0.00
Ohio Delivery Capital Rider	-$0.02
Signal Peak	-$0.03
Ohio storms	-$0.03
Absence of tax benefit	-$0.06
Q3'24 Estimate	$0.87

Source: Company Reports, UBS Estimates

Fortis Inc (FTS)

We expect FTS to report 3Q'24 EPS of $0.83 versus $0.84 last year. Positive drivers we expect for the quarter are transmission at ITC, UNS which had new rates effective September 2023 and positive weather, new rates for Central Hudson that were effective July 2024, and FX offset by Western Canada electric and gas and corporate and other. On the call we expect the company to discuss MISO tranche 2 projects.

spopovski@utilisource.com

Figure 27: FTS 3Q '24E Drivers

3Q 2023	**$**	**0.84**
Western CA Elec & Gas	$	(0.04)
US Transmission - ITC	$	0.01
UNS	$	0.02
FX	$	0.01
Central Hudson	$	0.01
Corp. & Other	$	(0.02)
Wtd. Avg. Shares	$	-
3Q 2024	**$**	**0.83**

Source: Company Reports, UBS Estimates

Hydro One

We expect H earnings to be $0.61 versus $0.59 last year and the consensus of $0.59. Main drivers for the quarter are normal sales growth, transmission, distribution, and rate increases as laid out in the company's joint rate application offset by interest expense from debt issuance, and O&M. On the call we expect the company to talk about the St Clair and Chatham to Lakeshore transmission line and updates to broadband.

Figure 28: Hydro One 3Q '24E Drivers

3Q 2023	**$**	**0.59**
Weather vs. Normal	$	-
Sales Growth	$	0.01
Transmission	$	0.02
Distribution	$	0.01
Rates	$	0.01
D&A	$	-
Interest Expense	$	(0.02)
Income Tax	$	-
O&M	$	(0.01)
3Q 2024	**$**	**0.61**

Source: Company Reports, UBS Estimates

IDACORP

We expect IDA to report 3Q 2024 earnings of $2.20 vs $2.07 in Q3 2023 and versus consensus of $2.19. The year-over-year change is driven by customer growth, usage,

spopovski@...source.com

rates, irrigation, and ADITCs and Other which includes a benefit from pension and wildfire spread. This is largely offset by higher D&A, O&M, and interest expense. The company recently settled it's Oregon rate case which had rates go in effect October 15. The company will provide a capital update through 2029 on the Q1 call but for this quarter, the company will provide a refresh through 2028. The refresh will not reflect the battery project. On the call, the company may also discuss the IRP, which will give an early look at load forecast.

Figure 29: IDACORP 3Q '24E Drivers

Q3'23	**$ 2.07**
Customer Growth	$0.03
Usage per Customer	$0.02
Rates	$0.05
Irrigation	$0.04
D&A	-$0.15
O&M	-$0.01
Interest Expense	-$0.07
Income Taxes	$0.00
ADITCs & Other	$0.22
Q3'24	**$ 2.20**

Source: Company Reports, UBS Estimates

spopovski@ nisource.com

NextEra Energy

We expect NEE to report 3Q'24 Adj. EPS of $1.02 vs. $0.94 in 3Q'23 and consensus estimates of $0.97. At FP&L we consider the allowed 11.8% return on equity of $42 bln versus the $41 bln level in 2Q'24. FP&L has adequate flexible amortization of $586 mln entering the quarter to offset headwinds. At NEER we assume an incremental 2.6 GW of capacity at teens ROE levels. We do not expect NEER to deliver on the level of 2Q'24 origination of 3,045 MW. We assume 50% of the parent debt increase is related to NEER projects with interest expense offset by revenue which leaves $2.6 bln of incremental debt which we assume at 4.5%.

Figure 30: NEE 3Q'24E Drivers

3Q'23	$0.94
FP&L ($0.61 versus $0.58)	
=> Return on rate base/equity - $42 bln equity @ 11.8% ROE	$0.01
=> Load Growth, other	$0.02
NEER ($0.49 versus $0.43)	
=> 2.6 GW of renewables at teens ROE on-line	$0.07
=> Existing assets	$0.02
=> Midstream	-$0.02
=> Trading/Supply	-$0.01
Parent and Other (-$0.08 versus -$0.07)	
=> $2.6 bln of debt net of allocations to projects	-$0.01
=> Shares outstanding (included above 2067 vs. 2036 mln)	
3Q'24 Estimate	$1.02

Source: Company Reports, FactSet, UBS Estimates

NiSource Inc.

We estimate NI earnings the 3Q24 to be $0.13 vs $0.19 last year and consensus of $0.16. We except the company to roll forward their 5-year plan through 2029. We think there could be upside to their current capex plan of $16.4b, as they roll out an additional year and possibly include capex from their upside plan into their base plan. Earlier in the year the company identified capex upsides of $2b, with the company pulling $400m of that into their base plan during 2Q. We think as they roll their plan forward an additional year new projects might come into the forecast window and thus adding upward pressure to their current $1.6b upside plan. We expect their current growth rate of 6-8% to be extended through 2029. We also think the company will introduce 2025 EPS guidance, UBS estimates is $1.83 inline with consensus of $1.85.

Figure 31: NI 3Q'24E Earnings Drivers

3Q 2023	$0.19
New Rates	$0.11
Operations & Maintenance	-$0.06
Depreciation & Amort.	-$0.03
Interest Expense	-$0.02
Other Operating Income / Expenses	$0.03
Taxes	-$0.06
Non-controlling interest	-$0.06
Preferred	$0.02
3Q 2024	$0.13

Source: Company Reports, FactSet, UBS Estimates

OGE Energy

We expect OGE to report 3Q'24 EPS of $1.12 versus $1.20 last year. Weather was slightly warmer in the quarter year over year with increases in load growth and AFUDC offset by D&A. Other drivers include drag from other income, higher interest expense, O&M, and Parent. The company did settle their Oklahoma rate case and is waiting for the final order which is expected to come in Q4 2024.

spoplawski@nisource.com

Figure 32: OGE 3Q'24E Earnings Drivers

Q3'23	$1.20
Load growth	$0.04
Weather to Normal	-$0.07
Weather Versus Normal	$0.03
AFUDC	$0.02
OK grid enhancement mechanism	$0.005
Arkansas	$0.01
Other income	-$0.01
O&M	-$0.03
Interest Expense	-$0.01
Depreciation	-$0.04
Parent, Other	-$0.02
Q3'24 Estimate	$1.12

Source: Company Reports, FactSet, UBS Estimates

PG&E Corp.

We estimate PCG will report $0.35 versus the $0.30 consensus and $0.24 last year. We expect the company to reinvest the benefits of the cost of capital increase and efficiencies achieved. The company received the 2023 rate increase in 4Q'23 and we expect that will positively impact the result as well as timing. We expect updates on PCG's exposure to large AI/data center customers on the call along with the regular updates.

Figure 33: PCG 3Q'24 Earnings Estimate Drivers

Q3'23	$0.24
Attrition Rate Increase	$0.03
GRC Decision Timing	$0.03
Cost of capital ROE	$0.01
O&M Reduction	$0.05
Term Loan/Convertible Note	-$0.01
Q3'24 Estimate	$0.35

Source: Company Reports, FactSet, UBS Estimates

Portland General Electric

We estimate POR will report 3Q'24 EPS of $0.88 versus the $0.62 consensus and $0.46 last year. The company received a $391 mln rate increase which we seasonally adjust for slightly less than one-quarter of the year. We also reflect the impact of higher shares outstanding with 103 mln as the last reported. We also assume a normalized impact of power costs versus 2023 which adds $0.07/share. With the assumption of POR's open market power cost exposure of 15% of mwhrs and a decline in prices we arrive at a + $0.12/share impact.

spopovski@ nisource.com

Figure 34: POR 3Q'24 Earnings Estimate Drivers

Q3'23	$0.46
Sales, weather	$0.02
General rate case	$0.21
Net Variable Power Costs - 3Q'23	$0.07
Commodity Prices	$0.12
Private Investment Gain	$0.02
Dilution (104M vs. 101M shares)	-$0.02
Q3'24	$0.88

$/MWhr	3Q'24	3Q'23
Mid-Columbia		
On-peak	$61	$82
Off-peak	$33	$49
Aroud the Clock Power prices	$46	$65

Source: Company Reports, FactSet, Bloomberg, UBS Estimates

PPL Corporation

We estimate PPL will report 3Q'24 EPS of $0.44 versus the $0.46 consensus and $0.43 last year. The company had a successful 1H'24 on O&M savings and could reinvest a bit into the business which results in an expense increase. PPL expects to reach at least $125 mln in cumulative savings in 2024. Otherwise we expect a small benefit from weather and PA formula rate base growth as drivers.

On the investor call we expect PPL to share available updates on data center demand in the territory, the FERC ruling on the AWS/Talen interconnection request 11/4, and the Pennsylvania DSIC cap expansion to 9% from 5% where a proposed decision is 11/25.

Figure 35: PPL 3Q'24E Earnings Drivers

Q3'23	**$0.43**
Weather to Normal	$0.00
Weather	$0.01
PA Rate Base Growth	$0.02
RI Rider Mechanisms	$0.01
Non-Fuel O&M expense	-$0.02
Depreciation/other	-$0.01
Q3'24	**$0.44**

Source: Company Reports, FactSet, UBS Estimates

Public Service Enterprise Group

We expect PEG to report 3Q'24 Adjusted EPS of $0.89 versus the $0.92 consensus and $0.85 in 3Q'23. We estimate regulatory lag impacted the quarter for PSE&G due to the rate case settlement not taking effect until 10/15. At PSE&G and PSEG Power we expect a reversal of tax timing expenses that occurred in the first half of the year. We expect PSEG Power margins to ramp in 4Q'24 based upon guidance.

PEG will likely discuss the rate case decision and $3 bln capital renewable and energy efficiency 5 year proposal where the company is in settlement discussions. It is unclear whether the company will unveil 2025 EPS guidance on this call due to the settlement

spopovski@nisource.com

discussions.

Figure 36: PEG 3Q'24E Earnings Drivers

PSEG Consolidated 3Q 2023	**$**	**0.85**
PSE&G		
3Q 2023	**$**	**0.80**
Transmission	$	0.04
Electric and Gas Margin	$	0.03
Dist. O&M	$	(0.03)
D&A, Int.	$	(0.03)
Pension & OPEB	$	(0.01)
Taxes, Other	$	0.02
3Q 2024	**$**	**0.82**
PEG Power		
3Q 2023	**$**	**0.05**
Generation & Capacity	$	0.06
O&M	$	(0.04)
Interest Expense	$	(0.01)
Pension & OPEB	$	(0.01)
Taxes & Other	$	0.02
3Q 2024	**$**	**0.07**
PSEG Consolidated 3Q 2024	**$**	**0.89**
Shares		499

Source: Company Reports, FactSet, UBS Estimates

spanovski@nisource.com

Southern Company

We project Southern Co. 3Q24 EPS of $1.34, vs consensus of $1.38. We see the company tracking ahead of plan with the Company already ahead of plan by $0.33 through the second quarter. We see this as an opportunity for the company to pull forward O&M from next year, setting the stage for another strong year in 2025. This could also lead the company to raise the low end of '24 guidance range of $3.95-4.05, and or raise current year's guidance range.

We expect the a focus on this call will be on storms that have recently hit the companies service territory. We will look for guidance on costs and ultimate recovery plans. We note Hurricane Michael in 2019 was ~$125m in damages, while this recent hurricane damaged ~4x as many poles and there was significant more flooding and overall infrastructure damage, so we expect recent storm costs to be north of Hurricane Michael costs. We expect the company to defer these costs and file for recovery in a future

proceeding.

We look to the company's 4th quarter earnings to provide a fulsome update as we expect the company to refresh and roll their 5-year capital plan forward.

Next big items worth monitoring are the company's expected IRP filing in Georgia (their largest service territory) and subsequently GA rate case filed mid-2025, with expected order by year-end.

Figure 37: SO 3Q24 earnings drivers

3Q 2023	$1.33
New Rates [Elec]	$0.28
New Rates [Gas]	-0.07
Weather	$0.02
Operations & Maintenance	-$0.05
Depreciation & Amort.	-$0.13
Interest Expense	-$0.03
Equity Dilution	-$0.01
3Q 2024	$1.34

Source: Company reports, UBS estimates

Sempra Energy

We see 3Q24 earnings of $1.10 vs last year of $1.08 and consensus of $1.14. Drivers in the quarter are new rates at Oncor partially offset by normal weather, higher D&A, and interest expense. The focus on the call will be on the pending ALJ proposed decision in CA. A final decision could be issued by year end, although this timing could slip into next year. There should be continued focus on growth at Oncor supported by the SRP mechanism and the Permian transmission upside. Updates on the progress of the Cameron LNG expansion and if timeline for FID remains 1H'25, as well as updates on Port Arthur. We expect the company will do a full update on all financial drivers on the Q4 call. We expect the company to reiterate their LT growth rate of 6-8%.

WEC Energy Group

We expect the company to be within the quarterly guidance range of $0.68-$0.70 at $0.70 vs $1.00 last year and $0.73 consensus. Illinois rates, interest expense, O&M, D&A, taxes, and Corporate are headwinds, but slightly higher revenues from Wisconsin rates and ATC are positive drivers. On the call, we expect the company to talk through its update in capex, financing, and asset base growth, rate review process in Wisconsin, any developments regarding Microsoft for its data center, and the appeal for the rehearing order related to the emergency work in the safety modernization program.

Figure 38: WEC Energy Group 3Q'24E Earnings Drivers

3Q 2023	**$ 1.00**
Utility Operations	
Weather	$0.01
Wisconsin Rates	$0.03
Illinois Rates	-$0.10
Fuel Costs Band	$0.01
Interest Expense	-$0.05
O&M	-$0.05
D&A	-$0.06
Taxes & Other	-$0.02
ATC	
Capital Investments	$0.01
Energy Infrastructure	
Production Tax Credits / Int Exp	-$0.02
Corp & Other	
Interest, Taxes & Other	-$0.06
3Q 2024	**$ 0.70**

Source: Company Filings, UBS Estimates

Xcel Energy (XEL)

We expect XEL to report 3Q'24E EPS of $1.26 versus the $1.32 consensus and $1.23 last year. We expect rate recoveries and sales growth will help the company to grow earnings in the quarter. Recoveries in the NSP Minnesota rate case and SPS cases in New Mexico and Texas lead the way from rate cases. We expect depreciation and some non-fuel O&M expense (-$0.01/share) represent offsets. XEL could also experience a disallowance in Minnesota from the Prairie Island nuclear outage in 2023 which will go to a hearing over $16 mln of expenses.

XEL will have its annual comprehensive update on the third quarter call which includes roll-forward of cap-ex to 2025-2029, ratebase growth off projected 2024, financing plan, 2025 EPS guidance and EPS growth rate guidance.

Figure 39: Xcel Energy Q3'24E Earnings Drivers

Q3'23	$1.23
Weather to Normal	-$0.04
Weather vs Normal	$0.04
Cons & DSM Exenditure	$0.02
Sales	$0.02
Regulatory Recovery	$0.12
AFUDC	$0.03
O&M	-$0.01
Depreciation	-$0.09
Interest Expense	-$0.05
Dilution	-$0.01
Q3'24 Estimate	$1.26

Source: Company Reports, FactSet, UBS Estimates

spopovski@nisource.com

Water Utilities

American Water Works (AWK)

We expect American Water Works to report 3Q'24 EPS of $1.93 versus the $1.84 consensus estimate and $1.66 last year. Rate case revenue represents the largest driver and we assume a $96 mln increase including authorized and the HOS note. We could get an update on the Environmental Protection Agency's updated lead and copper rule.

Figure 40: American Water Works 3Q'24E Earnings Drivers

Q3'23	**$1.66**
Weather to Normal	$0.03
Revenue	$0.37
HOS Note	$0.03
Equity Dilution (194M vs. 186M shares O/S)	
Interest Expense	-$0.02
Depreciation	-$0.07
O&M and Other	-$0.02
Interest and Financing	-$0.05
Q3'24 Estimate	**$1.93**

Source: Company reports, UBS estimates

Essential Utilities (WTRG)

We expect Essential Utilities to report 3Q'24 EPS of $0.25 versus the $0.25 consensus estimate and $0.30 last year. The quarter included a combination of wet and dry conditions. The company likely got started in the $250 mln equity issuance plan for the quarter. The Peoples Gas case only contributed a few days to the outcome and the Aqua Pennsylvania rate case final decision is in February 2025.

scoppa@nisource.com

Figure 41: Essential Utilities 3Q'24E Earnings Drivers

Q3'23 Estimate	**$0.30**
Rates and Surcharges	$0.02
Volume/Growth Water	$0.01
Shares Outstanding (276M vs. 273M)	-$0.02
O&M and Tax	-$0.04
Interest and Other	-$0.02
Q3'24 Estimate	**$0.25**

Source: Company reports, UBS estimates

Gas Utilities

Atmos Energy Corporation (ATO)

We expect ATO to report 4Q'24 EPS of $1.08 versus the $0.82 consensus estimate and $0.80 last year. For the full year 2024 EPS, we expect the company to report $6.79 versus $6.74 consensus estimate and $6.10 last year. We expect the company to introduce 2025 guidance (UBSe $7.13 / Cons. $7.12) and update the five year capex profile to $19bn for '25-'29 from $17bn for '24-'28.

ONE Gas, Inc. (OGS)

We expect OGS to report 3Q'24 EPS of $0.36 versus the $0.42 consensus estimate and $0.45 last year. We expect the company to introduce 2025 guidance in early December (UBSe $4.15 / Cons. $4.16)

Spire Inc. (SR)

We expect SR to report 4Q'24 EPS of -$0.28 versus the -$0.50 consensus estimate and -$0.78 last year. For the full year 2024 EPS, we expect the company to report $4.20 versus $4.22 consensus estimate and $4.05 last year. The company has guided the full year 2024 EPS to $4.15-$4.25. We expect the company to introduce 2025 EPS guidance. We see '25 at $4.62 vs. consensus of $4.56. The company will need to address recent concerns around a whistleblower accusation of failure to appropriately retain documents.

spopovski@ nisource.com

***UBS Evidence Lab** is a sell-side team of experts that work across 55+ specialized labs creating insight-ready datasets. The experts turn data into evidence by applying a combination of tools and techniques to harvest, cleanse, and connect billions of data items each month. Since 2014, UBS Research analysts have utilized the expertise of UBS Evidence Lab for insight-ready datasets on companies, sectors, and themes, resulting in the production of thousands of differentiated UBS Research reports. UBS Evidence Lab does not provide investment recommendations or advice but provides insight-ready datasets for further analysis by UBS Research and by clients. All published UBS Evidence Lab content is available via UBS Neo. The amount and type of content available may vary. Please contact your UBS sales representative if you wish to discuss access.*

UBS Evidence Lab Climatology practice area is a suite of analysis techniques that leverages atmospheric science based data to measure risks related to climate and weather surrounding key markets and the physical asset of companies. Weather and climate are related but measure different aspects of the short and long term conditions of the atmosphere. UBS Evidence Lab harvests data from weather stations (both on ground and aerial) and satellite based sources for various weather elements including: temperature and precipitation. For asset based measures, UBS Evidence Lab leverages a global database of 70+ million business rooftops that is thoroughly cleansed for localization accuracy, ownership, industry, birth and death dates and other key features for each rooftop. UBS Evidence Lab using advanced geospatial analysis to enhance these rooftops with proprietary weather metrics that explain the quality of a company's physical footprint from the perspective of weather or climate risk. This report leverages the following UBS Evidence Lab asset: US Utility Territory Heating and Cooling Degree Days Monitor.

Detailed Methodology:

Methodology Overview

UBS Evidence Lab Climatology practice area is a suite of analysis techniques that leverages atmospheric science based data to measure risks related to climate and weather surrounding key markets and the physical asset of companies. Weather and climate are related but measure different aspects of the short and long term conditions of the atmosphere. The UBS Evidence Lab harvests data from weather stations (both on ground and aerial) and satellite based sources for various weather elements including: temperature, humidity, precipitation, air pressure and wind.

The Weather Monitor is a specialized product in Climatology practice area that provides a temporal framework to assess changes in key weather elements impacting the business rooftops of the companies in focus. Weather data is collected daily and cleansed for stability of readings; i.e. stations that have poor reporting frequencies are filtered. Then, using detailed geospatial techniques, weather data is apportioned to each business rooftop and aggregate company-level figures are derived. Further, metrics are sequenced to provide customized dates to match reporting conventions of the companies in focus.

In Q1-2018, the Geospatial Team augmented climatology reports by including analysis derived from satellite imagery generated by the Moderate Resolution Imaging Spectroradiometer (MODIS) on NASA's Terra satellite.

In Q2-2018 we further expanded our weather lab by leveraging raster imagery provided by NOAA's Climate Prediction Center (CPC), which normalizes and aggregates daily climate data from thousands of weather stations around the world. This capability has enabled us to report approximate temperature and precipitation measurements for almost any location covered by land on our planet.

Use Cases

For this report, the UBS Evidence Lab calculated average temperature, heating & cooling degree days and normals (1991-2020) for all mentioned metrics within all the service territories of 49 investor-owned electric utilities (IOUs) operating in the United States. Data are grouped into utility holding company service territories for comparison purposes. All together with Net Flow Index taken from US Utility Residential Migration Monitor allow compare weather conditions and combine them to estimate energy consumption.

Definitions & Key Measures

Average Temperature is derived from the CPC Global Unified Temperature data. The Lab used minimum and maximum mean temperature data to create the average temperature raster file for each day since the 1st of January, 2017 with a spatial resolution 0.5x0.5°. Data is organized into daily, aggregated as weekly median in the Fahrenheit degrees.

Normal Weekly Mean Temperature 1991-2020 is derived from the CPC Global Unified Temperature data. The Lab used the 1991-2020 temperature normals data to create the normal daily mean temperature raster with a spatial resolution 0.5x0.5°. The dataset allows compare daily temperature readings with long term means. Data is organized into daily, aggregated as weekly median in the Fahrenheit degrees.

Sharpe@aegisinsight.com

Degree Days are based on the assumption that when the outside temperature is 65°F, we don't need heating or cooling to be comfortable. Degree days are the difference between the daily temperature mean, (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is above 65°F, we subtract 65 from the mean and the result is Cooling Degree Days. If the temperature median is below 65°F, we subtract the mean from 65 and the result is Heating Degree Days. https://www.weather.gov/key/climate_heat_cool

Example 1: The high temperature for a particular day was 90°F and the low temperature was 66°F. The temperature mean for that day was:

(90°F + 66°F) / 2 = 78°F

Because the result is above 65°F:

78°F - 65°F = 13 Cooling Degree Days

Example 2: The high temperature for a particular day was 33°F and the low temperature was 25°F. The temperature mean for that day was:

(33°F + 25°F) / 2 = 29°F

Because the result is below 65°F:

65°F - 29°F = 36 Heating Degree Days

The calculations shown in the two examples above are performed for each day of the year and the daily degree days are accumulated so that we can compare months and seasons. https://www.weather.gov/key/climate_heat_cool

Normal Weekly Cooling and Heating Degree Days 1991-2020 is derived from the CPC Global Unified Temperature data. The Lab used the 1991-2020 temperature normals data to create the normal daily cooling and heating degree days raster with a spatial resolution 0.5x0.5°. Data is organized into daily, aggregated as weekly, quarterly sum and average annual sum.

Net Flow Index - data from US Utility Residential Migration Monitor are separately indexed for inflows and outflows using February 2017 as the base, then combined to provide a net index metric on a going forward basis

Entity Aggregation - Aggregation is based on state-level zipcodes or zipcodes that fall within regional service territories

Coverage Area Visualization

Data Quality

All the housing data is loaded into a global housing data warehouse. Before processing the analytics, several data quality routines and processes are run to validate and enhance the raw data set. Any property that fails a validation check is flagged or cleansed (i.e. filtered from the data set being analyzed). Some data checks are required (i.e. will filter) and some are not (i.e. will only flag the data).

spopovski@ nisource.com

Valuation Method and Risk Statement

North America Utilities: Our valuation methodology for the group is price-to-earnings based. The adjustments applied fall into 7 categories. These are as follows: 1) Group Valuation Bias: Flowing from our valuation work comparing Baa corporate yields to group dividend yields and RU price-to-earnings ratios to those for the S&P 500, we incorporate a positive or negative adjustment to our group multiple representing the gap we calculate to the nearest 5%; 2) Growth Adjustment: We adjust our valuations based on the growth quartile each utility occupies. First quartile receives a 4% premium, second quartile a 2% premium, third quartile a 2% discount and fourth quartile a 4% discount; 3) Regulatory Adjustment: Our valuation adjustments for regulation are based on our proprietary Regulatory Rankings. First quartile jurisdictions receive 6%, second quartile 2%, third quartile -2% and fourth quartile -6%; 4) Clean Energy Transition: A potential 5% premium for a risk-adjusted clean energy transition growth opportunity; 5) Earnings Consistency Adjustment: We assign premiums/discounts to reflect our views on track records, management execution and risks to the business plans; 6) Multi Utility Diversified Valuation: For multi utilities (those with more than 15% of unregulated earnings), we perform a sum-of-the-parts analysis applying business/region appropriate valuations to those diversified businesses; 7) One-off Adjustments: In special situations, we value risk on an issue-specific basis. Common areas where we apply such an adjustment include: large project construction risk, legal risk, and announced M&A completion risk. We identify the following risk factors: rising interest rates; regulatory and policy risks; operational risks; construction risks; cybersecurity risk to the Transmission grid and/or customer data, and extreme weather events.

spopovski@ nisource.com

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stanovski@ nautilus.com

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12-Month Rating	Definition	Coverage[1]	IB Services[2]
Buy	FSR is > 6% above the MRA.	51%	24%
Neutral	FSR is between -6% and 6% of the MRA.	40%	19%
Sell	FSR is > 6% below the MRA.	8%	21%
Short-Term Rating	**Definition**	**Coverage[3]**	**IB Services[4]**
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 30 September 2024.
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Company Name	Reuters	12-month rating	Price	Price date
Alliant Energy Corp[16,28]	LNT.O	Neutral	US$62.17	18 Oct 2024
Ameren Corp[16,28]	AEE.N	Buy	US$88.84	18 Oct 2024
American Electric Power Inc[16,28,7,6b]	AEP.O	Sell	US$100.69	18 Oct 2024
American Water Works Co[16,28]	AWK.N	Neutral	US$141.96	18 Oct 2024
Atmos Energy Corp[16,28]	ATO.N	Neutral	US$143.26	18 Oct 2024
CMS Energy Corp[16,28]	CMS.N	Neutral	US$71.29	18 Oct 2024
CenterPoint Energy Inc[16,28]	CNP.N	Neutral	US$30.11	18 Oct 2024
Consolidated Edison Inc[16,28]	ED.N	Neutral	US$106.76	18 Oct 2024
DTE Energy Co[16,28]	DTE.N	Neutral	US$128.90	18 Oct 2024
Dominion Energy Inc[16,28,7,6b]	D.N	Neutral	US$59.92	18 Oct 2024
Duke Energy Corp[13,16,28,7,6b]	DUK.N	Neutral	US$120.76	18 Oct 2024
Edison International[16,28,7]	EIX.N	Neutral	US$85.43	18 Oct 2024
Emera Inc	EMA.TO	Neutral	C$53.60	18 Oct 2024
Entergy Corp[16,28,7,6b,6c]	ETR.N	Buy	US$135.28	18 Oct 2024
Essential Utilities Inc[16]	WTRG.N	Buy	US$40.55	18 Oct 2024
Evergy, Inc[13,16,28]	EVRG.O	Neutral	US$61.12	18 Oct 2024
Eversource Energy[16,28,7,6b,6c]	ES.N	Buy	US$66.13	18 Oct 2024
Exelon Corp[16,28,7,6b,6c]	EXC.O	Neutral	US$40.95	18 Oct 2024
FirstEnergy Corp[16,28]	FE.N	Neutral	US$43.66	18 Oct 2024
Fortis Inc[16]	FTS.TO	Sell	C$62.09	18 Oct 2024
Hydro One Limited[28]	H.TO	Neutral	C$46.32	18 Oct 2024
IDACORP Inc[16,28]	IDA.N	Neutral	US$104.77	18 Oct 2024
NextEra Energy Inc[4,16,28,7,6a]	NEE.N	Buy	US$84.38	18 Oct 2024
NiSource Inc.[16,28]	NI.N	Buy	US$35.14	18 Oct 2024
OGE Energy Corp[16,28]	OGE.N	Neutral	US$41.15	18 Oct 2024
ONE Gas Inc[16,28]	OGS.N	Sell	US$74.76	18 Oct 2024
PG&E Corp[16,28,7,6b,6c]	PCG.N	Buy	US$20.38	18 Oct 2024

spopovski@nisource.com

Company Name	Reuters	12-month rating	Price	Price date
PPL Corp[16,28]	PPL.N	Neutral	US$32.66	18 Oct 2024
Pinnacle West Capital Corp[16,28,7,6b]	PNW.N	Neutral	US$87.92	18 Oct 2024
Portland General Electric Company[16,28]	POR.N	Buy	US$48.40	18 Oct 2024
Public Service Enterprise Group[16,28,7,6b]	PEG.N	Neutral	US$89.76	18 Oct 2024
Sempra[16,28]	SRE.N	Buy	US$85.96	18 Oct 2024
Southern Co[13,16,28]	SO.N	Neutral	US$93.24	18 Oct 2024
Spire Inc[16]	SR.N	Buy	US$65.25	18 Oct 2024
WEC Energy Group Inc[16,28]	WEC.N	Neutral	US$99.85	18 Oct 2024
Xcel Energy Inc[16,28]	XEL.O	Neutral	US$64.07	18 Oct 2024

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spopovski@jpourover.com

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Additional Prices: Talen Energy Corp, US$173.97 (18 Oct 2024); Microsoft Corp., US$418.16 (18 Oct 2024); Amazon.com, US$188.99 (18 Oct 2024); Source: UBS. All prices as of local market close.

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US Power & Utilities

3Q24 Preview: Reconciling An Inevitability Higher Load Outlook

US Power & Utes 3Q Preview: Key Themes, PM Summaries, Macro, Sparks/Commods Review & More; Prepping for Generation Driven CapEx Cycle While Watching Nuclear; Single Name Previews AES, CEG, NI, OGE, ED, EVRG, PCG, POR, PPL, TLN & XEL

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Company Update

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U.S. Power & Utilities
Nicholas Campanella
+1 212 526 6123
nicholas.campanella@barclays.com
BCI, US

Fei She, CFA
+1 212 526 8011
fei.she@barclays.com
BCI, US

Michael Brown
+1 212 526 4885
michael.brown3@barclays.com
BCI, US

3Q24 Preview: The Full Download into the Quarter: We are rounding out our 3Q24 previews with single name updates for AES, CEG, NI, OGE, ED, EVRG, PCG, POR, PPL, TLN & XEL. Please see 3Q previews on: CNP, LNT, DUK, PNW, SRE, NEE, CPK, DTE, FE, NWE, ETR, PEG, WEC, AEE, AEP, CMS, D, EIX, ES, EXC, SO & TXNM. We see 3Q as a major catalyst for the group to sustain the positive outperformance to date, with many companies set to update 5YR CapEx plans, financing and LT EPS outlooks at 3Q / EEI. For most we expect an extension of current long-term EPS metrics, but commentary will be up-beat as the sector adapts to an ever expanding long-term load inflection. We highlight implications and the set up in the note with key themes, PM summaries for 34 names in coverage, a macro refresh and key beats / misses. We continue to see the sector trading at a mid-teens P/E discount to the S&P 500, and maintain our Positive view into year end.

What do we like into 3Q24? We're bullish on ETR, EXC, PCG, TXNM into 3Q / EEI. We expect ETR to potentially raise CapEx (and its EPS outlook) at EEI, while EXC remains on track for only 10% rate base in for cases in '25 at a sector low discounted P/E, PCG remains on track to hit sector high EPS growth, and TXNM should see NM regulatory clarity soon, with Texas CapEx opportunities also inflecting; **Where are we more cautious?** We continue to skew overall cautious on WEC, CNP, & NWE. At CNP, we see the trajectory wholly dependent on the CEHE rate outcome (after earnings) while balance sheet metrics remain tight and risk/reward into the event is negative to us. At WEC we anticipate a full CapEx / financing roll-forward with our estimates skewing below consensus and at NWE, we remain focused on interim rate increases to keep FY24 execution intact. **Key Beats and Misses in 3Q:** We see quarterly beats for POR, PCG, AES, ED and ES while we see PEG, CNP, NWE, DUK, OGE, XEL and AEE as missing. We expect most companies to reaffirm FY24 EPS regardless with this largely timing related. Lastly, for FY25 EPS updates, we expect FY25 EPS guidance from XEL & CMS to track the high end of their respective 5-7% and 6-8% LT EPS CAGRs, while PNW has been a well previewed miss into the quarter where we think FY25 EPS will be down y/y. We see AEP as a widely anticipated event with 6% growth and a new 5-7% LT EPS CAGR now assumed by consensus. **On IPPs,** we generally see a high bar for the group into 3Q given recent share price outperformance, and more limited updates expected for CEG / TLN with all eyes on FERC ISA decision around November 4th. We note some

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softening of spark spread and forward power prices through the quarter as well. Lastly, **on renewables,** while we see generally in-line quarters for developers AES / NEE, we believe shares will be binary around the Nov 5th US election outcomes on a Harris (positive) / Trump (negative) outcome. We think back-log update expectations are generally low for both given commentary through the quarter on lumpiness.

Key Themes in US Power & Utilities: We flag 7 themes and discussion points for 3Q which we expand on in our note: 1) A Generation Driven CapEx Update is Coming; 2) Calling on Nuclear: A Theme That Matters for Both Regulated & IPP; 3) Business Plan Refresh: Expect material updates (LT refresh or FY25 guidance) from AEP, CMS, CNP, ETR, EVRG, LNT, NI, PNW, WEC, & XEL among other names; 4) Financing: Pressures Easing But Overall Equity Needs Still Likely to Tick Up for Regulateds; 5) Load Updates Moving Higher; 5) The CA Trade; 6) Regulatory Updates Still Matter: NWE, POR, WEC, CNP; 7) Powering AI & IPPs: We see the bar as naturally higher for the IPPs into 3Q results, with the market waiting for the TLN ISA which we see as a catalyst to sustain the positive momentum into YE.

PT Changes: We are changing our PT for the following companies and maintain our current ratings: AES (Overweight, price target to $23 from $22), ED (Underweight, price target to $104 from $98) CEG (Overweight, price target to $282 from $280) EVRG (Overweight, price target to $65 from $67), NI (Overweight, price target to $38 from $35), OGE (Equal Weight, price target to $42 from $39), PCG (Overweight, price target to $25 from $24), PPL (Equal Weight, price target to $34 from $30), TLN (Overweight, price target to $202 from $207), and XEL (Overweight, price target to $67 from $57).

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Summary of our Ratings, Price Targets and Earnings Changes in this Report (all changes are shown in bold)

	Rating		Price	Price Target			EPS FY1 (E)			EPS FY2 (E)		
Company	**Old**	**New**	**18-Oct-24**	**Old**	**New**	**%Chg**	**Old**	**New**	**%Chg**	**Old**	**New**	**%Chg**
U.S. Power & Utilities	Pos	Pos										
AES Corp. (AES)	OW	OW	17.47	22.00	**23.00**	5	1.90	**1.93**	2	2.14	2.14	-
Consolidated Edison, Inc. (ED)	UW	UW	106.76	98.00	**104.00**	6	5.36	5.36	-	5.65	**5.66**	-
Constellation Energy (CEG)	OW	OW	270.16	280.00	**282.00**	1	8.04	8.04	-	8.96	**8.99**	-
Evergy Inc. (EVRG)	OW	OW	61.12	67.00	**65.00**	-3	3.85	3.85	-	4.14	**3.98**	-4
NiSource, Inc. (NI)	OW	OW	35.14	35.00	**38.00**	9	1.73	1.73	-	1.85	1.85	-
OGE Energy Corp. (OGE)	EW	EW	41.15	39.00	**42.00**	8	2.14	2.14	-	2.30	**2.28**	-1
PG&E Corporation (PCG)	OW	OW	20.38	24.00	**25.00**	4	1.37	1.37	-	1.48	1.48	-
PPL Corp (PPL)	EW	EW	32.66	30.00	**34.00**	13	1.67	1.67	-	1.82	1.82	-
Portland General Electric Company (POR)	EW	EW	48.40	49.00	49.00	-	3.09	**3.08**	-	3.24	3.24	-
Talen Energy Corporation (TLN)	OW	OW	173.97	207.00	**202.00**	-2	8.81	**9.88**	12	5.38	**6.22**	16
Xcel Energy Inc. (XEL)	OW	OW	64.07	57.00	**67.00**	18	3.54	**3.52**	-1	3.86	**3.81**	-1

Source: Barclays Research. Share prices and target prices are shown in the primary listing currency and EPS estimates are shown in the reporting currency. FY1(E): Current fiscal year estimates by Barclays Research. FY2(E): Next fiscal year estimates by Barclays Research. Stock Rating: OW: Overweight; EW: Equal Weight; UW: Underweight; RS: Rating Suspended Industry View: Pos: Positive; Neu: Neutral; Neg: Negative

PM Summaries

FIGURE 1. Investment Summary Quick Hits (1/3)

Ticker	Rating	Target Price	Current Price	Dividend Yield (%)	Total Return (%)	3Q24 EPS			FY2024			PM Summary
						Barclays	Consensus	%	Barclays	Consensus	%	
AEE	Overweight	$88	$89	3%	2%	$1.86	$1.98	-6%	$4.60	$4.62	0%	Expect affirmation of current FY24 EPS guidance range $4.52-$4.72, as well as the 6-8% LT EPS growth CAGR guidance through '28, possibly narrowing FY24 at midpoint. Additionally, we expect additional color on the MISO tranche 2 opportunity in the service territory, a confidence interval in achieving a constructive outcome for the pending MO rate case, and an update on the IRP which is scheduled to be refreshed in February 2025.
AEP	Equal Weight	$100	$101	3%	3%	$1.81	$1.80	0%	$5.62	$5.62	0%	We see mgmt still contemplating, and possibly doing a partial guidance refresh at 3Q and the rest during EEI. First earnings call for new CEO Bill Fehrman. We see a possibility for LT EPS growth to be widened out to 5-7%, with recent "lumpiness" comment from mgmt. 2025 Barc EPS is inline with consensus and cons already reflects 6% growth at midpt; Capital plan is expected to roll while keeping RAB CAGR likely at current level (7.2%). 14-15% FFO/debt target range is likely to be maintained with equity; expect more on asset rotation opportunities.
AES	Overweight	$23	$17	4%	36%	$0.66	$0.59	12%	$1.93	$1.92	0%	We expect all current guidance to be re-affirmed, including 2024 EPS and EBITDA; LT growth (7-9% for EPS, 5-7% for EBITDA); asset allocation plan for 2024 and forecasting period; no equity until 2026. On asset sales, we look for further commentary on US renewable and FLNC offload. On PPA signing, certain lumpiness is expected, with 3.7 GW YTD execution on track for full year 5GW target. Watching comments on '25 EPS / EBITDA given pull forward of asset sale dilution and flattish renewable growth (ex-Tax credits) y/y.
ATO	Equal Weight	$144	$143	2%	3%	$0.79	$0.81	-3%	$6.80	$6.79	0%	Expect ATO to achieve high end of revised 2024 EPS guidance range ($6.70-6.80/sh). Expect ~$7.15/sh 2025 EPS midpoint. We expect ATO to roll to the next five-year plan (2025-2029) during the call, extending 6-8% annual EPS growth rate and provide FY29 targeted EPS with midpoint implying ~7% growth. Capital plan is expected to raise supporting RAB growth at current 11-13% range. Debt and equity issuance plan should support 50-60% equity cap ratio. 8-9% dividend growth is sustainable in our view.
CEG	Overweight	$282	$270	1%	5%	$2.59	$2.67	-3%	$8.04	$8.06	0%	Recall on 4Q23 call CEG switched to EPS guidance and provided 2024 range including split between base and enhanced earning, and we expect EPS guidance (2025) refresh to follow same cadence. On 3Q call we expect to re-affirm 2024 full year guidance, which was raised during 2Q, and it is likely for CEG to narrow range during this quarter based on historical. We expect enhanced earnings uplift driven by 2025/2026 PJM auction to be re-affirmed. Our base case assumption on capital allocation would be to re-affirm current guidance. Key items to watch: PJM auction delay; Crane update; further FTM deal.
CMS	Equal Weight	$68	$71	3%	-2%	$0.75	$0.77	-2%	$3.32	$3.33	0%	We expect CMS to reaffirm the current FY24 EPS guidance range of $3.29-$3.35 as well as provide FY25 EPS guidance during the 3Q24 call. We also expect management to reaffirm the current 6-8% LT EPS growth CAGR guidance with a bias towards the high-end of the range. During the call we expect an update on the pending electric rate case and confidence in achieving a constructive outcome, as well as reaffirmation of the filing of the REP in mid-November 2024.
CNP	Underweight	$29	$30	3%	-1%	$0.33	$0.40	-16%	$1.62	$1.62	0%	CNP typically initiates next year's guidance in 3Q, and we still expect to follow this year despite uncertainties around the CEHE rate case filing (PUCT meeting 11/14). We expect re-affirm 2024 EPS guidance; mid-to-high end of 6-8% annual EPS growth, assuming constructive CEHE outcome (9.4%+ ROE). Our FY25 EPS reflects close to ~6% (low end) growth off the 2024 original midpoint and we see risk/reward as negative into 3Q24 with mgmt set to raise CapEx, the balance sheet tight at 13% FFO/debt and constructive reg outcomes assumed to achieve the base EPS growth plan while neg political rhetoric remains
CPK	Equal Weight	$124	$122	2%	4%	$0.66	$0.70		$5.42	$5.40		CPK to re-affirm FY24 EPS guidance of $5.33-$5.45 per share and FY25 EPS guidance of $6.15-$6.35 per share. Currently with ~55% of the EPS reported based on the mid-point, according to our estimates we expect the 3Q24 will be $0.66/sh v. consensus $0.70/sh. We are focused on regulatory updates in DE, and FL and mgmts ability to maintain FY25 EPS trajectory while executing on cost synergies from the Florida gas acquisition.
D	Overweight	$58	$60	4%	1%	$0.88	$0.93	-5%	$2.77	$2.77	0%	We expect D to reaffirm its 5-7% LT EPS growth rate, current FY24 / FY25 EPS guidance outlined at the March Investor Day. We also could see an update on the newly filed VA IRP, which will inform long term capital communications in the coming 4Q call. We see D likely to affirm the OSW project and ship build remaining on time and on budget as they did in the IRP week of 10/15. We also look for an update on long term procurement picture with recent announcement on SMR studies announced
DTE	Overweight	$137	$129	3%	9%	$1.81	$1.83	-1%	$6.68	$6.69	0%	DTE historically follows a 3Q/EEI guidance fresh cadence, but as it is still within rate case for both electric and gas, we see it's more likely to wait for 4Q refresh. Barclays 3Q24 EPS of $1.81/sh is slight beat showing company on track for 2024 execution since a guide-down last 3Q. Expect re-affirm all guidance including 2024 EPS guidance; 6-8% annual EPS growth; $25bn capital plan from 2024-2028; minor equity of up to $100mm annually through 2026; and credit metric targets of 15-16% FFO/debt.
DUK	Overweight	$118	$121	3%	1%	$1.65	$1.81	-9%	$6.00	$5.98	0%	Despite DUK historically follows a 4Q refresh cadence, we expect qualitative/directional driver for 2025 EPS on 3Q call, and 4Q refresh to largely address capital increase due to DC growth and financing considerations. All current guidance expected to re-affirmed including 2024 EPS guidance, with potential to narrow around the midpoint; 5-7% annual EPS growth; $73bn of capital plan; $500mm annual equity issuance through 2028, with most of '24 needs already priced; minimum 14% FFO/debt. Watching for commentary on recent hurricanes expecting $1-2bn of working capital drag which could pressure credit NT

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 2. Investment Summary Quick Hits (2/3)

Ticker	Rating	Target Price	Current Price	Dividend Yield (%)	Total Return (%)	3Q24 EPS			FY2024			PM Summary
						Barclays	Consensus	%	Barclays	Consensus	%	
ED	Underweight	$104	$107	3%	1%	$1.76	$1.61	9%	$5.36	$5.31	1%	We expect management to narrow the FY24 EPS guidance range of $5.20-$5.40 and reaffirm 5-7% LT EPS growth CAGR guidance. Management could also provide clarity on the timing of filing the upcoming CECONY rate case with our expectation that the case is filed sometime in '25. Management could also provide an update on the various outstanding projects such as the Brooklyn Clean Energy hub.
EIX	Equal Weight	$89	$85	4%	8%	$1.34	$1.41	-4%	$4.93	$4.95	0%	We expect management to reaffirm the current FY24 EPS guidance range of $4.75-$5.05 as well as FY25 EPS guidance range of $5.50-$5.90. We also expect management to reaffirm the current 5-7% LT EPS growth CAGR guidance through '28. Additionally, we could see color regarding the CoC adjustment as well as the TKM / Woolsey wildfire recovery process, and the 2025 GRC on the 3Q call.
ES	Equal Weight	$72	$66	4%	13%	$1.12	$1.05	7%	$4.55	$4.56	0%	ES typically follows a 4Q refresh cadence, and during 3Q we expect re-affirm FY24 EPS guidance, the 5-7% LT growth, current 5yr capital plan with line of sight to 14-15% FFO/debt. With OSW behind us, we see the latest 8K on GIP close should have a modest neg impact on cash, of which is partially offset by Sunrise proceeds. We continue to monitor credit improvement (Barclays 11.9% in FY25E). On regulatory/strategic execution, we look for updates on Yankee Gas and pending Aquarion sale.
ETR	Overweight	$137	$135	3%	5%	$2.98	$3.05	-2%	$7.18	$7.21	-1%	We expect management to reaffirm FY24 EPS guidance and 6-8% LT EPS growth CAGR guidance. During the call we expect a credit outlook as well as a load quarterly outlook, with a full business plan refresh coming at the EEI financial conference that is likely to include capital plan / financing refresh, as well as refreshed load considerations. Overall, we expect a relatively quiet quarterly update for ETR, but at EEI we're expecting CapEx revision which could lead to higher EPS in '26+
EVRG	Overweight	$65	$61	4%	11%	$1.92	$1.93	0%	$3.85	$3.84	0%	We expect management to reaffirm FY24 EPS guidance of $3.73-$3.93 as well as the current 4-6% LT EPS growth CAGR guidance through '26. On the call we expect a full capital plan / financing plan refresh through '28, the roll-forward of RAB guidance through '28 and EPS growth CAGR guidance to be extended out five years (from three years currently). Management could also provide color on the load growth opportunities in the pipeline, but we're not expecting a growth rate increase at this pt.
EXC	Overweight	$44	$41	4%	11%	$0.66	$0.68	-2%	$2.46	$2.45	0%	EXC will re-affirm FY24 guidance EPS range and LT EPS CAGR of 5%-7% through FY27. EXC will have a neutral quarter and we estimate EPS to $0.66/sh compared to consensus estimates of $0.68/sh. We will be focused on regulatory updates on ComEd, PEPCO,and DPL. In addition to following is the ongoing ISA agreement challenge that is currently filed with FERC and PJM capacity auction delay updates, and mgmts recent request to re-open tariffs at certain jurisdictions for DCs.
FE	Equal Weight	$46	$44	4%	9%	$0.88	$0.90	-3%	$2.69	$2.70	0%	We don't expect full guidance refresh including 2025 EPS until 4Q call. Historically during certain years company would narrow current year guidance during 3Q. On the call, all current guidance is expected to re-affirm including 2024 EPS guidance; 6-8% annual EPS growth; 9% RAB growth supported by $26bn capital plan; Current credit metric targets of 14-15% FFO/debt with limited equity needs. Barclays 3Q24 EPS is a small miss mostly due to some non-deferrable O&M expense related to storm cost earlier this year, but looking for mgmt to reaffirm the midpoint of FY24 EPS.
LNT	Equal Weight	$61	$62	3%	1%	$1.10	$1.10	0%	$3.05	$3.06	0%	We expect management to narrow FY24 EPS guidance (current guidance $2.99-$3.13), provide FY25 EPS guidance, reaffirm the 5-7% LT EPS growth CAGR, refresh capital / financing plans as well as a dividend update on the 3Q call. Management is also likely to provide more color on load opportunities In the service territory and we expect LNT to provide a low, medium and high case for load growth potential. Additionally, management could provide color on tax credit opportunities and renewable investments in the pipeline.
NEE	Equal Weight	$80	$84	2%	-3%	$0.95	$0.97	-2%	$3.44	$3.41	1%	We see a quiet quarter with NEE expected to affirm 6-8% LT EPS growth, and FY24-FY27 EPS ranges on the 3Q call. NEER's development program expectations typical drives performance on earnings day, and while mgmt commentary through the quarter affirmed lumpiness in signings, we wouldn't be surprised to see at least a 1GW+ addition with the focus being on 2026-2028 delivery uptake. We continue to see shares as well positioned to deliver at the high end of financial expectations through YE, but acknowledge price action could be volatile with the pending US election.
NI	Overweight	$38	$35	3%	11%	$0.14	$0.15	-9%	$1.72	$1.73	-1%	We expect 5yr capital plan of 16.4bn to increase rolling forward through flowing upside projects ($1.6bn upside bucket) into base case plan, but do not expect substantial lifts from current 8-10% rate base growth. Any incremental equity financing on top of current $200-300mm per year guidance range, would be issued in accordance with current capital structure, and further hybrid issuance could be utilized. 2025 EPS guidance is also expected to be provided, extending current 6-8% growth off 2024 original midpoint. All other current guidance including 2024 EPS upper half of the range expected to re-affirm.
NWE	Underweight	$53	$56	5%	-2%	$0.63	$0.70	-9%	$3.43	$3.50	-2%	We expect a somewhat quiet quarter for NWE given the company is in a major rate case in MT, however we expect the outcome of the case to inform future capital plan / financing / EPS guidance which could come on a later earnings call. Additionally, we expect management to reaffirm the timeline for the Yellowstone generation facility and subsequent recovery. We note that per the timing of interim rates, FY24 EPS guidance could be revised downward if interim rates are received later than the current estimated timeline.

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 3. Investment Summary Quick Hits (3/3)

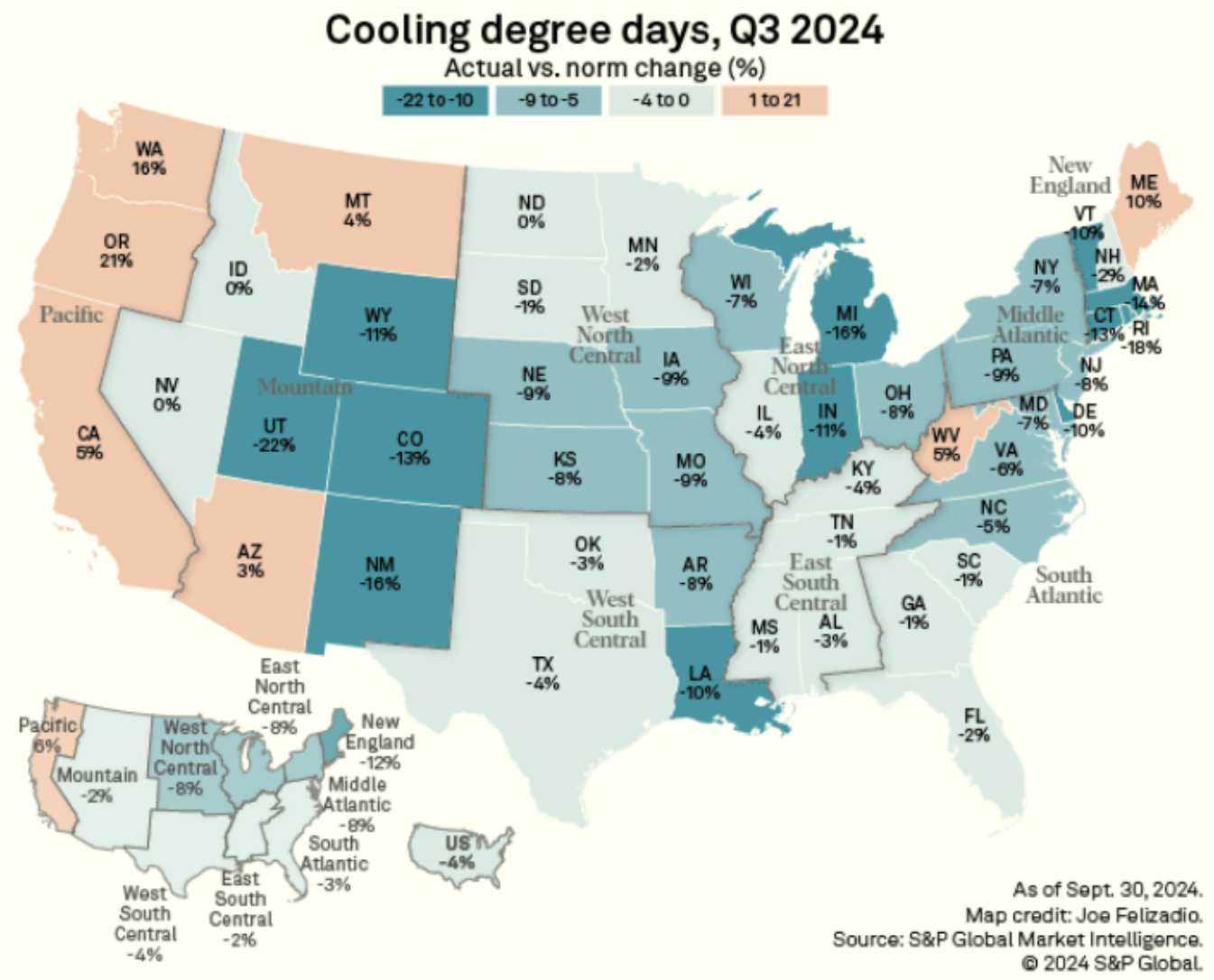
Ticker	Rating	Target Price	Current Price	Dividend Yield (%)	Total Return (%)	3Q24 EPS			FY2024			PM Summary
						Barclays	Consensus	%	Barclays	Consensus	%	
OGE	Equal Weight	$42	$41	4%	6%	$1.14	$1.24	-9%	$2.14	$2.15	0%	We expect OGE to re-affirm 2024 EPS guidance of $2.06-$2.18, EPS CAGR 5%-7% through FY28, and FFO/debt of 17% throughout the current capital plan. For the 3Q24 we estimate OGE EPS results for the quarter will be $1.14/sh v. BBG consensus of $1.24/sh. We will be focused on the approval of OGE's settlement which is still pending because of cost allocation associated with smaller 1MW jurisdictions, and OGE providing updates on the RFP bids.
PCG	Overweight	$25	$20	0%	23%	$0.35	$0.30	15%	$1.37	$1.36	1%	We expect management to reaffirm FY24 EPS guidance of $1.33-$1.37 as well as the current growth CAGR guidance of at least 10% EPS growth in 2024 and at least 9% growth from '25 to '28. Additionally, management could provide an update on their dividend strategy, SB 410 considerations and potentially provide FY25 guidance, however FY25 guidance is only a possibility and we see it more likely by 4Q; We believe mgmt. will message that it can absorb the recent CoC decrease for FY25 while all aspects of the plan remain on track
PEG	Overweight	$98	$90	3%	12%	$0.80	$0.90	-11%	$3.66	$3.66	0%	PEG historically doesn't follow a 3Q guidance refresh cadence. On the call, we expect re-affirming guidance including: 2024 EPS guidance; 5-7% LT EPS growth; $18-21bn regulated capital plan and 6-7.5% RAB growth rate; no equity issuance nor asset sales during the 5-yr plan. Barclays 3Q EPS is a small miss mostly due to regulatory lag before new rate effective December 2024. Distribution rate case settlement now approved with no rate case risk; We remain cautious on any Co-Lo deal announcement by the end of this year but generally still see upward pressure to the 5-7% LT EPS with the premium valuation warranted
TXNM	Overweight	$46	$44	4%	9%	$1.41	$1.42	-1%	$2.72	$2.71	1%	TXNM to re-affirm FY24 guidance, financing plan, 6%-7% CAGR, rate base growth of 10%, and investment plan through FY28. Our 3Q24 estimates are $1.41/sh v consensus $1.42/sh. Mgmt will not provide guidance roll forward, but we do expect updates on NM rate case and ERCOT West Texas Transmission Projects.
PNW	Overweight	$93	$88	4%	10%	$3.53	$3.39	4%	$4.73	$4.82	-2%	Since no longer in a pending rate case, we expect on 3Q24 call to provide 2025 EPS guidance, and roll forward LT guidance. 2025 EPS should have lumpiness reflecting regulatory lag, although we expect 5-7% LT EPS growth target off 2024 midpoint to be re-affirmed. 4yr capital plan is expected to be extended through 2027 to support RAB growth of 6-8%. Weather normalized retail electricity sales growth guidance of 4-6% is expected to be re-affirmed. 3Q is most impactful quarters in terms of financial execution, and we see favorable weather to sustain through the summer contributing a robust 3Q24 EPS.
POR	Equal Weight	$49	$48	4%	5%	$0.91	$0.69	32%	$3.08	$3.08	0%	During the call we expect management to reaffirm the current $2.98 to $3.18 FY24 EPS guidance as well as the current 5-7% LT EPS growth CAGR guidance. We expect management to provide an update on the pending OR rate case and guide to if settlement is still a possibility. Despite our expected strong 3Q performance we see it unlikely that management could revise FY24 guidance upward given power cost headwinds in 4Q.
PPL	Equal Weight	$34	$33	3%	7%	$0.45	$0.45	-2%	$1.67	$1.73	-3%	PPL to re-affirm FY24 EPS guidance, CAGR of 6%-8% annual EPS growth, FFO/debt of 16%-18%, $14.3bn capital plan through FY27, and average annual rate base growth of 6.3% through FY27 as well. For the 3Q24 we expect PPL 3Q24 estimate to be $0.42/sh, compared to consensus is $0.45/sh. We are focused on the following regulatory updates in PA/KY/RI, and DC load growth with mgmt likely to provide updates on its DC FTM opportunity.
SO	Equal Weight	$83	$93	3%	-8%	$1.30	$1.34	-3%	$4.00	$4.04	-1%	We expect a quiet call ahead of 3Q24 with re-affirm of all current guidance metrics, including 2024 EPS guidance, 5-7% LT EPS growth, 6% retail electricity sales forecast from 2025 to 2028, and 6% RAB growth supported by $48bn capital program. We expect theme for 4Q24 to be capital increase reflecting both load growth and gas infrastructure co-investment opportunity. We continue to expect GP to file new rate case and IRP in 2025. On storm cost recovery, we expect modest impact more clarities on regulatory treatment on the call.
SRE	Overweight	$89	$86	3%	6%	$1.04	$1.11	-6%	$4.81	$4.78	1%	As company typically does 4Q full refresh on capital plan, on the 3Q call we expect management to re-affirm all current guidance including 2024 EPS guidance (historically SRE narrowed full year guidance at 3Q call before) and 2025 EPS guidance; 6-8% LT EPS growth; $48bn capital plan driving 9% RAB growth. On catalyst, we expect GRC FD to be issued at one of remaining CPUC meetings for the rest of the year but need a PD soon to remain on track; Oncor board meetings now syncing with SRE's February refresh cycle which is the next time we expect to hear on the long term capex refresh.
TLN	Overweight	$202	$174	NA	16%	NA	$0.66		$9.88	$12.11		TLN to re-affirm 2025 Adj. EBITDA of $925-$1175 and 2026 Adj.EBITDA of $1,130mn-$1,530mb, 2025 FCF of $395mn-$595mn, 2026 FCF of $535mn-$895mn and SRP of $1,250mn through FY 2026. For the 3Q24 we expect TLN 3Q24 Adj EBITDA $222.39mn v. 222.17 adj EBITDA consensus. We are focused on the following: ISA Amendment decision from FERC, request from PJM to delay the PJM capacity auction, and AWS agreement progress.
WEC	Underweight	$89	$100	3%	-8%	$0.71	$0.70	1%	$4.84	$4.87	-1%	We expect management to reaffirm FY24 EPS guidance of $4.80-$4.90/sh as well as the current 6.5-7% EPS growth rate. During the call we expect management to address the pending WI rate case and give confidence level in achieving a constructive outcome. Additionally, we expect WEC to provide a refreshed capital / financing outlook on the 3Q call. WEC could also provide an update on the issues in IL related to the Safety and Modernization plan in the state.
XEL	Overweight	$67	$64	3%	8%	$1.19	$1.29	-8%	$3.52	$3.56	-1%	Expect FY24 EPS re-affirmation & LT Financial Refresh - CapEx, Financing, Load & Rate Base growth that through 2029 that will likely extend XEL's 5-7% LT EPS CAGR. We will be focused on Regulatory updates in MN, CO, WI, MN, and MI. In addition to pending regulatory cases, we are also focused on Marshall wildfire update, SPS fire liabilities, and resource plan updates for PSCo, SPS, and NSP.

Source: Barclays Research, Bloomberg, Company Reports

3Q Weather: Not As Big of a Driver as in 2Q

3Q weather data showed that CDDs remained relatively unchanged year over year and 4% lower than the third-quarter average. The Pacific logged an increase of 23% from a year ago and was the only region with higher CDDs than the historical norm. Overall, stronger cooling demand from the western and southern states was balanced out by fewer CDDs in the rest of the nation. Specifically within the three months, September monthly CDDs totaled 178, the same number of CDDs recorded in September 2023 and down 10% against the monthly norm of 197. In August, CDDs totaled 314, down 1% year over year and 3% against the norm. In July, CDDs remained flat from a year ago and versus the monthly average despite an exceptionally hot July for the contiguous US.

FIGURE 4. 3Q24 CDD vs Normal

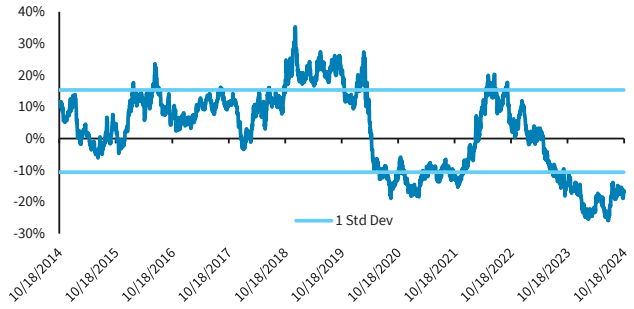


Source: National Oceanic and Atmosphere (NOAA), S&P Global

Macro Update: We Remain Bullish Utilities

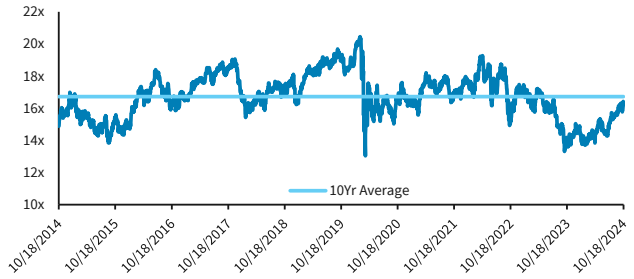
Compared to last quarter, the sector valuation continues to recover and is now hovering around ~17% discount towards the SPX on a 2YR forward P/E view, and is elevating to approach -1 standard deviation. On an absolute basis, as the 10Yr average sector multiple remains at 16.7x, the current trading environment is a 16.3x 2Yr forward P/E multiple, which has significantly recovered from our last quarterly update (14.8x).

FIGURE 5. Barclays Utilities Sector Relative 2Yr Forward P/E to SPX



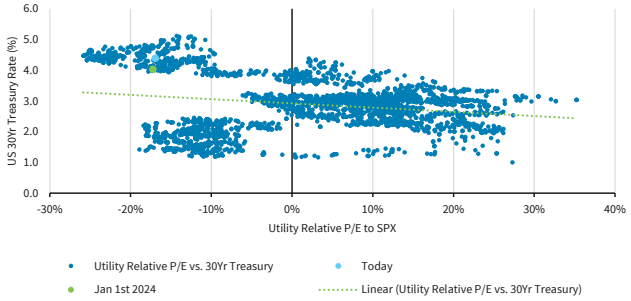
Source: Bloomberg, Barclays Research

FIGURE 6. Barclays Utilities Sector 2Yr Forward P/E



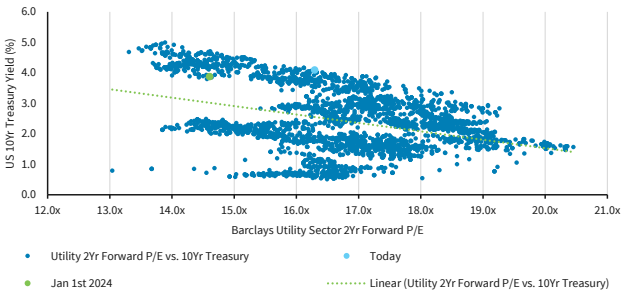
Source: Bloomberg, Barclays Research

FIGURE 7. Utility Relative P/E vs 30 Yr Treasury



Source: Bloomberg, Barclays Research

FIGURE 8. Utility Relative P/E vs 10 Yr Treasury



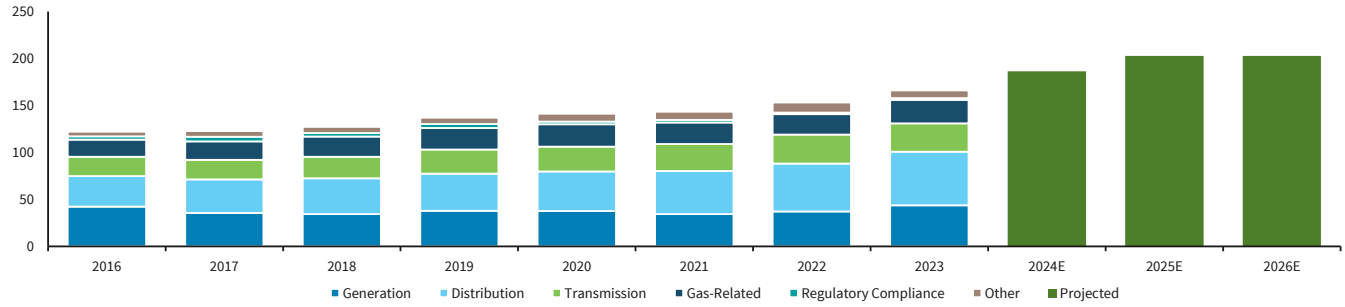
Source: Bloomberg, Barclays Research

Themes & Commentary to Watch for in 3Q / EEI

Regulated Electric & Gas

A Generation Driven EEI Roll Forward: Based on the latest EEI data on industry CapEx, we expect this to be a gas heavy generation cycle with generation mostly seeing the uptick in overall projected utility spending of $186.4bn in 2024, $202.7bn in 2025, and $202.8bn in 2026, while T&D spending will come at a similar pace as it has been. We see these numbers likely being refreshed higher at the coming 3Q / 4Q updates with investors getting their first glimpse at the upcoming EEI Financial Conference in November.

FIGURE 9. EEI Industry Capital Expenditures



Source: EEI Finance Department, Barclays Research

Calling on Nuclear: Theme Increasingly Matters for Both Regulated & IPPs: There is a growing narrative from the hyper-scalers that nuclear is part of the solution for powering AI and we see the utility sector as key enablers of this technology. We flag recent announcements between **D** / **AMZN**, **GOOG** & Kairos Power, and **DUK** & **AMZN**/**GOOG**/**MSFT** among other announcements to study and explore SMRs, including financing structures and contributions that address project risk in order to lower the costs of these emerging technologies. We don't see any formal PPAs or FIDs being made just yet, but expect a more open tone from the US utilities industry regarding the prospects of new nuclear at upcoming EEI meetings and 3Q calls. SMR is a long dated, largely unproven technology on the US electric grid which in most scenarios is being called on for 2035+ in many utility long-range integrated resource plans. **We see the recent news having read-throughs to the US power & utilities sector: 1) Current steel in the ground is still very valuable,** which is positive for the IPPs. Investors should also be focusing on which regulated companies are long energy & capacity; **2) BTM Not Dead but a Growing Case for Additionality:** To date, the latest large scale DC PPA has been between CEG - MSFT (here) which contemplates 835MWs of new nuclear via the TMI restart. New MWs are arguably more politically palatable against the growing power demand outlook (due to lost supply impacts to customer prices) and we think will need to be part of the solution to power AI one way or another. The DOE notably issued its 'Liftoff Report" (here) which argues for an $8,300/kw build cost for the next AP1000 and a $60/MWh LCOE, largely due to tax credit support from the IRA. The current pending TLN ISA decision on November 4th will be an important data-point to affirm more Behind-the-Meter (BTM) deals, which we think are still in play into YE; **3) Who Are We Watching in Regulateds? D, SO, DUK, ETR & AEP**: While we don't think companies will be committing to new nuclear builds in the near term, as we acknowledge there will need to be significant government support and new mechanisms to protect shareholders from negative financial outcomes, we think it's prudent to expect mgmt teams to engage stakeholders on the issue and be part of the conversation as the industry has always been the natural long term owner and constructor of nuclear assets. We are watching the large cap south-east regional plays as having some of the larger commitments to nuclear today with SO most notably completing Vogtle Unit 4 reacting COD this past April 2024. We also highlight AEP's new CEO Bill Fehrman has commented about his support and passion for nuclear in recent investor meetings.

Business plan refresh (full or partial): Several companies in our coverage are going to be refreshing some or all of their business plans including LNT where we expect a full refresh, the narrowing of its FY24 EPS guidance range and the introduction of FY25 EPS guidance. We expect **EVRG** to refresh the financing plan, rate base growth and the capital plan, and don't expect a change in the 4-6% LT EPS growth rate. We expect **WEC** to provide an update on their capex and financing strategy. Additionally, we look to the EEI financial conference for a full business plan refresh for **ETR** and **AEP**. As is tradition, we expect a **CMS** FY25 early look, and **XEL** to roll

forward its full 5yr plan with FY25 EPS guidance. For the most part we see companies following their historical cadence of providing updates to their business plans, however given robust regulatory activity and inflationary pressures we look to updates from the companies to provide insight into what could be going on at the micro level.

Financing: Pressures Easing But Overall Equity Needs Still Likely to Tick Up for Regulateds: With FY2 P/E multiples back up to the long term 10yr average at 16.4x, and most companies already having equity in the plan, we see this as much less of a headwind vs. the prior year. We believe a combination of jr. subordinate note issuance garnering new 50% equity credit and high multiples vs. 2023 should lead to a less punitive financing drag as part of the upcoming CapEx roll forward. With higher CapEx inevitably, we still expect equity needs to tick higher on a net basis for the sector who we see issuing 8% of market cap over the next 5 years. We expect companies to continue to look towards asset sales as a means to fund CapEx such as AEP via transmission and CNP's remaining LDC portfolio, however these opportunities are increasingly few and far between in our view. We note LDC M&A valuations have waned from recent years and the more attractive multiples have come from NCI sales where companies are often selling stakes in their highest growing businesses. The sector trades at 1.5x EV/RAB while there are plentiful 1.0x RAB investments in front of mgmt teams today, and we believe equity issuance makes sense following the recent revaluation in sector multiples. See our recent slide deck for equity issuance assumptions by company (link).

Load Updates… How High Will It Go? Load growth is a key consideration for our coverage going into 3Q, in our view, and we see several companies likely to provide a status update on various initiatives in the pipeline. We expect **XEL** to refresh investors on it's outlook with a recent positive revision to 7% in it's Colorado businesses as part of its coming 3Q refresh, as well as **EVRG** which could provide an update on the 6+GW in the pipeline. **AEP** we see as in acute focus from investors given the 15GW opportunity in its territories and mgmt planning to update investors in 3Q/EEI on its full new financial plan. **LNT** will be providing a low, base and high case for it's new load outlook as well, with ICR tariffs driving and uplift in demand in the 2027+ time frame. **SO** / **DUK** will be in focus where we expect updates to SO's 24.3GW pipeline and also anticipate hearing from **DUK** on the growing large load pipeline net of impacts of loss load from storms realized through 3Q24. At **OGE**, we expect a status update on load opportunities particularly regarding data center / industrial growth in OK/AR. Lastly, with **NI** set to give FY25 EPS guidance on the call, we believe it's logical that load could also be updated given the NIPSCO IRP's 13% projected load CAGR.

The CA Trade: CoC Offsets In Focus.. Waiting on SRE GRC: The CPUC voted on Oct 17 to modify the cost of capital mechanism which includes reductions in ROEs of 42bps to **PCG**, **SRE** and **EIX**. In isolation, this is worth <1% of EPS for SRE, 3.5% for PCG, and ~5% of EIX by our math. During the 3Q update we expect the CA utilities (SRE, EIX, PCG) to provide clarity on offsets, although see EIX as the key name to focus on as we believe SRE's impacts are minimal - recall mgmt did not reset its FY25 guide when ROEs were increased - and PCG we believe has always assumed a lower allowed ROE as its base plan which underpins the 9% growth outlook. In the prior mechanism, ROEs would be increased or decreased by 50% of the total basis point difference between the 12m avg and the benchmark rate. . We note the adjustment ratio for the change in bond yields was also reduced from 50% to 20% which alludes to a more limited impact to cost of capital going forward if bond yields move outside the band. Outside of Cost of Capital, we remain watchful for **SRE's** SDGE / SoCalGas PD which we would expect in the next 30 days to remain on track for a year end outcome at the CPUC. Lastly, with it being an active fire season we see it likely both EIX & PCG frame wildfire response and lower utility ignition rates on their coming calls.

Regulatory Updates: Given the current inflationary headwinds in the US many companies are amid or plan on filing rate cases in the near future. **NWE** has a pending rate case in Montana that is likely to inform future capital / financing plan updates. **EVRG** is currently guiding to filing a rate case in KS next year, and **LNT** just saw a somewhat constructive settlement in Iowa that includes a stay out provision unless the company under earns or there is a meaningful change to regulation in the US. Additionally, **POR** has a pending rate case in OR where affordability is a key discussion topic for stakeholders, with the company reducing some of its ask earlier this year to accommodate these concerns. **WEC** is also amid a major rate case in WI that could be a key driver for the company dependent on the outcome. Lastly, we're watching the **CNP** update with the rate case outcome now pushed to after EEI / 3Q results as the most important item in terms of sustaining fundamental improvement and keeping the 6-8% long-term EPS CAGR intact. Overall, we see companies providing refreshed regulatory strategies on the call given affordability concerns and an increasing scrutinizing Commission rhetoric in many jurisdictions.

Power Infrastructure & IPPs

TLN ISA/ FERC Technical Conference: Co-location and specifically BTM agreements with power producers has been the major focus for the entire power and utility industry. The FERC ruling will have a ripple effect on the industry and how BTM meter deals are constructed going forward with large load customers. Docket # ER24-2172-000 is set to be ruled on 11/4 by FERC to determine if the amended ISA that will allow TLN through its Susquehanna nuclear plant to supply up to 960MW to an AWS data center without connecting the DC to the transmission grid. If the ISA is not approved, it could impact TLN's EBITDA forecast and FCF in 2027 and only allow 300MW to be allocated to AWS. Not only will the decision by FERC impact TLN's ability to service the AWS PPA but will also impact TLN's ability to replicate similar agreements across its network at it gas plants. Even though this docket has been a major focus for the power and utility industry, TLN mgmt and investors that have been tracking this, believe FERC will approve the amended ISA. Another key data point for the IPP's as well as the utility industry will be the technical conference on co-located load docket # AD24-11-000. The conference will discuss high level issues related to the co-location of large loads. The conference will be held on 11/1 and there will be many eyes focused on what is said in the conference from IPP's, regulated utilities, PJM interconnection as well as state leadership like Governor Josh Shapiro and the PA PUC.

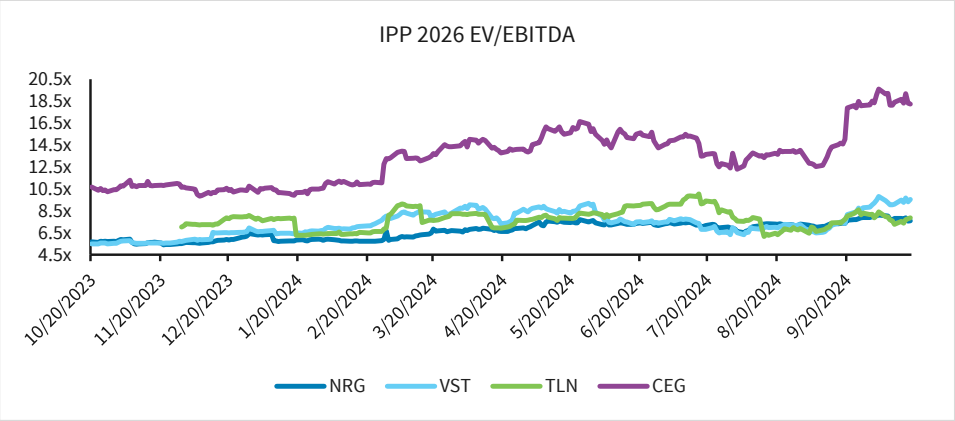
PJM December Capacity Auction: The most recent PJM capacity auction result that broke pricing records and produced RTO prices of ~$270MW-Day and ~$467MW-Day put a magnifying glass on the December auction which has forced PJM to request a delay of the December BRA capacity auction to identify and possibly implement specific changes that could positively impact the auction by reducing prices by allowing RMR's in the auction to flatten the supply curve, utilizing a CT instead of CCGT to influence the supply curve, and changing the ELCC parameters. Even though the higher market prices are clearly displaying the need for generation in PJM's territory to meet the demand of electrification, large load customers, and creating new capacity to outpace fossil fuel retirements the decision to delay the auction could have adverse impacts to investment in PJM's territory by creating uncertainty. From our discussions with TLN and EXC from their initial responses, they do not think it is helpful to delay the auction, but they do understand why PJM filed for this delay and the request to delay the auction will be a major topic of discussion going into the earnings season for EXC, PPL, FE, TLN, CEG, PEG, and D.

Valuation / Multiple Expansion Creates s Higher Bar into 3Q: Currently the IPP's group is trading ~9.9x EV/EBITDA multiple based on 2026E consensus EBITDA. As with the frenzy to purchase AI adjacent companies like IPP's and utilities, the power trade has been a very popular trade creating significant multiple expansion in all IPP's. The expanding multiples will make the TLN 1.2bn SRP through FY26 less impactful as the share prices and multiples continue to expand, with the same dynamic true for CEG. We see fairly robust IPP outperformance through 3Q (TLN +40.4% last 3 months, CEG +44.25% last 3 months) alluding to a higher bar for

the IPPs when considering flat to declining spark spreads and forward power prices realized through the quarter and our expectation of no material new deals announced with 3Q results.

IPP EV/EBITDA Valuations: Strong Performance = Higher Bar into 3Q

FIGURE 10. Power Producer Valuations: CEG, VST, TLN, NRG

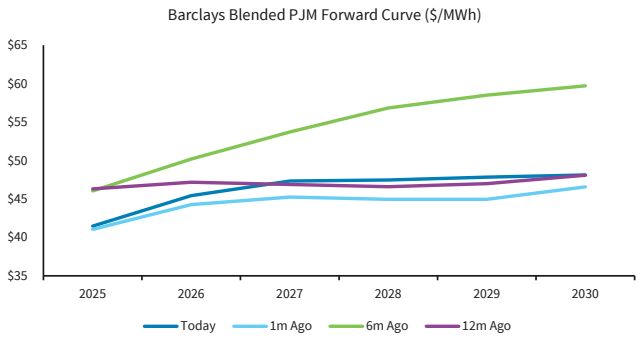


VST, NRG not covered
Source: Bloomberg Consensus Data

Power Curves: Pricing Lower Across the Board

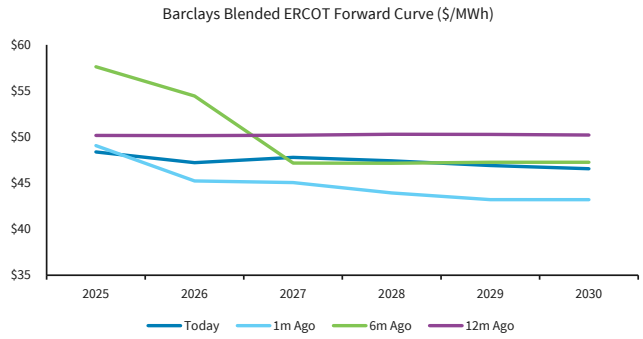
Given the topical backdrop at PJM with the recent capacity auction delay, we see power pricing returning to levels seen a year ago, hovering around $45/MWh, compared to pricing levels 6 months ago. In ERCOT, as we moved midway through the hurricane season, backwardation flattened out compared to our last update in 2Q. However, backwardation is still an ongoing trend in ISO-NE. We see CAISO's pricing curve reverting to a more streamlined structure, possibly due to the absorption of the pricing impact coming from the new billing structure that skews higher towards fixed charges. In terms of power prices, we see PJM trading at par, with ERCOT, ISO-NE, NYISO, CAISO and MISO all trading lower, compared to forward pricing a year ago.

FIGURE 11. Barclays Blended PJM Forward Curve ($/MWh)



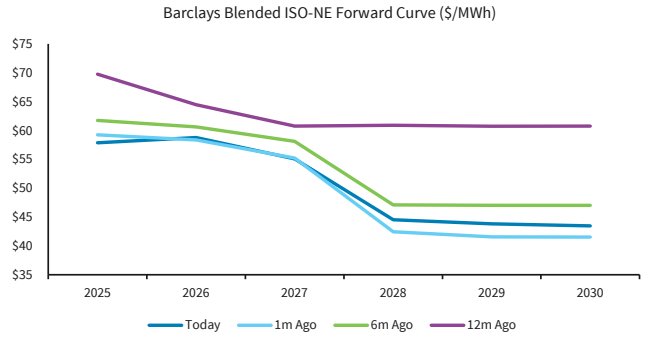
Source: Bloomberg, Barclays Research

FIGURE 12. Barclays Blended ERCOT Forward Curve ($/MWh)



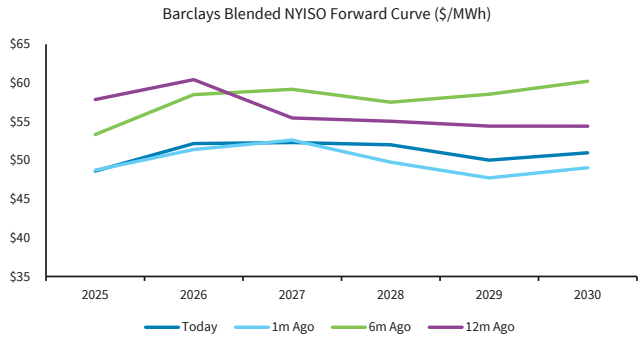
Source: Bloomberg, Barclays Research

FIGURE 13. Barclays Blended ISO-NE Forward Curve ($/MWh)



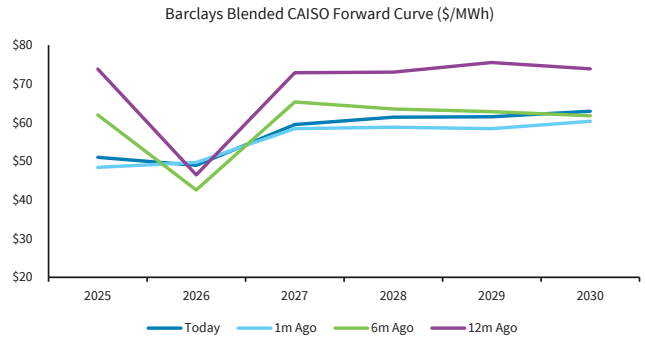
Source: Bloomberg, Barclays Research

FIGURE 14. Barclays Blended NYISO Forward Curve ($/MWh)



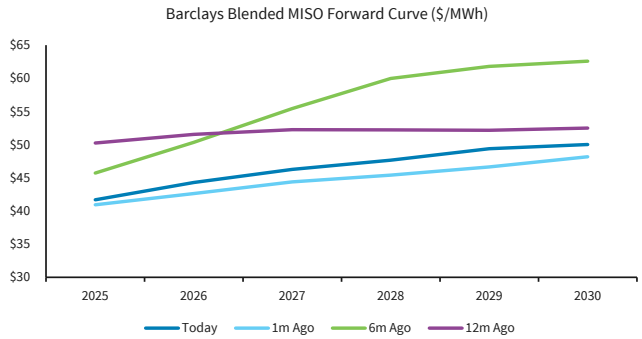
Source: Bloomberg, Barclays Research

FIGURE 15. Barclays Blended CAISO Forward Curve ($/MWh)



Source: Bloomberg, Barclays Research

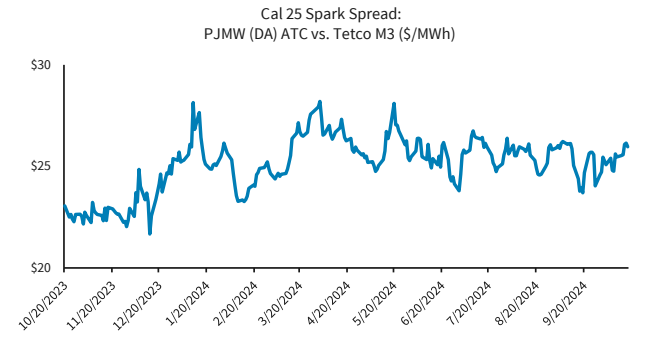
FIGURE 16. Barclays Blended MISO Forward Curve ($/MWh)



Source: Bloomberg, Barclays Research

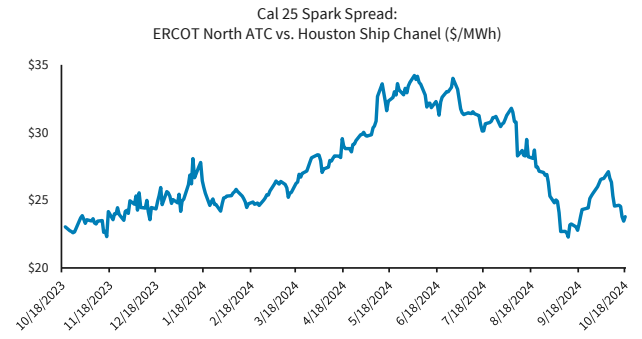
Spark Spread: Flat to Moderating

FIGURE 17. Cal 25 Spark Spread: PJMW (DA) ATC vs. Tetco M3 ($/MWh)



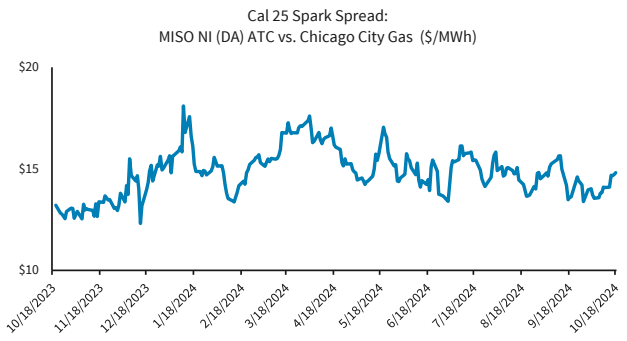
Source: Bloomberg, Barclays Research

FIGURE 18. Cal 25 Spark Spread: ERCOT North ATC vs. Houston Ship Chanel ($/MWh)



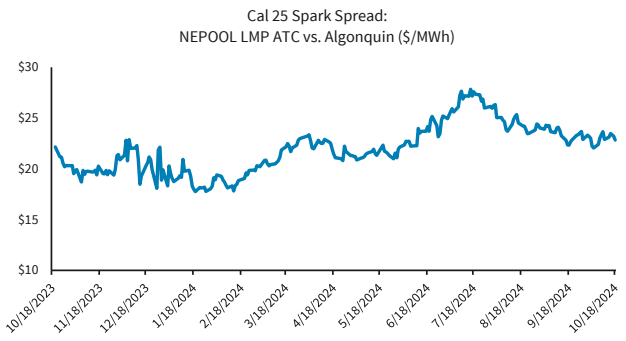
Source: Bloomberg, Barclays Research

FIGURE 19. Cal 25 Spark Spread: MISO NI (DA) ATC vs. Chicago City Gas ($/MWh)



Source: Bloomberg, Barclays Research

FIGURE 20. Cal 25 Spark Spread: NEPOOL LMP ATC vs. Algonquin ($/MWh)



Source: Bloomberg, Barclays Research

3Q Previews: Single Name Considerations

AES Corp. (AES): 3Q24 Preview

What we expect on 3Q24: As AES typically follows a 4Q guidance refresh, on 3Q we expect all current guidance to be re-affirmed, including: **1)** top half of the guidance range for both 2024 EBITDA with tax attributes $3.55-3.95bn, and 2024 EPS of $1.87-1.97/sh. We also expect its $2.6-2.9bn EBITDA guidance range without tax attributes to be re-affirmed); **2)** LT growth guidance (7-9% for EPS, 5-7% for EBITDA); **3)** growth by business segment; **4)** asset allocation plan for 2024 and forecasting period ($900-1,100mm for 2024, $2.4-2.9bn through 2027); **5)** no equity raise until 2026. Our 3Q24 EPS estimate is 66c/sh, compared with Consensus of 59c/sh and 3Q23 EPS of 60c/sh. We see the quarter is largely lifted by tax benefits associated with new renewable commissioning. We see a lower EBITDA YoY for 3Q24 ($895mm), which is essentially a direct translation of EPS drivers, and expect tax benefits from renewables.

Focus items and catalyst calendar: 1) Asset sales: With OH 30% NCI sale announced ($565mm total proceeds, 1H25 close), this transaction is on track to realize total asset sale scheme of ~$2.7bn (midpoint for 2024-2027). We expect the company to update us given current target, and pending deals announced, including Brazil sale ($640mm, expect to close sometime this year), Vietnam Mong Duong ($200mm, expect to close next year). We also see possibility for further commentary/thoughts on any US renewable sales and FLNC offload. **2) PPA signing pace:** recall company has a three year guidance of 14-17GW and has executed 5.6GW last year. We see for 2024 and 2025 to evenly split the remainder, getting us to about 5GW per year. Certain lumpiness is expected, as AES's strategy is to prioritize securing large project with corporate customers. The three year target is likely remain where it is today, as company is somehow restrained by balance sheet capacity and is committed to IG credit rating. We note company's 3.7GW of execution YTD is on track to hit full year number despite lumpiness. **3) New renewable commissioning:** recall company's 2024 target is 3.6GW with 1.6GW YTD executed. As we previewed, we see most of 2024 incremental to be realized in 3Q, which de-risks 4Q and full year execution. **4) Credit quality:** We look for more commentary on managing credit metric at Moody's given its view on construction debt, capitalized interest, etc, as 2023 YE CFO pre-WC/net debt was only ~9%, compared to current downside threshold of 14%. We also note Moody's recently put OH rating on positive outlook post the NCI transaction announcement.

Valuation, EPS & Risks: We are revising our PT to $23 from $22, reflecting MtM of electric group multiples and FLNC's market cap. We revise 2024 EPS by +3c reflecting confidence in AES to hit the top half of the guidance range. We value AES based on a sum-of-the-parts valuation methodology, with value for the parts based on P/E and EV/EBITDA. To derive our PT, we apply a -5% P/E valuation discount to Utilities SBU. For Renewable SBU, we apply a 11.0x EV/EBITDA multiple on 2025E EBITDA excluding tax credits, and a 50% discounted multiple to tax credit EBITDA. We value Energy Infrastructure’s core EBITDA at a 6.5x EV/EBITDA multiple, and 11.0x for Chile renewable EBITDA. We value AES’s DevCo business using an NPV approach by discounting FCF to equity holders with a 13.5% discount rate. For the FLNC stake, we derive AES’s proportional equity value using FLNC’s current market value and AES’s 29% ownership.

3Q24 EPS/EBITDA Walk

FIGURE 21. AES 3Q24 EPS Walk

AES 3Q24 EPS Walk	Note	$/sh
3Q23 EPS		$0.60
Weather		$0.00
Adjusted Starting Point		**$0.60**
Rate Base Growth	consistent with LT guidance; 1p per quarter	$0.01
ESP V Back-out	approved last year, no longer here	($0.04)
FLNC Ownership	going to be 3Q 1c positive; 4Q should be similar	$0.01
Contract Roll-off	Southland and Warrior Run roll off; lower; mild summer, storage proliferated	($0.10)
Volumes		$0.00
AES Next		$0.00
New Renewables Commissioning	New renewable last year only 18mm; 30c from tax benefit	$0.35
Columbia hydro	drag: poor hydrology last year boosted earning last year	($0.08)
LNG Sales		$0.00
Asset Sales		$0.00
Weather		$0.00
Parent		$0.00
Tax	guided to 23-25% full year, vs. 3Q last year 28%, 1H24 is 13%, so YTG is like 30%, so slight drag	($0.02)
Interest Expense	6c Year to go, most debt is 3Q, most cash comes in 4Q	($0.05)
Asset sales	sell down PR and Panama 2c drag	($0.02)
Dilution		$0.00
AES 3Q24 EPS		**$0.66**
3Q24 Consensus		**$0.59**
FY24 EPS (Barclays)		**$1.93**
FY24 EPS (Consensus)		**$1.92**
FY24 EPS (Guidance)		**1.87-1.97**
SO 2024		**712**
SO 2023		**712**

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 22. AES 3Q24 EBITDA Walk

AES 3Q24 EBITDA Walk	Note	$/sh
3Q23 EBITDA		990
New Renewables	Exclude tax benefit	71
US Utilities	rate growth and ESP V back-out	(21)
Energy Infra	gas contract roll-off	(74)
Panama Hydro	hydro drag	(57)
LNG Sales		0
Asset Sales		(14)
AES 3Q24 EBITDA		**895**
3Q24 Consensus		**945**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

We revised 2024 EPS by +3c reflecting confidence to hit top half of the guidance range.

FIGURE 23. AES Fundamental Dashboard

AES Dashboard	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$1.52**	**$1.67**	**$1.76**	**$1.93**	**$2.14**	**$2.10**	**$2.22**	**$2.41**
Prior EPS	**$1.52**	**$1.67**	**$1.76**	**$1.90**	**$2.14**	**$2.10**	**$2.22**	**$2.41**
Consensus EPS	**$1.52**	**$1.67**	**$1.72**	**$1.92**	**$2.07**	**$2.16**	**$2.36**	**$2.70**
Delta (%)	*0.00%*	*0.00%*	*2.33%*	*0.26%*	*3.09%*	*-2.91%*	*-5.97%*	*-10.65%*
Shares Outstanding	703	711	670	712	712	712	712	739
DPS	$0.57	$0.59	$0.66	$0.69	$0.72	$0.75	$0.78	$0.81
DPS Growth (%)	0.0%	4.1%	11.7%	4.1%	4.0%	4.0%	4.0%	4.0%
Guidance			4-6% growth					
DPS Payout (%)	38%	36%	38%	36%	34%	36%	35%	33%
Valuation Metrics								
P/E	11.5x	10.5x	9.9x	9.1x	8.2x	8.3x	7.9x	7.2x
EV/RAB	1.7x	1.8x	1.6x	1.5x	1.5x	1.5x	1.5x	1.6x
EV/EBTIDA		37.6x	27.6x	11.9x	11.8x	11.5x	11.7x	11.6x
EBITDA	970	801	1,170	2,837	3,162	3,461	3,820	4,188
FFO	3,264	3,004	2,724	2,601	3,033	3,252	3,615	4,097
Net Debt	13,723	17,694	20,618	21,196	24,794	27,256	32,125	35,805
FFO/Debt	23.8%	17.0%	13.2%	12.3%	12.2%	11.9%	11.3%	11.4%
Net Debt/EBITDA	14.1x	22.1x	17.6x	7.5x	7.8x	7.9x	8.4x	8.5x
Holdco Debt/Total Debt (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consolidated Equity Layer (%)	23.4%	18.7%	21.1%	26.9%	32.9%	36.8%	37.8%	39.5%
Target FFO/Debt								
adj. EBITDA Estimates by SBU				58	144	254	379	
Renewables	545	605	645	703	846	1,100	1,479	2,053
Guidance/Actual				670-750			1,563	
Utilities	691	612	678	814	988	1,053	1,139	1,240
Guidance/Actual				690-770			1,112	
Energy Infrastructure	1,494	1,836	1,531	1,422	1,201	996	781	616
Guidance/Actual				1,380-1,540			799	
New Energy Technologies/Corporate	(77)	(122)	(116)	(20)	17	40	73	73
Guidance/Actual				(-20)-(-30)				
Consolidated	**2,653**	**2,931**	**2,738**	**2,918**	**3,053**	**3,189**	**3,472**	**3,982**
Guidance				**2,600-2,900**			**3,474**	
Consolidated (with Tax Attributes)								
Guidance (with ITC & PTC Tax Attributes)				**3,550-3,950**				
Guidance Range: 5-7% Average Annual Growth off '23 Midpoint								
High			**2,900**	**2,900**	**3,148**	**3,369**	**3,605**	**3,857**
Midpoint			**2,750**	**2,750**	**3,090**	**3,276**	**3,474**	**3,683**
Low			**2,600**	**2,600**	**3,032**	**3,183**	**3,343**	**3,510**
EPS Estimates								
Consolidated	**$1.52**	**$1.67**	**$1.76**	**$1.93**	**$2.14**	**$2.10**	**$2.22**	**$2.41**
Guidance			**1.65-1.75**	**1.87-1.97**	**2.02-2.22**			
				**Top half*				
Guidance Range: 7-9% Average Annual Growth off '23								
High			**1.75**	**1.97**	**1.98**	**2.14**	**2.31**	**2.50**
Midpoint			**1.70**	**1.92**	**1.95**	**2.08**	**2.23**	**2.39**
Low			**1.65**	**1.87**	**1.91**	**2.02**	**2.15**	**2.27**

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Sum-Of-The-Parts Valuation

FIGURE 24. AES SOTP Valuation

AES SOTP Valuation					Low	Base	High
Electric Group Multiple					14.0x	16.5x	19.0x
Renewables Base Multiple					10.0x	11.0x	12.0x
Business Segments							
	EBITDA '25	**Base Case Prem / Disc**		**Implied EV/EBITDA**			
(1) Renewables	2,021						
2024 EBITDA - Excl. Tax Credits	846	5%		11.6x	8,886	9,775	10,663
Renewable Tax Credits	1,175	-50%		5.5x	0	6,460	7,047
Plus: Cash Associated w/Renewables Business					630	630	630
Less: Debt Associated w/Renewables Business					(5,623)	(5,623)	(5,623)
Renewables Business Equity Value $mn					**3,894**	**11,242**	**12,718**
Renewables Business Equity Value $/sh					**$5**	**$16**	**$18**
	EPS ('26E)	**Prem/Disc.**	**Base Case nplied Multiple**				
(2) Utilities	$0.41	-5%	15.7x		**$5**	**$6**	**$7**
(3) Energy Infrastructure	**EBITDA ('25)**	**EV/EBITDA Multiple**					
Enterprise Value ($mn) - Core EBITDA	$1,102	6.5x			6,062	7,164	8,266
Chile Renewables EBITDA	$99	11.0x			990	1,089	1,188
Plus: Cash Associated w/Infra Business					895	895	895
Less: Debt Associated w/Infra Business					(7,392)	(7,392)	(7,392)
Infra Business Equity Value $mn					**554**	**1,755**	**2,956**
Infra Business Equity Value $/sh					**$1**	**$2**	**$4**
	FLNC Market Cap	**AES Share of FLNC Mkt Cap**					
(4) New Technnology - FLNC Stake	$3,801	29.0%			**$1**	**$2**	**$2**
		Discount					
(5) DevCo Estimates	**MW in Servic**	**NPV**	**Rate**				
	46,487	7,779	13.5%		**$0**	**$0**	**$11**
(6) Corporate Debt Costs - Parent	**Parent Debt '25**	**Parent Interest**	**Multiple**				
Parent Interest Costs (Post Tax) - Equity Impact $mn	5,263	132	16.5x		(2,039)	(2,171)	(2,303)
Parent Interest Costs (Post Tax) - $/sh					**($3)**	**($3)**	**($3)**
Total Equity Value $/Sh					**$10**	**$23**	**$39**
Implied 2025 P/E Multiple					4.7x	10.8x	18.3x
2024 S/O					712	712	712
2025 S/O					712	712	712
Valuation					**$10**	**$23**	**$39**
Market Price						$17	
Upside / Downside					-42.8%	31.7%	123.2%
Yield ('23)						3.8%	
Potential Total Return					**-39.0%**	**35.4%**	**127.0%**

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 25. AES Simplified Valuation

AES Simplified SOTP	Implied Multiple			ValuationApproach	Upside / Downside		
	Low	Base	High		Low	Base	High
Renewable Developer - Ex DEVCO	4.4x	8.0x	8.8x	EV/EBITDA	$5	$16	$18
DevCo	4.4x	8.0x	12.6x	EV/EBITDA Implied for Rene	$0	$0	$11
Energy Infrastructure	5.9x	6.9x	7.9x	EV/EBITDA	$1	$2	$4
Utilities	13.3x	15.7x	18.0x	P/E	$5	$6	$7
AES Clean Tech		MtM Fluence		BBG MtM	$1	$2	$2
Parent	15.5x	16.5x	17.5x	P/E	($3)	($3)	($3)
Equity Value					**$10**	**$23**	**$39**

Source: Barclays Research, Bloomberg, Company Reports

Constellation Energy (CEG): 3Q24 Preview

What we expect on 3Q24: Recall on its 4Q23 call, CEG switched to EPS guidance and provided a 2024 range including a split between base and enhanced earnings, and we expect an annual EPS guidance (2025) refresh to follow the same cadence this year on its 4Q call. With that, we expect CEG on its 3Q call to re-affirm 2024 full year EPS guidance of $7.60-8.40/sh, which was raised during 2Q, and it is likely for CEG to narrow the range during this quarter. We also expect the $0.25/1.25/sh enhanced earnings uplift driven by 2025/2026 PJM auction to be re-affirmed. Current share repurchase plan to be re-affirmed with $1bn remaining of the total $3bn authorized. Our base case assumption on capital allocation would be to re-affirm current guidance. However on higher trading prices, Barclays 3Q24 EPS of $2.75/sh is a small beat to consensus of $2.67/sh, compared with 3Q23 EPS of $2.13/sh. This should continue to put CEG on a path to achieve the midpoint of 2024 EPS guidance of $8.00/sh.

Focus items and catalyst calendar: 1) PJM capacity auction delay for 2026/2027: Company's messaging has been that the auction delay is positive as it is a sign that PJM is preparing to fix certain parameters for consideration and should be beneficial in the long run to re-build the auction market for a more consistent and stable pricing environment**; 2) Crane/TMI update:** We see next steps since the deal announcement is to continue conversation/engagement with NRC, with no expectation for material next steps before the earnings call; **3) Further deal announcements and FTM vs. BTM consideration:** We see recent public support from PA governor as positive and look for further comment on accelerating the interconnection process within PJM region, which could impact more FTM deal flow.

Valuation, EPS & Risks: Our new price target of $282 (from $280) is based on a blended valuation approach averaging P/E and EV/EBITDA derived valuations. Our EPS estimates move +3c/+18c/+24c/+64c from 2024 to 2028 reflecting share count and the forward power pricing curve. We now apply a 40%/35% valuation premium to base earnings EPS/EBITDA, respectively, reflecting the cash flow predictability supported by the PTC floor price, and raise our valuation of the portfolio overall to reflect the potential to replicate opportunities similar to TMI/Crane given more credibility for management to execute on similar deals. We apply a neutral view on enhanced EPS and EBITDA for valuation purposes, reflecting uncertainties for the company to materialize upside with the backdrop of market volatility. We now incorporate valuation upside from the TMI/Crane restart, reflected through a 2030E P/E valuation approach. Our valuation benchmark for P/E is the 10yr average of 2yr forward P/E multiple of the IXU index, while the benchmark for EV/EBITDA is based on a peer group of yieldcos and renewables/IPPs on a 2025 basis. **Risks:** Power price volatility affecting gross margin; nuclear uprate and additional generation build-out contain project risk; increased regulatory pressure on ISA/co-location scrutiny; and political/election risks around IRA repeal which negatively impacts nuclear and hydrogen profitability.

3Q24 EPS Walk

FIGURE 26. CEG 3Q24 EPS Walk

CEG 3Q24 EPS Walk	Note	$/sh
3Q23 EPS		$2.13
Weather		$0.00
Adjusted Starting Point		**$2.13**
PTC impact	no PTC last year with curve below ~$43/MWh	$0.56
Market and portfolio conditions	currently assume zero for full year 2024 EPS estimates	$0.00
Labor contrancting and materials	O&M drag	($0.10)
ZEC/CMC revenue	not material driver	$0.00
Capacity revenue		$0.00
STP ownership	acquisition completed Nov 2023	$0.14
Other		$0.00
Tax		$0.00
Parent		($0.03)
Dilution		$0.06
CEG 3Q24 EPS		**$2.75**
3Q24 Consensus		**$2.67**
FY24 EPS (Barclays)		**$8.04**
FY24 EPS (Consensus)		**$8.06**
FY24 EPS (Guidance Midpoint)		**$8.00**
SO 2024		**316**
SO 2023		**324**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

Our EPS estimates moved by +3c/+18c/+24c/+64c from 2024 to 2028 reflecting share count and forward power pricing curve.

FIGURE 27. CEG Fundamental Dashboard

CEG Dashboard	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS			**$6.28**	**$8.04**	**$8.99**	**$10.04**	**$11.65**	**$13.42**
Prior EPS			$6.28	$8.04	$8.96	$9.86	$11.41	$12.78
Consensus EPS			**$6.08**	**$8.06**	**$8.97**	**$9.80**	**$11.26**	**$13.17**
Delta (%)			*3.35%*	*-0.33%*	*0.29%*	*2.47%*	*3.46%*	*1.91%*
Consolidated adj. EBITDA			**$4,025**	**$4,995**	**$5,422**	**$5,859**	**$6,413**	**$6,963**
Prior EBITDA			$4,025	$4,995	$5,403	$5,776	$6,300	$6,691
Consensus adj. EBITDA			**$3,893**	**$4,494**	**$4,904**	**$5,124**	**$5,546**	**$6,162**
Delta (%)			*3.40%*	*11.16%*	*10.58%*	*14.35%*	*15.63%*	*13.01%*
Shares Outstanding		329	324	315.6	310	303	292	281
Guidance				**316.0**			175	
DPS		$0.56	$1.13	$1.24	$1.36	$1.50	$1.65	$1.82
Guidance: grow dividend 10% annually								
DPS Growth (%)			101.4%	10.0%	10.0%	10.0%	10.0%	10.0%
DPS Payout (%)			18%	15%	15%	15%	14%	14%
Valuation Metrics								
EBITDA	2,657	1,586	2,706	3,692	4,119	4,556	5,110	5,660
FFO	2,997	3,658	4,573	5,149	5,537	5,934	6,455	6,971
Net Debt	7,620	5,240	8,686	8,482	7,746	7,920	7,901	7,094
FFO/Debt	39.3%	69.8%	52.6%	60.7%	71.5%	74.9%	81.7%	98.3%
Target Metric (S&P/Moody's)				**45%/35%**				
Net Debt/EBITDA	2.9x	3.3x	3.2x	2.3x	1.9x	1.7x	1.5x	1.3x
Target Metric				**2.0x**				
EV/EBITDA	36.1x	60.5x	35.5x	26.0x	23.3x	21.1x	18.8x	17.0x
Free Cashflow	(2,667)	(4,042)	(7,723)	2,324	2,887	3,009	3,730	4,546
FCF Yield	-3.0%	-4.6%	-8.8%	2.7%	3.3%	3.4%	4.3%	5.2%
Gross Margin								
Base Earnings				9,169	9,203	9,167	9,531	9,741
(Implied) Guidance				**9,175**	**9,232**			
Enhanced Earnings				734	1,030	1,646	1,738	1,814
(Implied) Guidance				**892**	**713**			
Consolidated Gross Margin	**0**	**0**	**0**	**9,903**	**10,234**	**10,813**	**11,269**	**11,555**
(Implied) Guidance				**10,066**	**9,945**			
Variance				-2%	3%			
			10%		**$6.05**	**$6.66**	**$7.32**	**$8.05**
EPS Estimates			13%		**$6.22**	**$7.02**	**$7.94**	**$8.97**
Base Earnings				**$5.71**	**$5.67**	**$4.61**	**$5.70**	**$6.97**
Guidance: Midpoint				**$5.50**	**$6.40**			
Guidance: Range				**$5.45 - $5.55**	**$6.35 - $6.45**			
Guidance: 80-90% of total earnings; +10% CAGR off 2024 base through 2028					**$6.05**	**$6.66**	**$7.32**	**$8.05**
Enhanced Earnings				**$2.33**	**$3.32**	**$5.43**	**$5.94**	**$6.45**
Guidance: Implied Midpoint				**$2.50**				
Consolidated EPS	**-$0.63**	**-$0.49**	**$6.28**	**$8.04**	**$8.99**	**$10.04**	**$11.65**	**$13.42**
Guidance: Midpoint				**$8.00**				
Guidance: Range				**$7.60 - $8.40**				

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Blended Valuation

FIGURE 28. CEG Blended Valuation

P/E Valuation				Low	Base	High
IXU 10-yr Average 2-Yr Forward P/E Multiple				14.0x	16.4x	18.9x
Earning Contribution	**EPS ('26)**	**Prem/Disc.**	**Base Case Implied Multiple**			
Base Earning	$4.61	40%	23.0x	$90	$106	$122
Enhanced Earning	$5.43	0%	16.4x	$76	$89	$103
Consolidated EPS ('26)	**$10.04**		**Equity Value**	**$166**	**$195**	**$225**
Valuation				**$166**	**$195**	**$225**
Market Price					$270.2	
Upside / Downside				-39%	-28%	-17%
Yield ('24)					0.5%	
Total Return				**-38%**	**-27%**	**-16%**

EV/EBITDA Valuation				Low	Base	High
Peer Group Multiple (YieldCo & Renewable/IPPs)				11.0x	12.9x	14.9x
EBITDA Contribution	**EBITDA ('25)**	**Prem/Disc.**	**Base Case Implied Multiple**			
Base Earning	$4,877	35%	17.5x	$72,444	$85,228	$98,012
Enhanced Earning	$546	0%	12.9x	$6,007	$7,068	$8,128
Consolidated EBITDA ('25)	**$5,422**		**Enterprise Value**	**$78,451**	**$92,296**	**$106,140**
Net Debt ('25)				7,746	7,746	7,746
Equity Value				70,705	84,549	98,394
Valuation				**$228**	**$273**	**$317**
Market Price					$270.2	
Upside / Downside				-16%	1%	17%
Yield ('24)					0.5%	
Total Return				**-15%**	**1%**	**18%**

Blended Valuation	Low	Base	High
Blended Valuation, excluding Crane Energy Center	**$213**	**$253**	**$294**
Valuation Upside: Crane Energy Center	**$25**	**$29**	**$34**
Total Blended Valuation	**$238**	**$282**	**$328**
Market Price		$270.2	
Upside / Downside	-12%	4%	21%
Yield ('24)		0.5%	
Total Return	**-11%**	**5%**	**22%**

Source: Barclays Research, Bloomberg, Company Reports

NiSource, Inc. (NI): 3Q24 Preview

What we expect on 3Q24: During the quarterly call, we expect a refreshed capital plan and associated financing arrangement for 2025-2029. 5yr capital plan of 16.4bn is likely to increase rolling forward, through flowing certain upside projects ($1.6bn upside bucket) into the base case plan, but we do not expect an upsizing in capital plan that substantially lifts NI from current 8-10% rate base growth outlook. On financing, we expect any incremental equity financing on top of the current $200-300mm per year guidance range, would be issued in accordance with its current capital structure, and further hybrid issuance could be utilized (we also note the $500mm hybrid issued in September is outside the current plan, which alleviates financing pressure). 2025 EPS guidance is also expected to be provided, extending current 6-8% growth off 2024's original midpoint. With that, we expect NI to re-affirm: **1)** upper half of 2024 EPS guidance of $1.70-$1.74; **2)** 6-8% LT NOEPS growth rate; **3)** 14-16% FFO/debt target despite capital upside and additional financing needs. We project 3Q24 EPS of $0.14/sh vs. Consensus $0.15/sh and $0.19/sh in 3Q23. We do not see the slight miss on the quarter an issue given company's over achievement YTD (88c/sh YTD 2023 vs. $1.06/sh YTD 2024).

Focus items and catalyst calendar: On the call, we would expect management to talk about the current NIPSCO IRP filing with ongoing stakeholder meetings. We look for more impact from converting DC opportunity into concrete MW upside, extending/possibly further raising capital plans. We further expect management to highlight current regulatory strategy across IN/KY and VA, with pending PA settlement expected to be fully approved by early December time frame.

Valuation, EPS & Risks: We move our PT to $38 from $35 on MtM of group P/E multiples. We value NI on premium multiple of 15% on 2026 P/E ascribed to shares on our blended SOTP approach. Risks: Worse than expected regulatory outcome, natural disaster risk, fuel price volatility which can affect affordability & capital deployment.

3Q24 EPS Walk

FIGURE 29. NI 3Q24 EPS Walk

NI 3Q24 EPS Walk	Note	$/sh
3Q23 EPS		$0.19
Weather		$0.00
Adjusted Starting Point		**$0.19**
Rate relief	$51mm pretax	$0.09
O&M	flat through first 3Q, this $25mm pretax headwind	($0.04)
Depreciation	jump around some HLBV, JV related hard to predict, $15mm headwind	($0.03)
Interest Expense	2Q issued, entire 3Q impact add partial jr sub, take out; 7mm pretax	($0.01)
Other Income	flat sequencially, had to drive positive YoY $15mm pretax	$0.03
NCI	HLBV accounting; took old segmentation with electric and gas, add on interest and grow; $27mm headwind post tax	($0.06)
Preferred Equity	take out second tranche, $8mm aftertax tailwind	($0.02)
Tax Item		$0.00
Parent		$0.00
Dilution	for the Q, 449mm maybe add 2mm to make it diluted 451 for the quarter	($0.00)
NI 3Q24 EPS		**$0.14**
3Q24 Consensus		**$0.15**
FY24 EPS (Barclays)		**$1.73**
FY24 EPS (Consensus)		**$1.73**
FY24 EPS (Guidance Midpoint)		**$1.72**
SO 2024		**455**
SO 2023		**448**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

FIGURE 30. NI Fundamental Dashboard

NI Dashboard	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$1.37**	**$1.46**	**$1.60**	**$1.73**	**$1.85**	**$1.99**	**$2.10**	**$2.23**
Prior EPS	**$1.37**	**$1.46**	**$1.60**	**$1.73**	**$1.85**	**$1.99**	**$2.10**	**$2.23**
Consensus EPS	**$1.36**	**$1.45**	**$1.59**	**$1.73**	**$1.85**	**$1.99**	**$2.14**	**$2.29**
Delta (%)	1.0%	0.8%	0.3%	0.0%	0.1%	-0.1%	-1.7%	-2.4%
Shares Outstanding	417	443	448	455	471	479	486	493
DPS	$0.83	$0.86	$0.92	$1.06	$1.12	$1.19	$1.26	$1.34
DPS Growth (%)	-1.1%	4.2%	7.1%	14.8%	6.0%	6.0%	6.0%	6.0%
DPS Payout (%)	60%	59%	58%	61%	61%	60%	60%	60%
Guidance: 60-70%								
Valuation Metrics								
P/E	25.7x	24.0x	22.0x	20.3x	19.0x	17.6x	16.7x	15.7x
EV/RAB	1.6x	1.6x	1.5x	1.3x	1.2x	1.2x	1.1x	1.1x
EBITDA	1,755	2,087	2,204	2,718	3,006	3,267	3,499	3,752
FFO	1,478	1,695	1,735	2,220	2,434	2,620	2,785	2,965
Net Debt	9,707	11,240	11,847	11,047	12,173	12,652	12,929	13,072
FFO/Debt - Raw	15.2%	15.1%	14.6%	20.1%	20.0%	20.7%	21.5%	22.7%
FFO/Debt - Adjusted for NCI			21.2%	14.9%	14.6%	16.8%	17.7%	20.5%
Net Debt/EBITDA	5.5x	5.4x	5.4x	4.1x	4.0x	3.9x	3.7x	3.5x
Holdco Debt/Total Debt (%)	34.4%	41.1%	51.1%	41.4%	39.7%	38.4%	37.2%	36.3%
Consolidated Equity Layer (%)	42.6%	41.1%	41.8%	43.9%	42.9%	42.2%	41.6%	41.2%
FFO/Debt target of 14-16% through 2028								
EPS Estimates by Sub								
Gas	$0.77	$1.18	$1.13	$1.39	$1.44	$1.51	$1.59	$1.67
Electric	$0.50	$0.42	$0.43	$0.52	$0.59	$0.67	$0.70	$0.77
Parent	$0.10	($0.13)	$0.04	($0.18)	($0.18)	($0.19)	($0.20)	($0.20)
Consolidated	**$1.37**	**$1.46**	**$1.60**	**$1.73**	**$1.85**	**$1.99**	**$2.10**	**$2.23**
Guidance Range: 6-8% Annual Growth				**1.70-1.74**				
High		**$1.46**	**$1.60**	**$1.74**	**$1.86**	**$1.99**	**$2.13**	**$2.28**
Midpoint (6-8% annual growth starting '25 off '24 guidance midpoint)		**$1.45**	**$1.57**	**$1.72**	**$1.84**	**$1.97**	**$2.11**	**$2.25**
Low		**$1.44**	**$1.54**	**$1.70**	**$1.82**	**$1.95**	**$2.09**	**$2.23**

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Sum-Of-The-Parts Valuation

FIGURE 31. NI SOTP Valuation

Blended P/E Valuation	Low	Base	High
Electric Group Multiple ('26)	13.2x	**16.5x**	18.1x
Gas Group Multiple ('26)	13.3x	**16.7x**	18.3x
Blended Group Mutliple (Based on Rate Base)		**16.6x**	
Prem / Disc	-5.0%	**15.0%**	25.0%
Adjusted P/E Multiple	**15.8x**	**19.1x**	**20.8x**
Consoldiated EPS '26E		$1.99	
Implied '26 P/E ==>	15.6x	19.1x	20.6x
Valuation	**$31**	**$38**	**$41**
Market Price		**$35.1**	
Upside / Downside	-11.8%	8.1%	16.7%
Yield ('24)		3.0%	
Total Return	**-8.8%**	**11.2%**	**19.7%**

Source: Barclays Research, Bloomberg, Company Reports

OGE Energy Corp. (OGE): 3Q24 Preview

What we expect on 3Q24: OGE to re-affirm 2024 EPS guidance of $2.06-$2.18, CAGR 5%-7% through 2028, and FFO/debt 17% throughout the current five year plan. OGE will not provide 2025 guidance update or roll forward key metrics on the 3Q24 call. For 3Q24 we estimate OGE EPS results for the quarter will be $1.14/sh v. BBG consensus of $1.24/sh. We expect OGE to miss earnings estimates because of the following negative impacts: D&A ($0.04)/sh, taxes/Other income ($0.01)/sh, interest expense ($0.01), GFB program ($0.01), and parent drag of ($0.03). The tailwinds in the quarter were weather $0.3/sh, load growth volume $0.04, Grid enhancement mechanism $0.01, and AFUDC debt/equity $0.02.

Focus items and catalyst calendar: 1) Regulatory Update: OGE settled its electric rate case which was recommended for approval by the ALJ on 7/31. The agreed revenue increase of 126.6mn, 9.5% ROE, and 53.5% equity layer. OGE is still pending final approval from the OK commission and there is not a definitive date for approval, but OGE is hopeful to get a decision by the 3Q24 call. The delay of the decision is mainly driven by 1MW cases that will not impact revenues and it is a cost allocation issue. **2) Pending RFP**: OGE mgmt received a responses from the bid in September and are currently in the analysis stage, and expect to make decisions on the bids in January 2025. At that point OGE will make awards, but mgmt is not sure this process will be made public. After the award process OGE will negotiate contracts with that process projected to conclude in April 2025 and when contract process is concluded OGE will file for approval of the RFP with OK commission.

Valuation, EPS & Risks: We are increasing our PT to $42 from $39 based on a 10% premium to peer group PE ratio of 14.7x FY26E earnings with a implied consolidated PE of 17.3x which is slightly above the peer group PE. We are applying a 10% premium based on strong load growth, pro-business jurisdiction, and constructive regulatory environment. EPS estimates increased 1c in 2024, 2c increase 2025, and 3c increase 2026-2028 from our prior estimates.

3Q24 EPS Walk

FIGURE 32. OGE 3Q24 EPS Walk

3Q24 EPS		
3Q23 EPS at the Utility		$1.22
Weather		($0.07)
Adjusted Starting Point		**$1.15**
Weather		$0.03
Volumes	12c for the year for load growth	$0.04
Rate Case	Interim rates in a reserve, not recognized yet	$0.00
FRP	New rates in April, 4.5mn annually	$0.00
Grid Enhancement Mechanism in OK		$0.01
ARK WACC		$0.00
Investments		$0.00
AFUDC (Debt & Equity)		$0.02
D&A		($0.04)
Taxes Other Than Income	Property & Payroll Tax	($0.01)
O&M		$0.00
LT Debt Interest Expense	Issued $350mn @ 5.6% on August 12	($0.01)
GFB Program	Backing out strong results from last year	($0.01)
Parent	Including HoldCo drag to make it consolidated estimate	($0.03)
Dilution		($0.00)
OGE 3Q24 EPS		**$1.14**
3Q24 Consensus		**$1.24**
FY24 EPS (Barclays)		**$2.14**
FY24 EPS (Consensus)		**$2.15**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

FIGURE 33. OGE Fundamental Dashboard (1/2)

OGE Dashboard ($Mn except per share data)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$2.16**	**$1.99**	**$2.32**	**$3.32**	**$2.07**	**$2.14**	**$2.28**	**$2.41**	**$2.55**	**$2.68**
Prior EPS			**$2.32**	**$3.32**	**$2.07**	**$2.14**	**$2.30**	**$2.43**	**$2.57**	**$2.70**
Consensus EPS	**$2.25**	**$2.06**	**$2.21**	**$2.09**	**$2.05**	**$2.15**	**$2.29**	**$2.42**	**$2.58**	**$2.70**
Delta (%)	-3.72%	-3.37%	5.07%	58.78%	1.21%	-0.07%	-0.19%	-0.40%	-1.28%	-0.67%
Shares Outstanding	201	200	200	201	201	201	202	202	203	203
DPS	$1.49	$1.57	$1.62	$1.64	$1.66	$1.70	$1.72	$1.75	$1.77	$1.79
DPS Growth (%)		5.6%	3.1%	1.1%	1.1%	2.4%	1.4%	1.4%	1.4%	1.4%
DPS Payout (%)	69%	79%	70%	49%	80%	79%	75%	72%	69%	67%
Valuation Metrics										
P/E	19.0x	20.7x	17.7x	12.4x	19.9x	19.2x	18.0x	17.1x	16.2x	15.3x
EV/RAB	1.7x	1.7x	1.8x	1.6x	1.5x	1.5x	1.4x	1.4x	1.4x	1.3x
EBITDA	860	914	960	1,110	1,157	1,236	1,321	1,406	1,495	1,586
FFO	760	636	(123)	1,289	829	1,008	1,015	1,073	1,132	1,193
Net Debt	3,307	3,588	4,983	4,461	4,840	5,253	5,716	6,176	6,633	7,085
FFO/Debt - 17% Target '24 to '27	23.0%	17.7%	-2.5%	28.9%	17.1%	19.2%	17.8%	17.4%	17.1%	16.8%
Net Debt/EBITDA	3.8x	3.9x	5.2x	4.0x	4.2x	4.2x	4.3x	4.4x	4.4x	4.5x
Holdco Debt/Total Debt (%)	3.4%	2.6%	19.8%	12.1%	11.3%	15.9%	15.7%	15.8%	16.3%	16.9%
Consolidated Equity Layer (%)	55.6%	50.3%	44.9%	49.2%	48.2%	45.0%	44.0%	43.2%	42.4%	41.7%
EPS Estimates by Sub										
Oklahoma Gas & Electric	$1.74	$1.70	$1.80	$2.19	$2.12	$2.25	$2.39	$2.53	$2.67	$2.82
Parent	$0.42	$0.29	$0.53	$1.13	($0.05)	($0.10)	($0.11)	($0.12)	($0.13)	($0.14)
Consolidated	**$2.16**	**$1.99**	**$2.32**	**$3.32**	**$2.07**	**$2.14**	**$2.28**	**$2.41**	**$2.55**	**$2.68**
EPS CAGR (%)						**3.6%**	**5.0%**	**5.3%**	**5.3%**	**6.7%**
Guidance						**2.06-2.18**				
Guidance (5-7% off Cons. FY24 Guide Mdpt)										
High							**$2.27**	**$2.43**	**$2.60**	**$2.78**
Midpoint						**$2.12**	**$2.25**	**$2.38**	**$2.53**	**$2.68**
Low							**$2.23**	**$2.34**	**$2.45**	**$2.58**

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 34. OGE Fundamental Dashboard (2/2)

Rate Base Metrics (YE RAB)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Oklahoma Gas & Electric	6,766	7,039	7,554	8,155	8,700	9,251	9,823	10,415	11,027	11,656
Total Rate Base	**6,766**	**7,039**	**7,554**	**8,155**	**8,700**	**9,251**	**9,823**	**10,415**	**11,027**	**11,656**
Guidance										
CAGR off 2022A						**6.5%**	**6.4%**	**6.3%**	**6.2%**	**7.4%**
y/y Growth		**4.0%**	**7.3%**	**8.0%**	**6.7%**	**6.3%**	**6.2%**	**6.0%**	**5.9%**	**5.7%**
ROE Metric (Avg RAB)										
Oklahoma Gas & Electric	10.0%	9.3%	9.3%	9.3%	9.3%	9.5%	9.5%	9.5%	9.5%	9.5%
Capital Structure - Regulatory										
Oklahoma Gas & Electric	52.0%	53.0%	53.0%	53.0%	53.2%	53.2%	53.2%	53.2%	53.2%	53.2%
Capital Structure - GAAP/LT Debt vs. Equity										
OGE	55.3%	53.2%	53.5%	59.0%	53.7%	52.9%	52.9%	52.9%	52.9%	53.1%
Cash Flow Metric										
CFO	682	713	(313)	843	1,232	1,008	1,015	1,073	1,132	1,193
Capital Expenditure	636	651	779	1,051	1,178	1,100	1,150	1,200	1,250	1,300
Financing										
ST Debt Issuance, Net	112	(17)	392	(487)	499	0	0	0	0	0
LT Debt Issuance, Net	46	297	998	49	(212)	800	400	425	450	475
Equity Issuance	(10)	(7)	(3)	(1)	(2)	20	20	20	20	20
$mn or /sh data where noted										

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Sum-Of-The-Parts Valuation

FIGURE 35. OGE SOTP Valuation

OGE SOTP Valuation				Low	Base	High
Small Cap Multiple				14.1x	15.6x	17.2x
			Base Case			
Business Segments	**EPS ('26E)**	**Prem/Disc.**	**Implied Multiple**			
OGE	$2.53	10%	17.2x	$39	$44	$48
Parent	-$0.12	10%	17.2x	($2)	($2)	($2)
Consolidated EPS ('26E)	$2.41					
				15.3x	17.4x	19.1x
Valuation				**$37**	**$42**	**$46**
Market Price					$41.2	
Upside / Downside				-10.1%	2.1%	11.8%
Yield ('24)					4.1%	
Potential Total Return				**-6.0%**	**6.2%**	**15.9%**

Source: Barclays Research, Bloomberg, Company Reports

Consolidated Edison Inc (ED): 3Q24 Preview

What we expect on the 3Q24 update: We expect ED follow the typical cadence of narrowing the EPS guidance range in 3Q with current FY24 EPS guidance of $5.20-$5.40 vs. $5.36 Barclays estimate and $5.31 Consensus (BBG). Additionally, we expect management to reaffirm the current 5-7% EPS growth CAGR guidance. Management could provide more clarity on when they could file the next CECONY rate case with our expectation of ED filing another three year case in 2025 for new rates effective in 2026. Management could also provide an update on the various projects in the pipeline such as the Brooklyn Clean Energy Hub, the Idlewild project and the interconnection with Propel NY project. We reaffirm our Underweight rating given the stock could be potentially over valued relative to peers given it currently trades at a ~9% premium to the large-cap electric peer group and we see the market potentially pricing in overly constructive outcomes for incremental capital opportunities and the upcoming CECONY rate review, all which are already included on our FY26+ EPS outlook.

Focus items and catalyst calendar: We remain focused on the pending O&R rate case which saw a joint proposal with next steps including filing of statements in support or opposition by October 25, filing of replies by November 1 and commencement of the evidentiary hearing on November 7. We see this case as potentially having read-throughs to the upcoming CECONY rate case filing and see the potential for settlement of the O&R case as a positive for ED.

Valuation, EPS & risks: We increase our PT to $104 (from $98 prior) on account of a higher large cap electric peer group multiple of 16.5x (from 15.8x prior). We continue to apply a 5% premium to ED given the lack of parent debt and rate base growth rate in-line with premium peers. We increase our FY25 EPS estimate by 1c, '26 by 2c, '27 by 3c and '28 by 4c on account of higher assumed proceeds from forecasted equity issuance. **Risks:** Better/worse than expected regulatory outcomes, inflationary headwinds, inability to execute on various projects in the pipeline.

ED 3Q24 Walk

We see $1.76/sh in 3Q24 vs. $1.62/sh in 3Q23 and $1.61 Consensus (BBG). Some key drivers for the quarter include $0.29/sh from new rates, $0.02/sh from investment income via MVP and $0.01/sh from new steam rates. Some drags on the quarter include $0.03/sh of interest expense, $0.12/sh from D&A headwinds and $0.01/sh each from lapping interest income and stock based compensation.

FIGURE 36. **ED 3Q24 Walk**

ED 3Q24 EPS Walk		
3Q23 EPS		$1.62
Weather		$0.00
Adjusted Starting Point		**$1.62**
Electric Rates	$517.5mn of new rates implemented Jan 1, 2024	$0.29
Steam Rates	$110.347mn new rates for Nov 1, 2023; Mainly 4Q/1Q	$0.01
O&R	No New rates	$0.00
Interest Expense	$1.4bn of new issuance 5/06 @ 5.7% / 5.375%	($0.03)
Investment Income from MVP	Carrying forward from 1Q24	$0.02
Lapping Interest Income	1c benefit in 3Q23 slides	($0.01)
AFUDC		$0.00
Billing System	50mn impact	$0.00
EAM		$0.00
Stock Based Compensation	Stock ~flat through 2Q24; Stock up 7% Y/Y on avg	($0.01)
D&A	Ratable	($0.12)
O&M	Assuming Flat	$0.00
Dilution		$0.00
ED 3Q24 EPS		**$1.76**
3Q24 Consensus		**$1.61**
FY24 EPS (Barclays Model)		**$5.36**
FY24 EPS (Consensus)		**$5.31**
SO 2024		**347**
SO 2023		**349**

Source: Barclays Research, Bloomberg

Fundamental Dashboard

We increase our FY25 EPS guidance by 1c, '26 by 2c, '27 by 3c and '28 by 4c on account of higher assumed proceeds from forecasted equity issuance.

FIGURE 37. **ED Fundamental Dashboard (1/2)**

ED Dashboard (Per Share Unless Otherwise Noted)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$4.38**	**$4.18**	**$4.37**	**$4.50**	**$5.04**	**$5.36**	**$5.66**	**$5.99**	**$6.22**	**$6.42**
Prior EPS			**$4.37**	**$4.50**	**$5.04**	**$5.36**	**$5.65**	**$5.97**	**$6.19**	**$6.38**
Consensus EPS	**$4.30**	**$4.18**	**$4.24**	**$4.55**	**$5.04**	**$5.31**	**$5.62**	**$5.94**	**$6.27**	**$6.67**
Delta (%)	1.8%	0.0%	3.1%	-1.1%	0.2%	0.9%	0.6%	0.8%	-0.8%	-3.8%
Shares Outstanding	330	336	349	355	349	347	356	366	376	385
DPS	$2.80	$2.90	$2.95	$3.07	$3.14	$3.34	$3.44	$3.54	$3.65	$3.76
DPS Growth (%)		3.6%	1.5%	4.0%	2.3%	6.4%	3.0%	3.0%	3.0%	3.0%
DPS Payout (%)	64%	69%	67%	68%	62%	62%	61%	59%	59%	59%
Valuation Metrics										
P/E	24.4x	25.5x	24.4x	23.7x	21.2x	19.9x	18.9x	17.8x	17.2x	16.6x
EV/RAB	1.8x	1.7x	1.6x	1.6x	1.5x	1.4x	1.4x	1.3x	1.3x	1.2x
EBITDA	4,360	4,574	4,858	4,680	5,227	4,630	5,001	5,407	5,766	6,114
FFO	3,294	3,595	3,806	4,079	3,828	4,367	4,682	5,037	5,347	5,648
Net Debt	20,684	22,947	22,052	22,554	23,276	24,819	25,167	26,190	26,957	27,486
FFO/Debt	15.9%	15.7%	17.3%	18.1%	16.4%	17.6%	18.6%	19.2%	19.8%	20.5%
Net Debt/EBITDA	4.7x	5.0x	4.5x	4.8x	4.5x	5.4x	5.0x	4.8x	4.7x	4.5x
Holdco Debt/Total Debt (%)	5.0%	3.3%	-3.7%	-4.0%	1.6%	1.5%	1.7%	2.0%	2.2%	2.4%
Consolidated Equity Layer (%)	45.7%	44.0%	46.9%	46.7%	46.4%	46.3%	47.7%	48.8%	49.8%	50.8%
EPS Estimates by Sub										
CECONY	$3.79	$3.53	$3.85	$3.91	$4.60	$5.05	$5.30	$5.59	$5.79	$5.95
O&R	$0.21	$0.21	$0.21	$0.25	$0.27	$0.27	$0.32	$0.35	$0.39	$0.41
CET	$0.16	$0.17	$0.03	($0.00)	$0.11	$0.08	$0.08	$0.09	$0.10	$0.11
Parent	$0.74	$0.09	($0.25)	($1.43)	($0.09)	($0.04)	($0.04)	($0.05)	($0.06)	($0.06)
Consolidated	**$4.91**	**$4.00**	**$3.84**	**$2.72**	**$4.89**	**$5.36**	**$5.66**	**$5.99**	**$6.22**	**$6.42**
Guidance Range: 5-7% CAGR			**$4.15-4.35**	**$4.40-4.60**	**5.00-5.10**	**5.20-5.40**				
High						**$5.20**	**$5.67**	**$6.07**	**$6.49**	**$6.95**
Midpoint						**$5.30**	**$5.62**	**$5.96**	**$6.31**	**$6.69**
Low						**$5.40**	**$5.57**	**$5.84**	**$6.14**	**$6.44**

Source: Barclays Research, Bloomberg

FIGURE 38. ED Fundamental Dashboard (2/2)

Earnings by Sub ($Mn)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
CECONY	1,250	1,185	1,344	1,390	1,606	1,753	1,883	2,049	2,174	2,292
O&R	70	71	75	88	96	92	114	130	145	160
CET	52	57	9	(1)	37	27	28	33	38	44
Parent	245	31	(86)	(509)	(32)	(12)	(15)	(18)	(21)	(24)
Consolidated	**1,617**	**1,344**	**1,342**	**968**	**1,707**	**1,859**	**2,011**	**2,194**	**2,336**	**2,471**
Guidance										

Rate Base Metrics (YE RAB, $Mn)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
CECONY	30,000	32,000	34,500	36,000	39,000	41,246	43,584	46,389	49,059	51,582
O&R	1,600	1,700	1,700	1,500	2,049	2,225	2,535	2,871	3,179	3,458
Total Rate Base	**31,600**	**33,700**	**36,200**	**37,500**	**41,049**	**43,471**	**46,119**	**49,259**	**52,238**	**55,040**
Guidance (6.4% CAGR from '24 - '28)						**42,301**	**44,555**	**47,557**	**50,654**	**54,872**
YoY Growth		**6.6%**	**7.4%**	**3.6%**	**9.5%**	**5.9%**	**6.1%**	**6.8%**	**6.0%**	**5.4%**

ROE Metric (Avg RAB, $Mn)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
CECONY	8.8%	8.8%	8.8%	8.8%	9.3%	9.3%	9.3%	9.5%	9.5%	9.5%
O&R	9.4%	8.9%	8.9%	8.8%	9.0%	9.0%	10.0%	10.0%	10.0%	10.0%
Capital Structure - Regulatory										
CECONY	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
O&R	48.2%	47.5%	47.8%	46.6%	48.7%	49.9%	52.4%	55.0%	57.2%	59.3%
Capital Structure - GAAP/LT Debt vs. Equity										
CECONY	49.2%	47.9%	47.0%	46.9%	47.9%	48.8%	49.5%	50.2%	50.9%	51.6%
O&R	48.2%	47.5%	47.8%	46.6%	48.7%	49.9%	52.4%	55.0%	57.2%	59.3%
Cash Flow Metric										
CFO	3,134	2,198	2,733	3,935	2,156	4,367	4,682	5,037	5,347	5,648
Guidance										
Capital Expenditure	3,486	3,909	3,953	4,168	4,740	4,822	5,181	5,771	5,761	5,748
Guidance										
Financing										
ST Debt Issuance, Net	(874)	178	(382)	1,702	(752)	45	30	30	40	40
LT Debt Issuance, Net	1,822	2,407	844	394	1,340	950	935	825	835	835
Guidance										
Equity Issuance	879	698	835	57	(944)	70	1,373	1,007	1,007	1,007

Source: Barclays Research, Bloomberg

Valuation: Sum-of-the-Parts Valuation

We increase our PT to $104 (from $98 prior) on account of a higher large cap electric peer group multiple of 16.5x (from 15.6x prior). We continue to apply a 5%premium to ED given the lack of parent debt and rate base growth rate in-line with premium peers.

FIGURE 39. ED SOTP Valuation

ED SOTP Valuation	Low	Base	High
Average Group Multiple	14.8x	**16.5x**	18.1x
Premium / Disc		**5.0%**	
Adjusted P/E Multiple	15.6x	17.3x	19.0x
Consolidated EPS '26E	$5.66	$5.99	$5.66
UP&O Equity Valuation ($/Sh)	**$88**	**$104**	**$108**
Implied Multiple	14.7x	17.3x	18.0x
Valuation	**$88**	**$104**	**$108**
Market Price		**$106.8**	
Upside / Downside	-17.6%	-2.6%	1.2%
Yield ('24)		3.1%	
Potential Total Return	**-14.4%**	**0.5%**	**4.3%**

Source: Barclays Research, Bloomberg

Portland General Electric (POR): 3Q24 Preview

What we expect on 3Q24: During the call we expect management to reaffirm the current FY24 EPS guidance range of $2.98-$3.18 vs. $3.08 Barclays estimate and $3.08 Consensus (BBG). We also expect management to reaffirm the current 5-7% LT EPS growth CAGR guidance. During the call we see it likely that management will provide an update on the pending rate case in OR and provide color on the possibility of a settlement, as well as a potential update on the RFP. We note that we forecast a somewhat strong 3Q24 print versus Consensus, however we see it unlikely that management increases FY24 guidance given our expected power cost headwinds in 4Q including $0.25/sh of reversal from power cost benefits in 4Q23, as well as the company potentially ending the year within but below the PCAM deadband (currently below the deadband by $52mn through June). Overall, we see the catalysts and potential risks for POR as balanced at this time with the company currently trading at a ~7% discount to the small-cap peer group average and the pending rate case a major item to affirm the FY25+ outlook. We reaffirm our Equal Weight rating going into the 3Q call.

Focus items and catalyst calendar: We are focused on the pending rate case in OR with next steps including briefs due October 28, oral arguments beginning on November 14 and the Commission's targeted order date of December 20. We are also watching the RFP with Commission acknowledgment on November 19.

Valuation, EPS & Risks: We leave our PT unchanged at $49 and continue to apply a 5% discount to POR given power cost and wildfire risk in the service territory. We decrease our FY24 EPS estimate by 1c and leave the other estimates unchanged. **Risks**: Worse than expected GRC outcome, wildfire risk, interest rate risk, and power price volatility.

3Q24 EPS Walk

We forecast $0.91/sh for 3Q24 vs. $0.46/sh 3Q23 and $0.69/sh Consensus (BBG). We attribute the somewhat large discrepancy between our estimate and Consensus to a stale Consensus figure. Some drivers for the quarter include $0.21/sh from GRC revenues, $0.16/sh from Mid-C price change tailwinds, $0.07/sh from power cost tailwinds and $0.02/sh from the trust. A key drag on the quarter is $0.01/sh of dilution.

FIGURE 40. **POR 3Q24 EPS Walk**

POR 3Q24 EPS Walk	Notes	$/SH
3Q23 EPS		$0.46
Weather		$0.00
Adjusted Starting Point		**$0.46**
Weather Impact		$0.00
Power Cost	Reversing power costs from last year	$0.07
GRC Revenues		$0.21
MID-C Price Changes		$0.16
Trust		$0.02
D&A		$0.00
O&M		$0.00
Benefit Trust		$0.00
Interest Expense		$0.00
Dilution		($0.01)
POR 3Q24 EPS		**$0.91**
3Q24 Consensus		**$0.69**
FY24 EPS (Barclays)		**$3.08**
FY24 EPS (Consensus)		**$3.08**
SO 2024		**104**
SO 2023		**101**

Source: Bloomberg, Barclays Research, Company Reports

Fundamental Dashboard

We decrease our FY24 EPS estimate by 1c and leave the other estimates unchanged.

FIGURE 41. POR Fundamental Dashboard

POR Dashboard ($Mns except for per share data)	2020A	2021A	2022A	2023A [4]	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$2.76**	**$2.91**	**$2.73**	**$2.30**	**$3.08**	**$3.24**	**$3.39**	**$3.50**	**$3.56**
Prior EPS		**$2.91**	**$2.73**	**$2.38**	**$3.09**	**$3.24**	**$3.39**	**$3.50**	**$3.56**
Consensus EPS	**#N/A Reque**	**$2.76**	**$2.78**	**$2.56 E**	**$3.08**	**$3.24**	**$3.40**	**$3.55**	**$3.55**
Delta (%)	#VALUE!	5.6%	-1.7%	-9.9%	0.2%	0.1%	-0.1%	-1.4%	0.4%
Shares Outstanding	90	90	90	101	104	110	118	131	141
DPS	$1.59	$1.70	$1.77	$1.86	$1.95	$2.04	$2.15	$2.25	$2.37
DPS Growth (%)	4.6%	6.8%	4.0%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%
DPS Payout (%)	58%	58%	65%	81%	63%	63%	63%	64%	66%
Valuation Metrics									
P/E	17.6x	16.6x	17.7x	21.0x	15.7x	14.9x	14.3x	13.8x	13.6x
EV/RAB	1.4x	1.4x	1.4x	1.5338377	1.5x	1.4x	1.3x	1.2x	1.2x
EBITDA	723	782	814	854	1,042	1,135	1,246	1,385	1,480
FFO	608	596	684	746	823	887	1,207	1,316	1,169
Net Debt	2,779	3,233	3,481	4,000	4,427	4,664	4,935	5,294	5,664
FFO/Debt	21.9%	18.4%	19.6%	18.7%	18.6%	19.0%	24.5%	24.9%	20.6%
Net Debt/EBITDA	3.8x	4.1x	4.3x	4.7x	4.2x	4.1x	4.0x	3.8x	3.8x
EPS Estimates by Sub									
Consolidated	$2.76	$2.91	$2.73	$2.30	$3.08	$3.24	$3.39	$3.50	$3.56
Consolidated	**$2.76**	**$2.91**	**$2.73**	**$2.30**	**$3.08**	**$3.24**	**$3.39**	**$3.50**	**$3.56**
Guidance				**2.60-2.65**	**2.98-3.18**				
Guidance Range (5-7% off 2022A)									
High				**2.93**	**3.14**	**3.36**	**3.59**	**3.84**	**4.11**
Midpoint			**2.74**	**2.90**	**3.08**	**3.26**	**3.46**	**3.67**	**3.89**
Low				**2.88**	**3.02**	**3.17**	**3.33**	**3.50**	**3.67**
EPS CAGR (%)									
Earnings by Sub									
Consolidated NI	247	261	245	233	322	356	400	458	502
Rate Base Metrics (AVG RAB)	**2020A**	**2021A**	**2022A**	**2023A [4]**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**
Consolidated	5,170	5,470	5,600	5,800	6,391	7,143	8,134	9,427	10,405
Average Rate Base	**5,170**	**5,470**	**5,600**	**5,800**	**6,391**	**7,143**	**8,134**	**9,427**	**10,405**
Guidance (Ex Remaining RFP Upside)			**5,600**	**5,925**	**6,900**	**7,600**	**8,100**	**8,500**	**8,900**
YoY Growth	**3.4%**	**5.8%**	**2.4%**	**3.6%**	**10.2%**	**11.8%**	**13.9%**	**15.9%**	**10.4%**
ROE Metric (Avg RAB)									
Consolidated	9.30%	9.30%	9.30%	9.30%	9.00%	9.00%	9.00%	9.00%	9.00%
Capital Structure - Regulatory									
Consolidated	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Capital Structure - GAAP/LT Debt vs. Equity									
Consolidated	47.5%	45.2%	45.1%	45.9%	44.9%	46.5%	50.1%	51.3%	51.9%
Cash Flow Metric									
CFO	567	532	674	420	823	887	1,207	1,316	1,169
Guidance									
Capital Expenditure				1,358	1,340	1,200	1,900	1,905	1,355
Guidance									
Financing									
ST Debt Issuance, Net	150	(150)	0	146	0	0	0	0	0
LT Debt Issuance, Net	451	240	360	340	700	220	200	415	200
Guidance									
Equity Issuance	0	(12)	(18)	485	293	300	675	525	150

Source: Bloomberg, Barclays Research, Company Reports

Valuation: P/E Valuation

We leave our PT unchanged at $49 and continue to apply a 5% discount to POR given power cost and wildfire risk in the service territory.

FIGURE 42. **POR P/E Valuation**

POR P/E Valuation				Low	Base	High
Small Cap Group Multiple				12.2x	15.3x	17.6x
Business Segments	**EPS ('26E)**	**Prem/Disc.**	**Base Case Implied Multiple**			
Consolidated EPS '26E	**$3.39**	**-5.0%**	14.5x	$39	$49	$57
Valuation				**$39**	**$49**	**$57**
Market Price					$48.4	
Upside / Downside				-19.4%	1.2%	17.8%
Yield ('24)					4.0%	
Potential Total Return				**-15%**	**5%**	**22%**

Source: Bloomberg, Barclays Research, Company Reports

PG&E Corporation (PCG): 3Q24 Preview

What we expect on 3Q24: We expect management to reaffirm the current FY24 EPS guidance range of $1.33-$1.37 vs. $1.37 Barclays estimate and $1.36 Consensus (BBG). We note that it is possible that PCG provides FY25 EPS guidance, however we think this is not necessarily going to happen at the 3Q update. We expect management to reaffirm the current at least 10% EPS growth expected in 2024 and at least 9% growth from '25 to '28. On the call we also expect an update regarding the SB 410 filing where we note $2.3bn is currently approved and $3.1bn of investment is currently requested requested with ~$300mn sliding out of 2024 for a net requested figure of $2.8bn that could be incremental to the capital plan if approved. Additionally, management could provide color on the recent CoC downward revision PD with clarity on potential offsets. Lastly, management could provide color on the wildfire fund payments and potential use of proceeds. PCG trades at a ~23% discount to the large-cap electric peer group and we see the market potentially under appreciating upside opportunities for the company. We reaffirm our Overweight rating going into the 3Q call.

Focus items and catalyst calendar: The next major catalyst for PCG is the 3Q call where management is likely to provide a status update on the timing of SB 410 related investments and how that could inform the capital / financing plan, as well as potentially guide to if a rate case could be needed for associated investments and the potential timing.

Valuation, EPS estimates & risks: We increase our PT to $25 from $24 prior and continue to apply a 5% discount to PCG on account of wildfire risk in the service territory. We increase our FY27 EPS estimate by 1c and leave the other estimates unchanged. **Risks:** Better/worse than expected regulatory outcomes, inflationary pressures, wildfire risk in the service territory.

3Q24 EPS Walk

We forecast $0.35/sh 3Q24 vs. $0.24/sh 3Q23 and $0.30/sh Consensus (BBG). We attribute the somewhat small discrepancy between our estimate and Consensus to a stale Consensus figure. Some key drivers for the quarter include $0.07/sh from investment tailwinds, $0.04/sh from the GRC, and $0.01/sh from interest expense tailwinds. Some drags on the quarter include $0.01/sh from O&M headwinds.

FIGURE 43. **PCG 3Q24 EPS Walk**

PCG 3Q24 EPS Walk		
3Q23 EPS		$0.24
Weather		$0.00
Adjusted Starting Point		**$0.24**
Volumes		$0.00
GRC	New Rates	$0.04
Regulatory tax and other		$0.00
Investments	Higher Rate Base Growth	$0.07
O&M	Redeployment Drag, net of O&M	($0.01)
Interest Expense	Lower Unrecoverable Interest	$0.01
Other / Reinvestment		$0.00
Parent		$0.00
Dilution		($0.00)
PCG 3Q24 EPS		**$0.35**
3Q24 Consensus		**$0.30**
FY24 EPS (Barclays)		**$1.37**
FY24 EPS (Consensus)		**$1.36**
SO 2024		**2,141**
SO 2023		**2,138**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

We increase our FY27 EPS estimate by 1c and leave the other estimates unchanged.

FIGURE 44. PCG Fundamental Dashboard (1/2)

PCG Dashboard ($Mn except for per share data)	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$1.61**	**$1.08**	**$1.10**	**$1.23**	**$1.37**	**$1.48**	**$1.61**	**$1.75**	**$1.92**
Prior EPS		**$1.08**	**$1.10**	**$1.23**	**$1.37**	**$1.48**	**$1.61**	**$1.74**	**$1.92**
Consensus EPS			**$1.10**	**$1.21**	**$1.36**	**$1.48**	**$1.61**	**$1.75**	**$1.90**
Delta (%)			0.09%	1.41%	0.82%	-0.01%	0.27%	-0.04%	1.20%
Shares Outstanding	1,257	1,985	2,132	2,138	2,141	2,165	2,202	2,239	2,275
DPS	$0.00	$0.00	$0.00	$0.00	$0.04	$0.07	$0.13	$0.28	$0.61
DPS Growth (%)						56.5%	100.0%	113.3%	120.0%
DPS Payout (%)	0%	0%	0%	0%	3%	4%	8%	16%	32%
Valuation Metrics									
P/E	12.7x	18.9x	18.5x	16.6x	14.9x	13.8x	12.7x	11.7x	10.6x
EV/RAB	1.6x	1.9x	1.9x	1.7x	1.6x	1.5x	1.4x	1.3x	1.2x
EBITDA	5,223	5,286	5,693	6,409	9,825	10,635	11,474	12,432	13,603
FFO	479	5,039	5,568	5,397	9,066	9,092	9,560	10,194	10,976
Net Debt	40,236	44,583	51,118	55,390	56,714	59,714	61,191	64,472	68,143
FFO/Debt	1.2%	11.3%	10.9%	9.7%	16.0%	15.2%	15.6%	15.8%	16.1%
Net Debt/EBITDA	7.7x	8.4x	9.0x	8.6x	5.8x	5.6x	5.3x	5.2x	5.0x
Holdco Debt/Total Debt (%)	11.4%	10.3%	8.9%	8.2%	8.0%	8.4%	8.9%	9.9%	11.7%
Consolidated Equity Layer (%)	34.2%	32.1%	30.7%	31.0%	32.9%	34.9%	36.7%	38.3%	39.1%
Target FFO/Debt: Mid-teens by 2024									
EPS Estimates by Sub									
G&E	$0.32	$0.10	$0.91	$1.32	$1.50	$1.63	$1.76	$1.91	$2.13
Parent	$1.29	$0.97	$0.18	($0.09)	($0.13)	($0.15)	($0.15)	($0.17)	($0.21)
Consolidated	**$1.61**	**$1.08**	**$1.10**	**$1.23**	**$1.37**	**$1.48**	**$1.61**	**$1.74**	**$1.92**
Guidance Range: 9-10%					**1.33-1.37**				
High									
Midpoint			**1.10**	**1.23**	**1.35**	**1.47**	**1.60**	**1.75**	**1.91**
Low									
Earnings by Sub									
PCG	397	207	1,950	2,826	3,220	3,522	3,884	4,280	4,850
Parent	1,623	1,931	393	(196)	(288)	(316)	(339)	(387)	(475)
Consolidated	**2,020**	**2,138**	**2,343**	**2,630**	**2,932**	**3,206**	**3,546**	**3,893**	**4,375**

Source: Barclays Research, Bloomberg, Company Reports

FIGURE 45. PCG Fundamental Dashboard (2/2)

	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Rate Base Metrics (AVG)									
PCG	42,150	45,950	50,900	56,750	62,435	69,322	76,460	83,683	91,744
Guidance				**57,000**	**63,000**	**68,000**	**73,000**	**82,000**	**90,000**
Earned ROE Metric (Avg RAB)									
PG&E		0.9%	7.6%	9.6%	10.0%	9.9%	9.9%	10.0%	10.3%
Guidance									
Capital Structure - Regulatory									
PG&E		51.6%	51.5%	51.6%	51.6%	51.6%	51.6%	51.6%	51.6%
Capital Structure - GAAP/LT Debt vs. Equity									
PG&E		43.2%	38.9%	38.9%	42.2%	44.5%	46.3%	48.0%	49.5%
Cash Flow Metric									
CFO		2,262	3,721	4,747	9,066	9,092	9,560	10,194	10,976
Operating Cash Flow ($50Bn Through 2028)				**5,000**	**8,000**	**10,000**	**10,500**	**10,500**	**11,000**
Capital Expenditure		7,689	9,584	9,714	10,300	12,700	11,500	13,600	14,000
Guidance				**N/a**					
Financing									
ST Debt Issuance, Net	1,448	(1,150)	(300)	0	0	0	0	0	0
LT Debt Issuance, Net	13,497	4,624	4,271	2,408	1,000	2,450	2,200	2,650	3,700
Guidance								**Barclays**	**12,000**
Equity Issuance	7,582	0	0	0	0	750	750	750	750
Guidance - $3Bn Ratable ATM Through 2028								**Barclays**	**3,000**
Dividend			0	0	90	142	288	625	1,397
Guidance: $2.5bn 2024-2028								**Barclays**	**2,541**

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Sum-of-the-Parts Valuation

We increase our PT to $25 from $24 prior and continue to apply a 5% discount to PCG on account of wildfire risk in the service territory.

FIGURE 46. PCG SOTP Valuation

PG&E SOTP Valuation				Low	Base	High
Electric Group Multiple				13.2x	16.5x	18.1x
			Base Case			
Business Segments	**EPS ('26E)**	**Prem/Disc.**	**Implied Multiple**			
PG&E	$1.76	-5%	15.7x	$22	$28	$30
Parent	($0.15)	-5%	15.7x	($2)	($2)	($3)
Consolidated EPS ('26E)	**$1.61**		**Total Equity Value**	**$20**	**$25**	**$28**
		Tax Rate (%)				
Additional Wildfire Liability $Mn	1,000	28%		($2,160)	($720)	$0
$/sh				**($1)**	**($0)**	**$0**
Implied Multiple				11.8x	15.5x	17.4x
Valuation				**$19**	**$25**	**$28**
Market Price					$20.4	
Upside / Downside				-7%	23%	37%
Yield ('24)					0.2%	
Potential Total Return				**-7%**	**22.9%**	**38%**

Source: Barclays Research, Bloomberg

PPL Corp (PPL): 3Q24 Preview

What we expect on 3Q24: PPL to re-affirm FY24 EPS guidance, CAGR of 6%-8% annual EPS growth, FFO/debt of 16%-18%, $14.3bn capital plan through FY27, and average annual rate base growth of 6.3% through FY27 as well. For 3Q24 we expect EPS to be $0.42/sh, compared to consensus is $0.46/sh and project PPL will miss quarterly estimates. The key drivers of the quarter are weather of $0.1/sh, O&M savings of $0.1/sh, PA regulated $0.2/sh, and Ky regulated projected. The negative impacts projected for the quarter are the interest expense $0.1/sh, and parent drag of $0.4.

Focus items and catalyst calendar: 1) Regulatory Update PA/KY/RI: In PA, PPL is pending DSIC mechanism decision. The mechanism provides a hedge against lower sales volumes, storms, and inflation outside of rates. PPL is requesting for the DSIC mechanism to be increased from 5% to 9% of billed revenues. PPL is expecting an ALJ decision mid to late November and do not expect a settlement for this mechanism either. In RI PPL anticipates filing rate case next year in 4Q as the commission will want PPL to come in as the “stay out provision” expires. In addition to RI rate case PPL expects to file a rate case in KY next year and will file IRP for KY by the end of FY24. PPL will provide a detailed regulatory update when mgmt. updates the business plan in the 4Q24. **2) DC load growth capex:** Expect PPL to provide a broad update on 3Q24 call on data centers and the potential capex upside. PPL mgmt takes a conservative approach only adding DC projects to the capex plan once the agreement with the hyper scale is approved. Overall DC interest I PPL’s jurisdiction is healthy, and we expect additional information on the call. **3) Co-location:** PPL, TLN, and PJM are in the center of ISA amendment challenge that will be ruled on by FERC on 11/4. We expect mgmt. to possibly provide more feedback on the upcoming ruling from FERC on 11/4. PPL mgmt has previously commented that PPL prefers FTM over BTM, but they do support TLN’s AWS deal.

Valuation, EPS & Risks: We increase our PT to $34 from $30 and apply the large-cap group electric peer multiple of 16.5x. We continue to apply a 10% premium to the PA segment given historically strong regulatory outcomes in the state. Our EPS remain the same from prior estimates, but they increase by 1c in 2028E.

3Q24 EPS Walk

FIGURE 47. PPL 3Q24 EPS Walk

PPL 3Q24 EPS Walk	Notes	$/sh
3Q23 EPS		$0.43
Weather		$0.00
Adjusted Starting Point		**$0.43**
Weather	Slightly warmer	$0.01
Volumes		$0.00
O&M		$0.01
Interest Expense		($0.01)
RI Regulated	Expected slight growth	$0.00
PA Regulated	Rider mechanisms & sales	$0.02
KY Regulated		$0.00
Parent	16c for the year	($0.04)
Other		$0.00
Dilution		($0.00)
PPL 3Q24 EPS		**$0.42**
3Q24 Consensus		**$0.46**
FY24 EPS (Barclays)		**$1.67**
FY24 EPS (Consensus)		**$1.73**
SO 2024		**739**
SO 2023		**738**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

FIGURE 48. PPL Fundamental Dashboard

PPL Dashboard ($mns except per share data)	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027A	2028A
Consolidated EPS (Non-GAAP)	**$2.45**	**$2.40**	**$1.05**	**$1.41**	**$1.60**	**$1.67**	**$1.82**	**$1.97**	**$2.11**	**$2.27**
Prior EPS			**$1.05**	**$1.41**	**$1.60**	**$1.67**	**$1.82**	**$1.97**	**$2.12**	**$2.27**
Consensus EPS	**$2.42**	**$2.42**	**$1.27**	**$1.41**	**$1.58**	**$1.73**	**$1.84**	**$1.96**	**$2.12**	**$2.23**
Delta (%)	1.18%	-0.48%	-17.57%	0.55%	1.37%	-3.10%	-1.05%	0.30%	-0.02%	2.10%
Shares Outstanding	737	769	769	737	738	739	740	740	740	740
DPS	$1.62	$1.66	$1.66	$1.07	$0.95	$1.03	$1.10	$1.18	$1.26	$1.35
DPS Growth (%)	-52.8%	2.4%	0.3%	-35.8%	-10.7%	7.7%	7.0%	7.0%	7.0%	7.0%
DPS Payout (%) - Targeting 60-65%	66%	69%	158%	76%	60%	61%	60%	60%	60%	59%
Valuation Metrics										
P/E	13.3x	13.6x	31.1x	23.1x	20.4x	19.5x	18.0x	16.6x	15.4x	14.4x
EV/RAB		1.9x	1.4x	1.6x	1.6x	1.5x	1.4x	1.4x	1.3x	1.3x
EBITDA	2,475	2,608	2,506	2,555	2,884	3,575	3,885	4,209	4,514	4,826
FFO	2,604	2,631	2,248	2,122	1,897	2,836	3,040	3,252	3,462	3,685
Net Debt	21,057	15,415	7,638	13,872	15,273	16,322	17,844	19,362	20,770	22,221
FFO/Debt	12.4%	17.1%	29.4%	15.3%	12.4%	17.4%	17.0%	16.8%	16.7%	16.6%
Net Debt/EBITDA	8.5x	5.9x	3.0x	5.4x	5.3x	4.6x	4.6x	4.6x	4.6x	4.6x
Holdco Debt/Total Debt (%)	56.4%	38.5%	-0.7%	17.3%	21.1%	21.1%	21.9%	20.9%	20.6%	20.3%
Consolidated Equity Layer (%)	37.3%	45.8%	55.0%	49.4%	47.2%	46.9%	45.3%	43.9%	43.4%	43.0%
Target FFO/Debt: 16-18%										
EPS Estimates by Sub										
PA	**$0.61**	**$0.65**	**$0.60**	**$0.70**	**$0.74**	**$0.77**	**$0.82**	**$0.88**	**$0.93**	**$0.99**
Guidance				$0.70	$0.74	$0.79				
LU + KU	**$0.71**	**$0.68**	**$0.71**	**$0.70**	**$0.78**	**$0.84**	**$0.89**	**$0.95**	**$1.02**	**$1.09**
Guidance				$0.70	$0.77	$0.84				
RI				**$0.03**	**$0.13**	**$0.22**	**$0.28**	**$0.32**	**$0.36**	**$0.40**
Guidance				$0.08	$0.20	$0.22				
Parent	**$0.98**	**$0.92**	**($0.45)**	**($0.01)**	**($0.05)**	**($0.15)**	**($0.18)**	**($0.18)**	**($0.20)**	**($0.21)**
Guidance				($0.07)	($0.11)	($0.16)				
Consolidated	**$2.30**	**$2.25**	**$0.87**	**$1.41**	**$1.60**	**$1.67**	**$1.82**	**$1.97**	**$2.11**	**$2.27**
Guidance Range: 6-8% CAGR				**1.30-1.45**	**1.55-1.60**	**1.63-1.75**				
High							**$1.83**	**$1.97**	**$2.13**	**$2.30**
Midpoint						**$1.69**	**$1.81**	**$1.94**	**$2.07**	**$2.22**
Low							**$1.79**	**$1.90**	**$2.01**	**$2.13**

Source: Barclays Research, Bloomberg, Company Reports

Valuation: Sum-Of-The-Parts Valuation

FIGURE 49. PPL SOTP Valuation

PPL SOTP Valuation				Low	Base	High
Electric Group Multiple				14.8x	**16.5x**	18.1x
			Base Case			
Business Segments	**EPS ('26E)**	**Prem/Disc.**	**Implied Multiple**			
PA	$0.88	**10.0%**	18.1x	$14	15.93556	$18
LU+KU	$0.95	**0.0%**	16.5x	$14	15.6495586	$17
RI	$0.32	**0.0%**	16.5x	$5	$5	$6
Parent	($0.18)	**0.0%**	16.5x	($3)	($3)	($3)
Consolidated EPS ('26E)	**$1.97**					
			Implied '26 P/E ==>	15.8x	17.3x	18.8x
Valuation				**$31**	**$34**	**$37**
Market Price					**$32.7**	
Upside / Downside				-5.1%	4.1%	13.3%
Yield ('24)					3.1%	
Total Return				**-2%**	**7%**	**16%**

Source: Barclays Research, Bloomberg, Company Reports

Evergy Inc (EVRG): 3Q24 Preview

What we expect on 3Q24: During the 3Q24 call we expect management to reaffirm the current $3.73 - $3.93 FY24 EPS guidance ($3.85 Barclays, $3.84 Consensus), as well as the 4-6% EPS growth CAGR guidance through '26. Given the pending settlement of the recent MO West rate case which we saw as in-line with our expectations (see note here) as well as our expectation of slight under earning in Kansas given PISA-related lag, we see it unlikely there will be an upward revision to the current EPS growth CAGR guidance on the call. On the call we expect a capital / financing plan refresh through '28, as well as RAB guidance rolled forward to the same time period. We note that EVRG currently guides to no expected equity need through '26, however

this could change with the capital plan refresh expected on the 3Q update. We also note that we expect EPS growth guidance to be provided on a five year time period (from three years prior) and management could also provide additional color on load growth opportunities in the pipeline with current guidance of 6+GW of incremental demand being considered in the service territory. EVRG currently trades at a 15% discount to large-cap electric peers and we reaffirm our Overweight rating going into the call given the stock's relative valuation, despite cutting EPS back towards the midpoint of the 4-6% LT EPS CAGR in the near years of the plan we see much of this priced in with the longer term catalyst path for shares (growing rate base CAGR, improving KS regulatory backdrop) offering an opportunity to re-rate.

Focus items and catalyst calendar: The major catalyst for EVRG is the 3Q24 call where we expect a comprehensive business refresh, as well as additional color on load growth opportunities in the service territory. Management could also provide an outlook on future rate case cadence with current guidance being filing another case in Kansas Central sometime in 2025 and a potential filing at EVRG metro in '25 with new rates in '26, based on our discussions. Another catalyst for EVRG is the KS capital structure workshop which is scheduled for November 20 and could inform how investors can think about the regulatory initiatives in Kansas.

Valuation, EPS & Risks: We decrease our PT to $65 (from $67 prior) and now apply a 7.5% discount (from 5% prior) to EVRG due to historic regulatory outcomes that are less favorable than premium peers. We decrease our FY25 EPS estimate by 16c, '26 by 12c, '27 by 11c and '28 by 8c on account of refreshed earned ROE considerations. **Risks:** Better/worse than expected regulatory outcomes, inflationary pressures, climate change.

Investment Consideration

Model Assumptions: We expect EVRG to have new rates at EVRG Metro and we assume a 9.7% allowed ROE from '26 to '28. Additionally, we now assume $200mn/yr of equity issuance from '26 to '28 to help fund the capital plan refresh.

EVRG 3Q24 EPS Walk

We forecast $1.92/sh 3Q24 vs. $1.88 3Q23 and $1.93 Consensus (BBG). Some key drivers for the quarter include $0.08/sh from new rates in KS, $0.04/sh from transmission margin growth, $0.05/sh from volume/demand tailwinds, $0.02/sh each from COLI, interest rate / O&M tailwinds and PISA. Some drags on the quarter include $0.04/sh of negative weather, $0.02/sh from D&A headwinds and $0.01/sh of other.

FIGURE 50. EVRG 3Q24 EPS Walk

EVRG 3Q24 EPS Walk		
3Q23 EPS		$1.88
COLI		($0.07)
O&M timing benefit		$0.03
Unreg Margin	Jeffrey Energy Center, 8% share	($0.01)
Weather	Favorable Weather Back Out	($0.08)
Adjusted Starting Point		**$1.75**
Weather	4% below normal for the qyarter	($0.04)
New Rates	New rates KS	$0.08
Volumes / Demand		$0.05
Transmission Margin Growth		$0.04
Tranmission investment		$0.00
Investment		$0.00
COLI	2c planning assumption per quarter	$0.02
Interest Expense		$0.02
O&M	6c of drag for the year, 9c of drag through 2Q	$0.02
D&A	12c of drag for the year, 8c 1H24	($0.02)
Other		($0.01)
PISA	3-4c for the year	$0.02
Dilution		$0.00
EVRG 3Q24 EPS		**$1.92**
3Q24 Consensus		**$1.93**
FY24 EPS (Barclays)		**$3.85**
FY24 EPS (Consensus)		**$3.84**
SO 2024		**230**
SO 2023		**231**

Source: Barclays Research, Bloomberg

Fundamental Dashboard

We decrease our FY25 EPS estimate by 17c, '26 by 12c, '27 by 11c and '28 by 8c on account of refreshed earned ROE considerations.

FIGURE 51. EVRG Fundamental Dashboard (1/2)

EVRG Dashboard	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$3.71**	**$3.17**	**$3.85**	**$3.98**	**$4.25**	**$4.51**	**$4.81**
Prior EPS	**$3.71**	**$3.17**	**$3.85**	**$4.14**	**$4.37**	**$4.62**	**$4.89**
Consensus EPS	**$3.64**	**$3.56**	**$3.84**	**$4.06**	**$4.27**	**$4.47**	**$4.47**
Delta (%)	*1.8%*	*-10.9%*	*0.2%*	*-2.0%*	*-0.5%*	*1.0%*	*7.7%*
Shares Outstanding	230	231	230	231	233	236	239
DPS	$2.32	$2.47	$2.60	$2.73	$2.87	$3.02	$3.17
DPS Growth (%)	7.1%	6.4%	5.4%	5.0%	5.0%	5.0%	5.0%
DPS Payout (%)	63%	78%	68%	69%	68%	67%	66%
Valuation Metrics							
P/E	16.5x	19.3x	15.9x	15.4x	14.4x	13.5x	12.7x
EV/RAB	1.5x	1.4x	1.4x	1.3x	1.3x	1.2x	1.2x
EBITDA	2,197	2,359	2,554	2,684	2,873	3,091	3,332
FFO	1,811	1,974	2,040	2,133	2,274	2,427	2,603
Net Debt	11,652	12,777	13,148	13,970	14,905	16,048	17,587
FFO/Debt	15.5%	15.4%	15.5%	15.3%	15.3%	15.1%	14.8%
Net Debt/EBITDA	5.3x	5.4x	5.1x	5.2x	5.2x	5.2x	5.3x
Holdco Debt/Total Debt (%)	18.7%	23.9%	23.8%	22.8%	22.6%	23.1%	23.5%
Consolidated Equity Layer (%)	44.8%	43.1%	42.8%	42.2%	41.7%	40.7%	40.0%
Target FFO/Debt: >15%							
EPS Estimates by Sub							
KS Central	$1.77	$1.61	$1.97	$2.16	$2.33	$2.50	$2.68
EVRG Metro	$1.57	$1.44	$1.39	$1.40	$1.52	$1.59	$1.71
MO West	$0.26	$0.42	$0.77	$0.75	$0.75	$0.83	$0.87
Parent	$0.10	($0.31)	($0.28)	($0.33)	($0.36)	($0.41)	($0.46)
Consolidated EPS	**$3.71**	**$3.17**	**$3.85**	**$3.98**	**$4.25**	**$4.51**	**$4.81**
Barclays EPS CAGR (%)		**-14.4%**	**1.9%**	**2.4%**	**3.5%**	**4.0%**	**5.4%**
Guidance	**3.53-3.63**	**3.55-3.65**	**3.73-3.93**		**4.11-4.35**		
LT Guidance Range: 4-6% off 2023 Mdpt							
High		**$3.75**	**$3.87**	**$4.10**	**$4.35**	**$4.61**	**$4.88**
Midpoint		**$3.65**	**$3.83**	**$4.02**	**$4.23**	**$4.44**	**$4.66**
Low		**$3.55**	**$3.80**	**$3.95**	**$4.11**	**$4.27**	**$4.44**

Source: Barclays Research, Bloomberg

FIGURE 52. EVRG Fundamental Dashboard (2/2)

Rate Base Metrics (YE)	2022A	2023A	2024E	2025E	2026E	2027E	2028E
KS Central	8,732	9,362	9,914	10,547	11,409	12,394	13,552
EVRG Metro	6,398	6,619	6,868	7,159	7,593	8,104	9,001
MO West	2,570	3,000	3,188	3,401	3,687	4,012	4,391
Consolidated	**17,700**	**18,981**	**19,969**	**21,107**	**22,690**	**24,511**	**26,945**
Guidance: 6% RAB Growth	**17,700**	**18,600**		**20,000**		**23,500**	**24,500**
Earned ROE Metric (Avg RAB)							
KS Central	9.0%	7.7%	9.0%	9.2%	9.3%	9.3%	9.3%
EVRG Metro	12.1%	10.2%	9.5%	9.2%	9.6%	9.6%	9.6%
MO West	4.7%	6.9%	11.3%	10.3%	9.7%	10.0%	9.7%
Capital Structure - Regulatory							
KS Central	51.7%	51.7%	51.1%	51.1%	51.1%	51.1%	51.1%
EVRG Metro	49.6%	49.6%	50.1%	50.1%	50.1%	50.1%	50.1%
MO West	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%	51.0%
Capital Structure - GAAP/LT Debt vs. Equity							
KS Central	53.7%	51.6%	52.6%	53.1%	53.4%	53.6%	53.9%
EVRG Metro	55.6%	52.2%	53.6%	52.7%	52.0%	51.4%	51.1%
MO West	57.1%	58.5%	57.9%	57.3%	55.4%	51.2%	48.0%
Cash Flow Metric							
CFO	1,802	1,980	2,355	2,148	2,289	2,442	2,618
Dividends	(535)	(570)	(600)	(630)	(668)	(711)	(757)
Adjusted Cash from Ops	**1,267**	**1,411**	**1,754**	**1,517**	**1,621**	**1,731**	**1,861**
Capital Expenditure	2,167	2,334	2,125	2,339	2,857	3,173	3,599
Guidance: $12.5Mn '24 to '28)			**2,125**	**2,089**	**2,457**	**2,624**	**3,200**
Financing							
ST Debt Issuance, Net	173	(17)	0	35	0	0	0
LT Debt Issuance, Net	157	1,505	500	700	1,000	1,400	1,400
Equity Issuance	0	0	0	0	200	200	200

Source: Barclays Research, Bloomberg

Valuation: P/E Valuation

We decrease our PT to $65 (from $67 prior) and now apply a 7.5% discount (from 5% prior) to EVRG due to historic regulatory outcomes that are less favorable than premium peers and currently lower growth (4-6%) vs. the sector average.

FIGURE 53. EVRG P/E Valuation

EVRG P/E Valuation	Low	Base	High
Electric Group Multiple	14.8x	**16.5x**	18.1x
Premium / Discount	-18%	**-8%**	0%
Adjusted P/E Multiple	13.6x	15.3x	16.5x
Consolidated EPS '26E	**$4.25**	**$4.25**	**$4.25**
Valuation	**$58**	**$65**	**$70**
Market Price		**$61.1**	
Upside / Downside	-5.1%	6.3%	14.5%
Yield ('24)		4.3%	
Potential Total Return	**-1%**	**11%**	**19%**

Source: Barclays Research, Bloomberg

Talen Energy Corporation (TLN): 3Q24 Preview

What we expect on 3Q24: TLN to re-affirm 2025 Adj. EBITDA of $925-$1175 and 2026 Adj.EBITDA of $1,130mn-$1,530mb, 2025 FCF of $395mn-$595mn, 2026 FCF of $535mn-$895mn and SRP of $1,250mn through FY 2026. For the 3Q24 we expect TLN 3Q24 Adj EBITDA $222.39mn v. 222.17 adj EBITDA consensus with the main drivers being capacity revenue, fuel and PTC positives largely offset by interest expense, and forgone revenues from ERCOT asset sales. We are more neutral on shares into the print with the main communication expected in 3Q being a buy-back update, thoughts on the recent capacity auction delay and CoinBuyout executed in the quarter. We expect more limited updates on the financial outlook this quarter with TLN unveiling it's wider value proposition at the September Analyst Day.

Focus items and catalyst calendar: ISA Amendment FERC: TLN will receive a final decision from FERC by November 4th. Mgmt is confident that FERC will approve the amended ISA to provide 960MW to the AWS data center in a BTM deal. In addition to the ISA decision Talen Energy will be an active participant in FERC's technical conference to discuss large load co-location issues and how the demand for energy from these types of customers can be met. **PJM Capacity Auction:** PJM has formally requested for FERC to delay the capacity auction for six months, and there is no set timeline for FERC to respond, but with the December auction approaching, a decision from FERC could come by early December. This action was initiated by the potential for the upcoming December capacity auction clearing $700MW-Day for 26/27 delivery. The higher capacity auction prices do benefit TLN and power generators. If the PJM auction is delayed and PJM makes significant changes to the auction that would reduce capacity prices from the record setting prices of $270MW-Day from this past July, this potentially could reduce EBITDA where we assume flat prices. We view the delay as misguided, and the delay outweighs the benefit creating uncertainty and discouraging LT capital investment which will inhibit new generation from being built. Even though the PJM capacity auction in December was viewed by the market as a positive catalyst we still see power demand from AI/DC operators as a key driver of growth for TLN going forward and we believe the demand outlook should refresh into January which could offset items such as RMR inclusion in the upcoming parameter tweaks. **AWS Update & Coin Update:** On the 3Q24 call we expect further updates on the progress of the AWS PPA agreement and the impacts of TLN purchasing the remaining 25% stake in Nautilus bitcoin JV business from Terrawulf on 10/3.

Valuation, EPS & Risks: We decrease our PT to $202 and reaffirm our Overweight rating. We apply a EV/EBITDA multiple to Susquehanna at 12.0x EV/EBITDA multiple, with lower multiples ascribed to legacy coal / gas plants and capacity revenues. Our Adj EBITDA estimates decreases by $1mn in 2024, increases by $7mn in 2025 , 2mn in 2026, and 23mn in 2027 due to commodity pricing impacts in PJM territory.

3Q24 EPS Walk

FIGURE 54. TLN 3Q24 Adj. EBITDA Walk

TLN 3Q24 Adj EBITDA (mm) Walk	Notes	
3Q23 Adj EBITDA		$224.00
Capacity Revenue		$8.29
Generation Revenue	Lower generation revenues contemplate ERCOT Sale	($189.09)
Fuel and Energy Purchases	Fuel Benefit Y/Y	$104.50
Nuclear PTC	2024 Now Has Nuclear PTC	$47.50
O&M	Assuming Flat	$0.00
Other Income	BITCOIN	$10.00
D&A	Ratable vs. Guidance	($16.25)
Interest Expense	Higher TL Balance	$24.94
Hedges	Y/Y Benefit	$8.50
Consolidated adj. EBITDA		**$222.39**
Consensus adj. EBITDA		**$222.17**

Source: Barclays Research, Bloomberg, Company Reports

Fundamental Dashboard

FIGURE 55. TLN Fundamental Dashboard

TLN Dashboard	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS			**$10.24**	**$9.88**	**$6.22**	**$8.05**	**$36.86**	**$42.70**
Prior EPS			$10.24	$8.81	$5.38	$6.77	$30.28	$34.73
Consensus EPS			**$4.84**	**$12.11**	**$12.11**	**$12.11**	**$12.11**	**$12.11**
Consolidated adj. EBITDA			**$1,121**	**$813**	**$1,084**	**$1,405**	**$1,406**	**$1,286**
Prior EBITDA			$1,121	$814	$1,077	$1,403	$1,383	
Consensus adj. EBITDA			**$1,121**	**$772**	**$1,071**	**$1,413**	**$1,511**	**$1,569**
Delta (%)				*5.43%*	*1.18%*	*-0.59%*	*-6.90%*	*-18.05%*
Shares Outstanding			59	59	52	47	42	37
EBITDA Guidance				**720-780**	**925-1175**	**1130-1530**		
DPS			na	na	na	na	na	na
DPS Payout (%)								
Valuation Metrics								
EBITDA			1,121	813	1,084	1,405	1,406	1,286
FFO			676	1,118	769	822	1,813	1,810
Net Debt			2,420	1,487	1,912	2,310	1,727	1,136
FFO/Debt			27.9%	75.2%	40.2%	35.6%	105.0%	159.3%
Net Debt/EBITDA			2.2x	1.8x	1.8x	1.6x	1.2x	0.9x
EV/EBITDA			10.5x	14.4x	10.8x	8.4x	8.4x	9.1x
Free Cashflow - Adjusted			587	315	485	737	719	601
FCF Yield - Barclays RMR / Capacity Assumptions (25% Haircut)			5.7%	3.1%	4.7%	7.2%	7.0%	5.9%
FCF Yield - $700/Mw-Day Dec '24 Auction			6.6%	3.6%	5.4%	14.4%	16.7%	13.0%
Share Repurchase			0	1,000	900	900	900	900
FCF / Sh - Barclays Share Count				$5.33	$9.29	$15.66	$17.15	$16.36
FCF / Sh - No Change to Share Count				$6.17	$9.51	$14.46	$14.09	$11.78
Guidance: Fall '24 AD; Constant Sharecount Assumed - 51mn				**4.80-5.60**	**7.70-11.70**	**10.50-17.50**		

Source: Barclays Research, Bloomberg, Company Reports

Valuation: EV/EBITDA

FIGURE 56. TLN EV/EBITDA Valuation

EV/EBITDA Valuation				Low	Base	High
Peer Group Multiple (YieldCo & Renewable/IPPs)				5.5x	7.5x	9.5x
EBITDA Contribution	**EBITDA ('26)**	**Prem/Disc.**	**Base Case Implied Multiple**			
Susquehanna EBITDA	$550	60%	12.0x	$4,843	$6,604	$8,365
Legacy Coal / Gas EBITDA (Incldes RMR)	$206	0%	7.5x	$1,134	$1,547	$1,959
Capacity Revenue	$648	-25%	5.6x	$2,674	$3,646	$4,618
Consolidated EBITDA ('26)	**$1,405**		**Enterprise Value**	**$8,651**	**$11,797**	**$14,942**
Net Debt ('26)				2,310	2,310	2,310
Equity Value - Current Business				6,341	9,487	12,633
Share Count 2026E				47	47	47
Valuation				**$135**	**$202**	**$268**
Market Price					$174.0	
Upside / Downside				-22%	16%	54%
Yield ('24)					0.0%	
Total Return				**-22%**	**16%**	**54%**

Source: Barclays Research, Bloomberg, Company Reports

Xcel Energy (XEL): 3Q24 Preview

What we expect on 3Q24: What we expect XEL to re-affirm FY24 EPS guidance and provide load, financing plans through 2029, and capex updates as well as FY25 EPS guidance. For FY25, we project closer to 7% y/y growth in EPS at $3.81/sh vs. Consensus $3.84, a slight miss. We also see a miss on the quarter expecting $1.19/sh vs. BBG consensus of $1.29/sh. The main positive drivers for the quarter are Electric sale, favorable weather, recovery riders from capex, AFUDC, and GRC/interim rate increases. XEL 3Q was negatively impacted according to our estimates by higher O&M cost than in the 1H24, D&A skewed higher in 3Q24, interest expense, and accrued cost from fuel decision imprudence. Our FY25 forecasts XEL beating current EPS guidance of $3.78-$3.84/sh with projected EPS of $3.81/sh which is also lower than consensus of $3.84/sh. The main drivers are electric sales $0.25/sh, NSP ND Interim gas rates $0.01/sh, NSP MN gas rate case $0.06/sh, NSP MN electric case assumption of $0.39/sh which is based on previous revenue increase, NSP WI electric and gas case "stay out proposal adding $0.04/sh, PSCo gas GRC adding 0.15/sh, rider contributing $0.11/sh, and AFUDC $0.11/sh. The negative impacts to FY25E EPS are O&M ($0.17)/sh, D&A ($0.42)/sh, interest charges ($0.06)/sh, PSCo electric ($0.03)/sh lag ahead of rates, Other ($0.10)/sh, and dilution from share issuance of ($0.08)/sh. XEL jurisdictions are rapidly growing and to support the demand requires investment to drive EPS CAGR growth of 5%-7%, build upon a strong balance sheet, and FFO/Debt ratio of ~17%.

Focus items and catalyst calendar:

- **Key Metric Update 3Q24 Call:** XEL mgmt. indicated that the company would update the financing plan, capex, and load growth on the 3Q24 call which will give visibility through 2029. In general, we expect all aspects of the plan to be extended at the high end (5-7% LT EPS growth).

- **Regulatory Update MN/CO/WI/MI:** XEL plans to file a electric rate case in MN around 11/1 that will include a request for interim rates with the anticipation that the commission will approve the interim rates to be effective on 1/1. NSP MI electric case was field in June 2024 requesting ROE of 10%, equity ratio of 52%, 2025 forward test year, and base rate increase of $2.9mn. We are watching pending dates: Intervenor testimony on 10/29, hearings 12/3-12/5, and a final decision expected mid-2025. Mgmt may also file a electric rate case in CO sometime in 2025 with rates potentially being effective in 2026. In addition to PSCo electric rate case XEL is planning to file electric rate case in WI as well and plan to file with the commission in 2025 with a project effective date in 2026. On 10/16 CPUC completed its deliberation on PSCo retail natural gas case seeking $171mn revenue increase, ROE of 10.25% and an equity layer of 55% using 2023 test year with $4.2bn retail rate base including capital additions through 12/31/23. According to CPUC deliberations the commission is considering approximately $135mn inclusive of $15mn of accelerated depreciation. XEL is requesting rates to be effective on 11/1.

- **Marshall Wildfire Update:** The Marshall wildfire case will be split into two separate cases to determine if XEL is liable for the fire. Mgmt. indicated that this two-part court process allows XEL to determine if they are liable for the Marshall fire which will impact liability costs. If the court determines that XEL's equipment did not start the fire then XEL will not be liable for the fire. Another key criteria for the court to determine XEL's liability are if the victims house was burned from the second fire then the XEL is liable. If XEL can win the first trial this could significantly impact wildfire risk liability. We view the two court case process positively because it could reduce XEL wildfire liability and legal risk.

- **Resource Plan Update:** Significant portions of the NSP and SPS(resource plans are still pending approval and are not included in the current in base plan. NSP project included in the current base plan are 800MW of firm dispatchable generation with a decision expected by

mid-2025 and in service date will be 2028. NSP also has in the pipeline pending projects of 1600 MW in renewables, 2100MW future RFP's and adding potential capital investment of $3-4bn. SPS 5,000-10,000 MW of incremental generation with 3,100 accredited capacity included with a potential capital investment of $4-10bn not included in base capital plan that could be incremental to base capital plan. Bids for Accredited Capacity bids are due in Jan 2025 with a decision expected by 2026. In addition to NSP and SPS resource plans XEL filed resource plan on 10/15 that outlined assumptions that highlight the forecasted growth in CO, that will need to be supported by generation resources to meet the projected demand in XEL CO jurisdiction. In the resource plan XEL forecasts base sales of 7% CAGR through 2031and CAGR of 3% in the forecast as well, the plan includes forecasted resource of 5-14GW of new generation capacity through 2031 which include renewables and firm dispatchable resources to meet the needs of both sales scenarios of 3% and 7% CAGR. The base plan resource mix is ~7,250MW of wind, 3,077MW of solar, 1,575MW of natural gas, 1,600MW of long duration storage, and 45MW of other storage. CPUC decision on resource plan is expected by the fall of 2025 for phase 1 with solicitation of for resource additions in early 2026.

Valuation, EPS & Risks: We are increasing our PT from $57 to $67 and continue to apply a 10% premium to NSP-M, NSP-W and a 10% discount to PSCo and SPS to account for historically strong / weak regulatory outcomes in those jurisdictions, as well as wildfire risk in CO specifically. We decrease our FY24 increased 2c, decrease of 5c for FY25, decrease FY26 EPS estimates by 1c, and '27-'28 by 2c and 3c on account of recent volatility in the share price leading to less expected proceeds from equity issuance.

XEL FY25 EPS Walk

FIGURE 57. FY25 EPS Walk

XEL FY25 EPS Walk	Notes	$/sh
FY24 EPS Original Guidance Midpoint		$3.55
Weather		$0.00
Adjusted Starting Point		**$3.55**
Electric Sales	2% increase in GM sales growth	$0.25
NSPNDD Gas Case	Interim ND Gas	$0.01
NSPNDD Electric		$0.00
NSP M Gas Rate Case	Settlement 46.3 mn	$0.06
NSP M Electric	Rate Case Expected to be Filed	$0.39
NSP Minn Sherco	Assuming 58Mn Refund Excluded from Non-Gaap Financials	$0.00
NSP WIS	Assumption this is the only impact toWIS and Electric and Gas	$0.04
PSCO Gas	Pening approval CPUC decision/final order revenue decision with rates effective Nov $1 35mn	$0.15
PSCO Elect	Lag ahead of new rates	($0.03)
NSPW	Assumption rates effective on 7/1/25 $2.9mn	$0.00
Rider		$0.11
AFUDC		$0.11
O&M	5% increase in O&M assumed	($0.17)
D&A	Increase of ~$300mn assumed, linear to FY24	($0.42)
Other		($0.10)
Interest Charges	$800Mn new HoldCo Debt plus 2025 Financing ($2.6bn on prior plan / yr), assume 20% funded at HoldCo at 5%	($0.06)
Taxes		$0.00
Parent		($0.02)
Dilution		($0.08)
XEL FY25 EPS Walk		**$3.81**
FY25 EPS (Barclays)		**$3.81**
FY25 EPS (Consensus)		**$3.84**
SO 2025		**572**
SO 2024		**559**

Source: Barclays Reports, Bloomberg

XEL 3Q24 EPS Walk

FIGURE 58. XEL 3Q24 Walk

XEL 3Q24 EPS Walk	Notes	$/sh
3Q23 EPS		$1.23
Weather		($0.04)
Adjusted Starting Point		**$1.19**
Electric Sales	100bps… 45Mn annual pre-tax; 27% for q	$0.01
Weather	20% more cooling, SPS 4% less cooling	$0.04
Natural Gas Riders	Flat for year	$0.00
Rider	Assumption is 60-70mn annual pre tax	$0.03
Rates	MN rate case (4c); Gas GRC interim rates (1c); CO Ele GRC ($95mn, 2m, 2c); NM Rate Case & Texas ($33mn, 3.5c), CC	$0.13
O&M	1H of year we were $11mn lower than last year; 5c on O&M	($0.06)
D&A	Skewed for the quarter; $305-$315mn	($0.09)
Other	Fuel decision Imprudency: Dept of Commerce recommended $16mn for FY23, didn't rule on '24, will have to accrue some	($0.02)
Interest Charges	140-150Mn	($0.05)
AFUDC	65-75Mn	$0.03
Taxes	Tax Benefit	$0.00
Parent		$0.00
Dilution		($0.02)
XEL 3Q24 EPS		**$1.19**
3Q24 Consensus		**$1.29**
FY24 EPS (Barclays)		**$3.52**
FY24 EPS (Consensus)		**$3.56**
SO 2024		**559**
SO 2023		**552**

Source: Barclays Reports, Bloomberg

Fundamental Dashboard

FIGURE 59. Fundamental Dashboard

Fundamental Dashboard	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Consolidated EPS (Non-GAAP)	**$2.64**	**$2.79**	**$2.96**	**$3.17**	**$3.35**	**$3.52**	**$3.81**	**$4.17**	**$4.41**	**$4.56**
Prior EPS			**$2.96**	**$3.17**	**$3.35**	**$3.54**	**$3.86**	**$4.18**	**$4.39**	**$4.53**
Consensus EPS	**$2.62**	**$2.79**	**$2.96**	**$3.16**	**$3.37**	**$3.56**	**$3.84**	**$4.12**	**$4.40**	**$4.68**
Delta (%)	*0.7%*	*-0.2%*	*-0.1%*	*0.3%*	*-0.8%*	*-1.2%*	*-0.8%*	*1.2%*	*0.2%*	*-2.6%*
Shares Outstanding	520	528	540	547	552	559	572	586	600	613
DPS	$1.52	$1.62	$1.73	$1.85	$1.98	$2.17	$2.28	$2.41	$2.54	$2.68
DPS Growth (%)		6.6%	6.8%	6.9%	6.9%	9.5%	5.5%	5.5%	5.5%	5.5%
DPS Payout (%)	58%	58%	59%	58%	59%	61%	60%	58%	58%	59%
Valuation Metrics										
P/E	24.3x	23.0x	21.7x	20.2x	19.1x	18.2x	16.8x	15.4x	14.5x	14.1x
EV/RAB	2.0x	1.6x	1.6x	1.5x	1.5x	1.4x	1.3x	1.3x	1.2x	1.2x
EBITDA	3,869	4,064	4,324	4,841	4,929	5,794	6,404	6,965	7,415	7,774
FFO	3,488	3,540	3,773	4,169	4,135	5,458	5,920	6,387	6,779	7,097
Net Debt	18,456	20,521	22,618	24,666	26,121	28,167	32,260	34,350	35,821	36,255
FFO/Debt	18.9%	17.3%	16.7%	16.9%	15.8%	19.4%	18.4%	18.6%	18.9%	19.6%
Net Debt/EBITDA	4.8x	5.0x	5.2x	5.1x	5.3x	4.9x	5.0x	4.9x	4.8x	4.7x
Holdco Debt/Total Debt (%)	23.7%	22.9%	22.4%	27.2%	26.8%	26.1%	27.7%	28.0%	28.4%	27.9%
Consolidated Equity Layer (%)	41.4%	41.4%	40.7%	40.2%	40.2%	40.1%	39.2%	39.8%	40.8%	42.2%
EPS Estimates by Sub										
NSP-M	$1.04	$1.12	$1.12	$1.23	$1.33	$1.42	$1.52	$1.61	$1.67	$1.73
NSP-W	$0.15	$0.20	$0.20	$0.23	$0.24	$0.24	$0.27	$0.30	$0.32	$0.35
PSCo	$1.11	$1.11	$1.22	$1.33	$1.43	$1.53	$1.76	$2.00	$2.17	$2.26
SPS	$0.51	$0.56	$0.59	$0.64	$0.64	$0.67	$0.67	$0.69	$0.70	$0.68
Parent	($0.17)	($0.21)	($0.17)	($0.26)	($0.27)	($0.33)	($0.40)	($0.44)	($0.46)	($0.45)
Consolidated EPS	**$2.64**	**$2.79**	**$2.96**	**$3.17**	**$3.36**	**$3.52**	**$3.81**	**$4.17**	**$4.41**	**$4.56**
Barclays EPS CAGR (%)							**8.2%**	**8.8%**	**7.8%**	**6.7%**
Guidance			**2.94-2.98**	**3.14-3.19**	**3.30-3.40**	**3.50-3.60**	**$3.80**			
LT Guidance Range: 5-7% (could be at high-end)										
High							**$3.84**	**$4.13**	**$4.43**	**$4.77**
Midpoint						**$3.57**	**$3.81**	**$4.07**	**$4.34**	**$4.64**
Low							**$3.78**	**$4.01**	**$4.25**	**$4.51**
Guidance EPS CAGR (%) - Current							**6.8%**	**6.8%**	**6.8%**	**9.1%**
Guidance EPS CAGR (%) - 6-8% - Midpoint							**$3.82**	**$4.09**	**$4.37**	**$4.68**
Guidance EPS CAGR (%) - 6-8% - High End							**$3.86**	**$4.16**	**$4.50**	**$4.86**

Source: Barclays reports, Bloomberg

Sum Of The Parts Valuation

FIGURE 60. XEL Sum of the Parts Valuation

XEL SOTP Analysis	EPS				Low	Base	High
Average Multiple			Premium / Disc.		15.0x	16.5x	18.0x
Subsidiary							
NSP-M	$1.61		10.0%		$27	$29	$32
NSP-W	$0.30		10.0%		$5	$5	$6
PSCo	$2.00		-10.0%		$27	$30	$32
SPS	$0.69		-10.0%		$9	$10	$11
Parent	($0.44)		0.0%		-$7	-$7	-$8
Total	**$4.17**				**$61**	**$67**	**$74**
Implied Base P/E Discount					-10.8%	-1.9%	7.0%
Wildfire Damages	**Wildfire Liability**	**Insurance Recieveable**	**Exposure Net**	**Tax Effected**			
Colorado: PSCO	1,000	500	500	360	**-$1**	**-$1**	**-$1**
Texas: SPS	445	500	0	0	**$0**	**$0**	**$0**
Implied P/E Premium / Discount					**-11%**	**-3%**	**6%**
Shares Outstanding					586	586	586
Implied Multiple					14.6x	16.1x	17.5x
Valuation					**$61**	**$67**	**$73**
Market Price						$64.1	
Upside / Downside					-4.8%	4.6%	13.9%
Yield ('24)						3.4%	
Potential Total Return					**-1%**	**8%**	**17%**

Source: Barclays reports, Bloomberg

U.S. Power & Utilities | POSITIVE

AES Corp. (AES)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	12,668	13,340	13,674	13,985	3.4%
EBITDA (adj)	2,854	2,938	3,036	3,149	3.3%
EBIT (adj)	1,170	1,553	1,596	1,651	12.2%
Pre-tax income (adj)	104	2,025	1,988	1,917	164.2%
Net income (adj)	1,179	1,371	1,521	1,495	8.2%
EPS (adj) ($)	1.76	1.93	2.14	2.10	6.1%
Diluted shares (mn)	670	712	712	712	2.0%
DPS ($)	0.66	0.69	0.72	0.75	4.0%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	22.5	22.0	22.2	22.5	22.3
EBIT (adj) margin (%)	9.2	11.6	11.7	11.8	11.1
Pre-tax (adj) margin (%)	0.8	15.2	14.5	13.7	11.1
Net (adj) margin (%)	9.3	10.3	11.1	10.7	10.3
ROE (%)	22.5	18.2	13.6	9.8	16.0

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	1,796	3,332	2,274	2,542	12.3%
Total assets	44,799	50,279	57,337	64,449	12.9%
Short and long-term debt	22,414	24,529	27,068	29,799	10.0%
Total liabilities	38,814	41,239	44,088	47,129	6.7%
Shareholders' equity	5,985	9,040	13,248	17,320	42.5%
Net debt/(funds)	20,618	21,196	24,794	27,256	9.8%
Cash flow from operations	3,034	2,911	3,343	3,562	5.5%
Capital expenditure	-7,724	-5,860	-10,315	-9,100	N/A
Free cash flow	-5,154	-1,898	-5,587	-4,431	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	9.9	9.1	8.2	8.3	8.9
EV/EBITDA (adj) (x)	11.6	11.4	12.3	12.6	12.0
EV/EBIT (adj) (x)	28.3	21.7	23.3	24.0	24.3
FCF yield (%)	-15.6	-5.6	-15.0	-11.2	-11.9
Dividend yield (%)	3.8	3.9	4.1	4.3	4.0
Net debt/EBITDA (adj) (x)	17.6	7.5	7.8	7.9	10.2

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	37.7	35.8	33.6	35.5	35.7
Regulated (%)	10.1	13.4	18.5	19.6	15.4
Rate base (RAB) ($mn)	6,162	6,753	7,310	7,842	7,017
EV/Rate base (x)	5.4	5.0	5.1	5.1	5.1
FFO/Debt (%)	13.2	12.3	12.2	11.9	12.4
Equity Issuance ($mn)	0	0	0	0	0

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 17.47**
Price Target **USD 23.00**

Why OVERWEIGHT?

We see 10%+ upside on SOTP valuation approach with sentiment that is overly negative following the 2023 Analyst Day after we give considerations to AES global footprint and US renewable growth.

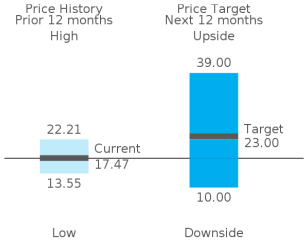
Upside case **USD 39.00**

We apply a +9% premium to OH / IN utilities, fully discounted value on DevCo and 10.0x EV/EBITDA on the renewable developer which could be realized on constructive regulatory outcomes, declines in interest rates, or increased renewable backlog.

Downside case **USD 10.00**

We apply a -19% discount to OH / IN utilities, fully discounted value on DevCo and 8x EV/EBITDA on the renewable developer which could be realized on cautious regulatory outcomes, increases in interest rates, or decreases in renewable backlog.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

Consolidated Edison, Inc. (ED)

UNDERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	14,663	14,577	14,868	15,197	1.2%
EBITDA (adj)	5,227	4,630	5,001	5,407	1.1%
EBIT (adj)	4,026	3,217	3,437	3,691	-2.9%
Pre-tax income (adj)	3,003	2,212	2,394	2,613	-4.5%
Net income (adj)	1,762	1,859	2,011	2,194	7.6%
EPS (adj) ($)	5.04	5.36	5.66	5.99	5.9%
Diluted shares (mn)	349	347	356	366	1.6%
DPS ($)	3.14	3.34	3.44	3.54	4.1%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	35.6	31.8	33.6	35.6	34.2
EBIT (adj) margin (%)	27.5	22.1	23.1	24.3	24.2
Pre-tax (adj) margin (%)	20.5	15.2	16.1	17.2	17.2
Net (adj) margin (%)	12.0	12.8	13.5	14.4	13.2
ROE (%)	8.4	8.6	8.7	8.8	8.6

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	1,189	641	1,258	1,090	-2.9%
Total assets	66,331	68,258	71,557	74,505	3.9%
Short and long-term debt	24,465	25,460	26,425	27,280	3.7%
Total liabilities	45,173	46,329	47,466	48,509	2.4%
Shareholders' equity	21,158	21,929	24,091	25,996	7.1%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	2,156	4,367	4,682	5,037	32.7%
Capital expenditure	-4,740	-4,822	-5,181	-5,771	N/A
Free cash flow	1,153	-455	-499	-734	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	21.2	19.9	18.9	17.8	19.4
EV/EBITDA (adj) (x)	11.7	13.5	12.6	11.8	12.4
EV/EBIT (adj) (x)	15.2	19.5	18.3	17.3	17.6
FCF yield (%)	1.9	-0.7	-0.8	-1.1	-0.2
Dividend yield (%)	2.9	3.1	3.2	3.3	3.2
Net debt/EBITDA (adj) (x)	4.5	5.4	5.0	4.8	4.9

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	62.2	62.3	60.8	59.1	61.1
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	41,049	43,471	46,119	49,259	44,975
EV/Rate base (x)	1.5	1.4	1.4	1.3	1.4
FFO/Debt (%)	16.4	17.6	18.6	19.2	18.0
Equity Issuance ($mn)	-944	70	1,373	1,007	377

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 106.76**
Price Target **USD 104.00**

Why UNDERWEIGHT?

We see the stock as over valued compared to peers given it currently trades at an ~9% PE premium vs. our large-cap electric peer group. We think this potentially prices in overly constructive outcomes for incremental capital opportunities and the upcoming CECONY rate review in 2025.

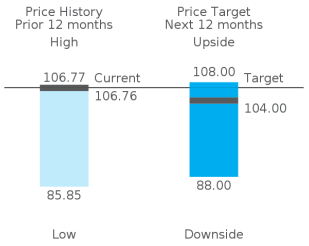
Upside case — USD 108.00

Our upside case assumes a ~9% premium to the group average large-cap electric peer group, which would be realized if 1) ED receives a constructive outcome in CECONY rate case, and 2) the company needs less equity in the future than current guidance.

Downside case — USD 88.00

Our downside case assumes a ~11% discount to the group average 2025E PE multiple, which could be realized if 1) CECONY rate case outcome is worse than expected, and 2) the company requires more equity than current guidance in outer years.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

Constellation Energy (CEG)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	24,918	28,295	29,239	30,894	7.4%
EBITDA (adj)	4,025	4,995	5,422	5,859	13.3%
EBIT (adj)	1,610	2,494	2,826	3,158	25.2%
Pre-tax income (adj)	2,493	3,351	3,683	4,015	17.2%
Net income (adj)	2,034	2,536	2,788	3,040	14.3%
EPS (adj) ($)	6.28	8.04	8.99	10.04	16.9%
Diluted shares (mn)	324	316	310	303	-2.2%
DPS ($)	1.13	1.24	1.36	1.50	10.0%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	16.2	17.7	18.5	19.0	17.8
EBIT (adj) margin (%)	6.5	8.8	9.7	10.2	8.8
Pre-tax (adj) margin (%)	10.0	11.8	12.6	13.0	11.9
Net (adj) margin (%)	8.2	9.0	9.5	9.8	9.1
ROE (%)	18.5	22.5	23.2	24.4	22.2

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	454	658	1,394	1,220	39.0%
Total assets	50,758	52,018	53,537	54,318	2.3%
Short and long-term debt	9,140	9,140	9,140	9,140	0.0%
Total liabilities	39,472	40,087	40,742	41,437	1.6%
Shareholders' equity	11,286	11,930	12,795	12,881	4.5%
Net debt/(funds)	8,686	8,482	7,746	7,920	-3.0%
Cash flow from operations	-5,301	5,149	5,537	5,934	N/A
Capital expenditure	-2,422	-2,825	-2,650	-2,925	N/A
Free cash flow	-2,270	2,096	2,659	2,781	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	43.0	33.6	30.0	26.9	33.4
EV/EBITDA (adj) (x)	24.0	19.3	17.6	16.3	19.3
EV/EBIT (adj) (x)	59.9	38.6	33.8	30.3	40.7
FCF yield (%)	-2.4	2.2	2.8	2.9	1.4
Dividend yield (%)	0.4	0.5	0.5	0.6	0.5
Net debt/EBITDA (adj) (x)	3.2	2.3	1.9	1.7	2.3

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	18.0	15.4	15.2	15.0	15.9
Regulated (%)	0.0	0.0	0.0	0.0	0.0
Rate base (RAB) ($mn)	0	0	0	0	0
EV/Rate base (x)	N/A	N/A	N/A	N/A	N/A
FFO/Debt (%)	52.6	60.7	71.5	74.9	64.9
Equity Issuance ($mn)	-992	-1,500	-1,500	-2,500	-1,623

Price (18-Oct-2024) **USD 270.16**
Price Target **USD 282.00**

Why OVERWEIGHT?

We view CEG as a differentiated company in the electric generation and retail/ wholesale energy supplier market given the large carbon-free base load generation provided by the nuclear plants; we view the shares do not reflect potential for nuclear co-location upside potential and benefits from a more accretive capital allocation decision.

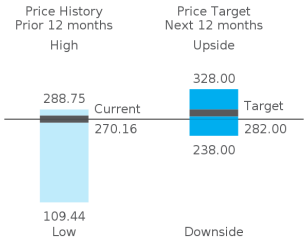
Upside case **USD 328.00**

Forward curve continues to at least remain at current price levels; management to execute on capital allocation strategy in an EPS accretive manner; nuclear co-location realization in EPS accretive manner; favorable retail gross margin.

Downside case **USD 238.00**

Forward curve unable to sustain at current price levels; management not able to execute on capital allocation strategy in an EPS accretive manner; nuclear co-location realization in EPS dilutive manner; unfavorable retail gross margin.

Upside/Downside scenarios



Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

U.S. Power & Utilities | POSITIVE

Evergy Inc. (EVRG) | OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	5,508	5,637	5,728	5,884	2.2%
EBITDA (adj)	2,359	2,554	2,684	2,873	6.8%
EBIT (adj)	1,277	1,422	1,496	1,615	8.1%
Pre-tax income (adj)	752	892	917	989	9.6%
Net income (adj)	731	887	917	989	10.6%
EPS (adj) ($)	3.17	3.85	3.98	4.25	10.3%
Diluted shares (mn)	231	230	231	233	0.3%
DPS ($)	2.48	2.60	2.73	2.87	5.0%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	42.8	45.3	46.9	48.8	46.0
EBIT (adj) margin (%)	21.5	19.9	20.9	22.5	21.2
Pre-tax (adj) margin (%)	13.6	15.8	16.0	16.8	15.6
Net (adj) margin (%)	13.3	15.7	16.0	16.8	15.5
ROE (%)	7.6	9.0	9.1	9.4	8.8

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	28	157	70	35	7.8%
Total assets	30,976	31,785	32,837	34,389	3.5%
Short and long-term debt	11,210	11,710	12,410	13,410	6.2%
Total liabilities	21,291	21,813	22,578	23,608	3.5%
Shareholders' equity	9,663	9,941	10,220	10,733	3.6%
Net debt/(funds)	12,777	13,148	13,970	14,905	5.3%
Cash flow from operations	1,980	2,355	2,148	2,289	4.9%
Capital expenditure	-2,334	-2,125	-2,339	-2,857	N/A
Free cash flow	4,452	4,480	4,487	5,146	4.9%

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	19.3	15.9	15.4	14.4	16.3
EV/EBITDA (adj) (x)	11.4	10.7	10.5	10.1	10.6
EV/EBIT (adj) (x)	21.0	19.1	18.7	17.9	19.2
FCF yield (%)	16.6	16.5	16.0	17.8	16.7
Dividend yield (%)	4.1	4.3	4.5	4.7	4.4
Net debt/EBITDA (adj) (x)	5.4	5.1	5.2	5.2	5.2

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	77.9	67.7	68.7	67.5	70.5
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	18,981	19,969	21,107	22,690	20,687
EV/Rate base (x)	1.4	1.4	1.3	1.3	1.3
FFO/Debt (%)	15.4	15.5	15.3	15.3	15.4
Equity Issuance ($mn)	0	0	0	200	50

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 61.12**
Price Target **USD 65.00**

Why OVERWEIGHT?

We see the risk-reward skew improving as the company moves past the unconstructive rate outcome in Kansas and see an executable path for EVRG's 4-6% LT EPS growth rate.

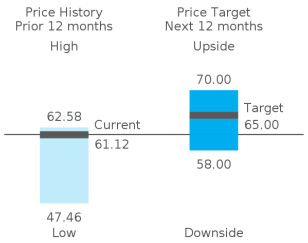
Upside case **USD 70.00**

Our upside case assumes a ~2% premium to the group average large-cap electric multiple which could be realized if 1) EVRG sees better-than-expected reg outcomes in Kansas, 2) MO rate cases see constructive outcomes, 3) EVRG is able to hit/exceed current EPS targets.

Downside case **USD 58.00**

Our downside case assumes a ~17% discount to the group average 2026E P/E multiple which could be realized if 1) EVRG sees unfavorable regulatory outcomes in KS and MO, 2) is unable to execute on weather offsets, 3) sees delays in coal retirement plans.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

NiSource, Inc. (NI)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	5,505	6,723	7,810	11,778	28.9%
EBITDA (adj)	2,204	2,718	3,006	3,267	14.0%
EBIT (adj)	1,296	1,718	1,910	2,095	17.4%
Pre-tax income (adj)	814	1,175	1,312	1,441	21.0%
Net income (adj)	716	787	873	953	10.0%
EPS (adj) ($)	1.60	1.73	1.85	1.99	7.6%
Diluted shares (mn)	448	455	471	479	2.2%
DPS ($)	0.92	1.06	1.12	1.19	8.9%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	40.0	40.4	38.5	27.7	36.7
EBIT (adj) margin (%)	23.5	25.6	24.5	17.8	22.8
Pre-tax (adj) margin (%)	14.8	17.5	16.8	12.2	15.3
Net (adj) margin (%)	13.0	11.7	11.2	8.1	11.0
ROE (%)	7.9	7.6	8.1	8.3	8.0

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	2,281	2,431	2,605	3,426	14.5%
Total assets	31,077	31,253	33,600	36,017	5.0%
Short and long-term debt	14,128	13,478	14,778	16,078	4.4%
Total liabilities	20,941	20,723	22,488	24,282	5.1%
Shareholders' equity	8,270	8,663	9,245	9,868	6.1%
Net debt/(funds)	11,847	11,047	12,173	12,652	2.2%
Cash flow from operations	1,935	2,220	2,434	2,620	10.6%
Capital expenditure	-2,646	-3,579	-3,744	-3,069	N/A
Free cash flow	-1,637	1,194	-836	-148	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	22.0	20.3	19.0	17.6	19.7
EV/EBITDA (adj) (x)	12.5	9.9	9.3	8.7	10.1
EV/EBIT (adj) (x)	21.3	15.6	14.6	13.6	16.3
FCF yield (%)	-5.9	4.5	-3.0	-0.5	-1.2
Dividend yield (%)	2.6	3.0	3.2	3.4	3.1
Net debt/EBITDA (adj) (x)	5.4	4.1	4.0	3.9	4.3

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	57.7	61.3	60.7	59.8	59.9
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	18,770	21,043	23,353	24,883	22,012
EV/Rate base (x)	1.5	1.3	1.2	1.1	1.3
FFO/Debt (%)	21.2	14.9	14.6	16.8	16.9
Equity Issuance ($mn)	13	600	250	250	278

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024)	**USD 35.14**
Price Target	**USD 38.00**

Why OVERWEIGHT?

We believe NI's premium asset given wide availability of capital tracker mechanisms across the company's six-state footprint, along with current discounted trading multiple, warrants an OW rating on shares.

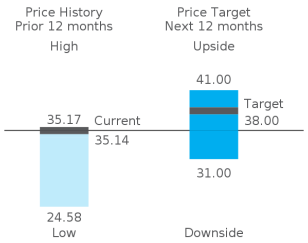
Upside case **USD 41.00**

We see upside scenario could be achieved if: 1) NI realizes its capex upside outside of current capital plan; 2) NI is able to receive constructive rate case outcome for current regulatory processes.

Downside case **USD 31.00**

We see down scenario if: 1) NI is not able to realize its capex upside outside of current capital plan; 2) NI is not able to receive constructive rate case outcome for current regulatory processes.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

OGE Energy Corp. (OGE)

EQUAL WEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	2,674	2,843	3,019	3,181	6.0%
EBITDA (adj)	1,157	1,236	1,321	1,406	6.7%
EBIT (adj)	748	805	861	920	7.2%
Pre-tax income (adj)	473	477	510	540	4.5%
Net income (adj)	416	432	461	489	5.5%
EPS (adj) ($)	2.07	2.14	2.28	2.41	5.3%
Diluted shares (mn)	201	201	202	202	0.3%
DPS ($)	1.66	1.70	1.72	1.75	1.7%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	43.3	43.5	43.8	44.2	43.7
EBIT (adj) margin (%)	N/A	N/A	N/A	N/A	N/A
Pre-tax (adj) margin (%)	17.7	16.8	16.9	17.0	17.1
Net (adj) margin (%)	15.5	15.2	15.3	15.4	15.3
ROE (%)	9.3	9.5	9.8	10.1	9.7

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	0	386	324	289	1030.2%
Total assets	12,791	13,713	14,260	14,855	5.1%
Short and long-term debt	4,840	5,640	6,040	6,465	10.1%
Total liabilities	8,279	9,092	9,505	9,945	6.3%
Shareholders' equity	4,512	4,622	4,755	4,910	2.9%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	1,232	1,008	1,015	1,073	-4.5%
Capital expenditure	-1,178	-1,100	-1,150	-1,200	N/A
Free cash flow	-40	-92	-135	-127	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	19.9	19.2	18.0	17.1	18.5
EV/EBITDA (adj) (x)	11.3	10.9	10.6	10.3	10.8
EV/EBIT (adj) (x)	17.5	16.8	16.2	15.7	16.6
FCF yield (%)	-0.3	-0.7	-1.0	-0.9	-0.7
Dividend yield (%)	4.0	4.1	4.2	4.2	4.1
Net debt/EBITDA (adj) (x)	4.2	4.2	4.3	4.4	4.3

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	80.1	79.2	75.4	72.3	76.8
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	8,700	9,251	9,823	10,415	9,547
EV/Rate base (x)	1.5	1.5	1.4	1.4	1.4
FFO/Debt (%)	17.1	19.2	17.8	17.4	17.9
Equity Issuance ($mn)	-2	20	20	20	14

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 41.15**
Price Target **USD 42.00**

Why EQUAL WEIGHT?

We rate OGE Equal Weight as we see valuation currently fair and apply a 10% relative premium considering the recent settlement which de-risks about 80% of asset base (OK segment).

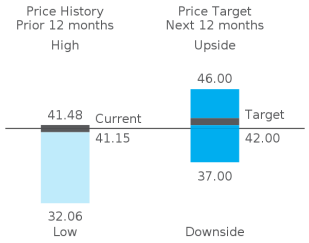
Upside case USD 46.00

Our upside case assumes a ~12% premium to the small-cap electric peer group average of 14.6x, which could be realized if 1) robust load growth trends continue, 2) there are limited equity needs in outer years of the financial plan, 3) RFP and IRP are executed to the fullest extent.

Downside case USD 37.00

Our downside case assumes OGE trades at a 10% discount to the small-cap electric peer group which could be realized if 1) load growth moderates, 2) there are continued delays/cost headwinds for solar assets, 3) the company sees an unconstructive rate outcome.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

PG&E Corporation (PCG)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	24,428	27,626	28,222	28,853	5.7%
EBITDA (adj)	6,409	9,825	10,635	11,474	21.4%
EBIT (adj)	2,671	5,830	6,317	6,871	37.0%
Pre-tax income (adj)	699	3,810	4,165	4,604	87.5%
Net income (adj)	2,630	2,932	3,206	3,546	10.5%
EPS (adj) ($)	1.23	1.37	1.48	1.61	9.4%
Diluted shares (mn)	2,138	2,141	2,165	2,202	1.0%
DPS ($)	0.00	0.04	0.07	0.13	N/A

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	26.2	35.6	37.7	39.8	34.8
EBIT (adj) margin (%)	10.9	21.1	22.4	23.8	19.6
Pre-tax (adj) margin (%)	2.9	13.8	14.8	16.0	11.8
Net (adj) margin (%)	10.8	10.6	11.4	12.3	11.3
ROE (%)	10.9	11.0	10.7	10.4	10.7

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	932	608	58	781	-5.7%
Total assets	125,698	129,990	136,745	143,492	4.5%
Short and long-term debt	56,322	57,322	59,772	61,972	3.2%
Total liabilities	100,406	101,842	104,768	107,494	2.3%
Shareholders' equity	25,292	28,148	31,977	35,998	12.5%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	4,747	9,066	9,092	9,560	26.3%
Capital expenditure	-9,714	-10,300	-12,700	-11,500	N/A
Free cash flow	13,909	19,366	21,792	21,060	14.8%

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	16.6	14.9	13.8	12.7	14.5
EV/EBITDA (adj) (x)	15.4	10.2	9.7	9.1	11.1
EV/EBIT (adj) (x)	37.1	17.2	16.4	15.3	21.5
FCF yield (%)	14.1	19.3	21.1	20.1	18.6
Dividend yield (%)	0.0	0.2	0.3	0.6	0.3
Net debt/EBITDA (adj) (x)	8.6	5.8	5.6	5.3	6.3

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	0.0	3.1	4.4	8.1	3.9
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	56,750	62,435	69,322	76,460	66,242
EV/Rate base (x)	1.7	1.6	1.5	1.4	1.6
FFO/Debt (%)	9.7	16.0	15.2	15.6	14.1
Equity Issuance ($mn)	0	0	750	750	375

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024)	**USD 20.38**
Price Target	**USD 25.00**

Why OVERWEIGHT?

We believe PCG trades at an unreasonable dislocation to the average utility P/E. We expect regulatory outcomes to continue to trend positively and execution of the company's sector-high EPS growth rate (9-10%) should warrant multiple expansion over time.

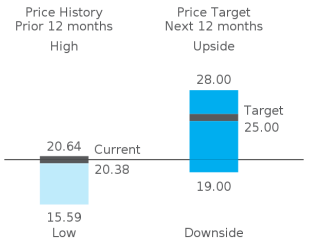
Upside case **USD 28.00**

Our upside case assumes PCG trends closer to the group average multiple (~4% premium) after the market begins to perceive PCG more positively after demonstrating wildfire mitigation efforts, and addressing GRC risk for 2024-2026.

Downside case **USD 19.00**

Our downside case applies a ~29% discount P/E to 2026 EPS assuming further erosion of investor confidence in PCG's operating profile if additional wildfire liabilities materialize in 2023 or past liabilities are borne unto shareholders.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

Portland General Electric Company (POR)

EQUAL WEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	2,923	3,171	3,326	3,502	6.2%
EBITDA (adj)	854	1,042	1,135	1,246	13.4%
EBIT (adj)	446	600	663	726	17.6%
Pre-tax income (adj)	273	385	426	479	20.6%
Net income (adj)	233	322	356	400	19.8%
EPS (adj) ($)	2.30	3.08	3.24	3.39	13.8%
Diluted shares (mn)	101	104	110	118	5.2%
DPS ($)	1.86	1.95	2.04	2.15	5.0%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	29.2	32.9	34.1	35.6	32.9
EBIT (adj) margin (%)	15.3	18.9	19.9	20.7	18.7
Pre-tax (adj) margin (%)	9.3	12.2	12.8	13.7	12.0
Net (adj) margin (%)	8.0	10.1	10.7	11.4	10.1
ROE (%)	7.6	9.1	9.0	8.7	8.6

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	5	278	261	190	236.1%
Total assets	11,208	12,348	13,029	14,307	8.5%
Short and long-term debt	4,005	4,705	4,925	5,125	8.6%
Total liabilities	7,889	8,600	8,833	9,272	5.5%
Shareholders' equity	3,319	3,748	4,196	5,035	14.9%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	420	823	887	1,207	42.2%
Capital expenditure	-1,358	-1,340	-1,200	-1,900	N/A
Free cash flow	-938	-517	-313	-693	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	21.0	15.7	14.9	14.3	16.5
EV/EBITDA (adj) (x)	10.6	9.1	8.6	8.0	9.1
EV/EBIT (adj) (x)	20.3	15.8	14.6	13.7	16.1
FCF yield (%)	-10.4	-5.5	-3.2	-6.9	-6.5
Dividend yield (%)	3.8	4.0	4.2	4.4	4.1
Net debt/EBITDA (adj) (x)	4.7	4.2	4.1	4.0	4.3

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	80.5	63.1	63.1	63.2	67.5
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	5,800	6,391	7,143	8,134	6,867
EV/Rate base (x)	1.6	1.5	1.4	1.2	1.4
FFO/Debt (%)	18.7	18.6	19.0	24.5	20.2
Equity Issuance ($mn)	485	293	300	675	438

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024)	**USD 48.40**
Price Target	**USD 49.00**

Why EQUAL WEIGHT?

We rate POR as EW as we believe the stock is fairly valued at a utility group average 2026 P/E multiple with market potentially pricing in constructive outcomes for the rate case and RFP upside opportunities.

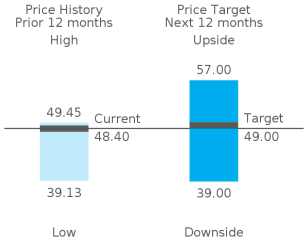
Upside case **USD 57.00**

We assume a ~9% premium to the group average small-cap utility multiple which could be realized if 1) POR can issue less equity than anticipated for RFP; 2) Overly constructive regulatory outcomes in OR.

Downside case **USD 39.00**

Our downside case assumes a ~24% discount to the group average 2025 P/E multiple which could be realized if 1) wildfire activity accelerates in OR this summer/fall; 2) if POR cannot meet EPS targets; or 3) if POR receives an unfavorable outcome in its current GRC.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

PPL Corp (PPL)

EQUAL WEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	8,312	8,477	8,800	9,147	3.2%
EBITDA (adj)	2,884	3,575	3,885	4,209	13.4%
EBIT (adj)	1,590	2,298	2,514	2,741	19.9%
Pre-tax income (adj)	924	1,574	1,709	1,850	26.0%
Net income (adj)	1,183	1,236	1,344	1,455	7.2%
EPS (adj) ($)	1.60	1.67	1.82	1.97	7.1%
Diluted shares (mn)	738	739	740	740	0.1%
DPS ($)	0.95	1.03	1.10	1.18	7.6%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	34.7	42.2	44.1	46.0	41.8
EBIT (adj) margin (%)	19.1	27.1	28.6	30.0	26.2
Pre-tax (adj) margin (%)	11.1	18.6	19.4	20.2	17.3
Net (adj) margin (%)	14.2	14.6	15.3	15.9	15.0
ROE (%)	8.5	8.7	9.2	9.6	9.0

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	331	-18	180	477	13.0%
Total assets	39,236	40,689	43,218	45,901	5.4%
Short and long-term debt	15,604	16,304	18,024	19,839	8.3%
Total liabilities	25,303	26,279	28,278	30,375	6.3%
Shareholders' equity	13,933	14,409	14,940	15,526	3.7%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	1,758	2,836	3,040	3,252	22.8%
Capital expenditure	-2,390	-3,125	-3,750	-3,900	N/A
Free cash flow	4,141	5,961	6,790	7,152	20.0%

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	20.4	19.5	18.0	16.6	18.6
EV/EBITDA (adj) (x)	13.6	11.3	10.8	10.3	11.5
EV/EBIT (adj) (x)	24.8	17.6	16.7	15.9	18.7
FCF yield (%)	10.5	14.7	16.2	16.5	14.5
Dividend yield (%)	2.9	3.1	3.4	3.6	3.3
Net debt/EBITDA (adj) (x)	N/A	N/A	N/A	N/A	N/A

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	59.5	61.5	60.5	59.8	60.3
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	25,400	27,161	29,450	31,789	28,450
EV/Rate base (x)	1.5	1.5	1.4	1.4	1.5
FFO/Debt (%)	12.4	17.4	17.0	16.8	15.9
Equity Issuance ($mn)	0	0	0	0	0

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 32.66**
Price Target **USD 34.00**

Why EQUAL WEIGHT?

We like PPL's business for 1) better than avg balance sheet of 16-18% FFO/debt; 2) linear 6-8% LT EPS growth and 3) large generation replacement cycle. The stock has re-rated over the course of last year and we see more balanced risk/ reward after successful re-rating.

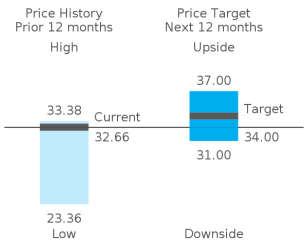
Upside case USD 37.00

Our upside case assumes a ~13% premium to the group average large-cap utility multiple which could be realized if 1) PPL executes on incremental capex opps via IIJA projects in KY, 2) PPL sees constructive rate outcomes in '25+ in KY and RI.

Downside case USD 31.00

Our downside case assumes a ~5% discount to the group average 2025 P/E multiple which could be realized if 1) the company is unable to execute on O&M reduction targets, 2) the company is forced to extend the life span of aged coal assets and must spend to keep these assets running.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

Talen Energy Corporation (TLN)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	2,554	1,770	1,492	1,624	-14.0%
EBITDA (adj)	1,121	813	1,084	1,405	7.8%
EBIT (adj)	84	-224	-505	-440	N/A
Pre-tax income (adj)	871	645	351	404	-22.6%
Net income (adj)	608	519	285	327	-18.7%
EPS (adj) ($)	10.24	9.88	6.22	8.05	-7.7%
Diluted shares (mn)	59	53	46	41	-11.9%
DPS ($)	0.00	0.00	0.00	0.00	N/A

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	43.9	45.9	72.7	86.5	62.2
EBIT (adj) margin (%)	29.6	65.0	72.7	86.5	63.4
Pre-tax (adj) margin (%)	10.3	7.4	4.8	5.0	6.9
Net (adj) margin (%)	23.8	29.3	19.1	20.1	23.1
ROE (%)	N/A	N/A	N/A	N/A	N/A

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	400	1,333	1,008	710	21.1%
Total assets	7,121	6,760	6,240	5,763	-6.8%
Short and long-term debt	2,820	2,820	2,920	3,020	2.3%
Total liabilities	4,587	4,712	4,812	4,912	2.3%
Shareholders' equity	2,534	2,048	1,428	851	-30.5%
Net debt/(funds)	2,420	1,487	1,912	2,310	-1.5%
Cash flow from operations	864	1,118	769	822	-1.7%
Capital expenditure	-254	-180	-200	-225	N/A
Free cash flow	-87	315	485	737	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	17.0	17.6	28.0	21.6	21.1
EV/EBITDA (adj) (x)	11.3	14.4	11.2	8.9	11.5
EV/EBIT (adj) (x)	150.9	-52.5	-24.1	-28.6	11.4
FCF yield (%)	-0.7	2.7	4.0	5.9	3.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA (adj) (x)	2.2	1.8	1.8	1.6	1.8

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Regulated (%)	N/A	N/A	N/A	N/A	N/A
Rate base (RAB)	N/A	N/A	N/A	N/A	N/A
EV/Rate base (x)	N/A	N/A	N/A	N/A	N/A
FFO/Debt (%)	27.9	75.2	40.2	35.6	44.7
Equity Issuance ($mn)	0	-1,000	-900	-900	-700

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024)	**USD 173.97**
Price Target	**USD 202.00**

Why OVERWEIGHT?

We see TLN offering a unique FCF growth and capital return story including accelerating it's share repurchase commitments at the upcoming 2024 Analyst Day. We see 33% upside in our base case with TLN a compelling way to play PJM capacity & power markets.

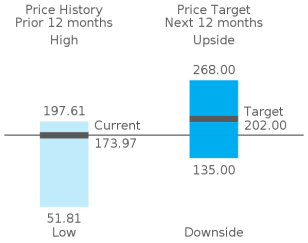
Upside case **USD 268.00**

Our bull case contemplates a 9.5x multiple on $1.38bn of EBITDA, which could be achieved if TLN accelerated the buy-back, AWS MW uptake, or continues to see tight capacity pricing above our current estimates.

Downside case **USD 135.00**

Our downside case contemplates a 5.5x EV/EBITDA multiple on $1.38bn of EBITDA, which could be realized if mgmt does not accelerated the buy-back, sees declining spark spreads in PJM, or is unsuccessful in implementing the AWS transaction.

Upside/Downside scenarios



U.S. Power & Utilities | POSITIVE

Xcel Energy Inc. (XEL)

OVERWEIGHT

Income statement ($mn)	2023A	2024E	2025E	2026E	CAGR
Revenue	14,206	16,391	17,071	17,701	7.6%
EBITDA (adj)	4,929	5,794	6,404	6,965	12.2%
EBIT (adj)	2,680	3,187	3,551	3,914	13.5%
Pre-tax income (adj)	1,625	2,000	2,207	2,474	15.0%
Net income (adj)	1,847	1,970	2,181	2,443	9.8%
EPS (adj) ($)	3.35	3.52	3.81	4.17	7.6%
Diluted shares (mn)	552	559	572	586	2.0%
DPS ($)	2.05	2.17	2.28	2.41	5.6%

Margin and return data	2023A	2024E	2025E	2026E	Average
EBITDA (adj) margin (%)	34.7	35.3	37.5	39.3	36.7
EBIT (adj) margin (%)	18.9	19.4	20.8	22.1	20.3
Pre-tax (adj) margin (%)	11.4	12.2	12.9	14.0	12.6
Net (adj) margin (%)	13.0	12.0	12.8	13.8	12.9
ROE (%)	10.8	10.7	10.8	11.1	10.8

Balance sheet and cash flow ($mn)	2023A	2024E	2025E	2026E	CAGR
Cash and equivalents	129	785	447	507	57.8%
Total assets	64,079	69,208	75,349	80,050	7.7%
Short and long-term debt	26,250	28,952	32,707	34,857	9.9%
Total liabilities	46,463	49,851	54,243	57,039	7.1%
Shareholders' equity	17,616	19,357	21,106	23,011	9.3%
Net debt/(funds)	N/A	N/A	N/A	N/A	N/A
Cash flow from operations	5,327	5,458	5,920	6,387	6.2%
Capital expenditure	-5,854	-7,420	-9,580	-7,940	N/A
Free cash flow	-599	-1,962	-3,660	-1,553	N/A

Valuation and leverage metrics	2023A	2024E	2025E	2026E	Average
P/E (adj) (x)	19.1	18.2	16.8	15.4	17.4
EV/EBITDA (adj) (x)	12.5	10.9	10.5	10.0	11.0
EV/EBIT (adj) (x)	22.9	19.9	19.0	17.8	19.9
FCF yield (%)	-1.0	-3.1	-5.4	-2.2	-2.9
Dividend yield (%)	3.2	3.4	3.6	3.8	3.5
Net debt/EBITDA (adj) (x)	5.3	4.9	5.0	4.9	5.0

Selected operating metrics	2023A	2024E	2025E	2026E	Average
Payout ratio (%)	59.1	61.5	60.0	57.8	59.6
Regulated (%)	100.0	100.0	100.0	100.0	100.0
Rate base (RAB) ($mn)	41,581	46,231	52,772	57,456	49,510
EV/Rate base (x)	1.5	1.4	1.3	1.2	1.3
FFO/Debt (%)	15.8	19.4	18.4	18.6	18.0
Equity Issuance ($mn)	270	875	875	875	724

Note: FY End Dec
Source: Company data, Bloomberg, Barclays Research

Price (18-Oct-2024) **USD 64.07**
Price Target **USD 67.00**

Why OVERWEIGHT?

We believe XEL's current P/E discount over-exaggerates the potential wildfire liability that could come from the current Smokehouse fire.

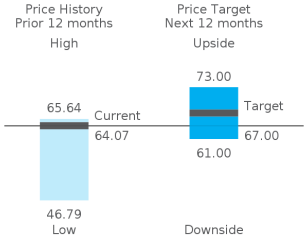
Upside case — USD 73.00

Our upside case assumes a ~13% premium to the group average large-cap electric multiple, which could be achieved if: 1) Xcel gets better-than-expected rate / RFP outcomes, 2) the company's liability is limited from wildfire claims, and 3) incremental capital execution.

Downside case — USD 61.00

Our downside case assumes a ~8% discount to the group average large-cap electric multiple, which could be achieved if: 1) regulatory rhetoric declines in service territories, 2) inflationary environment persists, and 3) the company is unable to execute on base capital plan.

Upside/Downside scenarios



Valuation Methodology and Risks

U.S. Power & Utilities

AES Corp. (AES / AES)

Valuation Methodology: We value AES based on a sum-of-the-parts valuation methodology, with value for the parts based on P/E and EV/EBITDA. To derive our $23 PT, we apply a -5% P/E valuation discount to Utilities SBU. For Renewable SBU, We apply a 11.0x EV/EBITDA multiple on 2025E EBITDA excluding tax credits, and a 50% discounted multiple to tax credit EBITDA. We value Energy Infrastructure's core EBITDA at 6.5x EV/EBITDA multiple, and 11x for Chile renewables EBITDA. We value AES's DevCo business using an NPV approach by discounting to FCF to equity holders with a 13.5% discount rate. For the FLNC stake, we derive AES's proportional equity value using FLNC's current market value and AES's 29% ownership
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Unexpected negative regulatory outcome in the US; negative impact to AES's valuation owing to exposure to FLNC ownership; currency and political risks associated with AES's international business segments.

Consolidated Edison, Inc. (ED / ED)

Valuation Methodology: Our PT is $104, which is based on a P/E multiple of 16.5x on 2026E EPS. We apply a 5% premium to the name based lack of parent debt and rate base growth guidance in-line with other large-cap peers.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Better than expected regulatory outcomes, rate case risk at CECONY, upside associated with transmission projects, inflationary headwinds, upside associated with transmission projects.

Constellation Energy (CEG / CEG)

Valuation Methodology: Our price target of $282 is based on a blended valuation approach averaging P/E and EV/EBITDA derived valuation. We apply a 40%/35% valuation premium to base earnings EPS/EBITDA, reflecting the cash flow predictability supported by the PTC floor price, and portfolio overall is being valued higher on potential to replicate opportunities similar to TMI/Crane given more credibility for management to execute on similar deals. We apply a neutral view on enhanced EPS and EBITDA for valuation purposes, reflecting uncertainties for the company to materialize upside with the backdrop of market volatility. We now incorporate valuation upside from the TMI/Crane restart, reflecting through 2030 P/E valuation approach. Our valuation benchmark for P/E is the 10yr average of 2yr forward P/E multiple of the IXU index, while the benchmark for EV/EBITDA is based on a peer group of yieldcos and renewables/IPPs on a 2025 basis.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Power price volatility affecting gross margin, nuclear uprate and additional generation build-out contain project risk, increased regulatory pressure on ISA/o-location scrutiny, political/election risks around IRA repeal which negatively impacts nuclear and hydrogen profitability.

Evergy Inc. (EVRG / EVRG)

Valuation Methodology: Our PT is $65 and is based on a SOTP approach applying a P/E multiple to 2026E EPS. We apply a 7.5% discount to the electric peer group multiple on account of regulatory jurisdictions that are relatively unconstructive compared to premium peers.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Better/worse than expected regulatory outcomes in KS and MO, inflationary headwinds, unfavorable weather trends.

NiSource, Inc. (NI / NI)

Valuation Methodology: We value NI on a P/E approach and calculate a price target of $38. Our base case multiple is derived by taking the regulated electric and regulated gas group multiples and applying a weighted-average approach based on NI's rate base mix. We apply a 15% premium accounting for: 1) numerous tracking mechanisms in place to realize real-time return on capital; 2) potential upside to capex that is not contemplated in our current EPS estimates.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Inflation increases above NI's O&M budgeting; gas is a combustible molecule, and NI has a history of two separate high-profile explosions in the past 20 years, which could negatively affect share price. Negative outcomes in IN rate case; renewable execution risk associated with supply chain, inflation, and customer bill pressures; natural disaster risk associated with operating electric and gas transportation assets.

OGE Energy Corp. (OGE / OGE)

Valuation Methodology: Our PT is $42, which is based on a 2026E P/E multiple approach. We apply a 10% premium to the small-cap peer group multiple of 14.7x on account of robust load trends in the service territory.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Better/worse than expected reg outcomes, decreased load growth via economic slowdown in the service territories, more equity needs than expected.

PG&E Corporation (PCG / PCG)

Valuation Methodology: Our PT is $25, which is based on a SOTP model using P/E multiples to value the parts. We value PCG and Parent EPS based on a 5% discount to the 2026E peer large-cap electric multiple. We believe this properly reflects the California discount due to inverse condemnation policy, offset by limited legacy wildfire liabilities owing to the CH11 restructuring event. We further impute an additional wildfire liability to shares of $1bn against equity value.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Failure to achieve constructive rate outcomes in the 2023 GRC, efficient financing strategies, or cost containment efforts. Lower ROEs through the next CoC cycle in CA, wildfire event risk which can add volatility to shares or outside liabilities not contemplated in our base case scenario.

PPL Corp (PPL / PPL)

Valuation Methodology: Our PT of $34 is based on a SOTP applying relative premium / discounts to the average group regulated multiples. We apply a 10% premium to the PA segment on account of historically constructive regulatory outcomes.

Valuation Methodology and Risks

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Better/worse than expected reg outcomes, inflationary pressures in states with stay-outs, natural disasters.

Portland General Electric Company (POR / POR)

Valuation Methodology: Our price target is $49 which is based on a P/E multiple approach on 2026 EPS. We apply a 5% discount to the small-cap peer group of 15.3x.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Risks: Better/worse than expected regulatory outcomes, wildfire risk, inflationary headwinds, construction projects coming online quicker/cheaper than expected, climate change risk.

Talen Energy Corporation (TLN / TLN)

Valuation Methodology: We apply an EV/EBITDA approach to value shares, using a 7.5x EV/EBITDA base multiple, with a 12.0x multiple for Susquehanna and ~$2.3bn of net debt assumed in 2026E. We believe 12.0x for the nuclear asset is sound when comparing to CEG valuation at 14.0x 2026 EBITDA. We emphasize while IPP comparatives trade near 10.0x on 2026E, and TLN currently trades at 7.6x, our 7.5x base case multiple is conservative with the upside to shares mainly coming from the SRP(lower share count).
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Failure to successfully navigate the TLN-ISA FERC protest, worse than expected capacity market outcomes, power prices and their effect on out-year EBITDA particularly in 2026+ where TLN remains open, increased supply in PJM which could suppress power prices, operating risks associated with nuclear generation, including sourcing fuel and maintaining sufficient NDT reserves.

Xcel Energy Inc. (XEL / XEL)

Valuation Methodology: We value XEL using a P/E valuation with a $67 PT. Our SOTP valuation applies 10% P/E discounts to PSCO & SPS and premium multiples for the remaining businesses. This equates to a ~4% consolidated P/E discount, which we still see the stock overly discounting against.
Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Downside risks include worse-than-expected regulatory outcomes, wildfire events, worse-than-expected resolution of wildfire claims, and interest rate risks.

Source: Barclays Research

Analyst(s) Certification(s):
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Primary Stocks (Ticker, Date, Price)
AES Corp. (AES, 18-Oct-2024, USD 17.47), Overweight/Positive, CD/CE/J/K/M/N

Consolidated Edison, Inc. (ED, 18-Oct-2024, USD 106.76), Underweight/Positive, A/CE/D/E/J/K/L/M

Constellation Energy (CEG, 18-Oct-2024, USD 270.16), Overweight/Positive, A/CE/D/E/J/L

Evergy Inc. (EVRG, 18-Oct-2024, USD 61.12), Overweight/Positive, A/CD/CE/D/E/FA/J/K/L/M

NiSource, Inc. (NI, 18-Oct-2024, USD 35.14), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

OGE Energy Corp. (OGE, 18-Oct-2024, USD 41.15), Equal Weight/Positive, A/CD/CE/D/E/J/L

PG&E Corporation (PCG, 18-Oct-2024, USD 20.38), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

Other Material Conflicts: Barclays and/or its affiliate is acting as a financial advisor to Pacific Gas and Electric Corporation (NYSE:PCG) in relation to the company's proposal with the California Public Utilities Commission (CPUC) to sell a 49.9% ownership stake in a newly created regulated utility subsidiary that will own all of the company's non-nuclear generation assets. The rating, price target and estimates (as applicable) on Pacific Gas and Electric Corporation (NYSE: PCG) previously issued by the Firm's Research department do not incorporate any such transaction.

PPL Corp (PPL, 18-Oct-2024, USD 32.66), Equal Weight/Positive, CE/D/E/J/K/L/M/N

Portland General Electric Company (POR, 18-Oct-2024, USD 48.40), Equal Weight/Positive, CD/CE/D/E/J/K/L/M

Talen Energy Corporation (TLN, 18-Oct-2024, USD 173.97), Overweight/Positive, E/J/K/L/M

Xcel Energy Inc. (XEL, 18-Oct-2024, USD 64.07), Overweight/Positive, CD/CE/D/E/J/K/L/M

Materially Mentioned Stocks (Ticker, Date, Price)
Alliant Energy Corporation (LNT, 18-Oct-2024, USD 62.17), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

Ameren Corp. (AEE, 18-Oct-2024, USD 88.84), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

American Electric Power Company, Inc. (AEP, 18-Oct-2024, USD 100.69), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

Atmos Energy (ATO, 18-Oct-2024, USD 143.26), Equal Weight/Positive, CD/CE/J

CMS Energy Corporation (CMS, 18-Oct-2024, USD 71.29), Equal Weight/Positive, CD/CE/E/J/K/L/M

CenterPoint Energy, Inc. (CNP, 18-Oct-2024, USD 30.11), Underweight/Positive, A/CD/CE/D/E/J/K/L/M

Chesapeake Utilities Corp (CPK, 18-Oct-2024, USD 122.21), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

DTE Energy (DTE, 18-Oct-2024, USD 128.90), Overweight/Positive, A/CD/CE/D/E/J/K/L/M/N

Dominion Energy (D, 18-Oct-2024, USD 59.92), Overweight/Positive, A/CD/D/E/J/K/L/M

Duke Energy Corporation (DUK, 18-Oct-2024, USD 120.76), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

Edison International (EIX, 18-Oct-2024, USD 85.43), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

Entergy Corp. (ETR, 18-Oct-2024, USD 135.28), Overweight/Positive, A/CD/D/E/J/K/L/M

Eversource Energy (ES, 18-Oct-2024, USD 66.13), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

Exelon Corporation (EXC, 18-Oct-2024, USD 40.95), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

FirstEnergy Corp. (FE, 18-Oct-2024, USD 43.66), Equal Weight/Positive, CD/CE/D/E/J/K/L/M

NextEra Energy, Inc. (NEE, 18-Oct-2024, USD 84.38), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M

NorthWestern Corporation (NWE, 18-Oct-2024, USD 56.47), Underweight/Positive, CE/J

Pinnacle West Capital Corporation (PNW, 18-Oct-2024, USD 87.92), Overweight/Positive, A/CD/CE/D/E/FA/J/K/L/M

Public Service Enterprise Group (PEG, 18-Oct-2024, USD 89.76), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

Sempra (SRE, 18-Oct-2024, USD 85.96), Overweight/Positive, A/CD/CE/D/E/J/K/L/M

TXNM Energy (TXNM, 18-Oct-2024, USD 43.62), Overweight/Positive, CD/CE/FA/J

The Southern Company (SO, 18-Oct-2024, USD 93.24), Equal Weight/Positive, A/CD/CE/D/E/J/K/L/M/N

WEC Energy Group, Inc. (WEC, 18-Oct-2024, USD 99.85), Underweight/Positive, A/CD/CE/D/E/J/K/L/M

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Constellation Energy (CEG)	Dominion Energy (D)	DTE Energy (DTE)
Duke Energy Corporation (DUK)	Edison International (EIX)	Entergy Corp. (ETR)
Evergy Inc. (EVRG)	Eversource Energy (ES)	Exelon Corporation (EXC)
FirstEnergy Corp. (FE)	NextEra Energy, Inc. (NEE)	NiSource, Inc. (NI)
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U.S. Power & Utilities

Nathan Richardson

+1 212 526 6244

nathan.richardson@barclays.com

BCI, US

October 23, 2024 | 02:32 ET~

IN Depth

BMO Capital Markets

Utilities, Power & Renewables

3Q24 Regulated Preview – Want SMR? S'More What? We Meme Data Centers & Nuclear!

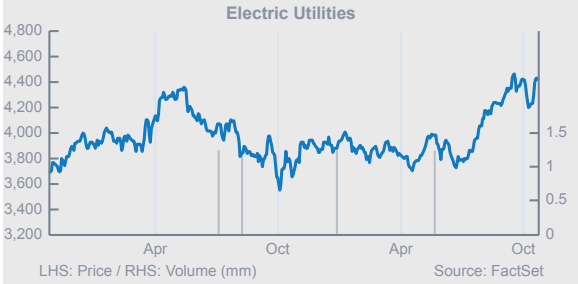
Utilities, Power & Renewables

James M. Thalacker — Analyst
james.thalacker@bmo.com — (347) 668-8970

Edward M DeArias, CFA — VP Associate
edward.dearias@bmo.com — (347) 274-1556

Tanmay Pandit — Senior Associate
tanmay.pandit@bmo.com — (437) 246-7075

Legal Entity: BMO Capital Markets Corp.



Bottom Line:

3Q24 earnings for our Utilities, Power & Renewables coverage kicks off this week with NEE and NEP reporting on Wednesday and DTE reporting on Thursday. For our regulated utility coverage, we expect this reporting season to be focused on company-specific updates in conjunction with the upcoming EEI conference given the handful of companies initiating year-ahead guidance and rolling forward capital plans. However, the November elections and load growth/data center progress will also be important topics this reporting/conference season. **With the quarterly results appearing largely in line and full year progress largely on track, the calls/updates we expect to be of most interest to investors are AEP, LNT, CMS, DUK, ETR, NI, XEL, and WEC.**

Key Points

Beyond the capital updates, we see several broader themes being topical on calls including: 1) November election implication; 2) progress against external equity programs and credit health amongst declining interest rates; 3) AI/data center activity and overall load growth outlooks coupled with updated IRPs and new-build generation including early thoughts on SMR technology; and 4) continued evolution of cost allocation and rate design given the significant data center load, and extreme weather.

We remain positive on the group overall given: 1) the sector's relative discount to the broader market of ~12-13%; 2) the U.S. remains focused on energy and AI security which should drive both volumes/rate headroom and potentially the need for more infrastructure-related investment; 3) the combination of 5-6% EPS growth plus a 3.2% current yield provides investors with an 8-9% total return at ~40% of the systematic risk of broader equity markets; and 4) less yield-on-yield competition with short-term treasuries (~80bps spread) and an associated lower drag CP/term loan term outs.

However, we do see risks to the sector especially given: 1) its year-to-date relative performance and broadening shareholders' sponsorship that is due at least in part to the very high profile AI demand thematic; 2) nascent but growing expectations of a nuclear renaissance and related capital opportunities; and 3) potential political and affordability risks (headroom) to rapidly rising power prices if demand accelerates at a pace that the power industry as a whole (regulated and unregulated) is unable to at least partially address through additional resource adequacy.

Discussed inside, in our recent marketing meetings and other discussions with investors we have noticed a shift in the interest in names within the group. While overall both dedicated and non-dedicated investors remain positive on the sector, after the most recent relative outperformance we are getting an increasing number of calls on names that trade at larger relative discounts (XEL, EXC, AEE, SRE & ES).

We believe this shift continues to support our portfolio construction framework that incorporates a barbell approach which on one side has high-quality compounders (more of a directional expression on the group) as well as a GARP/ relative value side where investors can benefit from relative outperformance where a company's catalysts potentially drive a re-rating in shares. **For High Quality/ Compounder, we recommend CMS Energy (CMS), Duke Energy (DUK) and Southern Company (SO). On GARP/Relative Value, we recommend NiSource Inc. (NI), Ameren Corp. (AEE) and Sempra Energy (SRE).**

BMO Top 15 List

BMO Top 15 List Member

NiSource (NI-NYSE) - Income Stock
Sempra (SRE-NYSE) - Income Stock

Industry Research

Glossary

For disclosure statements, including the Analyst Certification, please refer to page(s) 39 to 42.

3Q24 Earnings Preview – Want SMR? S'More What? We Meme More Data Centers and Nuclear!

3Q24 earnings for our Utilities, Power & Renewables coverage kicks off this week with NEE and NEP reporting on Wednesday and DTE reporting on Thursday.

For our regulated utility coverage, we expect this reporting season to be focused on company-specific updates in conjunction with the upcoming EEI conference given the handful of companies initiating year-ahead guidance and rolling forward capital plans. Additionally, we see several broader themes being topical on calls including November election implications, progress against external equity programs and credit health amongst declining interest rates, AI/data center activity and overall load growth outlooks coupled with updated IRPs and new-build generation including early thoughts on SMR technology, continued evolution of cost allocation and rate design given the significant growth of data center load, and extreme weather/hurricanes during the quarter.

With the quarterly results appearing largely in line and full year progress mostly on track, amongst the calls we expect to be of most interest to investors are: 1) AEP – capital and financing plan roll forward, associated rate base growth EPS growth rate and the potential to sell a minority stake in its OH and I&M transmission businesses; 2) LNT – 2025 guidance, capital plan roll forward and associated rate base growth, and incremental load growth and data center/economic development disclosures; 3) CMS – 2025 guidance initiation consistent with past formulaic roll out; 4) DUK – 2025 early drivers outlook and storm update; 5) ETR – 2025-2027 capital plan early look consistent with June analyst day and updates on RFPs; 6) NI – 2025 guidance, capital plan roll forward and associated rate base growth; 7) XEL - 2025 guidance, capital and financing plan roll forward and associated rate base growth, incremental load growth and data center/economic development disclosures, and any updates on wildfires; and 8) WEC - capital and financing plan roll forward and associated rate base and EPS growth, and incremental load growth and data center/economic development disclosures.

Exhibit 1 below summarizes our expectations for 2024 guidance range adjustments, 2025 initiations, capital plan updates, and rate base/EPS growth rate refreshes.

Exhibit 1 - Summary of 3Q24 Updates

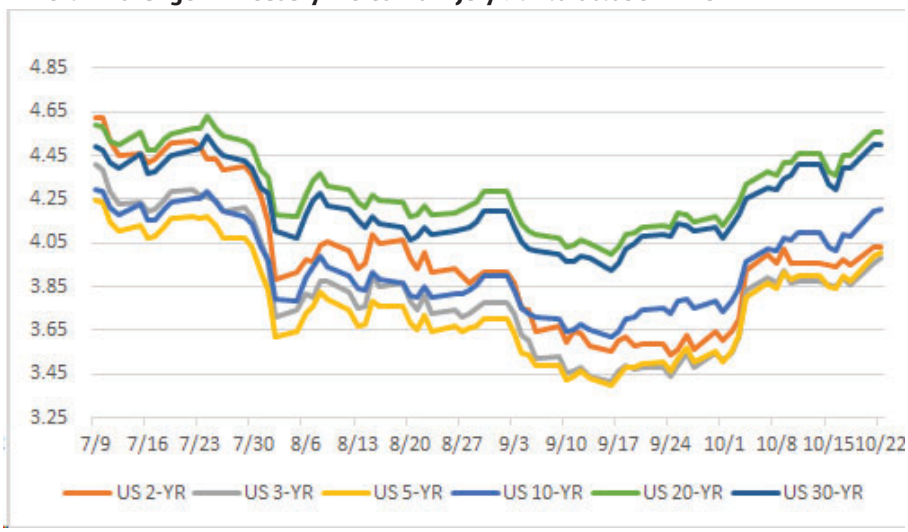
Company	2024 Guidance Update	BMO Expectation	2025 Guidance Initiation	BMO Expectation EPS/EBITDA Range	Capital Plan/Rate Base Refresh	Growth Rate Update	Expected Growth Rate
AEE	✓	$4.54-4.70		Select Considerations			
AEP			✓	$5.89-6.10	✓	✓	5-7%
AY							
CMS			✓	$3.52-3.59			
CNP							
D							
DTE							
DUK	✓	$5.90-6.05		Qualitative Drivers			
ES	✓	$4.52-4.64					
ETR	✓	$7.15-7.35			✓		
EXC	✓	$2.42-2.50					
LNT	✓	$2.99-3.08	✓	$3.17-3.31	✓	✓	5-7%
NEE							
NEP							
NI			✓	$1.83-1.87	✓	✓	6-8%
PEG							
SO	✓	Point at top of range					
SRE							
XEL	✓	$3.54-3.59	✓	$3.75-3.85	✓	✓	5-7%
WEC					✓	✓	6.5-7%

Source: BMO Capital Markets, Company Reports

Rate-Driven Rally – But Fundamental Tailwinds Improving (Interest Rates, Equity Prices & Growing Demand)

The regulated utility group has witnessed some large swings year-to-date after significant underperformance relative to the broader market in 2023 (~50%). After underperforming another 15% into the end of February the group caught a generalist bid in our opinion driven by the Talen Energy (TLN, Not Rated)/AWS data center announcement in early March with the hope of significantly higher load growth possibly leading to higher sustainable EPS growth for the sector. Through the end of May the sector outpaced the S&P 500 by 16% only to give back nearly 70% of that move into early July as investors better understood that this lower margin volume growth would need to be accompanied by increased investment to lead to sustainable higher earnings growth.

Exhibit 2 - Change in Treasury Yields from July 9th to October 22nd



Source: BMO Capital Markets, Bloomberg

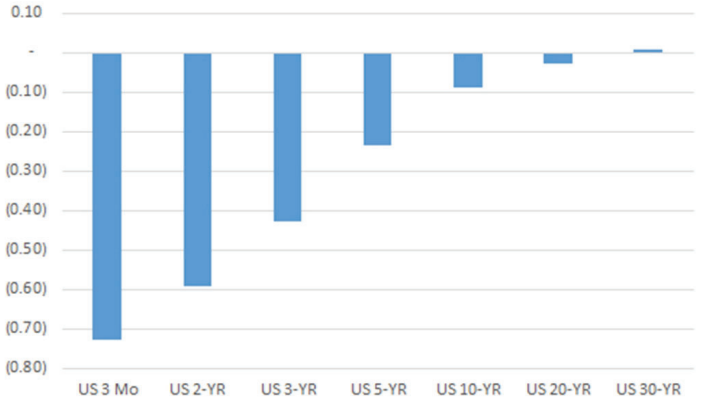
However, since the beginning of July the sector has once again resumed its leadership position moving up 13% relative to the S&P 500 but this time for a different reason – lower interest rates. We believe this recent outperformance over the last ~4 months has largely been a rate-driven phenomenon. Specifically, when you look at the sectors and style leadership in the broader market over this timeframe, they all have one common denominator, exposure to lower rates. As illustrated in Exhibit 3 we believe the leadership in sectors like financials (steepening yield curve - Exhibit 4), telecom, utilities, insurers, and REITs as well as on a style basis the rotation from large cap to small cap and growth into value illustrates this was not an AI or defensive driven rally but reflects the significant back up in rates, especially at the front end of the Treasury curve. Moreover, technology as a whole actually underperformed over this period.

Exhibit 3 - Year-To-Date Sector Performance

Sector/Style	Period % Chg.	YTD % Chg.	30D RSI	Sector/Style	Period % Chg.	YTD % Chg.	30D RSI
Regional Banks - KRE	+20%	+10%	54	Staples - XLP	+6%	+13%	45
Telco - IYZ	+19%	+14%	66	S&P 500	+5%	+23%	64
US Utilities - XLU	+18%	+29%	62	Healthcare - XLV	+4%	+11%	42
Banks - KBE	+18%	+17%	54	Retail - XRT	+4%	+7%	53
Insurers - KIE	+16%	+28%	58	Momentum - MTUM	+4%	+33%	65
REITs - REIT	+15%	+12%	49	Discretionary - XLY	+4%	+11%	55
Industrials - XLI	+13%	+22%	66	HY Bonds	+3%	+3%	47
A&D - ITA	+13%	+23%	71	Russell 3000 Growth	+2%	+26%	65
Financials - XLF	+13%	+26%	66	Energy - XLE	+2%	+7%	50
Low Vol - SPLV	+12%	+16%	60	IG Bonds	+2%	(1%)	30
Transports - IYT	+10%	+7%	58	Large Growth	+1%	+27%	66
Small Value	+10%	+7%	52	Dollar	(1%)	+3%	70
Russell 3000 Value	+10%	+15%	59	Tech - XLK	(1%)	+21%	61
Materials - XLB	+10%	+13%	61	MLP - AMZ	(3%)	+11%	42
Large Value	+10%	+16%	59	E&P - XOP	(6%)	(2%)	47
Russell 2K - Small Cap	+10%	+11%	54	Solar ETF - TAN	(8%)	(31%)	35
Min Vol - USMV	+10%	+18%	60	OFS - OIH	(9%)	(9%)	41
Small Growth	+9%	+14%	57	WTI - CO1	(10%)	+5%	49

Source: BMO Capital Markets, Bloomberg

Exhibit 4 - Change in Rates Year-to-Date

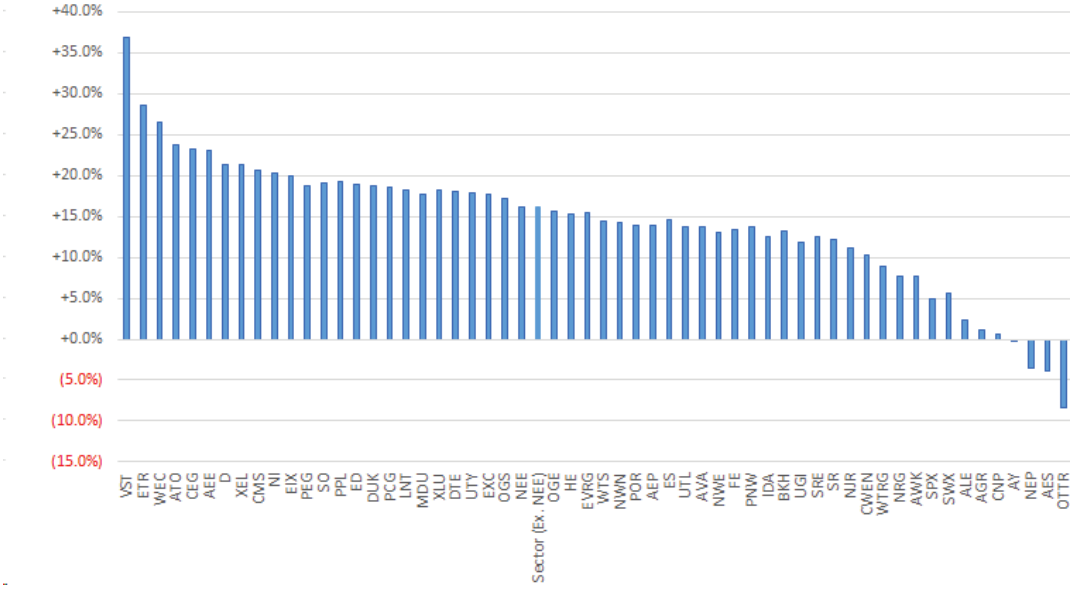


Source: BMO Capital Markets, Bloomberg

However, with both Constellation Energy and Vistra Corp now making up nearly 11% of the primary utility ETF (XLU), which is not far behind that of NextEra Energy at ~14%, it is not lost on us that there is an underlying tailwind in performance in the group from these names, which do have positive exposure to growing demand and a tightening S/D fundamental for power. Moreover, as a matter of national security policy, we believe the U.S. government will continue to prioritize energy security and AI dominance, which should benefit the sector regardless of the outcome of the upcoming November election(s).

Over the last several weeks, we have started to observe some overall rotation into more relative value names that could see some additional multiple expansion if the sector continues to maintain its leadership position. However, overall, we believe the rally since July was largely driven by large cap, high quality names typified by a median market cap of nearly $32bn. We believe this reflects non-dedicated investors looking for exposure in a sector that is a beneficiary of lower rates with growing demand and data center exposure as an added benefit. Within the sector this led to a gravitation largely towards the higher quality, most liquid names with minimal idiosyncratic risk profiles (Exhibit 5).

Exhibit 5 - Percent Change July 9th to October 22nd



Source: BMO Capital Markets, Bloomberg

We would point out, however, that the performance has not been homogeneous with several names outperforming due to fundamental-related multiple expansion including the derisking of the story such as ETR (SERI, LA formula rates), WEC (WI staff recommendation), AEE (staff

recommendation in IL grid plan and LTPR upside), D (CVOW installation on time/budget) and LNT (positive IA rate case and read through from WEC Energy staff recommendation in WI).

How are we thinking about the group now?

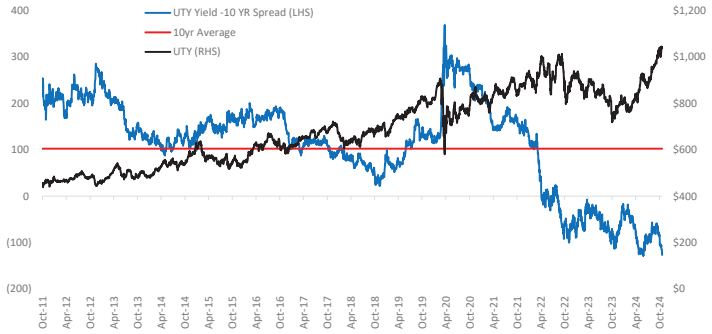
We remain positive on the group overall given: 1) the sector's relative discount to the broader market of ~12-13% (Exhibit 6) especially given an uneven economy and underlying negative EPS revisions and potentially unrealistic EPS growth expectations for the S&P 500 into 2025 (+15%), expectations for at least another 150bps rate cut over the next 15 months, manufacturing in contraction, and a frozen housing market (affordability and S/D imbalance); 2) the U.S. remains focused on energy and AI security, which should drive both volumes (rate headroom) and the need for more infrastructure-related investment for the group that at a minimum "lengthens and strengthens" its growth outlook; 3) the combination of 5-6% EPS growth plus a 3.2% current yield provides investors with an 8-9% total return at ~30-40% of the systematic risk of broader equity markets; and 4) less yield-on-yield competition with short-term treasuries (~80bps spread) and an associated lower drag CP/term loan term outs.

Exhibit 6 - Relative P/E – Utilities Vs. S&P 500



Source: BMO Capital Markets, FactSet

Exhibit 7 - Utilities vs 10-YR

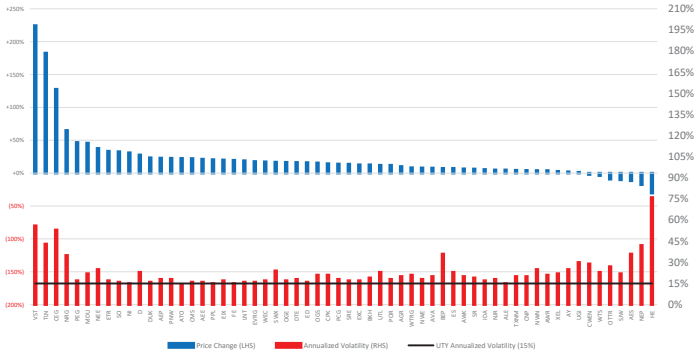


Source: BMO Capital Markets, FactSet

However, we do see risks to the sector especially given: 1) its year-to-date relative performance and broadening shareholders sponsorship that is due at least in part to the very high-profile AI demand thematic; 2) nascent but growing expectations of a nuclear renaissance and related capital opportunities; and 3) the potential political and affordability risks (headroom) to rapidly rising power prices if demand accelerates at a pace that the power industry as a whole (regulated and unregulated) is unable to at least partially address through additional resource adequacy.

Moreover, we continue to see potential macro and/or exogenous-related risks specific to the group that could shift the outlook of the relative investability of the sector for non-dedicated investors. The primary issue we see here as discussed above would be a material **upward change in interest rates** driven by higher-than-expected inflation and/or inflationary policies (tariffs as one example) post the November elections. However, as **climate change** has continued to drive stronger and more frequent storms and wildfire occurrences have increased, their geography has expanded, and liabilities have materially escalated some investors may choose to avoid these multi-million/billion expenses and potential for political backlash especially in an investment that has traditionally had finite growth. Finally, while the two-year beta of the group has come down modestly over the year, **annualized volatility** of the sector still remains elevated relative to broader stock indices as well as more defensive sectors including healthcare and staples as well as investment grade and high yield bonds (Exhibits 8 & 9).

Exhibit 8 - Year-to-Date Performance & Annualized Volatility



Source: BMO Capital Markets, Bloomberg

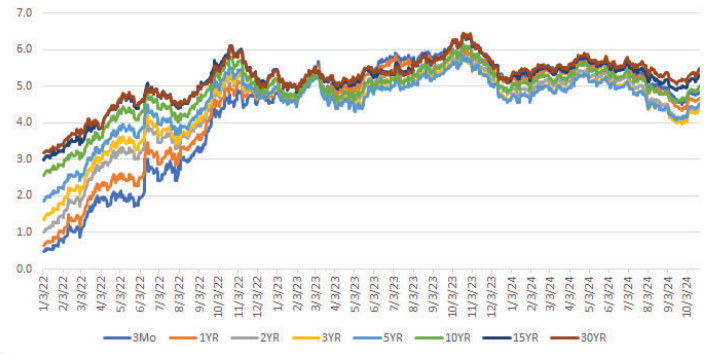
Exhibit 9 - Elevated Annualized Volatility

	Median YTD Return	Median Annualized Volatility	Median 2-Year Beta
Utilities, Power & Renewables			
Utilities	+16.20%	18%	0.30
Natural Gas LDCs	+6.50%	21%	0.42
Water Utilities	+4.00%	21%	0.49
YieldCos	+0.00%	33%	0.74
Independent Power	+155.20%	48%	1.08
Broad Market Indicies & Defensive Sectors			
S&P 500	+22.70%	12%	1.00
Healthcare	+10.80%	10%	0.65
Staples	+13.90%	10%	0.58
Investment Grade Corp. Bonds	(0.90%)	5%	0.30
High Yield Corporate Bonds	+2.60%	5%	0.43
Primary S&P 500 Sectors			
Communication Services	+25.00%	15%	1.05
Consumer Discretionary	+10.00%	17%	1.29
Energy	+8.00%	17%	0.65
Financials	+25.00%	12%	1.03
Industrials	+20.00%	13%	0.93
Materials	+12.00%	13%	0.98
Real Estate	+10.00%	16%	1.02
Technology	+20.00%	22%	1.24

Source: BMO Capital Markets, Bloomberg

As alluded to above, in our recent marketing meetings and other discussions with investors we have noticed a shift in the interest in names within the group. While overall both dedicated and non-dedicated investors remain positive on the sector, after the most recent relative outperformance we are getting an increasing number of calls on names that trade at larger relative discounts. This includes names like XEL, EXC, AEE, SRE, and to a lesser degree ES. We would also note that while PG&E Corp. (PCG, Not Rated) is also topical, we find many investors own the name based on valuation, growth potential, management quality and their continued wildfire derisking program. In short, they view it more as a value exposure than utility beta, per se.

Exhibit 10 - BBB+/BBB/BBB- Utility Bond Yields



Source: BMO Capital Markets, Bloomberg

Exhibit 11 - Utility Bond Yield Curves

A+/A/A-	3M	1YR	3YR	5YR	10YR	15YR	30YR
12/31/20	**0.21%**	**0.27%**	**0.38%**	**0.50%**	**0.85%**	**1.70%**	**2.32%**
12/31/21	**0.51%**	**0.67%**	**0.99%**	**1.32%**	**1.78%**	**2.45%**	**2.87%**
1Q22	1.83%	2.18%	2.70%	2.94%	3.18%	3.56%	3.84%
2Q22	2.63%	3.07%	3.62%	3.83%	4.11%	4.51%	4.81%
3Q22	4.33%	4.61%	4.87%	4.96%	5.11%	5.39%	5.64%
12/31/22	**4.81%**	**4.95%**	**4.99%**	**4.96%**	**4.98%**	**5.19%**	**5.46%**
1Q23	5.04%	4.94%	4.68%	4.61%	4.78%	5.07%	5.15%
2Q23	5.78%	5.69%	5.18%	4.97%	5.17%	5.32%	5.34%
3Q23	5.95%	5.90%	5.57%	5.52%	5.78%	6.04%	6.04%
12/31/23	**5.16%**	**5.09%**	**4.64%**	**4.60%**	**4.90%**	**5.16%**	**5.20%**
1Q24	5.59%	5.52%	5.15%	5.13%	5.43%	5.64%	5.70%
2Q24	5.57%	5.50%	5.10%	5.06%	5.38%	5.60%	5.71%
3Q24	4.62%	4.44%	4.06%	4.18%	4.67%	4.98%	5.17%
Last - 2024	**4.62%**	**4.44%**	**4.06%**	**4.18%**	**4.67%**	**4.98%**	**5.17%**
Chg. Since YE23	*-0.54%*	*-0.65%*	*-0.58%*	*-0.42%*	*-0.23%*	*-0.18%*	*-0.03%*

BBB+/BBB/BBB-	3M	1YR	3YR	5YR	10YR	15YR	30YR
12/31/20	**0.26%**	**0.33%**	**0.44%**	**0.57%**	**0.95%**	**1.87%**	**2.58%**
12/31/21	**0.65%**	**0.85%**	**1.16%**	**1.51%**	**1.99%**	**2.68%**	**3.15%**
1Q22	2.13%	2.50%	2.94%	3.20%	3.44%	3.79%	4.11%
2Q22	3.08%	3.50%	3.99%	4.20%	4.44%	4.84%	5.15%
3Q22	4.71%	4.98%	5.26%	5.35%	5.49%	5.77%	5.99%
12/31/22	**5.03%**	**5.16%**	**5.24%**	**5.23%**	**5.27%**	**5.51%**	**5.75%**
1Q23	5.26%	5.19%	4.94%	4.87%	5.07%	5.31%	5.36%
2Q23	5.80%	5.71%	5.68%	5.54%	5.26%	5.34%	5.66%
3Q23	6.21%	6.16%	5.84%	5.81%	6.14%	6.38%	6.27%
12/31/23	**5.57%**	**5.45%**	**4.95%**	**4.89%**	**5.22%**	**5.48%**	**5.45%**
1Q24	5.84%	5.74%	5.39%	5.39%	5.73%	5.92%	5.93%
2Q24	5.84%	5.72%	5.31%	5.31%	5.69%	5.89%	5.93%
3Q24	4.89%	4.65%	4.28%	4.43%	4.96%	5.25%	5.40%
Last - 2024	**4.89%**	**4.65%**	**4.28%**	**4.43%**	**4.96%**	**5.25%**	**5.40%**
Chg. Since YE23	*-0.68%*	*-0.80%*	*-0.67%*	*-0.46%*	*-0.25%*	*-0.24%*	*-0.05%*

Source: BMO Capital Markets, Bloomberg

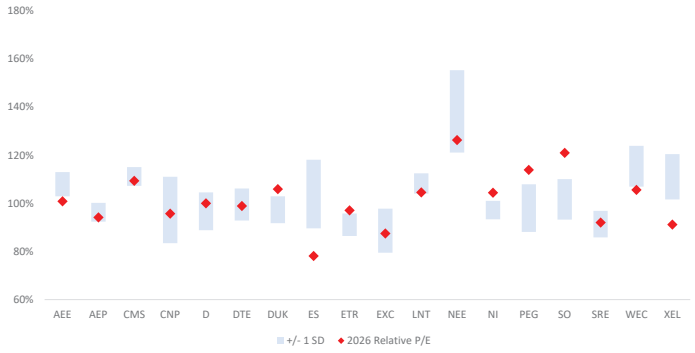
We believe this shift continues to support our portfolio construction framework that incorporates a barbell approach, which on one side has high-quality compounders (more of a directional expression on the group) as well as a GARP/relative value side where investors can benefit from relative outperformance where a company's catalysts potentially drive a re-rating in shares.

- **High Quality/Compounder: CMS Energy (CMS, OP), Duke Energy (DUK, OP) and Southern Company (SO, OP)**
- **GARP/Relative Value: NiSource Inc. (NI, OP), Ameren Corp. (AEE, OP) and Sempra Energy (SRE, OP)**

As we enter the start of 3Q earnings and look forward to this year's annual EEI Financial conference, we would highlight the following sector themes (which we discuss further later in the doc) that we believe investors will focus on over the next 3-4 weeks and have the potential to influence their preferred names to own in 2025. Specifically, we would pay attention to:

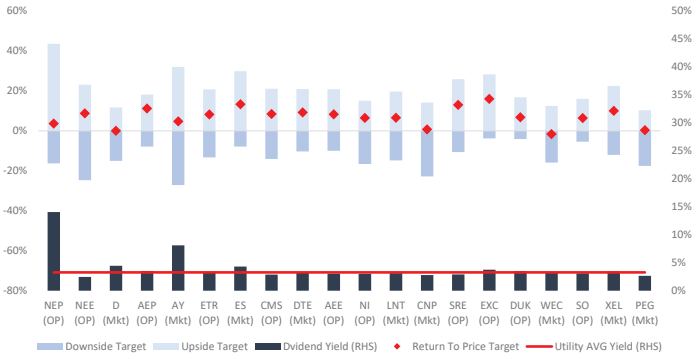
- The November Federal Election - There continues to be a binary bias towards a Democratic win as a positive/status quo outcome vs. a Republican win, which is viewed as negative, especially with the recent focus on incremental import tariffs (including storage/batteries), which contributes to the overall fear of a more inflationary economy, especially after the massive rates-related move since early July (Financials, Telecom, Insurers, Utilities, and REITs as well as Small Caps and Value, et al.)
- Non-AI demand growth as economic development continues to ramp
- The cadence and size of data center announcements as they continue to materialize in various geographies and structures
- ISO or state-level solutions to resource adequacy
- Transmission cost allocation resolution related to data centers
- Recovery of storm-related expenses amidst significant storm activity during the quarter
- The evolution of Integrated Resource Plans including reliability-related extensions of coal/gas retirements, continued additions of dispatchable gas-fired generation and as plans are extended into the next decade more discussion on new technologies, including modular nuclear

Exhibit 12 - Utilities Relative Valuation 2026 P/E



Source: BMO Capital Markets, FactSet

Exhibit 13 - Coverage Universe PT Upside/Downside



Source: BMO Capital Markets, Company Reports

Still Noise in the 3Q Comps but Results Normalizing on the Whole

As 3Q23 experienced variances in weather and the results of flexing O&M programs to overcome 1H23 headwinds, we still see mixed year-over-year results for 3Q24. Looking at consensus, we continue to see a greater-than-normal variation within the consensus mean estimates where in some cases FactSet/ Bloomberg estimates updates appear to either be delayed or broker estimates remain stale with median

estimate revisions of -2% over the last four weeks and estimate dispersion around the median forecast is a very wide at 18%.

Exhibit 14 - BMO Capital Markets and Consensus 3Q24 Estimates and Earnings Calendar

Company	BMO 3Q24E EPS/EBITDA	Consensus 3Q24E EPS	Consensus Low EPS	Consensus High EPS	Dispersion Around Median	Consensus Change Last 4W	Q-O-Q EPS Change	3Q24 Guidance Range	3Q24E Reporting Date	Call Time
AEE	$1.93	$1.95	$1.86	$2.07	11%	(2%)	+3%		11/7	10:00AM
AEP	$1.81	$1.80	$1.67	$1.85	10%	(0%)	+2%		11/6	9:00AM
CNP	$0.30	$0.34	$0.28	$0.60	93%	(22%)	(25%)		10/28	8:00AM
CMS	$0.78	$0.78	$0.75	$0.82	9%	+0%	+28%		10/31	9:30AM
D	$0.90	$0.93	$0.88	$0.96	9%	+0%	+17%		11/1	10:00AM
DTE	$1.81	$1.88	$1.77	$2.10	18%	+6%	+26%		10/24	9:00AM
DUK	$1.68	$1.76	$1.60	$2.21	34%	(11%)	(13%)		11/7	10:00AM
ES	$1.11	$1.08	$0.85	$1.29	41%	+1%	+14%		11/5	9:00AM
ETR	$2.92	$2.94	$2.50	$3.26	26%	(4%)	(11%)		10/31	11:00AM
EXC	$0.65	$0.68	$0.65	$0.78	19%	(3%)	(4%)		10/30	10:00AM
LNT	$1.09	$1.10	$1.08	$1.12	4%	(1%)	+4%		11/1	10:00AM
NEE	$0.99	$0.98	$0.93	$1.02	9%	+1%	+5%		10/23	9:00AM
NI	$0.19	$0.15	$0.12	$0.20	52%	(2%)	(1%)		10/30	11:00AM
PEG	$0.83	$0.88	$0.80	$1.00	23%	(4%)	(2%)		11/4	11:00AM
SRE	$1.06	$1.06	$0.98	$1.19	20%	(8%)	(1%)		11/6	12:00PM
SO	$1.35	$1.35	$1.30	$1.53	17%	(4%)	(5%)	$1.30	10/31	1:00PM
WEC	$0.70	$0.70	$0.68	$0.74	9%	(10%)	(30%)	$0.68 - $0.70	10/31	2:00PM
XEL	$1.28	$1.27	$1.19	$1.33	11%	(3%)	+4%		10/31	10:00AM
NEP	$469	$504	$469	$538	14%	(1%)	(4%)		10/23	9:00AM
AY	$240	$234	$203	$244	18%	(0%)	+7%			TBD

Source: BMO Capital Markets, Company Reports, FactSet

In terms of year-over-year growth, median quarterly EPS is relatively flat, up only +1%, albeit with a very wide range, as fundamentals normalize from 3Q23 and 2023 as a whole as companies offset significant weather and storm-related headwinds. However, with relatively normal to slightly beneficial weather in the quarter, drivers for the 3Q24 are largely fundamental operating variables with the largest year-over-year swings being driven by rate design, weather-normalization, and the absence of storm costs in certain instances.

Places where we see our estimates meaningfully different from consensus to the positive side are NI (+22%) and ES (+3%). To the negative, we see CNP (-16%), PEG (-6%), DUK (-5%), EXC (-5%), DTE (-4%), and D (-3%). However, we note that on an absolute basis, only 4 out of 18 names within regulated coverage results are outside +/-$0.05 from consensus, and we are not expecting many large headline surprises given the dispersion within the consensus estimates with what may be some stale outlier estimates. In Exhibit 14, above we outline our 3Q24 estimates, the change in the Street's estimates over the last 4 weeks and expected reporting date and call time.

Although the broad regional breakdown does not show it, most companies in our coverage universe experienced beneficial weather vs. normal conditions in 3Q24 with largely similar weather to 3Q23. Looking at the broad year-over-year CDD comps on a national level, we see ~0% year-over-year and ~(4%) vs. normalized conditions. Exhibit 15 below summarizes degree days by region.

Exhibit 15 - 3Q24 CDDs vs 3Q23 and Normal Conditions

Region	3Q 2023 Actual	3Q 2024 Actual	3Q Normal	3Q YoY	3Q vs Normal
New England	475	493	435	-8%	-12%
Middle Atlantic	570	605	556	-2%	-8%
East North Central	489	586	541	11%	-8%
West North Central	661	677	623	-6%	-8%
South Atlantic	1,148	1,186	1,145	0%	-3%
East South Central	1,063	1,085	1,059	0%	-2%
West South Central	1,738	1,539	1,474	-15%	-4%
Mountain	862	911	889	3%	-2%
Pacific	555	643	680	23%	6%
National	**855**	**884**	**853**	**0%**	**-4%**

Source: BMO Capital Markets, S&P Capital IQ

3Q24 Key Individual Company Previews

Below, we discuss our updated estimates and expectations for the calls with impactful updates for our regulated coverage where we expect investors to focus.

- **American Electric Power (AEP, Outperform)** – Our $1.81 estimate for 3Q24 is just above the Street's $1.79, with a range of $1.69-1.89. The $0.04 year-over-year increase from $1.77 in 3Q23 is largely driven by rate relief (+$0.12), transmission revenue and TransCo rate base growth (+$0.08), O&M cuts (+$0.03), and load growth (+$0.01) partially offset by D&A (-$0.08), Other/Financing (-$0.04), Corporate & Other (-$0.05), and Generation and Marketing (-$0.02). We expect weather to be a minimal contributor to earnings as year-over-year weather was largely similar vs. normal. **More importantly, we expect investors to focus on the comprehensive update either on the 3Q24 call on November 6 or the EEI conference,** which will include: 1) an updated rate base growth outlook given the more robust demand outlook and more importantly, confirmation or adjustment of its long-term EPS outlook which is currently 6-7% but could potentially widen due to the overall size of the company and the potential for a less linear capex-driven growth outlook moving forward (we expect ~5-7% but believe consensus estimates are already largely implying ~5.8% EPS growth already); 2) load growth forecast and the corresponding capital opportunities driven by the over 15GW of data center/economic development demand; 3) credit metric outlook and rating agency update; 4) the roll forward of its five-year capital and financing plan including the potential to sell a minority stake in its OH and I&M transmission business; and 5) the initiation of 2025 guidance, which we expect to be ~$5.89-6.10 vs. BMO/Consensus of $5.98.
- **Alliant Energy (LNT, Market Perform)** – Our $1.09 EPS estimate for 3Q24 is just below the Street's $1.10. The $0.04 year-over-year increase from $1.05 in 3Q23 is largely driven by rate relief (+$0.13) and O&M cuts (+$0.01), partially offset by higher D&A (-$0.04), interest expense (-$0.04), and a return to normal weather (-$0.02). With ($0.10) of weather headwinds vs. normal conditions year-to-date on the 2Q24 call, management disclosed they identified offsets for approximately half of the weather headwind. On a trailing twelve-month basis including our 3Q24 estimate EPS totals $2.76 vs. the company's $2.99-3.13 guidance range. We note that company is expected to benefit from tax timing, the aforementioned O&M improvements/weather offsets, and new rates at IPL that should meaningfully improve 4Q24 comps yielding results within the guidance range. However, we also expect management to slightly lower the top end of their guidance range to a new range of $2.99-3.08, which compares to BMO/consensus estimates of $3.06. **Likely overshadowing quarterly results is the company's expected typical suite of 3Q updates that should include a 2025 guidance initiation, an updated capital plan through 2028, and associated rate base growth as well as long-term EPS growth. The company's current 2024-2027 capital plan totals $9.1bn, which underpins ~8% rate base growth and the company's LT 5-7% EPS growth. Additionally, we expect the company to provide an updated load growth forecast amidst continued data center and broader economic development in their service territory.** While the company may or may not disclose information on the specific counterparts, we do expect additional broad-based quantitative disclosures tying to the updated forecast. This additional context should also help investors better understand the company's strategy to stay out of rate cases in IA for at least five years including the importance of the individual customer rate tariff. Lastly, despite the likely upward revision to the capital plan and associated rate base growth, we would be surprised to see the company deviate from their 5-7% EPS growth rate, rather seeing the robust sales growth and associated investment opportunity continuing to strengthen the company's position within the range and also lengthening the runway of growth. For 2025 guidance, we expect the company to stick with their traditional relatively formulaic year ahead guidance with the mid-point reflecting ~6% growth over the original prior-year's guidance/weather-normalized results. Accordingly, we expect LNT to initiate a 2025 guidance range of $3.17-3.31 vs. $3.27 BMO/consensus estimates,

while noting following new rates in IA and the second year revenue increase at WPL likely place the company in a position of strength going into 2025.

- **CMS Energy (CMS, Outperform)** – Our $0.78 estimate for 3Q24 is in line with the Street's $0.79 and $0.61 in 3Q23. The $0.17 or 28% year-over-year increase is driven by favorable weather comp (+$0.08), rate relief from 2023 electric rate case (+$0.08), load growth (+$0.01), lower O&M including fewer storm costs (+$0.05), higher contribution from NorthStar (+$0.04), and Parent, Tax and Other (+$0.01). This was partially offset by higher opex (-$0.10). On a trailing twelve-month basis including our 3Q24 estimate EPS totals $3.46 vs. the company's $3.29-3.35 guidance range and BMO/consensus estimates of $3.35/$3.33. We would note that this is largely driven by shaping as the absence of the tax equity benefit from the Northstar solar project in 4Q23 as well as weather normalization that should be unfavorable drivers in the fourth quarter. **As usual, with 3Q24 results, management should provide its early look 2025 guidance, which tends to be based on the company's 6-8% LT EPS growth outlook using the midpoint of the current year's guidance range ($3.29-3.35). This would imply a range of $3.52-3.59 or a midpoint of $3.55 and is historically consistent with an initial outlook that is modestly below our own/ consensus current outlooks of $3.60/$3.59 and management's formal full-year outlook (4Q23 call) that is traditionally rebased off of 2024 actual results.** On the 3Q24 call/EEI, we believe investors will also be looking for updates on management's outlook for a settlement in its ongoing electric rate case with an ALJ recommendation due on 1/27/25 and a final order in 1Q25. We also would expect questions on the company's upcoming renewable energy plan filing on November 15, as well as initial thoughts of the MPSC staff's storm audit (conducted by Liberty) and the corresponding level of investment necessary to improve its fourth-quartile metrics, which will likely be addressed in its next reliability roadmap plan. Additional topics are likely to include any demand outlook update and opportunities driven by economic development/data centers (potential for sales & use tax legislation exemption).
- **Duke (DUK, Outperform) –** Our $1.68 estimate for 3Q24 largely reflects the reshaping of the company's quarterly earnings due to normalized weather and the absence of agility tax/O&M benefits. We include our drivers in our preview note here. **We expect the focus on the 3Q24 call and at EEI to be the initial estimate for Hurricanes Helene and Milton given the significant damage in the company's service territories in the Carolinas and Florida. We would also expect investors to look for the earnings impact, recovery mechanisms and timelines for the storm restoration costs, as well as potential offsets**. Outside the storm-related questions, we would expect investors to look for 1) at a minimum a reiteration of its 2024 guidance, which may now see some pressure from the costs related to the Hurricanes, but we still see the possibility for the company to bring the bottom end of the range up to a new range of $5.90-6.05, which compares to our $6.03 estimate and $5.98 consensus; 2) qualitative 2025 earnings drivers; 3) updates on economic development activities, including data centers; 4) regulatory updates (Carolinas IRPs/potential for settlement at DEI); 5) an update on YTD ATM/DRIP programs ($285mm completed YTD) vs. $500mm program; 6) comfort/updates on the IRS rules related to its $400mm of PTC monetizations; and 7) credit metrics outlook (YE24 FFO/Debt target of 14%).
- **Entergy (ETR, Outperform) -** Our $2.92 estimate compares with the current FactSet consensus estimate of $2.94, although we would note there still is a wide dispersion in estimates ($2.50-3.26/share), which we would expect to migrate closer to our revised estimate as we approach ETR's late October earnings call. The primary driver of the 35c year-over-year decline appears to be the net impact of weather following 3Q23's 64c benefit vs. normal conditions. On a trailing twelve-month basis, including our revised 3Q23 estimate, FY24 only totals $6.44. However, we would note the company's 2Q24 disclosures indicate it expects up to ~74c of positive O&M in 4Q24. Simply including the expected favorable O&M would bring TTM EPS nearly in-line with our 2024 EPS estimate of $7.23. **Accordingly, with the year appearing largely on track, we expect management to continue its traditional practice of narrowing the 2024 guidance range, likely skewing to the upper half of the range. We expect a narrowed range**

of ~$7.15-7.35 vs. BMO/ Street at $7.23/$7.21. Following the company's comprehensive June Analyst Day and the conclusion of the LA FRP/rate case, we expect incremental updates on the call and at EEI to be relatively quiet. On the call, we believe investors will be focused on the upcoming resiliency filings and ongoing RFP processes. At the EEI conference, we expect the company to provide its initial detailed 2025-2027 capital outlook and further detail on progress on incremental capital opportunities (i.e., RFPs). **However, on whole we expect limited new updates relative to its June Analyst Day disclosure.**

- **NiSource (NI, Outperform)** – Our $0.19 EPS estimate for 3Q24 implies a beat relative to consensus at $0.14. Year-over-year, we forecast a flat comp in 3Q24 as rate relief and riders, other income, and the absence of perpetual preferred interest was fully offset by higher O&M, higher D&A, higher NCI at NIPSCO, higher interest expense, and share dilution. On a trailing twelve-month basis including our 3Q24 estimate EPS totals $1.78 vs. the company's $1.70-1.74 guidance range and BMO/consensus estimate of $1.73. As such, similar to prior years, we believe the company may narrow its full-year outlook towards the top end of its guidance range. On the call, we would expect investors' focus to be on the company's comprehensive capital plan update, which will be rolled to 2029 and possibly include incremental investments in both electric and gas related to data centers, economic development, and infrastructure modernization in its base and/or upside plan. We would also expect investors to look for commentary on the NIPSCO IRP filing in November as well as the initial discussions and feedback on its NIPSCO electric rate case filing. **We expect the company's capital plan roll forward should continue to support 6-8% EPS growth, and in addition we expect the company to initiate a 2025 guidance range of $1.83-1.87, which compares to BMO/consensus of $1.85.**
- **PSEG (PEG, Market Perform) -** Our $0.83 estimate compares to current consensus of $0.91 and represents a modest ($0.02) decline year over year. Our estimate reflects continued regulatory lag at the utility and is consistent with management's commentary that due to the timing of hedges most of the pickup in gross margin and therefore growth at Power & Other is expected to be realized in 4Q. With year-to-date results consistent with expectations we expect management to reaffirm its full-year guidance range of $3.60-3.70. Beyond the quarter, we expect investor focus to remain on the timing and likelihood of any potential long-term contracts for nuclear assets, especially with the company's base rate case behind it. Additionally, with the rate case concluded investors are likely to be looking for updates on the timing in which management will provide 2025 guidance and the capital plan roll-forward. We expect management could look to initiate the suite of updates before the end of the year. We are also updating our 2025-2028 estimates to $4.08, $4.40, $4.60, and $4.90 to better reflect our assumptions on Gross Receipts for the company's 3.8GW of nuclear capacity and the interplay between energy, capacity and ancillary services relative to the nuclear PTC floor. We use the PTC floor and a 3% inflation factor in our forecast for power, which we believe embeds a conservative view on the earnings and cashflow potential for the subsidiary.
- **Xcel Energy (XEL, Market Perform)** – Our $1.28 EPS estimate for 3Q24 is in line the Street's $1.27 and represents an $0.11 increase year-over-year. This is largely driven by rate relief from rate cases and riders (+$0.24), AFUDC (+$0.03) and increased sales (+$0.02), partially offset by higher D&A (-$0.09), interest expense (-$0.05), a slight year-over-year net weather headwind (-$0.01), a recommended disallowance pertaining to a Prairie Island outage (-$0.05) though we note this may not end up being included in operating results, and property taxes, higher O&M, and dilution being a drag of (-$0.04). On a trailing twelve-month basis including our 3Q24 estimate EPS totals $3.55 vs. the company's $3.50-3.60 guidance range and BMO/consensus estimates of $3.56/$3.57. Looking at the fourth quarter, we note the significantly favorable O&M comps realized in 4Q23 and the company's expectation of O&M increasing 1-2% on the whole for 2024. Accordingly, we believe management should be in a place to narrow their range where we expect an updated range of $3.54-3.59. **Perhaps more impactful, we expect the company to provide their rolled forward capital plan, associated rate base and EPS growth, and 2025 guidance. At a minimum we would expect the company to move the approved SPS 418MWs of Solar**

(~$740mm) from the incremental case into the base plan. As a reminder, the company's current base plan is already results in ~9% rate base growth. We also believe the company will update their incremental capital case, likely providing some additional disclosures on the MN RFPs and additional SPS RFPs not already included the incremental case. Additionally, we expect the company to at least include the CO wildfire mitigation capital in the incremental capital plan. However, given the importance of this capital it would not be surprising to see at least a portion rolled into the updated base plan, but with a decision expected in early 2025 the company could for the time being also opt to leave it in the incremental case. With regard to financing we expect additional equity needs equivalent to ~40% of the additional capital and consistent with prior commentary, we expect management to consider a range of issuance methods including block equity. **For 2025 guidance, we note that current Street/BMO estimates of $3.85 imply ~8.5% growth over the current $3.55 midpoint. Based on the company's relatively formulaic approach to year-ahead guidance combined with their commentary on their position relative to the 5-7% long-term EPS CAGR we expect a range of $3.75-3.85. Lastly, we do not expect the company to change their 5-7% EPS growth or their expectation of being able to exceed the top end of the range.**

- **WEC Energy (WEC, Market Perform) - For the quarter, we expect results of $0.70, in line with the top end of the company's $0.68-0.70 guidance range and $0.70 consensus although results represent ~($0.30) decline year-over-year.** The primary drivers of the year-over-year decline are rate design in IL with the QIP moving to base rates (-$0.12), D&A & interest (-$0.11), O&M (-$0.03), and the absence of a PTC Benefit (-$0.06). On a trailing twelve-month basis including our 3Q24 estimate we see EPS of $4.44, which compares to our $4.85 estimate and $4.86 consensus as well as $4.80-4.90 guidance. With the rate design changes in IL moving the QIP spend into base rates we continue to expect noisy comps into 4Q and still see the company well positioned to achieve their guidance range. **Likely more impactful, with 3Q results and into EEI the company is expected to roll forward their capital and financing plan that currently totals $23.7bn over 2024-2028, which underpins 8.1% asset base growth and the 6.5-7% long-term EPS growth.** We expect the rolled forward capital plan to be accompanied by updated load growth estimates, which should reflect the significant economic development and data center-centric activity ongoing in the state. Accordingly, we expect the update to be focused on the substantial associated regulated investment opportunities rather than the infrastructure business. We expect the additional capital to be accompanied by incremental equity needs financed consistent with the capital structure. **Importantly, we do not expect the company to deviate from their current 6.5-7% EPS growth rate.** Lastly, we believe investors will be looking for any commentary on the WI rate cases with the procedural schedule largely played out heading into a decision expected by year-end.

Broad Call Themes For the Quarter and EEI

On the whole, we expect investors to be first and foremost focused on the handful of names with comprehensive capital plan and long-term updates. However, beyond the capital roll forward we also expect investors to be focused on a handful of themes consistent with past calls that we expect to remain topical:

- **Interest Rates:** With the pull back in yields, the potential EPS benefits vs. guidance (or assumptions in guidance broadly) and any potential changes or tailwinds to financing plans with a moderation in interest rates will be a focus for investors. Given the commitment to maintaining credit metrics and capital structures we do not foresee lower levels of equity issuance. However, with less drag vs. previous forecasts, we would expect management teams to look favorably on the incremental cushion provided by moderating interest rates. From the regulated perspective, sustained lower interest rates would provide needed bill headroom over time, especially for T&D-only utilities where management teams have less control on pass-through costs such as increased BRA capacity prices and elevated supply costs that also have placed upward pressure

customer bills.

- **AI/Data Centers:** The focus on AI and data centers is likely to remain front and center for our regulated coverage. First, there are several names providing load growth updates centered around data centers and broader economic development opportunities. Key names here include the 3Q updates from AEP, LNT, WEC, XEL and potentially DUK, SO and NI amongst others. Beyond the load growth estimates and associated capital deployment opportunities, rate design remains crucial for bringing these customers online without disadvantaging the existing customer base, especially in cases where incremental generation is required. However, we note that in situations where the company is long baseload generation and has flexibility on tariff structure (i.e., SO or LNT on the latter) it can be easier to accommodate the ramp from these customers sooner. Outside the regulated sphere, we also expect investors to continue to focus on the FERC generic hearings in early November (11/1) and any action on the third amended ISA for the TLN/AWS agreement (11/4). While we see fewer immediate impacts from a FERC decision either way for our regulated coverage, we do see modest bill benefits from being able to allocate some fixed costs to these customers.
- **Generation/SMRs/IRPs:** Coupled with the prospects for sustained prospective load growth beyond just that of AI/data centers and the increasing importance of grid reliability, we expect IRPs are going to be of increasing interest to investors. As we have seen in recent IRP filings (i.e., AEE, DUK, and D), incremental gas generation or coal to gas conversions/extension of lives are likely to be a component of reliability planning, especially given the increased dependence on power, with an overall goal of decarbonizing over time. However, likely more topical for investors amidst the several announcements from tech companies are SMRs and whether that may present opportunities for utilities over time. We still continue see the opportunity set for SMRs beyond the current forecast period, but investors are likely to be interested in the various technologies and timeline for development/deployment. While it is also still early, we expect investors to be looking for the terms under which a regulated utility would be willing to commit shareholder equity. Ultimately, given the significant risk of cost overruns and lack of proof of concept we believe utilities would require a nearly riskless agreement with cost overrun protection (either via the Federal Government or a private third party such as the interested tech partners). We expect this to be a topic on Dominion's call given their recent announcement of their partnership with Amazon to explore SMRs and the ongoing RFP evaluating the potential for an SMR at their North Anna plant.
- **Hurricanes and Extreme Weather:** Following a second quarter filled with multiple major storms through the Gulf and Southeast (DUK, SO, NEE, etc.), investors will be looking for updates on storm restoration estimates and timelines/paths for cost recovery. We continue to believe credit agencies will stick to their past practices of looking through the required temporary debt issuances given the constructive recovery mechanisms that exist in these states. Nevertheless, although the ratings agencies may be willing to look through the temporary funding, the bill impact for customers over time can be impactful even with securitization issuances if multiple storms continue to pile up in succession. Additionally, we look for commentary on how systems held up during the storms and opportunities for continued resiliency spending and helping to derisk future storm exposure.

Marking-to-Market Our Coverage Target Prices

As per usual, with our quarterly preview, we have updated our target prices for our coverage universe to reflect the change in sector and subsector P/E multiples. In Exhibit 16 below, we outline our revised target prices, which reflect a 16.8x electric group multiple and 15.5x gas distribution group multiple.

Exhibit 16 - Mark-to-Market Target Price for BMO Utilities & Renewables Universe

				2026 P/E Price Target			
Company (Regulated)	**Ticker**	**Rating**	**Downside**	**New PT**	**Upside**	**Old PT**	**Chg.**
Ameren Energy	AEE	OP	$79	$95	$106	$87	9%
American Electric Power	AEP	OP	$92	$111	$118	$111	
CMS Energy	CMS	OP	$61	$77	$86	$76	1%
Centerpoint Energy	CNP	Mkt	$23	$30	$34	$30	
Duke Energy Corp	DUK	OP	$115	$128	$140	$126	2%
Eversource Energy	ES	Mkt	$61	$75	$86	$72	4%
Entergy Corp.	ETR	OP	$117	$146	$163	$140	4%
Exelon Corp.	EXC	OP	$39	$47	$52	$45	4%
Alliant Energy	LNT	Mkt	$52	$65	$73	$60	8%
NiSource, Inc.	NI	OP	$29	$37	$40	$36	3%
Southern Company	SO	OP	$88	$99	$108	$94	5%
WEC Energy Group	WEC	Mkt	$83	$97	$111	$93	4%
Xcel Energy	XEL	Mkt	$56	$70	$78	$67	4%
Diversified	**Ticker**	**Rating**	**Downside**	**New PT**	**Upside**	**Old PT**	**Chg.**
Dominion Energy	D	Mkt	$51	$60	$67	$57	5%
DTE Energy	DTE	Mkt	$115	$140	$155	$140	
NextEra Energy	NEE	OP	$63	$91	$103	$91	
Public Service Ent. Grp	PEG	Mkt	$74	$90	$99	$89	1%
Sempra Energy	SRE	OP	$76	$96	$107	$96	
YieldCo	**Ticker**	**Rating**	**Downside**	**New PT**	**Upside**	**Old PT**	**Chg.**
NextEra Energy Partners	NEP	OP	$21	$26	$36	$26	
Atlantica Sustainable Infrastructure	AY	Mkt	$16	$23	$29	$23	

Source: BMO Capital Markets

Exhibit 17 - Updated Estimates for BMO Utilities, Power & Renewables Universe

	2024E	2025E	2026E	2027E	2028E
AEE	$4.62	$4.90	$5.19	$5.52	$5.86
AEP	$5.64	$5.98	$6.33	$6.76	$7.19
CNP	$1.62	$1.74	$1.86	N/A	N/A
CMS	$3.35	$3.60	$3.87	$4.18	$4.51
D	$2.75	$3.41	$3.58	$3.80	$3.94
DTE	$6.70	$7.18	$7.74	$8.35	$8.91
DUK	$6.03	$6.32	$6.73	$7.15	$7.58
ES	$4.54	$4.78	$5.03	$5.31	$5.62
ETR	$7.23	$7.74	$8.29	$8.85	$9.45
EXC	$2.45	$2.63	$2.77	$2.94	$3.09
LNT	$3.06	$3.27	$3.49	$3.71	$3.94
NEE	$3.41	$3.67	$3.96	$4.29	$4.59
NI	$1.73	$1.85	$1.99	$2.15	$2.31
PEG	$3.66	$4.08	$4.40	$4.60	$4.90
SRE	$4.89	$5.17	$5.51	$5.89	$6.38
SO	$4.00	$4.29	$4.58	$4.87	$5.15
WEC	$4.85	$5.26	$5.58	$5.92	$6.30
XEL	$3.56	$3.85	$4.15	$4.44	$4.75
NEP	$1,979	$2,059	$2,168	N/A	N/A
AY	$825	$860	$899	N/A	N/A

Source: BMO Capital Markets

Individual Company Quarterly Outlooks

Alliant Energy

Exhibit 18 - LNT 3Q24 Earnings Walk

3Q23 Operating Earnings	$1.05
Normal Weather 3Q23	($0.02)
Weather 3Q24	$0.00
Growth Due to Increasing Rate Base	$0.13
AFUDC	$0.00
D&A	($0.04)
Tax Timing	$0.00
O&M	$0.01
Interest Expense	($0.04)
Dilution	$0.00
3Q24E Operating Earnings	**$1.09**

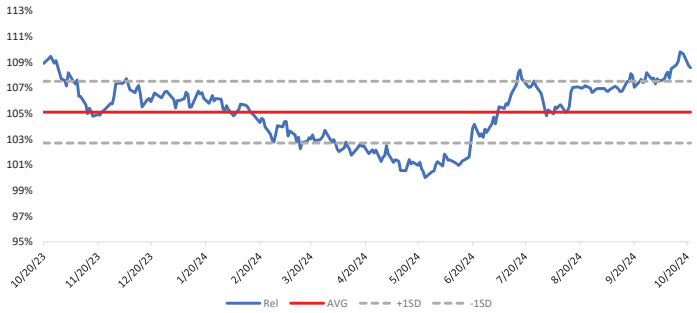
Source: BMO Capital Markets, Company Reports

Exhibit 19 - BMO Earnings Preview Dashboard

	LNT	XLU
YTD Performance	19.6%	28.9%
1 Month Performance	2.7%	1.9%
1 Week Performance	1.6%	1.7%
P/E - 2026 BMO Estimates	17.5x	16.8x
Passive Ownership 9/30/2023	30.7%	
Passive Ownership 9/30/2024	31.5%	
4 Week Short Interest Change	(11 bp)	
Days to Cover	5.0	
Consensus 3Q24 Estimate	$1.10	
4 Week Estimate Change	(1%)	

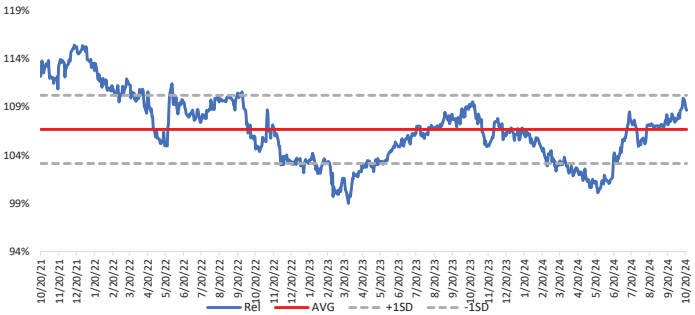
Source: BMO Capital Markets, FactSet

Exhibit 20 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 21 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Ameren Energy

Exhibit 22 - AEE 3Q24 Earnings Walk

3Q23 Operating Earnings	$1.87
Weather - 3Q23 vs Norm	($0.03)
Weather - 3Q24	$0.00
MO Rates	$0.01
MO PISA/AFUDC	$0.04
MO Retail Sales	$0.02
MO 3Q23 Storm Costs	$0.02
AEE IL Lower ROE	($0.02)
Transmission Rate Base Growth	$0.04
IL Gas Rates and Lower ROE	($0.03)
Corporate Interest	($0.02)
O&M	$0.04
Share dilution	($0.01)
3Q24E Operating Earnings	$1.93

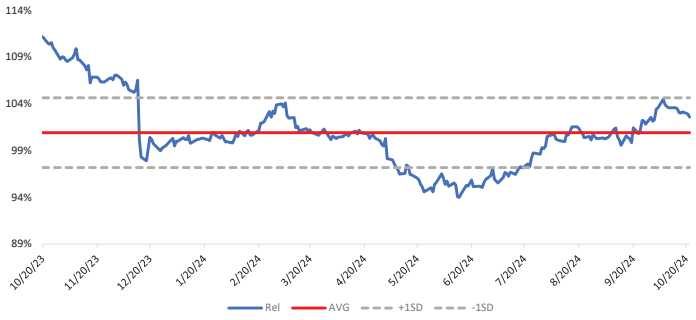
Source: BMO Capital Markets, Company Reports

Exhibit 23 - BMO Earnings Preview Dashboard

	AEE	XLU
YTD Performance	22.0%	28.9%
1 Month Performance	3.0%	1.9%
1 Week Performance	1.1%	1.7%
P/E - 2026 BMO Estimates	16.9x	16.8x
Passive Ownership 9/30/2023	27.7%	
Passive Ownership 9/30/2024	28.0%	
4 Week Short Interest Change	2 bp	
Days to Cover	2.4	
Consensus 3Q24 Estimate	$1.95	
4 Week Estimate Change	(2%)	

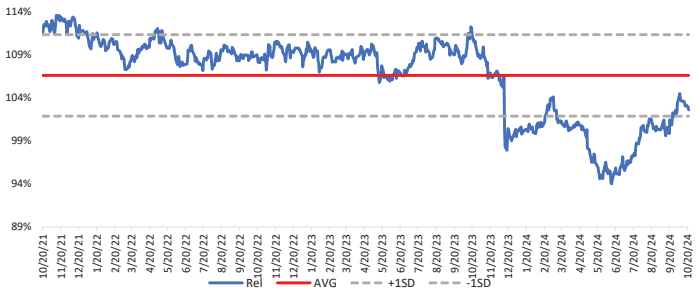
Source: BMO Capital Markets, FactSet

Exhibit 24 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 25 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

American Electric Power

Exhibit 26 - AEP 3Q24 Earnings Walk

3Q23A Operating Earnings	$1.77
Normalized Weather	($0.06)
Favorable Weather 3Q24	$0.06
Load Growth	$0.01
Rate Relief - VIU	$0.08
Rate Relief - T&D	$0.04
Transmission revenue - VIU	$0.02
Transmission revenue - T&D	$0.04
VIU - Depreciation	($0.05)
T&D - Depreciation	($0.03)
O&M	$0.03
Other/Financing - VIU	($0.03)
Other/Financing - T&D	($0.01)
Transmission Rate Base Growth	$0.02
Corp & Other (incl. interest expense)	($0.05)
Generation and Marketing	($0.02)
3Q24E Operating Earnings	**$1.81**

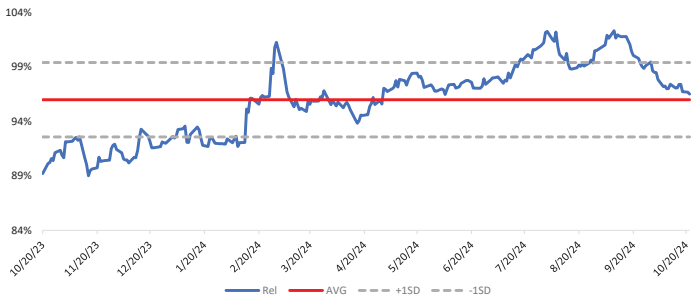
Source: BMO Capital Markets, Company Reports

Exhibit 27 - BMO Earnings Preview Dashboard

	AEP	XLU
YTD Performance	23.3%	28.9%
1 Month Performance	(1.9%)	1.9%
1 Week Performance	1.4%	1.7%
P/E - 2026 BMO Estimates	15.8x	16.8x
Passive Ownership 9/30/2023	25.5%	
Passive Ownership 9/30/2024	25.3%	
4 Week Short Interest Change	(14 bp)	
Days to Cover	2.8	
Consensus 3Q24 Estimate	$1.80	
4 Week Estimate Change	(0%)	

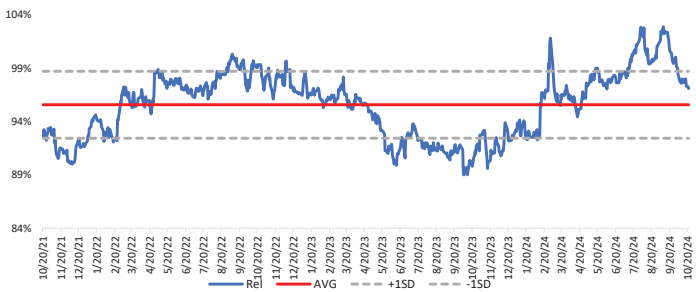
Source: BMO Capital Markets, FactSet

Exhibit 28 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 29 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Atlantica Sustainable Infrastructure

Exhibit 30 - AY 3Q24 Earnings Walk

3Q23 Adjusted EBITDA	$224
Solar Resource	$5
Wind Resource	$5
FX Effect	$0
Spain Resource	$2
Other	$0
New Assets	$4
3Q24E Adjusted EBITDA	**$240**

Exhibit 31 - BMO Earnings Preview Dashboard

	AY	XLU
YTD Performance	2.2%	28.9%
1 Month Performance	0.0%	1.9%
1 Week Performance	(0.1%)	1.7%
Passive Ownership 9/30/2023		
Passive Ownership 9/30/2024		
4 Week Short Interest Change	(189 bp)	
Days to Cover	0.9	
Consensus 3Q24 Estimate	$234.14	
4 Week Estimate Change	2%	

Source: BMO Capital Markets, FactSet

CenterPoint Energy

Exhibit 32 - CNP 3Q24 Earnings Walk

3Q23 Operating Earnings	$0.40
3Q24 Weather	($0.05)
DCRF Rates	$0.02
TCOS Rates	$0.00
TX GRIP Rates	$0.00
TEEEF Mobile Generation	$0.00
IN Rate Case	$0.02
Natural Gas Investment Growth & Riders	$0.02
Total O&M	($0.08)
OPEX: Utility D&A. TOTI and Interest	($0.03)
AFUDC	($0.01)
Parent - Income Taxes & Net Interest	($0.01)
3Q24E Operating Earnings	**$0.30**

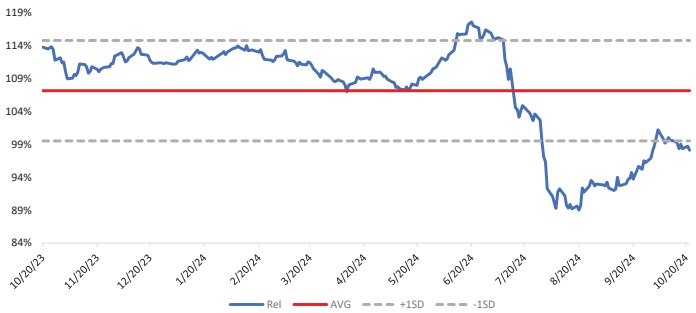
Source: BMO Capital Markets, Company Reports

Exhibit 33 - BMO Earnings Preview Dashboard

	CNP	XLU
YTD Performance	5.3%	28.9%
1 Month Performance	6.8%	1.9%
1 Week Performance	1.0%	1.7%
P/E - 2026 BMO Estimates	16.0x	16.8x
Passive Ownership 9/30/2023	28.3%	
Passive Ownership 9/30/2024	27.7%	
4 Week Short Interest Change	8 bp	
Days to Cover	2.4	
Consensus 3Q24 Estimate	$0.34	
4 Week Estimate Change	(22%)	

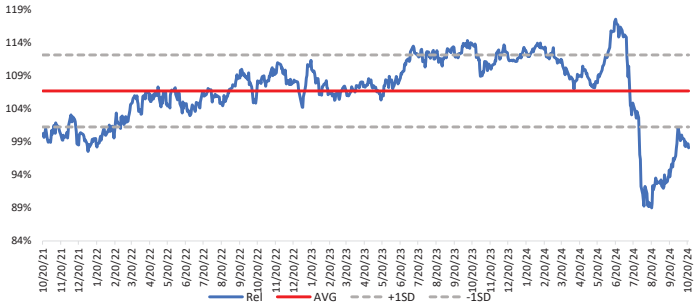
Source: BMO Capital Markets, FactSet

Exhibit 34 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 35 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

CMS Energy

Exhibit 36 - CMS 3Q24 Earnings Walk

3Q23A Operating Earnings	$0.61
Normalized Weather - Electric + Gas	$0.06
2Q24 Weather	$0.02
Load Growth - Electric	$0.01
Rate Relief - Electric	$0.08
OPEX	($0.10)
O&M - Incl . Fewer Storm Costs	$0.05
Higher NorthStar Contribution	$0.04
Parent, Tax and Other (inc. reserve adj)	$0.01
3Q24E Operating Earnings	**$0.78**

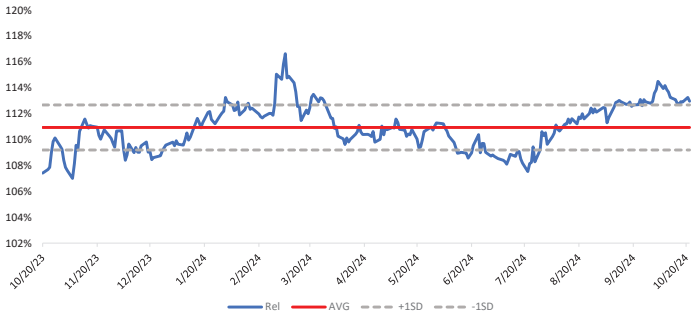
Source: BMO Capital Markets, Company Reports

Exhibit 37 - BMO Earnings Preview Dashboard

	CMS	XLU
YTD Performance	22.6%	28.9%
1 Month Performance	1.9%	1.9%
1 Week Performance	1.9%	1.7%
P/E - 2026 BMO Estimates	18.4x	16.8x
Passive Ownership 9/30/2023	30.9%	
Passive Ownership 9/30/2024	30.8%	
4 Week Short Interest Change	5 bp	
Days to Cover	4.0	
Consensus 3Q24 Estimate	$0.78	
4 Week Estimate Change	0%	

Source: BMO Capital Markets, FactSet

Exhibit 38 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 39 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Dominion Energy

Exhibit 40 - D 3Q24 Earnings Walk

3Q23 Operating EPS (Restated Disc Ops)	**$0.75**
Return to Normal Weather	($0.02)
Weather	$0.01
Interest Expense	$0.07
Millstone Margins	$0.04
Net tax/DD&A/Other	($0.05)
Sales/regulated investment/margins	$0.10
3Q24E Operating Earnings	**$0.90**

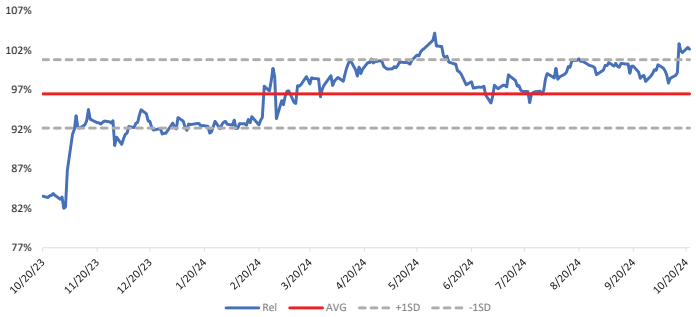
Source: BMO Capital Markets, Company Reports

Exhibit 41 - BMO Earnings Preview Dashboard

	D	XLU
YTD Performance	27.7%	28.9%
1 Month Performance	3.6%	1.9%
1 Week Performance	5.4%	1.7%
P/E - 2026 BMO Estimates	16.7x	16.8x
Passive Ownership 9/30/2023	24.6%	
Passive Ownership 9/30/2024	25.8%	
4 Week Short Interest Change	1 bp	
Days to Cover	3.8	
Consensus 3Q24 Estimate	$0.93	
4 Week Estimate Change	0%	

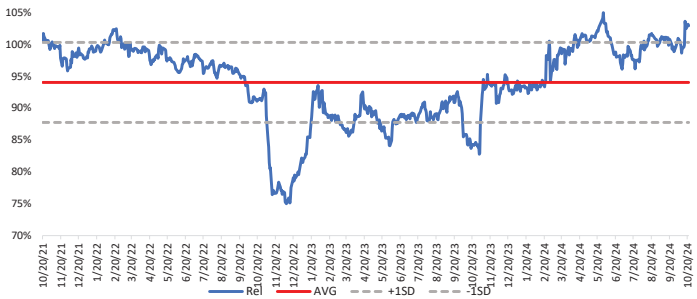
Source: BMO Capital Markets, FactSet

Exhibit 42 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 43 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

DTE Energy

Exhibit 44 - DTE 3Q24 Earnings Walk

3Q23A Operating Earnings	$1.44
Weather Normal - Electric	$0.26
Weather Normal - Gas	$0.00
Weather-Normalized 3Q23	**$1.70**
Storm Costs (1 storms vs 2 storms prior year)	$0.13
3Q24 Weather - Electric	($0.05)
3Q24 Weather - Gas	$0.00
Reversal of 2023 O&M Management + VSP	(0.26)
Electric OPEX (D&A, TOTI, Interest)	($0.10)
2023 Electric Rate Case	$0.42
Gas IRM	$0.03
Gas OPEX (D&A, TOTI, Interest)	($0.02)
Corporate & Other	(0.31)
Energy Trading & Marketing	0.02
Vantage - RNG & Cogen Only	0.25
3Q24E Operating Earnings	**$1.81**

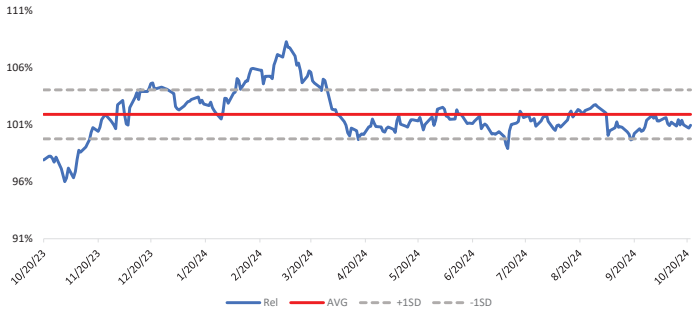
Source: BMO Capital Markets, Company Reports

Exhibit 45 - BMO Earnings Preview Dashboard

	DTE	XLU
YTD Performance	16.1%	28.9%
1 Month Performance	2.3%	1.9%
1 Week Performance	1.9%	1.7%
P/E - 2026 BMO Estimates	16.6x	16.8x
Passive Ownership 9/30/2023	28.1%	
Passive Ownership 9/30/2024	27.9%	
4 Week Short Interest Change	(5 bp)	
Days to Cover	2.6	
Consensus 3Q24 Estimate	$1.88	
4 Week Estimate Change	6%	

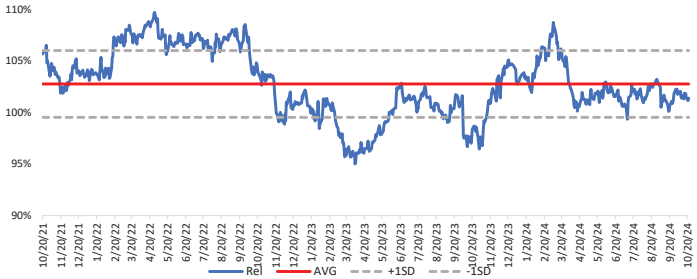
Source: BMO Capital Markets, FactSet

Exhibit 46 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 47 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Duke Energy

Exhibit 48 - DUK 3Q24 Earnings Walk

3Q23A Operating Earnings	**$1.94**
Weather Normalized - From 3Q23	($0.09)
Agility Initiatives	($0.16)
Normalized 3Q23	**$1.69**
Weather 3Q24	$0.00
Volumes/Load Growth	$0.06
NC customer growth	$0.02
DEC NC MYRP	$0.07
DEP NC Rates	$0.02
FL MYRP & SOBRA Projects	$0.02
Absence of FL Amortization Benefit in 3Q23	($0.02)
Midwest Riders	$0.04
AFUDC Equity	$0.02
Net Electric Interest Expense	($0.04)
Storm Expense - Hurricane Debby	($0.05)
Electric Regulatory Lag, D&A, Property Taxes	($0.05)
Gas Utilities & Infrastructure	($0.01)
Parent Interest, Returns on Investment & NMC Contribution	($0.09)
3Q24E Operating Earnings	**$1.68**

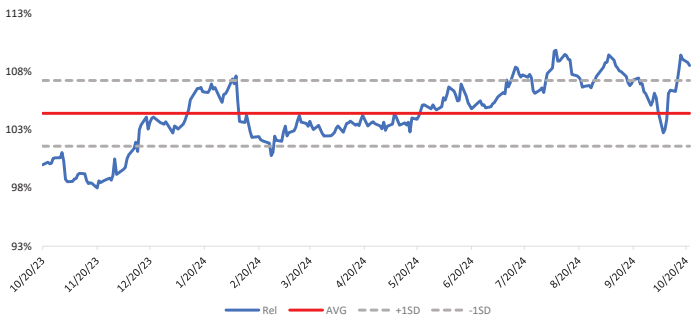
Source: BMO Capital Markets, Company Reports

Exhibit 49 - BMO Earnings Preview Dashboard

	DUK	XLU
YTD Performance	23.5%	28.9%
1 Month Performance	3.0%	1.9%
1 Week Performance	4.2%	1.7%
P/E - 2026 BMO Estimates	17.8x	16.8x
Passive Ownership 9/30/2023	24.9%	
Passive Ownership 9/30/2024	24.8%	
4 Week Short Interest Change	(14 bp)	
Days to Cover	3.0	
Consensus 3Q24 Estimate	$1.76	
4 Week Estimate Change	(11%)	

Source: BMO Capital Markets, FactSet

Exhibit 50 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 51 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Entergy Corp

Exhibit 52 - ETR 3Q24 Earnings Walk

3Q23 Operating Earnings	**$3.27**
Normalized Weather	($0.64)
3Q24 Weather	$0.15
Volumes	$0.11
Utility Other O&M	$0.08
Refueling	$0.00
D&A	($0.28)
Interest	($0.07)
Income Tax Items	($0.01)
Utility Taxes - Other Than Income (Ad Valorem)	($0.05)
Rate Relief - FRPs, Riders & Other	$0.26
Parent & Other	($0.09)
Dilution	($0.01)
Utility Other Income	$0.14
Accrual for E-TX Rate Case Relate-Back 3Q23 Impact Reversal	$0.03
E-TX Rate Case and Fuel Reconciliation Adjustments 3Q23 Impact	($0.11)
SERI Depreciation Rate Settlement Reg Credits Reversal	$0.14
3Q24 Operating Earnings	**$2.92**

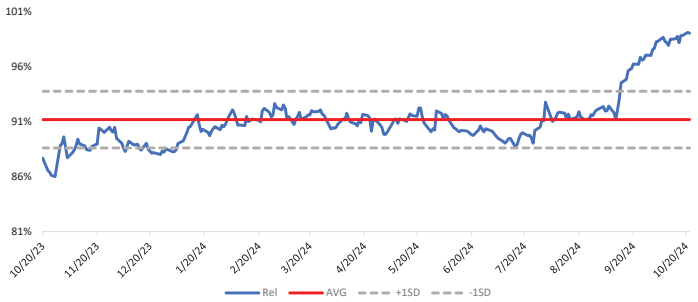
Source: BMO Capital Markets, Company Reports

Exhibit 53 - BMO Earnings Preview Dashboard

	ETR	XLU
YTD Performance	33.5%	28.9%
1 Month Performance	4.5%	1.9%
1 Week Performance	2.4%	1.7%
P/E - 2026 BMO Estimates	16.3x	16.8x
Passive Ownership 9/30/2023	29.3%	
Passive Ownership 9/30/2024	29.0%	
4 Week Short Interest Change	13 bp	
Days to Cover	1.6	
Consensus 3Q24 Estimate	$2.94	
4 Week Estimate Change	(4%)	

Source: BMO Capital Markets, FactSet

Exhibit 54 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 55 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Eversource Energy

Exhibit 56 - ES 3Q24 Earnings Walk

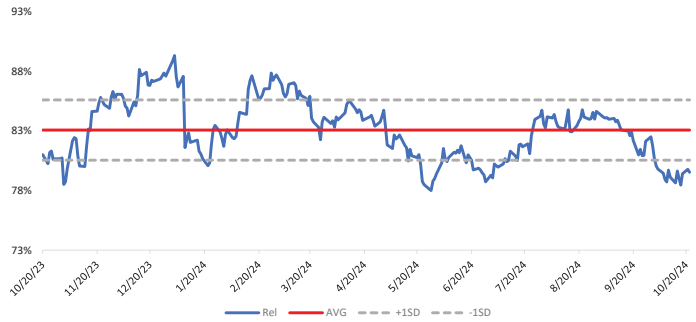
3Q23 Operating Earnings	**$0.97**
Gas incl. ES Gas of MA	$0.01
Electric Distribution	$0.06
Water	$0.01
Transmission	$0.04
Parent Interest Expense	($0.02)
Shares	($0.01)
Parent Tax Benefits	$0.06
3Q24E Operating Earnings	**$1.11**

Exhibit 57 - BMO Earnings Preview Dashboard

	ES	XLU
YTD Performance	7.1%	28.9%
1 Month Performance	(1.5%)	1.9%
1 Week Performance	3.3%	1.7%
P/E - 2026 BMO Estimates	13.1x	16.8x
Passive Ownership 9/30/2023	35.3%	
Passive Ownership 9/30/2024	32.5%	
4 Week Short Interest Change	10 bp	
Days to Cover	2.2	
Consensus 3Q24 Estimate	$1.08	
4 Week Estimate Change	1%	

Source: BMO Capital Markets, FactSet

Exhibit 58 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 59 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exelon Corp

Exhibit 60 - EXC 3Q24 Earnings Walk

3Q23 Operating Earnings	$0.67
Normalized Weather (PECO & PHI)	$0.03
3Q24 Load & Weather (PECO & PHI)	$0.00
Utility Rates (PHI - MD & DC)	$0.00
Utility Rates (PECO - Electric)	$0.00
Utility Rates (PECO - Gas)	$0.00
Utility Rates (BGE)	$0.04
Utility Rates (ComEd)	($0.01)
ComEd ROE	($0.02)
O&M (including storm costs)	$0.01
OPEX - D&A, Interest & Taxes	($0.04)
Parent Interest Expense	($0.04)
Other	$0.00
3Q24E Operating Earnings	**$0.65**

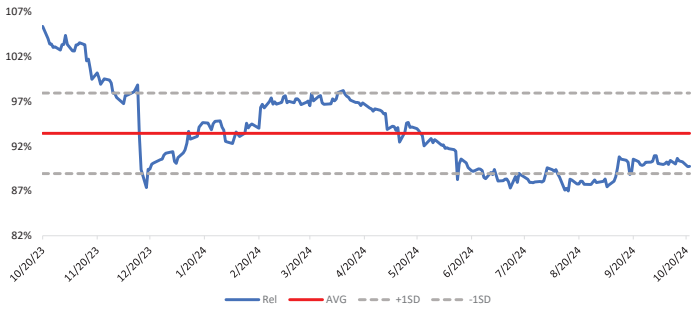
Source: BMO Capital Markets, Company Reports

Exhibit 61 - BMO Earnings Preview Dashboard

	EXC	XLU
YTD Performance	12.8%	28.9%
1 Month Performance	0.6%	1.9%
1 Week Performance	1.4%	1.7%
P/E - 2026 BMO Estimates	14.6x	16.8x
Passive Ownership 9/30/2023	26.6%	
Passive Ownership 9/30/2024	30.3%	
4 Week Short Interest Change	(92 bp)	
Days to Cover	2.1	
Consensus 3Q24 Estimate	$0.68	
4 Week Estimate Change	(3%)	

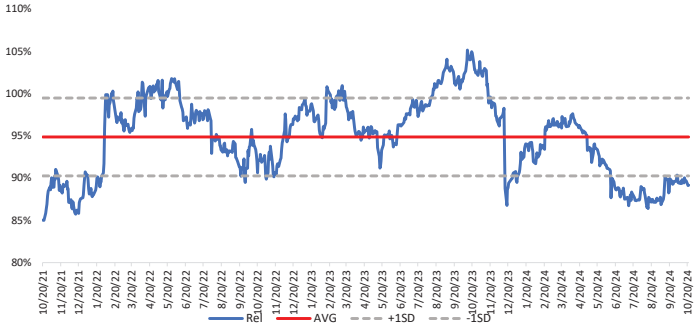
Source: BMO Capital Markets, FactSet

Exhibit 62 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 63 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

NextEra Energy

Exhibit 64 - NEE 3Q24 Earnings Walk

3Q23A Consolidated Operating Earnings	**$0.94**
FP&L	**$0.58**
New Investment/Growth Capital Employed	$0.04
Other, including higher interest and reserve amortization	(0.02)
Total FPL	**$0.60**
NextEra Energy Resources	**$0.43**
NEER Wind Resource - 3Q23 = 93%	$0.01
NEER New Investments, net of monetizations	$0.12
Gas Infrastructure	($0.03)
Existing Generation & Storage Assets	$0.02
Customer Supply & Trading	($0.02)
Other incl. higher debt/interest rates	(0.03)
Total NEER	**$0.50**
Corporate & Other	**($0.07)**
Share Dilution	($0.01)
Other. Net - Higher corporate debt	(0.03)
Total Corporate & Other	**($0.11)**
3Q24E Consolidated Operating Earnings	**$0.99**

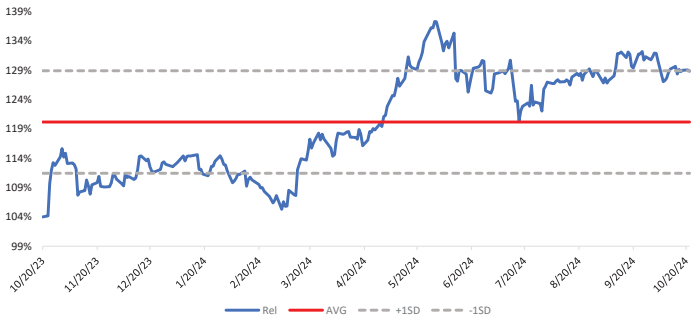
Source: BMO Capital Markets, Company Reports

Exhibit 65 - BMO Earnings Preview Dashboard

	NEE	XLU
YTD Performance	38.3%	28.9%
1 Month Performance	1.5%	1.9%
1 Week Performance	1.4%	1.7%
P/E - 2026 BMO Estimates	21.1x	16.8x
Passive Ownership 9/30/2023	24.7%	
Passive Ownership 9/30/2024	25.0%	
4 Week Short Interest Change	(20 bp)	
Days to Cover	3.1	
Consensus 3Q24 Estimate	$0.98	
4 Week Estimate Change	1%	

Source: BMO Capital Markets, FactSet

Exhibit 66 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 67 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

NextEra Energy Partners

Exhibit 68 - NEP 3Q24 Earnings Walk

	Adjusted EBITDA	CAFD
3Q23A Operating EBITDA & CAFD	**$488**	**$247**
Sale Of STX Pipeline	($46)	($43)
Wind Resource - 91% in 3Q23 (Assume Normal Resource)	$28	$28
Cash Interest on STX Pipeline Sale Cash		$3
$750mm in new Debt - Issued 12/22/23 - Pay Coupon 1Q/3Q @ 7.25%		($28)
NEP Renewables Debt Amortization		($18)
3Q24E	**$469**	**$188**

Source: BMO Capital Markets, Company Reports

Exhibit 69 - BMO Earnings Preview Dashboard

	NEP	XLU
YTD Performance	(17.0%)	28.9%
1 Month Performance	(6.6%)	1.9%
1 Week Performance	(2.8%)	1.7%
Passive Ownership 9/30/2023		
Passive Ownership 9/30/2024		
4 Week Short Interest Change	(193 bp)	
Days to Cover	2.8	
Consensus 3Q24 Estimate	$504	
4 Week Estimate Change	12%	

Source: BMO Capital Markets, FactSet

NiSource, Inc.

Exhibit 70 - NI 3Q24 Earnings Walk

3Q23A Operating Earnings	$0.19
Beginning Net Income	$84
Rate Relief/Riders	$40
O&M	($20)
Higher D&A	($12)
Weather Normalized Load (energy efficiency/normalizing C&I)	$0
Non-Controlling Interest	($21)
Other Income - AFUDC, net of higher pension expense	$12
Absence of Perpetural Preferred Interest	$8
Interest Expense	($6)
Other & Share Dilution	($1)
3Q24E Operating Net Income	**$85**
3Q24 Diluted Shares	450
3Q24E Operating Earnings	**$0.19**

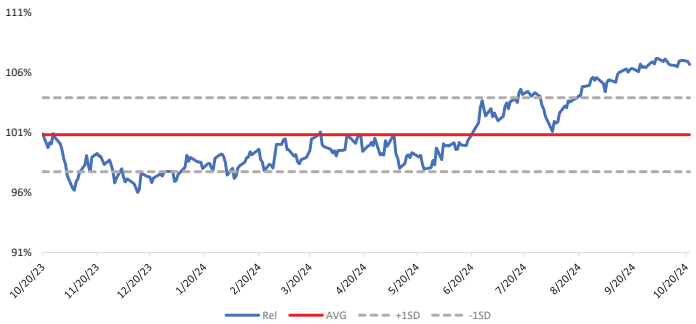
Source: BMO Capital Markets, Company Reports

Exhibit 71 - BMO Earnings Preview Dashboard

	NI	XLU
YTD Performance	31.6%	28.9%
1 Month Performance	2.5%	1.9%
1 Week Performance	2.1%	1.7%
P/E - 2026 BMO Estimates	17.5x	16.8x
Passive Ownership 9/30/2023	30.4%	
Passive Ownership 9/30/2024	30.3%	
4 Week Short Interest Change	(23 bp)	
Days to Cover	2.1	
Consensus 3Q24 Estimate	$0.15	
4 Week Estimate Change	(2%)	

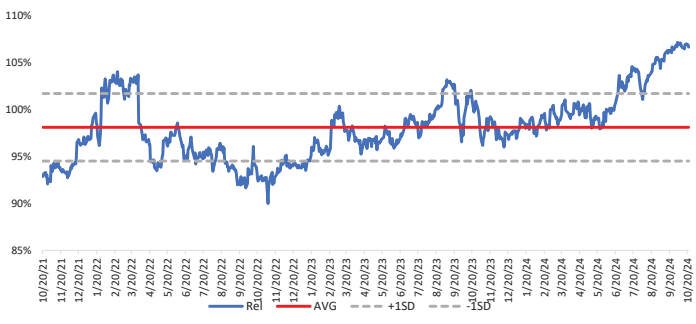
Source: BMO Capital Markets, FactSet

Exhibit 72 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 73 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Public Service Enterprise Group

Exhibit 74 - PEG 3Q24 Earnings Walk

3Q23 Operating Earnings	**$0.85**
PSE&G - Utility	**$0.80**
Normalized Weather	$0.00
Transmission	$0.02
Electric Margin/SIP	$0.02
O&M	($0.02)
D&A	($0.01)
Interest	($0.02)
Gas Margin	$0.00
Other	($0.02)
Pension & Opex	($0.01)
PSE&G - Utility	**$0.76**
Power and Other	**$0.05**
O&M	$0.00
Gross Margin and PTC	$0.04
Interest Expense	($0.01)
Recontracting	$0.00
Pension & Opex	$0.00
Gas Ops	$0.00
Parent Activity	($0.01)
Power and Other	**$0.07**
3Q24E Operating Earnings	**$0.83**

Source: BMO Capital Markets, Company Reports

Exhibit 75 - BMO Earnings Preview Dashboard

	PEG	XLU
YTD Performance	47.5%	28.9%
1 Month Performance	3.9%	1.9%
1 Week Performance	1.1%	1.7%
P/E - 2026 BMO Estimates	21.2x	16.8x
Passive Ownership 9/30/2023	30.7%	
Passive Ownership 9/30/2024	30.7%	
4 Week Short Interest Change	1 bp	
Days to Cover	2.1	
Consensus 3Q24 Estimate	$0.88	
4 Week Estimate Change	(4%)	

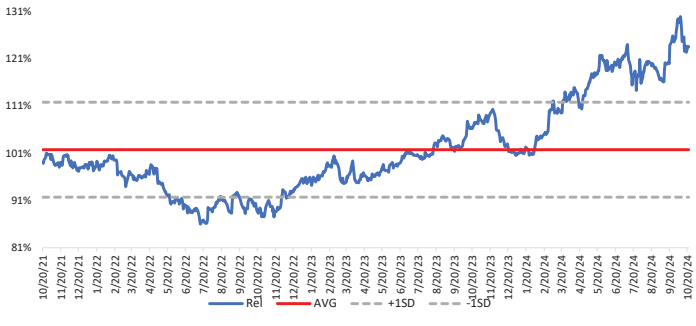
Source: BMO Capital Markets, FactSet

Exhibit 76 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 77 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Sempra Energy

Exhibit 78 - SRE 3Q24 Earnings Walk

3Q23A Operating Earnings	**$1.08**
SDG&E	**$274**
Interest Expense	($4)
CPUC Gross Margins	$0
Cost of Capital - Higher ROE	$10
Reversal of Tax Benefit in 3Q23	($12)
Subtotal	**$268**
SoCalGas	**$16**
Interest Expense	($10)
Cost of Capital - Higher ROE	$12
CPUC Gross Margins	$0
Subtotal	**$18**
Sempra Texas	**$305**
Weather	$10
Load & Customer Growth	$10
Oncor Rate Relief	$14
OPEX - D&A, tOTI & Interest Expense	($5)
Subtotal	**$334**
Sempra Energy Infrastructure Partners	**$187**
Reversal of Income Tax Benefit from JV Investments	($11)
Capitalized Interest	($15)
LNG Asset Optimization	$5
Subtotal	**$166**
Parent & Other (Includes Higher ST Debt Impact)	**($110)**
Total Net Income	**$677**
Dividends for Series B Preferred Stock	$0
Adjusted Net Income	**$677**
Diluted Shares	**636**
3Q24E Operating Earnings	**$1.06**

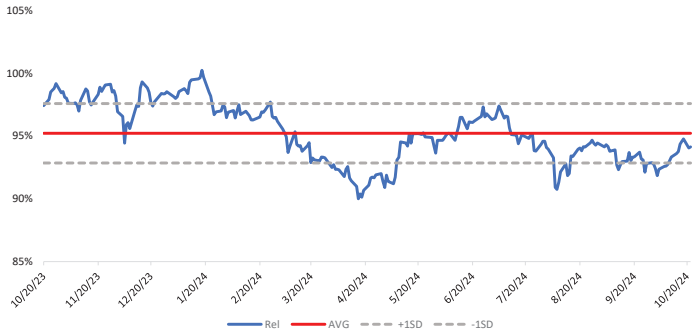
Source: BMO Capital Markets, Company Reports

Exhibit 79 - BMO Earnings Preview Dashboard

	SRE	XLU
YTD Performance	13.6%	28.9%
1 Month Performance	2.1%	1.9%
1 Week Performance	2.1%	1.7%
P/E - 2026 BMO Estimates	15.1x	16.8x
Passive Ownership 9/30/2023	25.8%	
Passive Ownership 9/30/2024	26.1%	
4 Week Short Interest Change	(9 bp)	
Days to Cover	4.3	
Consensus 3Q24 Estimate	$1.06	
4 Week Estimate Change	(8%)	

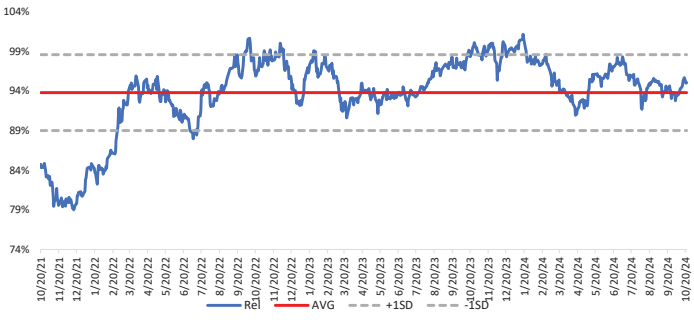
Source: BMO Capital Markets, FactSet

Exhibit 80 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 81 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Southern Company

Exhibit 82 - SO 3Q24 Earnings Walk

3Q23 Operating Earnings	$1.42
Normalized Weather 3Q23	($0.09)
3Q24 Weather	$0.05
Electric Growth Usage and Rates	$0.28
Electric Other	($0.15)
O&M	($0.05)
Interest D&A Other	
Gas	($0.07)
SO Power	$0.00
Parent & Other	($0.03)
Dilution	($0.01)
3Q24E Operating Earnings	$1.35

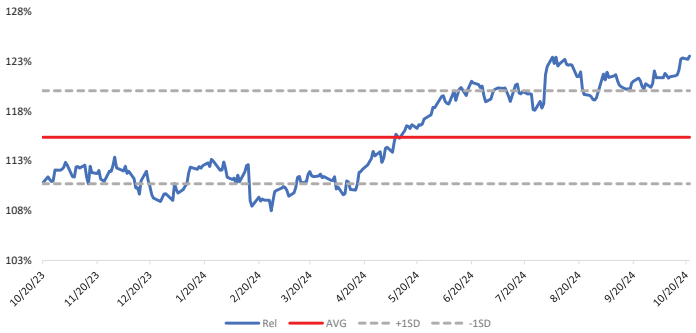
Source: BMO Capital Markets, Company Reports

Exhibit 83 - BMO Earnings Preview Dashboard

	SO	XLU
YTD Performance	32.2%	28.9%
1 Month Performance	3.4%	1.9%
1 Week Performance	3.2%	1.7%
P/E - 2026 BMO Estimates	20.3x	16.8x
Passive Ownership 9/30/2023	24.8%	
Passive Ownership 9/30/2024	24.5%	
4 Week Short Interest Change	29 bp	
Days to Cover	4.1	
Consensus 3Q24 Estimate	$1.35	
4 Week Estimate Change	(4%)	

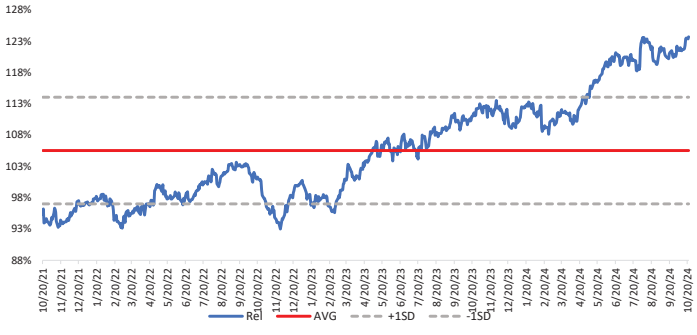
Source: BMO Capital Markets, FactSet

Exhibit 84 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 85 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

WEC Energy Group

Exhibit 86 - WEC 3Q24 Earnings Walk

3Q23A Operating Earnings	$1.00
Normalizing Weather 3Q23	($0.01)
Weather 3Q24	$0.00
IL QIP to Base Rates/PGL Rate Relief Timing	($0.12)
ATC	$0.00
WI Rate Relief	$0.02
Infrastructure	$0.00
D&A	($0.06)
Interest	($0.05)
O&M	($0.03)
PTC Benefit	($0.06)
3Q24E Operating Earnings	$0.70

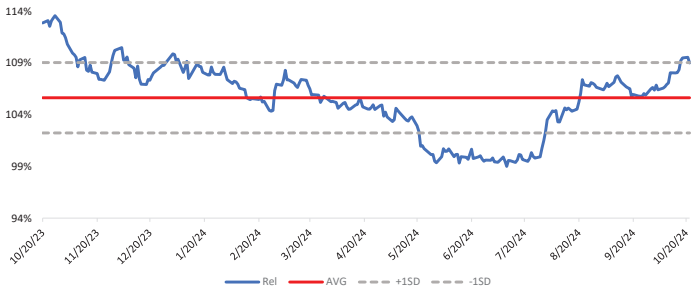
Source: BMO Capital Markets, Company Reports

Exhibit 87 - BMO Earnings Preview Dashboard

	WEC	XLU
YTD Performance	18.1%	28.9%
1 Month Performance	5.0%	1.9%
1 Week Performance	3.3%	1.7%
P/E - 2026 BMO Estimates	17.7x	16.8x
Passive Ownership 9/30/2023	31.7%	
Passive Ownership 9/30/2024	32.3%	
4 Week Short Interest Change	(31 bp)	
Days to Cover	4.7	
Consensus 3Q24 Estimate	$0.70	
4 Week Estimate Change	(10%)	

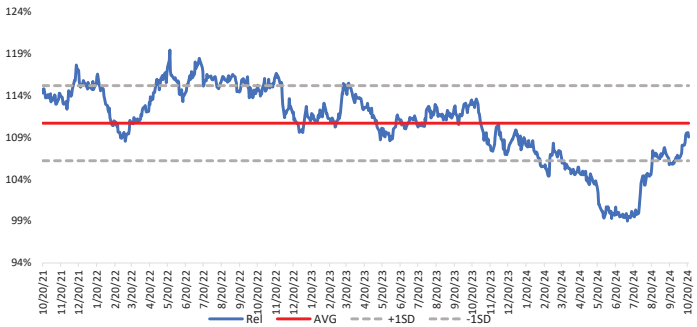
Source: BMO Capital Markets, FactSet

Exhibit 88 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 89 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Xcel Energy

Exhibit 90 - XEL 3Q24 Earnings Walk

3Q23 Operating Earnings	$1.23
Weather Norm 3Q23	($0.04)
Weather 3Q24	$0.03
AFUDC	$0.03
Property Taxes	$0.00
D&A	($0.09)
Riders	$0.02
O&M	($0.03)
Rate Cases	$0.22
Increased Sales	$0.02
Interest Expense	($0.05)
Prairie Outage	($0.05)
Other	($0.01)
3Q24 Operating Earnings	**$1.28**

Source: BMO Capital Markets, Company Reports

Exhibit 91 - BMO Earnings Preview Dashboard

	XEL	XLU
YTD Performance	2.5%	28.9%
1 Month Performance	(1.1%)	1.9%
1 Week Performance	0.7%	1.7%
P/E - 2026 BMO Estimates	15.3x	16.8x
Passive Ownership 9/30/2023	29.3%	
Passive Ownership 9/30/2024	31.2%	
4 Week Short Interest Change	16 bp	
Days to Cover	2.2	
Consensus 3Q24 Estimate	$1.27	
4 Week Estimate Change	(3%)	

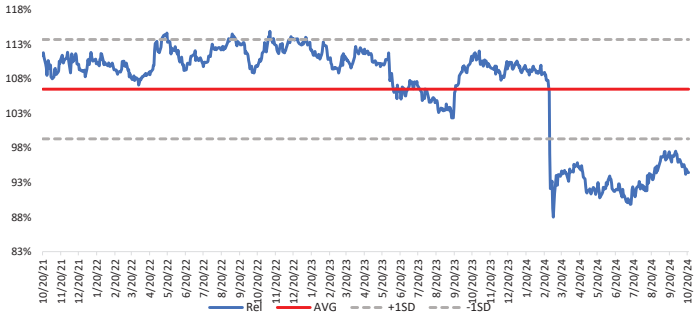
Source: BMO Capital Markets, FactSet

Exhibit 92 - 1-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Exhibit 93 - 3-YR Relative P/E vs. Regulated Universe (FY-2)



Source: BMO Capital Markets, FactSet

Individual Company Model Summary

Exhibit 94 - AEE Model Summary

Ameren Coporation (AEE)	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	2024-28
EPS By Segment										
Ameren Illinois	$1.52	$1.65	$1.98	$2.30	$2.16	$2.21	$2.25	$2.35	$2.40	**2.7%**
Union Electric	$1.75	$2.01	$2.17	$2.07	$2.54	$2.74	$2.96	$3.13	$3.36	**7.3%**
Ameren Transmission Company of Illinois	$0.32	$0.30	$0.29	$0.31	$0.32	$0.37	$0.42	$0.47	$0.53	**13.1%**
Parent & Other	($0.09)	($0.12)	($0.29)	($0.31)	($0.40)	($0.41)	($0.43)	($0.43)	($0.44)	**2.4%**
Consolidated E.P.S.	**$3.50**	**$3.84**	**$4.14**	**$4.37**	**$4.62**	**$4.90**	**$5.19**	**$5.52**	**$5.86**	**6.1%**
Dividend per share	**$2.00**	**$2.20**	**$2.36**	**$2.52**	**$2.68**	**$2.84**	**$3.01**	**$3.19**	**$3.38**	
Payout Ratio total	57.1%	57.2%	57.0%	57.6%	58.0%	57.9%	58.0%	57.9%	57.8%	
Dividend Yield	2.3%	2.5%	2.7%	2.9%	3.1%	3.2%	3.4%	3.6%	3.9%	
Valuation Metrics										
Price to Earnings	25.1x	22.8x	21.2x	20.1x	19.0x	17.9x	16.9x	15.9x	15.0x	
Price to Book Value	2.2x	2.3x	2.2x	2.0x	1.9x	1.8x	1.7x	1.6x	1.5x	
Funding Sources										
Cash Flow from Operations	$1,727	$1,661	$2,263	$2,564	$2,663	$2,894	$3,063	$3,302	$3,493	
Total Debt Financings, Net	$1,791	$2,044	$1,484	$1,662	$2,191	$1,630	$1,625	$1,191	$1,270	
Total Equity Financings, Net	$476	$308	$333	$346	$300	$600	$600	$600	$600	
Credit Metrics										
Total Debt/Capitlization	56%	58%	59%	59%	61%	61%	61%	60%	58%	
FFO/Total Debt	17%	16%	15%	16%	13%	13%	13%	14%	14%	
Forecast ROE's - Consolidated										
Ameren Illinois Electric	9.9%	10.1%	11.1%	12.0%	10.6%	10.6%	10.5%	10.8%	10.9%	
Ameren Illinois Gas	9.9%	10.1%	10.6%	11.5%	10.6%	10.6%	10.5%	10.8%	10.9%	
Ameren Illinois Transmission	9.7%	9.9%	10.1%	11.0%	9.8%	9.8%	9.7%	9.9%	10.0%	
Union Electric	9.3%	9.7%	9.5%	8.5%	9.4%	9.3%	9.4%	9.4%	9.6%	
Ameren Transmission Company of Illinois	9.3%	9.0%	8.5%	8.8%	8.7%	9.1%	9.2%	9.3%	9.4%	

Source: BMO Capital Markets, Company Reports

Exhibit 95 - AEP Model Summary

AEP Model Summary	2018	2019	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28
EPS By Segment												
Vertical Integrated Utilities	$2.00	$2.17	$2.21	$2.28	$2.56	$2.47	$2.80	$3.07	$3.30	$3.52	$3.73	*7.4%*
Transmission & Distribution Utilities	$1.05	$1.00	$1.02	$1.10	$1.16	$1.30	$1.51	$1.64	$1.76	$1.88	$2.01	*7.4%*
Transmission Co	$0.75	$1.05	$1.03	$1.35	$1.32	$1.43	$1.54	$1.59	$1.61	$1.65	$1.73	*2.9%*
Generation & Marketing	$0.28	$0.30	$0.36	$0.26	$0.50	$0.59	$0.26	$0.25	$0.25	$0.26	$0.26	*0.4%*
Coporate & Other	($0.14)	($0.27)	($0.18)	($0.26)	($0.45)	($0.55)	($0.47)	($0.57)	($0.59)	($0.55)	($0.54)	*3.3%*
Consolidated E.P.S.	**$3.95**	**$4.24**	**$4.44**	**$4.74**	**$5.09**	**$5.25**	**$5.64**	**$5.98**	**$6.33**	**$6.76**	**$7.19**	***6.3%***
YoY Growth				***6.9%***	***7.4%***	***3.1%***	***7.4%***	***6.0%***	***6.0%***	***6.7%***	***6.3%***	
Dividend per share	**$2.53**	**$2.71**	**$2.84**	**$3.00**	**$3.17**	**$3.37**	**$3.57**	**$3.77**	**$3.95**	**$4.15**	**$4.36**	***5.1%***
Payout Ratio total	64.1%	63.9%	64.0%	63.3%	62.3%	64.2%	63.3%	63.0%	62.4%	61.5%	60.7%	
Dividend Yield				3.0%	3.2%	3.4%	3.6%	3.8%	4.0%	4.2%	4.4%	
Valuation Metrics												
Price to Earnings	18.9x	22.3x	23.5x	18.8x	18.7x	15.5x	14.4x	13.6x	12.8x	12.0x	11.3x	
Price to Book Value	1.9x	2.3x	2.5x	2.0x	2.0x	1.7x	1.6x	1.5x	1.4x	1.4x	1.3x	
Funding Sources												
Cash Flow from Operations	$5,223	$4,270	$3,833	$3,840	$5,288	$5,012	$6,136	$6,540	$7,026	$7,492	$7,938	
Total Debt Financings	$5,217	$5,465	$6,574	$7,392	$7,134	$5,310	$4,652	$7,854	$4,724	$2,802	$5,672	
Total Equity Financings	$74	$65	$155	$601	$827	$1,000	$500	$800	$800	$700	$700	
Credit Metrics												
Total Debt/Capitlization	57%	60%	62%	61%	63%	63%	63%	64%	64%	62%	62%	
FFO/Total Debt	18%	15%	13%	15%	13%	11%	13%	13%	13%	14%	14%	
Regulated Operations Performance - Realized ROE												
Appalachian Power Company	9.9%	9.8%	8.5%	7.6%	8.5%	6.6%	9.7%	9.8%	9.6%	9.4%	9.5%	
Indiana Michigan Power Company	11.7%	11.0%	10.8%	10.4%	9.9%	9.9%	9.9%	9.3%	9.3%	9.7%	9.6%	
Public Service Company of Oklahoma	6.0%	9.6%	8.4%	7.5%	6.7%	7.9%	8.0%	8.2%	8.4%	9.2%	9.5%	
Southwestern Electric Power Company	6.0%	6.3%	7.1%	8.4%	8.3%	7.9%	7.5%	8.5%	8.5%	9.3%	9.8%	
Kentucky Power Company	9.0%	7.1%	5.1%	5.5%	4.6%	3.3%	6.4%	6.2%	6.3%	6.3%	6.6%	
Wheeling Power Company	13.8%	8.8%	9.7%	9.7%	9.5%	6.4%	7.1%	8.0%	8.2%	8.9%	9.7%	
Kingsport Power Company	7.4%	13.9%	25.3%	26.0%	7.8%	8.6%	14.9%	15.0%	13.9%	12.7%	11.8%	
AEP Generating Company	9.8%	9.0%	5.5%	10.2%	7.9%	7.9%	10.1%	9.5%	9.0%	8.5%	7.2%	
AEP Texas Company	7.4%	6.9%	7.7%	8.2%	7.9%	8.2%	8.7%	9.0%	9.2%	9.4%	9.7%	
AEP Ohio	13.2%	10.8%	8.4%	7.5%	7.9%	8.3%	8.8%	8.6%	8.6%	8.7%	8.8%	
AEP Transmission Holdco	8.9%	10.8%	8.8%	11.1%	9.8%	9.8%	10.2%	10.2%	10.1%	10.1%	10.0%	
Generation & Marketing Performance												
EBITDA	$178	$177	$178	$119	$266	$319	$246	$247	$253	$262	$272	

Source: BMO Capital Markets, Company Reports

Exhibit 96 - AY Model Summary

AY Model Summary	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	21-25
Segment Adjusted EBITDA									
Renewables	$604	$576	$603	$588	$592	$620	$646	$680	*1.8%*
Efficient Natural Gas & Heat	$109	$101	$100	$85	$81	$81	$83	$85	*-4.5%*
Transmission Lines	$86	$87	$84	$88	$90	$92	$98	$100	*4.0%*
Water	$23	$32	$38	$37	$31	$32	$33	$34	*-3.7%*
Adjusted EBITDA	$822	$796	$824	$797	$795	$825	$860	$899	*1.1%*
Cash Available for Distribution	$190	$201	$226	$238	$245	$255	$267	$276	*4.3%*
CAFD per Share	$1.88	$1.97	$2.03	$2.07	$2.11	$2.18	$2.25	$2.31	*2.5%*
DPS	$1.57	$1.66	$1.72	$1.77	$1.78	$1.81	$1.88	$1.94	*2.3%*
Dividend Yield	3.0%	7.6%	7.8%	8.1%	8.1%	8.2%	8.6%	8.8%	
Payout Ratio	83.4%	84.3%	84.4%	85.3%	84.3%	83.0%	83.7%	84.0%	
Enterprise Value	$7,887	$9,780	$9,664	$8,189	$7,755	$7,573	$7,442	$7,147	
EV/EBITDA				10.3x	9.8x	9.2x	8.7x	7.9x	
Funding Sources									
Cash Flow from Operations	$364	$438	$506	$586	$530	$564	$606	$715	
Total Debt Financings - Net	($244)	$159	($351)	($406)	($227)	($165)	($118)	($218)	
Total Equity Financings	$30	$162	$189	$0	$0	$50	$25	$0	
Credit Metrics									
Corp Net Debt/CAFD pre Corp Debt Service		2.7x	3.5x	3.4x	3.9x	3.7x	3.4x	2.7x	

Source: BMO Capital Markets, Company Reports

Exhibit 97 - CNP Model Summary

CNP Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E
EPS By Segment							
Electric Utility	$0.80	$0.68	$0.95	$1.05	$1.16	$1.26	$1.35
Gas Utility	$0.54	$0.59	$0.65	$0.71	$0.78	$0.82	$0.89
Parent/Other	$0.16	$0.00	($0.22)	($0.25)	($0.31)	($0.35)	($0.38)
Consolidated E.P.S.	**$1.49**	**$1.27**	**$1.38**	**$1.50**	**$1.62**	**$1.74**	**$1.86**
Dividend per share	**$0.60**	**$0.65**	**$0.70**	**$0.77**	**$0.82**	**$0.88**	**$0.95**
Payout Ratio total	40.2%	51.3%	50.7%	51.3%	50.5%	50.8%	51.2%
Payout Ratio % of Regulated earnings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Yield	2.8%	2.3%	2.3%	2.6%	2.7%	3.8%	3.8%
Valuation Metrics UP&O							
Price to Earnings	14.5x	22.0x	21.7x	20.0x	18.5x	13.6x	13.6x
Price to Book Value	1.4x	1.8x	1.9x	1.8x	1.7x	1.3x	1.3x
Funding Sources							
Cash Flow from Operations	$1,995	$22	$1,810	$2,342	$2,331	$2,474	$2,682
Total Debt Financings	($1,686)	$2,630	$672	$2,175	$2,747	$1,474	$1,990
Total Equity Financings	$672	$0	$0	$0	$500	$0	$250
Credit Metrics							
Total Debt/Capitlization	62%	63%	63%	65%	66%	67%	67%
FFO/Total Debt	14%	14%	13%	12%	10%	10%	10%
EBITDA/Interest Expense	3.8x	0.0x	3.5x	3.6x	2.8x	2.7x	2.7x
Regulated Operations Performance - Realized ROE							
CEHE	10.2%	9.9%	11.2%	11.0%	11.4%	11.6%	11.5%
Indiana Integrated Electric	10.7%	12.7%	12.5%	12.3%	10.4%	9.6%	9.7%
Gas Distribution (Combined)	8.3%	10.6%	11.5%	11.0%	10.9%	10.7%	10.6%

Source: BMO Capital Markets, Company Reports

Exhibit 98 - CMS Model Summary

CMS Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28
EPS By Segment										
Consumers Energy	$2.84	$3.07	$3.31	$3.07	$3.76	$4.07	$4.36	$4.65	$4.93	***7.0%***
Enterprises, & Parent	($0.17)	($0.42)	($0.42)	$0.04	($0.41)	($0.47)	($0.49)	($0.47)	($0.43)	***1.0%***
Consolidated E.P.S.	**$2.67**	**$2.65**	**$2.89**	**$3.11**	**$3.35**	**$3.60**	**$3.87**	**$4.18**	**$4.51**	***7.7%***
Dividend per share	**$1.63**	**$1.74**	**$1.84**	**$1.95**	**$2.06**	**$2.19**	**$2.35**	**$2.52**	**$2.73**	***7.2%***
Payout Ratio total	61.1%	65.7%	63.7%	62.7%	61.4%	61.0%	60.6%	60.4%	60.5%	
Dividend Yield	3.3%	2.8%	2.6%	2.7%	2.9%	3.1%	4.0%	4.3%	4.7%	
Valuation Metrics										
Price to Earnings	22.9x	24.5x	21.9x	18.7x	17.3x	16.1x	15.0x	13.9x	12.9x	
Price to Book Value	2.9x	2.6x	2.4x	2.1x	2.0x	1.9x	1.8x	1.7x	1.6x	
Funding Sources										
Cash Flow from Operations	$1,276	$1,819	$855	$2,309	$2,245	$2,399	$2,694	$2,873	$3,141	
Total Debt Financings	$1,495	$100	$1,793	$1,419	$1,533	$1,750	$940	$993	$475	
Total Equity Financings	$253	$26	$20	$73	$0	$350	$350	$350	$350	
Credit Metrics										
Total Debt/Capitalization	71%	63%	65%	66%	67%	67%	67%	66%	65%	
FFO/Total Debt	14%	7%	-3%	17%	14%	14%	15%	15%	16%	
Regulated Operations Performance - Realized ROE										
Consumers Energy Electric	10.0%	10.1%	9.8%	8.8%	9.6%	9.6%	9.8%	9.9%	10.1%	
Consumers Energy Gas	9.0%	9.5%	10.4%	8.0%	9.7%	9.6%	9.8%	9.9%	10.1%	

Source: BMO Capital Markets, Company Reports

Exhibit 99 - D Model Summary

D Model Summary	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28
EPS By Segment								
Virginia Electric & Power Co.	$2.29	$2.01	$2.37	$2.60	$2.83	$3.07	$3.31	
Dominion Southeast Energy Group	$0.61	$0.45	$0.44	$0.55	$0.60	$0.60	$0.66	
Gas Distribution								
Contracted Assets	$0.23	$0.12	$0.45	$0.65	$0.61	$0.63	$0.48	
Parent & Other	($0.09)	($0.59)	($0.51)	($0.39)	($0.46)	($0.50)	($0.50)	
Consolidated E.P.S.	**$3.03**	**$1.99**	**$2.75**	**$3.41**	**$3.58**	**$3.80**	**$3.94**	***9.5%***
Dividend per share	**$2.67**	**$2.67**	**$2.67**	**$2.67**	**$2.67**	**$2.67**	**$2.67**	
Payout Ratio total	88%	134%	97%	78%	74%	70%	68%	
Dividend Yield	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	
Valuation Metrics								
Price to Earnings	19.8x	30.2x	21.8x	17.6x	16.7x	15.8x	15.2x	
Price to Book Value	1.8x	1.8x	1.8x	1.7x	1.7x	1.6x	1.5x	
Funding Sources								
Cash Flow from Operations	$3,700	$6,572	$5,612	$6,494	$7,036	$7,503	$7,789	
Total Debt Financings	$4,965	$3,310	($145)	$6,060	$5,400	$4,400	$3,400	
Total Equity Financings	$1,866	$94	$700	$700	$700	$700	$700	
Credit Metrics								
Total Debt/Capitlization	60%	62%	57%	59%	60%	60%	60%	
FFO/Total Debt	11%	10%	14%	14%	14%	14%	14%	
EBITDA/Interest Expense	3.3x	2.0x	2.5x	2.8x	2.7x	2.7x	2.8x	
Regulated Operations Performance - Realized ROE								
Dominion Energy Virginia		9.1%	9.3%	9.1%	9.1%	9.1%	9.3%	
Dominion Energy South Carolina		14.4%	6.7%	8.1%	8.5%	8.2%	8.6%	

Source: BMO Capital Markets, Company Reports

Exhibit 100 - DTE Model Summary

DTE Electric (DTE)	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28 Growth
EPS By Segment										
DTE Electric	$4.21	$4.46	$4.90	$3.83	$5.33	$5.77	$6.26	$6.77	$7.21	**7.8%**
DTE Gas	$1.01	$1.10	$1.39	$1.42	$1.47	$1.55	$1.65	$1.75	$1.83	**5.6%**
DTE Vantage	$0.78	$0.91	$0.48	$0.74	$0.65	$0.73	$0.81	$0.89	$0.98	**10.5%**
Energy Trading	$0.20	$0.27	$0.07	$0.51	$0.19	$0.19	$0.19	$0.19	$0.19	**0.3%**
Parent & Other	($0.59)	($0.75)	($0.74)	($0.77)	($0.95)	($1.06)	($1.18)	($1.25)	($1.29)	**8.1%**
Consolidated E.P.S.	**$5.61**	**$5.99**	**$6.10**	**$5.73**	**$6.70**	**$7.18**	**$7.74**	**$8.35**	**$8.91**	**7.4%**
UP&O	$4.64	$4.81	$5.55	$4.48	$5.86	$6.26	$6.73	$7.27	$7.74	**7.2%**
Non-Utility	$0.98	$1.18	$0.55	$1.25	$0.85	$0.92	$1.00	$1.08	$1.17	**8.5%**
Consolidated E.P.S.	**$5.62**	**$5.99**	**$6.10**	**$5.73**	**$6.70**	**$7.18**	**$7.74**	**$8.35**	**$8.91**	**7.4%**
Utility	84%	83%	92%	81%	89%	89%	89%	89%	89%	
Non-Utility	16%	17%	8%	19%	11%	11%	11%	11%	11%	
Dividend per share	**$3.45**	**$3.59**	**$3.54**	**$3.81**	**$4.08**	**$4.37**	**$4.67**	**$5.00**	**$5.35**	**7.0%**
Payout Ratio total	61%	60%	58%	67%	61%	61%	60%	60%	60%	
Dividend Yield	2.7%	2.8%	2.8%	3.0%	3.2%	3.4%	3.6%	3.9%	4.2%	
Forecast ROE's - Consolidated										
DTE Electric	10.8%	10.5%	10.5%	8.2%	10.8%	10.7%	10.7%	10.7%	10.6%	
DTE Gas	10.2%	9.9%	11.8%	11.8%	11.4%	11.2%	11.3%	11.3%	11.3%	

Source: BMO Capital Markets, Company Reports

Exhibit 101 - DUK Model Summary

Duke Energy (DUK)	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28 CAGR
EPS By Segment									
Duke Energy Carolinas	$1.95	$2.15	$2.00	$2.42	$2.59	$2.75	$2.94	$3.13	**6.6%**
Duke Energy Progress	$1.32	$1.32	$1.36	$1.57	$1.69	$1.85	$1.97	$2.13	**7.8%**
Duke Energy Florida	$1.00	$1.19	$1.33	$1.41	$1.48	$1.56	$1.66	$1.74	**5.3%**
Duke Energy Indiana	$0.65	$0.36	$0.66	$0.65	$0.64	$0.70	$0.74	$0.78	**4.8%**
Duke Energy Ohio Electric	$0.18	$0.24	$0.28	$0.28	$0.28	$0.30	$0.33	$0.35	**6.4%**
Electric Utilities & Infrastructure Eliminations/Adjustments	($0.01)	$0.19	($0.08)	$0.06	$0.06	$0.06	$0.06	$0.06	**-0.6%**
Duke Energy Ohio Gas	$0.10	$0.16	$0.15	$0.18	$0.20	$0.21	$0.22	$0.23	**6.2%**
Piedmont Natural Gas	$0.40	$0.42	$0.49	$0.52	$0.54	$0.56	$0.59	$0.61	**4.2%**
Midstream/Eliminations/Adjustments	$0.04	$0.03	$0.03	$0.04	$0.04	$0.04	$0.04	$0.04	**-0.6%**
Commercial Renewables	$0.25								
Parent & Other	($0.65)	($0.80)	($0.68)	($1.10)	($1.19)	($1.30)	($1.39)	($1.49)	**7.7%**
Consolidated E.P.S.	**$5.24**	**$5.27**	**$5.56**	**$6.03**	**$6.32**	**$6.73**	**$7.15**	**$7.58**	**5.9%**
YoY Implied Growth	*2.3%*	*0.7%*	*5.4%*	*8.4%*	*4.8%*	*6.6%*	*6.3%*	*5.9%*	
EPS by Segment Group									
Electric Utilities & Infrastructure	$5.10	$5.46	$5.56	$6.39	$6.73	$7.22	$7.70	$8.18	**6.4%**
Gas Utilities & Infrastructure	$0.54	$0.61	$0.67	$0.74	$0.78	$0.81	$0.85	$0.88	**4.5%**
Commercial Renewables	$0.25								
Parent & Other	($0.65)	($0.80)	($0.68)	($1.10)	($1.19)	($1.30)	($1.39)	($1.49)	**7.7%**
Consolidated E.P.S.	**$5.24**	**$5.27**	**$5.56**	**$6.03**	**$6.32**	**$6.73**	**$7.15**	**$7.58**	**5.9%**
Payout Metrics									
Dividend per share	**$3.90**	**$3.98**	**$4.06**	**$4.15**	**$4.25**	**$4.35**	**$4.45**	**$4.55**	**2.3%**
Payout Ratio total	74%	75%	73%	69%	67%	65%	62%	60%	
Current Dividend Yield	3.4%	3.4%	3.5%	3.6%	3.7%	3.7%	3.8%	3.9%	
Valuation Metrics									
Price to Earnings	22.2x	22.1x	20.9x	19.3x	18.4x	17.3x	16.3x	15.3x	
Price to Book Value	1.6x	1.5x	1.5x	1.4x	1.4x	1.3x	1.3x	1.2x	
Sources of Funds									
Cash Flow from Operations	$8,290	$5,927	$9,878	$10,912	$11,386	$12,199	$12,829	$13,604	
Total Debt Financings, Net	$3,758	$7,478	$5,291	$3,860	$5,104	$5,266	$5,843	$5,676	
Total Equity Financings, Net	$5	$9	$8	$500	$500	$500	$500	$500	
Credit Metrics									
Total Debt/Capitalization	56.8%	58.7%	61.3%	61.5%	61.7%	61.9%	62.1%	62.2%	
Parent Debt - % of Total	29.5%	32.3%	32.8%	34.1%	33.5%	33.4%	33.0%	32.5%	
FFO/Total Debt	14%	13%	12%	13%	13%	13%	13%	13%	
EBITDA/Interest Expense	4.6x	4.6x	4.1x	4.2x	4.1x	4.0x	4.0x	3.9x	

Source: BMO Capital Markets, Company Reports

Exhibit 102 - ES Model Summary

Eversource Energy (ES)	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	5-Year Growth
EPS By Segment										
Connecticut Light & Power	$1.33	$1.40	$1.52	$1.47	$1.54	$1.56	$1.64	$1.71	$1.78	3.9%
Public Service of New Hampshire	$0.43	$0.44	$0.49	$0.56	$0.60	$0.65	$0.70	$0.72	$0.72	5.2%
NSTAR Electric	$1.30	$1.38	$1.41	$1.55	$1.70	$1.78	$1.88	$2.01	$2.17	7.0%
NSTAR Gas	$0.15	$0.21	$0.22	$0.27	$0.29	$0.34	$0.39	$0.44	$0.48	11.8%
Yankee Gas	$0.20	$0.22	$0.25	$0.21	$0.24	$0.26	$0.29	$0.31	$0.34	10.5%
EGMA		$0.17	$0.20	$0.17	$0.20	$0.24	$0.27	$0.30	$0.34	15.2%
Aquarion Water Company	$0.11	$0.11	$0.11	$0.09	$0.10	$0.11	$0.12			
Parent & Other	$0.01	($0.04)	($0.12)	$0.02	($0.11)	($0.16)	($0.26)	($0.20)	($0.21)	-254.5%
Consolidated E.P.S.	**$3.55**	**$3.86**	**$4.09**	**$4.34**	**$4.54**	**$4.78**	**$5.03**	**$5.31**	**$5.62**	**5.3%**
Dividend per share	**$2.27**	**$2.41**	**$2.55**	**$2.70**	**$2.87**	**$3.04**	**$3.22**	**$3.41**	**$3.62**	
Payout Ratio total	63.9%	62.4%	62.4%	62.3%	63.1%	63.6%	64.1%	64.3%	64.3%	
Dividend Yield	3.6%	3.8%	4.0%	4.2%	4.5%	4.8%	5.0%	5.4%	5.7%	
Forecast Consolidated ROE's										
Connecticut Light & Power	11.2%	10.6%	10.5%	9.6%	9.4%	9.1%	9.1%	9.1%	9.2%	
Public Service of New Hampshire	10.9%	10.1%	10.6%	11.1%	10.7%	10.5%	10.6%	10.4%	10.3%	
NSTAR Electric	11.3%	11.4%	11.2%	11.7%	11.9%	11.5%	11.3%	11.2%	11.3%	
NSTAR Gas	9.8%	11.8%	11.4%	12.6%	11.4%	11.4%	11.3%	11.3%	11.2%	
Yankee Gas	9.2%	9.3%	9.5%	6.9%	7.0%	7.1%	7.2%	7.2%	7.3%	
EGMA		9.9%	10.1%	7.4%	8.0%	8.3%	8.5%	8.7%	9.0%	
Aquarion Water Company	10.5%	6.6%	6.0%	4.8%	4.4%	4.7%	4.9%	0.0%	0.0%	

Source: BMO Capital Markets, Company Reports

Exhibit 103 - ETR Model Summary

ETR Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
EPS By Segment									
Arkansas	$1.19	$1.53	$1.44	$2.26	$1.63	$1.80	$1.87	$1.89	$1.90
Louisiana	$3.48	$3.12	$3.63	$4.88	$4.37	$4.54	$4.73	$5.00	$5.19
Mississippi	$0.68	$0.83	$0.96	$0.91	$1.10	$1.24	$1.33	$1.47	$1.64
New Orleans	$0.25	$0.16	$0.31	$1.08	$0.35	$0.36	$0.36	$0.37	$0.37
Texas	$1.05	$1.12	$1.39	$1.36	$1.51	$1.62	$1.84	$2.01	$2.26
System Resources	$0.49	$0.55	$0.61	$0.51	$0.49	$0.52	$0.52	$0.52	$0.52
Entergy Wholesale Commodities	($0.32)	($0.86)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Parent and Other	($1.42)	($1.24)	($1.78)	($2.16)	($2.23)	($2.34)	($2.36)	($2.39)	($2.42)
Consolidated E.P.S.	**$5.34**	**$5.16**	**$6.42**	**$8.92**	**$7.23**	**$7.74**	**$8.29**	**$8.85**	**$9.45**
Segment EPS (actual/as reported) + BMO Forecast									
Utility	$7.08	$7.26	$8.20	$11.08	$9.46	$10.08	$10.65	$11.24	$11.87
Parent and Other	($1.42)	($1.24)	($1.78)	($2.16)	($2.23)	($2.34)	($2.36)	($2.39)	($2.42)
Utilty and Parent Non-Recurring adjustments	($1.57)	$0.00	$0.00	($2.15)	$0.00	$0.00	$0.00	$0.00	$0.00
Ongoing E.P.S (Excludes EWC)	**$5.66**	**$6.02**	**$6.42**	**$6.77**	**$7.23**	**$7.74**	**$8.29**	**$8.85**	**$9.45**
Payout Metrics									
Dividends	**$3.74**	**$3.86**	**$4.09**	**$4.33**	**$4.59**	**$4.86**	**$5.15**	**$5.46**	**$5.79**
Payout Ratio total	70.1%	74.7%	63.7%	48.5%	63.4%	62.9%	62.1%	61.7%	61.3%
Payout Ratio % of Regulated earnings	66.1%	64.0%	63.7%	64.0%	63.4%	62.9%	62.1%	61.7%	61.3%
Dividend Yield	3.1%	3.2%	3.4%	3.6%	3.8%	4.1%	4.3%	4.6%	4.8%
Valuation Metrics									
Price to Earnings	17.3x	16.3x	18.8x	14.9x	15.0x	14.0x	13.1x	12.3x	11.5x
Price to Book Value	1.8x	1.7x	1.9x	1.5x	1.5x	1.4x	1.3x	1.3x	1.2x
Funding Sources									
Cash Flow from Operations	$2,690	$2,301	$2,585	$4,294	$4,164	$4,466	$4,797	$5,171	$5,465
Total Debt Financings	$12,300	$7,882	$5,594	$4,584	$10,470	$7,560	$9,050	$6,000	$7,840
Total Equity Financings	$43	$207	$885	$140	$0	$700	$700	$850	$850
Credit Metrics									
Total Debt/Capitlization	68.9%	70.1%	67.4%	64.1%	66.2%	65.9%	65.6%	64.7%	63.7%
FFO/Total Debt	12.1%	9.9%	12.7%	14.5%	14.4%	14.2%	14.3%	14.7%	14.9%
EBITDA/Interest Expense	2.3x	2.2x	2.1x	2.6x	2.7x	2.7x	2.7x	2.7x	2.8x

Source: BMO Capital Markets, Company Reports

Exhibit 104 - EXC Model Summary

EXC Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28 Growth
EPS By Segment										
EXC Gen	$1.44									
Com Ed	$0.66	$0.76	$0.94	$1.11	$0.98	$1.02	$1.08	$1.13	$1.19	4.9%
PECO	$0.47	$0.51	$0.63	$0.57	$0.67	$0.75	$0.81	$0.89	$0.97	9.8%
BGE	$0.37	$0.42	$0.43	$0.49	$0.52	$0.57	$0.62	$0.67	$0.73	8.8%
PHI	$0.52	$0.57	$0.62	$0.63	$0.73	$0.79	$0.84	$0.91	$0.96	7.1%
Parent & Other	($0.24)	($0.43)	($0.35)	($0.41)	($0.44)	($0.49)	($0.58)	($0.66)	($0.75)	14.0%
Consolidated E.P.S.	**$3.22**	**$1.83**	**$2.27**	**$2.38**	**$2.45**	**$2.63**	**$2.77**	**$2.94**	**$3.09**	**6.0%**
Growth										
Dividend per share	**$1.53**	**$1.53**	**$1.35**	**$1.44**	**$1.52**	**$1.61**	**$1.71**	**$1.81**	**$1.92**	**6.1%**
Growth				6.5%	5.7%	6.0%	6.0%	6.0%	6.0%	
Implied Payout Ratio	47.6%	83.6%	59.5%	60.3%	62.0%	61.4%	61.8%	61.6%	62.0%	
Dividend Yield	3.8%	3.8%	3.3%	3.5%	3.7%	4.0%	4.2%	4.5%	4.7%	
Valuation Metrics										
Price to Earnings	12.9x	22.7x	18.3x	17.4x	16.9x	15.8x	15.0x	14.1x	13.4x	
Price to Book Value	1.2x	1.2x	1.7x	1.6x	1.5x	1.5x	1.4x	1.4x	1.3x	
Funding Sources										
Cash Flow from Operations	$4,235	$3,012	$4,870	$4,703	$5,935	$6,329	$6,726	$7,166	$7,586	**$21,837**
Total Debt Financings	$8,168	$4,780	$7,095	$5,762	$3,575	$4,430	$5,340	$3,800	$5,015	**$20,862**
Total Equity Financings	$45	$80	$599	$140	$150	$475	$475	$0	$0	**$1,364**
Credit Metrics										
Total Debt/Capitlization	56%	50%	62%	63%	63%	64%	61%	61%	62%	
FFO/Total Debt	20%	28%	15%	13%	12%	12%	13%	13%	14%	
EBITDA/Interest Expense	7.0x	7.8x	4.9x	4.6x	4.3x	4.2x	4.1x	4.1x	4.0x	
Exelon Target Metrics ('22-24 Average)			13-14%	13-14%	13-14%	13-14%	13-14%	13-14%	13-14%	
S&P/Moody's Downgrade Thresholds			12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	
Regulated Operations Performance - Realized ROE (1)										
ComEd	8.7%	9.2%	10.0%	11.1%	9.5%	9.5%	9.5%	9.5%	9.6%	
PECO	11.0%	10.9%	11.3%	10.2%	10.9%	11.1%	11.0%	11.2%	11.3%	
BGE	9.7%	10.1%	8.5%	10.0%	9.9%	9.9%	9.9%	9.9%	10.0%	
PHI	9.1%	9.3%	9.5%	8.6%	9.7%	9.7%	9.7%	9.8%	9.8%	

(1) Includes transmission-related earnings in realized ROE calculation

Source: BMO Capital Markets, Company Reports

Exhibit 105 - LNT Model Summary

Alliant Energy (LNT)	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28 Growth
EPS By Segment										
Interstate Power & Light	$1.30	$1.40	$1.45	$1.44	$1.60	$1.72	$1.86	$1.97	$2.14	**7.5%**
Wisconsin Power & Light	$1.00	$1.07	$1.25	$1.36	$1.49	$1.59	$1.70	$1.85	$1.96	**7.2%**
ATC	$0.14	$0.12	$0.14	$0.14	$0.15	$0.16	$0.17	$0.17	$0.18	**4.8%**
Parent & Other	($0.01)	$0.04	($0.05)	($0.13)	($0.18)	($0.20)	($0.23)	($0.28)	($0.35)	**17.3%**
Consolidated E.P.S.	**$2.43**	**$2.63**	**$2.80**	**$2.82**	**$3.06**	**$3.27**	**$3.49**	**$3.71**	**$3.94**	**6.5%**
Dividend per share	**$1.52**	**$1.61**	**$1.71**	**$1.81**	**$1.92**	**$2.04**	**$2.16**	**$2.29**	**$2.43**	**6.0%**
Payout Ratio total	62%	61%	61%	64%	63%	62%	62%	62%	62%	
Dividend Yield	2.5%	2.6%	2.8%	3.0%	3.1%	3.3%	3.5%	3.7%	4.0%	
Valuation Metrics										
Price to Earnings	25.1	23.3	21.8	21.7	20.0	18.7	17.5	16.5	15.5	
Price to Book Value	2.2	2.6	2.2	2.1	1.9	1.8	1.7	1.5	1.4	
Funding Sources										
Cash Flow from Operations	$501	$582	$486	$867	$1,666	$1,798	$1,866	$1,955	$2,069	
Total Debt Financings, Net	$645	$718	$832	$780	$968	$725	$1,075	$965	$885	
Total Equity Financings, Net	$247	$28	$25	$246	$25	$25	$25	$25	$25	
Credit Metrics										
Total Debt/Capitlization	55%	57%	58%	58%	58%	58%	58%	58%	58%	
FFO/Total Debt			7.4%	7.9%	14.1%	14.5%	13.7%	13.4%	13.4%	
Forecast ROE's - Consolidated										
Interstate Power & Light	10.6%	10.3%	9.8%	9.7%	10.5%	10.1%	10.6%	10.5%	10.1%	
Wisconsin Power & Light	11.1%	10.6%	11.9%	11.1%	10.4%	10.4%	10.5%	10.7%	10.6%	

Source: BMO Capital Markets, Company Reports

Exhibit 106 - NEE Model Summary

NEE Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	CAGR '24-28
EPS By Segment										
Florida Power & Light	$1.35	$1.63	$1.87	$2.09	$2.15	$2.31	$2.56	$2.73	$2.89	***7.7%***
Gulf Power	$0.12									
NextEra Energy Resources	$0.99	$1.12	$1.23	$1.36	$1.57	$1.77	$1.88	$2.06	$2.26	***9.6%***
NEET	$0.05	$0.06	$0.09	$0.10	$0.11	$0.12	$0.13	$0.14	$0.14	***6.7%***
Corporate & Other	($0.20)	($0.26)	($0.29)	($0.38)	($0.42)	($0.53)	($0.61)	($0.64)	($0.70)	***13.7%***
Consolidated E.P.S.	**$2.31**	**$2.55**	**$2.90**	**$3.17**	**$3.41**	**$3.67**	**$3.96**	**$4.29**	**$4.59**	***7.7%***
Dividend per share	**$1.40**	**$1.54**	**$1.70**	**$1.87**	**$2.06**	**$2.25**	**$2.47**	**$2.70**	**$2.96**	
Payout Ratio total	60.6%	60.5%	58.6%	59.0%	60.4%	61.4%	62.2%	63.0%	64.4%	
Dividend Yield	2.1%	1.6%	2.0%	3.1%	3.4%	3.7%	4.1%	4.4%	4.9%	
Valuation Metrics										
Price to Earnings	29.0x	36.7x	28.8x	19.2x	17.8x	16.6x	15.3x	14.2x	13.2x	
Price to Book Value	2.9x	4.1x	3.4x	2.1x	2.0x	1.9x	1.8x	1.8x	1.6x	
Funding Sources										
Cash Flow from Operations	$7,983	$7,553	$8,262	$11,301	$11,155	$12,215	$13,681	$15,348	$17,134	
Total Equity Financings	($92)	$14	$1,460	$4,514	$1,200	$1,200	$2,000	$2,600	$4,000	
Credit Metrics										
Total Debt/Capitlization	52%	55%	57%	56%	58%	60%	62%	64%	64%	
FFO/Total Debt	17%	15%	16%	15%	14%	13%	13%	13%	12%	
Regulated Operations Performance - Realized ROE										
Florida Power & Light	12.2%	11.4%	11.8%	12.1%	11.4%	11.4%	11.9%	11.9%	12.0%	
NextEra Energy Resources Performance										
Adj. EBITDA	$5,728	$5,845	$6,703	$7,961	$9,545	$11,004	$12,622	$14,310	$16,163	

Source: BMO Capital Markets, Company Reports

Exhibit 107 - NEP Model Summary

NEP Model Summary	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E	23-26
Adjusted EBITDA	$1,104	$1,263	$1,309	$1,651	$1,875	$1,979	$2,059	$2,168	*5.0%*
Cash Available for Distribution	$366	$570	$533	$635	$689	$736	$802	$853	*7.4%*
Distribution to Unit Holders	**$2.04**	**$2.34**	**$2.69**	**$3.10**	**$3.44**	**$3.65**	**$3.87**	**$4.10**	*6.0%*
Distribution Yield	3.9%	3.5%	3.3%	4.4%	13.7%	14.5%	15.4%	16.3%	
Implied Coverage / Payout		78%	116%	100%	108%	86%	84%	83%	
Funding Sources									
Cash Flow from Operations	$346	$665	$677	$776	$731	$789	$784	$769	
Total Debt Financings	$3,380	$695	$2,880	$1,505	$3,112	$1,523	$884	$2,484	
Total Equity Financings	$1,765	$705	$813	$952	$31	$300	$0	$0	
Credit Metrics									
Debt/EBITDA	3.8x	2.7x	4.1x	3.3x	3.4x	3.3x	3.2x	3.1x	

Source: BMO Capital Markets, Company Reports

Exhibit 108 - NI Model Summary

NI Model Summary	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28
EPS By Segment									
NIPSCO	$0.87	$0.83	$0.94	$1.04	$1.14	$1.29	$1.40	$1.50	***9.6%***
Columbia	$0.80	$0.95	$1.06	$1.15	$1.24	$1.36	$1.46	$1.54	***7.6%***
Corporate & Other	($0.30)	($0.31)	($0.40)	($0.46)	($0.53)	($0.66)	($0.70)	($0.74)	***12.7%***
Consolidated E.P.S.	**$1.37**	**$1.47**	**$1.60**	**$1.73**	**$1.85**	**$1.99**	**$2.15**	**$2.31**	**7.4%**
YoY Growth		*7.3%*	*9.2%*	*8.2%*	*6.8%*	*7.3%*	*8.3%*	*7.2%*	
Dividend per share	**$0.88**	**$0.94**	**$1.00**	**$1.07**	**$1.13**	**$1.20**	**$1.27**	**$1.35**	***6.1%***
Payout Ratio total	64.3%	64.0%	62.4%	61.4%	61.2%	60.5%	59.2%	58.5%	
Dividend Yield	3.2%	3.4%	3.8%	3.1%	3.3%	3.5%	3.7%	3.9%	
Valuation Metrics									
Price to Earnings	20.2x	18.7x	16.6x	20.0x	18.7x	17.5x	16.1x	15.0x	
Price to Book Value	1.7x	1.6x	1.4x	1.8x	1.7x	1.6x	1.5x	1.5x	
Funding Sources									
Cash Flow from Operations	$1,218	$1,409	$1,935	$1,935	$2,091	$2,249	$2,414	$2,579	***7.4%***
Total Debt Financings	$0	$346	$1,489	($600)	$3,260	$1,340	$2,400	$2,200	
Total Equity Financings	$300	$154	($381)	$600	$250	$250	$300	$300	
Credit Metrics									
Total Debt/Capitalization	59%	60%	63%	60%	61%	62%	62%	62%	
Adjusted FFO/Total Debt	14%	13%	14%	15%	14%	14%	14%	14%	
Regulated Operations Performance - Realized/Forecast ROE									
NIPSCO Electric ROE	11.4%	9.9%	9.5%	9.6%	9.8%	10.1%	10.4%	10.6%	
NIPSCO Gas ROE	8.4%	9.8%	9.8%	9.9%	9.9%	9.8%	9.8%	9.8%	
Columbia Gas of Ohio ROE	8.4%	9.5%	9.9%	10.0%	10.0%	9.9%	9.9%	9.9%	
Columbia Gas of Pennsylvania ROE	8.5%	9.1%	9.4%	9.5%	9.5%	9.4%	9.5%	9.3%	
Columbia Gas of Virginia ROE	12.9%	12.0%	13.0%	13.0%	13.0%	12.8%	12.9%	12.9%	
Columbia Gas of Kentucky ROE	8.4%	9.4%	9.6%	9.6%	9.5%	9.5%	9.5%	9.5%	
Columbia Gas of Maryland ROE	7.1%	7.5%	7.7%	8.0%	8.0%	7.9%	7.9%	7.9%	

Source: BMO Capital Markets, Company Reports

Exhibit 109 - PEG Model Summary

PEG Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28
EPS By Segment										
PSE&G	$2.62	$2.85	$3.12	$3.06	$3.13	$3.52	$3.74	$3.99	$4.25	7.9%
Power (Nuclear)	$0.85	$0.86								
Parent & Other	($0.03)	($0.06)								
Power & Other (2022 and beyond)			$0.35	$0.42	$0.53	$0.56	$0.67	$0.61	$0.66	
Consolidated E.P.S.	**$3.43**	**$3.65**	**$3.47**	**$3.48**	**$3.66**	**$4.08**	**$4.40**	**$4.60**	**$4.90**	7.6%
Utility	**$2.62**	**$2.85**	**$3.12**	**$3.06**	**$3.13**	**$3.52**	**$3.74**	**$3.99**	**$4.25**	7.9%
Power & Other			**$0.35**	**$0.42**	**$0.53**	**$0.56**	**$0.67**	**$0.61**	**$0.66**	5.6%
Utility EPS %	76.2%	78.0%	90.0%	87.9%	85.6%	86.3%	84.9%	86.7%	86.6%	
Dividend per share	**$1.96**	**$2.04**	**$2.16**	**$2.28**	**$2.40**	**$2.54**	**$2.70**	**$2.86**	**$3.03**	
Payout Ratio total	57.1%	55.8%	62.2%	65.4%	65.6%	62.4%	61.2%	62.1%	61.8%	
Payout Ratio % of Regulated earnings	74.9%	71.5%	69.1%	74.4%	76.6%	72.2%	72.1%	71.7%	71.3%	
Dividend Yield	3.4%	3.1%	3.5%	3.7%	2.7%	2.9%	3.0%	3.2%	3.4%	
Valuation Metrics										
Price to Earnings	17.0x	18.3x	17.7x	17.6x	24.3x	21.8x	20.2x	19.3x	18.1x	
Price to Book Value	1.9x	2.3x	2.2x	2.0x	2.8x	2.6x	2.5x	2.4x	2.3x	
Funding Sources										
Cash Flow from Operations	$3,102	$1,736	$1,503	$3,806	$3,240	$3,737	$3,895	$4,090	$4,337	
Total Debt Financings	$2,450	$2,825	$2,850	$2,800	$2,990	$3,745	$2,550	$2,750	$2,795	
Total Equity Financings	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Credit Metrics										
Total Debt/Capitlization	51%	59%	59%	57%	57%	58%	59%	59%	59%	
FFO/Total Debt	20%	0%	10%	21%	15%	16%	16%	15%	15%	
EBITDA/Interest Expense	6.1x	1.3x	6.2x	5.3x	5.3x	5.3x	5.2x	5.1x	5.0x	
Regulated Operations Performance - Realized ROE										
PSE&G	11.8%	11.9%	11.6%	10.4%	9.7%	10.0%	9.9%	9.9%	9.9%	
PEG Power Performance										
Power Adj. EBITDA	$990	$896	$405	$402	$711	$749	$831	$838	$883	

Source: BMO Capital Markets, Company Reports

Exhibit 110 - SO Model Summary

SO Model Summary	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E
EPS By Segment									
Georgia Power	$1.71	$1.75	$1.82	$1.87	$2.19	$2.44	$2.64	$2.80	$2.95
Alabama Power	$1.08	$1.17	$1.25	$1.25	$1.30	$1.35	$1.42	$1.50	$1.53
Mississippi Power	$0.14	$0.15	$0.15	$0.17	$0.20	$0.20	$0.21	$0.21	$0.22
Southern Co. Gas	$0.53	$0.56	$0.61	$0.63	$0.66	$0.67	$0.72	$0.78	$0.85
Southern Power	$0.20	$0.25	$0.33	$0.33	$0.33	$0.35	$0.37	$0.38	$0.42
Parent & Other	($0.43)	($0.47)	($0.56)	($0.61)	($0.69)	($0.72)	($0.78)	($0.80)	($0.82)
Consolidated E.P.S.	**$3.23**	**$3.41**	**$3.60**	**$3.65**	**$4.00**	**$4.29**	**$4.58**	**$4.87**	**$5.15**
EPS By Segment Group									
Electric T&D	$2.93	$3.06	$3.22	$3.30	$3.70	$3.99	$4.27	$4.51	$4.70
Gas LDC	$0.37	$0.39	$0.44	$0.40	$0.48	$0.50	$0.54	$0.54	$0.54
Infrastructure and Marketing	$0.36	$0.42	$0.50	$0.55	$0.51	$0.52	$0.55	$0.62	$0.73
Parent & Other	($0.43)	($0.47)	($0.56)	($0.61)	($0.69)	($0.72)	($0.78)	($0.80)	($0.82)
Consolidated E.P.S.	**$3.23**	**$3.41**	**$3.60**	**$3.65**	**$4.00**	**$4.29**	**$4.58**	**$4.87**	**$5.15**
Payout Metrics									
Dividend per share	**$2.54**	**$2.62**	**$2.70**	**$2.78**	**$2.86**	**$2.95**	**$3.04**	**$3.13**	**$3.22**
Payout Ratio total	78.7%	76.8%	74.9%	76.3%	71.6%	68.7%	66.3%	64.3%	62.6%
Payout Ratio % of Regulated earnings	73.5%	72.3%	70.4%	70.8%	65.8%	63.2%	60.9%	59.2%	58.1%
Dividend Yield	4.1%	4.3%	4.4%	4.5%	4.7%	4.8%	4.9%	5.1%	5.2%
Valuation Metrics									
Price to Earnings	19.0x	18.0x	17.0x	16.8x	15.4x	14.3x	13.4x	12.6x	11.9x
Price to Book Value	2.3x	2.3x	2.2x	2.1x	2.0x	1.9x	1.8x	1.7x	1.6x
Funding Sources									
Cash Flow from Operations	$6,696	$6,169	$6,302	$7,553	$9,989	$10,571	$11,132	$11,672	$12,207
Total Debt Financings	$3,589	$3,935	$2,974	$4,678	$2,978	$2,024	$1,486	$762	$582
Total Equity Financings	$74	$73	$1,808	$36	$350	$350	$350	$350	$350
Credit Metrics									
Total Debt/Capitlization	60%	62%	62%	64%	64%	64%	63%	62%	61%
FFO/Total Debt	14%	11%	15%	15%	15%	15%	16%	17%	17%
EBITDA/Interest Expense	5.1x	4.6x	5.1x	4.8x	4.8x	4.9x	4.9x	5.1x	5.3x

Source: BMO Capital Markets, Company Reports

Exhibit 111 - SRE Model Summary

Sempra Energy (SRE) Model	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28 Growth
EPS By Segment									
San Diego Gas & Electric	$1.31	$1.45	$1.48	$1.62	$1.60	$1.69	$1.75	$1.83	3.0%
Southern California Gas	$1.15	$1.26	$1.28	$1.50	$1.50	$1.57	$1.62	$1.74	3.8%
Sempra Texas	$0.98	$1.16	$1.17	$1.30	$1.45	$1.63	$1.81	$1.98	11.0%
Sempra Infrastructure	$1.28	$1.28	$1.21	$1.03	$1.19	$1.25	$1.39	$1.53	10.4%
Parent & Other	($0.51)	($0.54)	($0.52)	($0.56)	($0.58)	($0.63)	($0.68)	($0.70)	5.4%
Discontinued Operations									
Consolidated E.P.S.	**$4.21**	**$4.61**	**$4.61**	**$4.89**	**$5.17**	**$5.51**	**$5.89**	**$6.38**	6.9%
Growth		*9.4%*	*0.2%*	*6.0%*	*5.6%*	*6.7%*	*7.0%*	*8.3%*	
Dividend per share	**$4.40**	**$4.58**	**$2.38**	**$2.48**	**$2.57**	**$2.68**	**$2.78**	**$2.90**	4.0%
Growth		*4.1%*	*-48.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	
Payout Ratio total	104.5%	99.4%	51.6%	50.6%	49.8%	48.6%	47.2%	45.4%	(3%)
Dividend Yield	5.1%	5.3%	2.8%	2.9%	3.0%	3.1%	3.2%	3.4%	
Funding Sources									
Cash Flow from Operations	$3,842	$1,142	$6,218	$5,058	$5,416	$5,699	$6,031	$6,419	
Total Debt Financings, Net	$197	$4,208	$1,927	$1,920	$3,448	$2,580	$1,710	$1,200	
Total Equity Financings, Net	($334)	($474)	$113	$1,200	$160	$160	$160	$160	
Credit Metrics									
Total Debt/Capitlization	48%	50%	48%	46%	47%	48%	47%	46%	
FFO/Total Debt	17%	2%	23%	19%	18%	17%	18%	19%	
EBITD/Interest Expense	2.4x	3.1x	3.1x	2.7x	2.7x	2.6x	2.7x	2.8x	
Forecast Consolidated ROE's									
San Diego Gas & Electric	12.6%	12.8%	11.8%	11.9%	11.3%	11.2%	11.0%	11.0%	
Southern California Gas	14.8%	14.6%	13.3%	14.3%	13.3%	12.7%	12.3%	12.6%	
Sempra Texas	9.9%	10.9%	9.8%	9.9%	9.9%	10.0%	10.0%	10.0%	
Key Model Drivers									

Source: BMO Capital Markets, Company Reports

Exhibit 112 - WEC Model Summary

WEC Energy	2020A	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	'24-28 Growth
EPS By Segment										
WE	$1.16	$1.21	$1.25	$1.52	$1.59	$1.75	$1.94	$2.10	$2.36	**10.4%**
WPS	$0.70	$0.73	$0.74	$0.82	$0.83	$0.94	$1.01	$1.08	$1.17	**9.1%**
WG	$0.26	$0.24	$0.35	$0.30	$0.32	$0.39	$0.41	$0.41	$0.42	**7.3%**
PGL	$0.59	$0.65	$0.66	$0.79	$0.81	$0.83	$0.84	$0.84	$0.85	**1.1%**
NSG	$0.05	$0.06	$0.06	$0.07	$0.07	$0.08	$0.08	$0.08	$0.09	**4.9%**
UMERC	$0.07	$0.06	$0.05	$0.05	$0.06	$0.07	$0.08	$0.08	$0.09	**9.0%**
MERC & MGU	$0.12	$0.11	$0.13	$0.15	$0.15	$0.14	$0.15	$0.16	$0.16	**2.8%**
Electric Transmission	$0.36	$0.34	$0.41	$0.38	$0.37	$0.41	$0.46	$0.52	$0.58	**11.6%**
Non-Utility Energy Infrastructure	$0.82	$0.88	$1.03	$1.06	$1.14	$1.16	$1.20	$1.23	$1.21	**1.3%**
Parent & Other	($0.34)	($0.16)	($0.22)	($0.52)	($0.49)	($0.52)	($0.58)	($0.57)	($0.62)	**6.1%**
Consolidated E.P.S.	**$3.79**	**$4.11**	**$4.45**	**$4.63**	**$4.85**	**$5.26**	**$5.58**	**$5.92**	**$6.30**	**6.7%**
	5.9%	8.4%	8.4%	3.9%	4.9%	8.3%	6.2%	6.1%	6.4%	
Dividend per share	**$2.53**	**$2.71**	**$2.91**	**$3.12**	**$3.32**	**$3.54**	**$3.77**	**$4.01**	**$4.27**	**6.5%**
Payout Ratio total	67%	66%	65%	67%	68%	67%	67%	68%	68%	
Dividend Yield					3.4%	3.6%	3.8%	4.1%	4.3%	
Valuation Metrics										
Price to Earnings	26.0x	24.0x	22.2x	21.3x	20.3x	18.8x	17.7x	16.7x	15.7x	
Price to Book Value	0.0x	0.0x	0.0x	2.2x	2.5x	2.3x	2.2x	2.1x	1.9x	
Funding Sources										
Cash Flow from Operations	$2,196	$2,033	$2,061	$3,018	$3,154	$3,404	$3,669	$3,906	$4,160	
Total Debt Financings, Net	$1,553	$1,244	$1,655	$1,538	$1,763	$1,195	$1,832	$1,804	$1,421	
Total Equity Financings, Net	($55)	($17)	($36)	($10)	$200	$500	$500	$500	$500	
Credit Metrics										
Total Debt/Capitlization	58%	60%	60%	60%	61%	61%	61%	60%	61%	
FFO/Total Debt	15%	12%	12%	15%	15%	15%	14%	15%	14%	
Forecast ROE's - Consolidated										
WE	10.7%	10.7%	10.3%	11.3%	10.5%	10.5%	10.6%	10.4%	10.8%	
WPS	11.3%	11.0%	10.5%	10.8%	10.0%	10.7%	10.6%	10.6%	10.9%	
WG	9.7%	8.3%	11.2%	8.5%	8.5%	10.0%	9.9%	9.4%	9.4%	
PGL	10.6%	10.4%	9.8%	11.2%	11.0%	11.2%	11.2%	10.9%	10.8%	
NSG	10.6%	9.4%	8.7%	10.1%	10.3%	10.2%	10.2%	10.4%	10.9%	
UMERC	10.1%	9.5%	7.4%	7.9%	9.7%	10.0%	9.2%	8.2%	7.6%	
MERC & MGU	12.0%	9.6%	9.8%	11.1%	9.7%	9.0%	8.9%	9.0%	9.1%	

Source: BMO Capital Markets, Company Reports

Exhibit 113 - XEL Model Summary

XEL Model Summary	2021A	2022A	2023A	2024E	2025E	2026E	2027E	2028E	24-28
EPS By Segment									
Northern States Power - MN	$1.12	$1.23	$1.32	$1.41	$1.49	$1.55	$1.61	$1.67	*4%*
Public Service Company of Colorado	$1.22	$1.33	$1.33	$1.51	$1.77	$2.02	$2.25	$2.45	*13%*
Southwestern Public Service Company	$0.59	$0.64	$0.71	$0.72	$0.74	$0.76	$0.75	$0.79	*2%*
Northern States Power - WI	$0.20	$0.23	$0.25	$0.28	$0.31	$0.33	$0.35	$0.37	*8%*
Equity Earnings of Unconsolidated Subsidiaries	$0.05	$0.04	$0.04	$0.05	$0.05	$0.05	$0.05	$0.04	*-2%*
Parent & Other	($0.23)	($0.30)	($0.30)	($0.40)	($0.51)	($0.56)	($0.58)	($0.57)	
Consolidated E.P.S.	**$2.96**	**$3.17**	**$3.35**	**$3.56**	**$3.85**	**$4.15**	**$4.44**	**$4.75**	***7%***
Dividend per share	**$1.83**	**$1.95**	**$2.08**	**$2.18**	**$2.29**	**$2.41**	**$2.53**	**$2.65**	*5%*
Payout Ratio total	61.9%	61.4%	62.0%	61.3%	59.5%	58.0%	56.9%	55.9%	
Dividend Yield	2.7%	2.9%	3.1%	3.2%	3.4%	3.6%	3.7%	3.9%	
Valuation Metrics									
Price to Earnings	22.9x	21.3x	20.2x	19.0x	17.6x	16.3x	15.2x	14.3x	
Price to Book Value	2.3x	2.2x	2.1x	2.0x	1.9x	1.8x	1.7x	1.6x	
Funding Sources									
Cash Flow from Operations	$2,147	$3,895	$5,372	$4,498	$4,923	$5,329	$5,757	$6,184	*8%*
Total Debt Financings	$3,131	$1,972	$2,602	$4,255	$6,305	$3,691	$2,970	$2,505	
Total Equity Financings	$366	$322	$0	$500	$800	$900	$900	$900	
Credit Metrics									
Total Debt/Capitlization	60%	60%	60%	61%	63%	63%	62%	61%	
FFO/Total Debt	10%	16%	21%	16%	14%	14%	15%	15%	
Regulated Operations Performance - Realized ROE									
Northern States Power MN - MN Electric	8.2%	8.7%	8.7%	8.8%	8.7%	8.6%	8.7%	8.8%	
Northern States Power MN - MN Gas	6.0%	5.9%	6.2%	6.1%	6.2%	6.2%	6.3%	6.4%	
Northern States Power MN - ND Electric	8.7%	9.2%	9.5%	9.7%	9.3%	9.1%	9.0%	9.0%	
Northern States Power MN - ND Gas	6.5%	5.9%	5.7%	5.5%	5.6%	5.6%	5.7%	5.8%	
Northern States Power MN - SD Electric	8.7%	8.7%	8.4%	8.6%	8.8%	9.0%	9.3%	9.6%	
Public Service Company of CO - Electric	8.5%	8.7%	7.9%	8.2%	8.4%	8.5%	8.7%	9.2%	
Public Service Company of CO - Gas	8.0%	7.9%	6.9%	7.2%	7.6%	7.8%	8.1%	8.6%	
Public Service Company of CO - Wholesale	7.8%	7.6%	6.4%	6.6%	7.0%	7.2%	7.6%	8.0%	
Southwestern Public Service Co - TX Electric	10.0%	9.9%	10.4%	10.1%	9.9%	9.9%	9.8%	10.0%	
Southwestern Public Service Co - NM Electric	8.9%	8.3%	8.3%	8.1%	8.0%	8.0%	8.0%	8.3%	
Southwestern Public Service Co - Wholesale	10.0%	11.3%	12.1%	11.6%	11.3%	11.2%	11.0%	11.2%	
Northern States Power WI - WI Electric	10.4%	11.1%	10.7%	11.0%	11.2%	11.2%	11.2%	11.0%	
Northern States Power WI - WI Gas	10.1%	10.0%	9.1%	9.2%	9.4%	9.4%	9.4%	9.2%	
Northern States Power WI - MI Electric & Gas	10.8%	10.6%	9.5%	9.7%	9.9%	9.8%	9.8%	9.6%	

Source: BMO Capital Markets, Company Reports

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Buy	Outperform	51.8 %	23.6 %	57.6 %	56.3 %	64.3 %	57.7%
Hold	Market Perform	46.0 %	18.2 %	39.4 %	42.5 %	34.4 %	37.5%
Sell	Underperform	2.2 %	30.0 %	3.0 %	1.2 %	1.2 %	4.8%

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http://researchglobal.bmocapitalmarkets.com/documents/2013/rating_key_2013_to_2016.pdf

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US Power & Utilities

Watt's the number? Diversified Utility Preview: CenterPoint/FirstEnergy/NiSource

Ross Fowler, CFA
ross.fowler@bofa.com
Research Analyst
BofAS
+1 646 855 1506

F. Paul Cole
paul.cole2@bofa.com
Research Analyst
BofAS
+1 646 743 2122

Ian Rapp
ian.rapp@bofa.com
Research Analyst
BofAS
+1 646 855 2109

Lynsey Prout
lynsey.prout@bofa.com
Research Analyst
BofAS
+1 646 855 4329

Tanner W. James, CFA
tanner.w.james@bofa.com
Research Analyst
BofAS
+1 646 855 2689

Price Objective Change | 28 October 2024 | Equity | United States | Utilities

Key takeaways

- We preview Q3'24 earnings for CNP, FE, and NI; see limited surprises on the quarter but capex and financing in focus
- We mark to market our valuation methodology and reiterate our ratings for CNP, FE, and NI
- Regulatory risk will be a focus, not uncommon in the group currently; capex upside potential is positive

GRC: General Rate Case

EEI: Edison Electric Institute conference

NIPSCO: Northern Indiana Public Service Company

O&M: operating and maintenance costs

PO: price objective

P/E: price to earnings

Datacenter opportunities and regulatory paths in focus

We preview earnings for a group of diversified regulated utilities heading into Q3'24 reports next week. We see focus building on companies with data center development opportunities. Commercial and industrial (C&I) load (and associated margin) is also likely to be in focus as companies continue to show ample weather-normalized C&I demand swells YTD. Regulatory paths are the key consideration for us, with CNP (CenterPoint Energy) grappling with Hurricane Beryl, FE (FirstEnergy) preparing for Ohio next year, and NI (NiSource) in the early days of NIPSCO electric. Datacenter-enabling transmission opportunities (NI) and increased resiliency spending (CNP) could materialize as upside to current capex plans for companies updating at EEI.

CNP: Neutral, Q3 EPS est. lowered to $0.30, $31 PO unch

Our full year 24e/25e/26e EPS estimates for CNP are unchanged at $1.64/$1.74/$1.85. We reiterate our Neutral rating ahead of Texas regulatory proceedings including the general rate case and Hurricane Beryl operational reviews. We lower our Q3'24 EPS estimate to $0.30 from $0.44 and compared to consensus of $0.35. We maintain our FY24e annual EPS estimate of $1.64 vs $1.62 consensus. Our PO stays at $31, reflecting mark-to-market of '26 peer group electric

and gas P/E multiples. We also leave our relative P/E premiums/discounts unchanged, applying a 5% discount to Houston Electric, and a group average multiple for CERC (CenterPoint Energy Resources) and SIGECO (Southern Indiana Gas & Electric). Our PO implies 4% upside and 7% total shareholder return potential.

FE: Underperform, Q3 EPS est. unchanged, $43 PO unch

We leave our full year 24e/25e/26e unchanged at $2.67/$2.92/$3.13 and maintain our Q3'24 estimate at $0.90. Our unchanged $2.67 FY24 EPS estimate compares to $2.70 consensus and our 3Q'24 EPS estimate of $0.90 is in line with consensus and guidance. Our PO remains $43, reflecting the mark-to-market of the 2026 peer group P/E multiple. We increase our applied P/E discount to 20% from 15% for Ohio and Pennsylvania to better align with other states facing regulatory risks and to reflect ongoing regulatory proceedings that carry risk from HB 6 (audits, investigations, pending rate case, among others). The remainder of our valuation methodology remains unchanged. Our PO implies modest downside and we reiterate our Underperform rating, as we see more attractive options within our coverage.

NI: Buy, Q3 EPS est. lowered, PO raised to $38 from $37

We maintain FY 24e/25e/26e EPS estimates of $1.72/$1.85/$2.01 and leave our 3Q'24 EPS estimate of $0.17 unchanged (consensus $0.15). We reiterate our Buy rating and raise our PO to $38 from $37, as we see valuation steadily grinding higher as the company continues to execute at or above its annual guidance midpoint and re-bases higher off actuals. We think NI can perpetuate this beat and re-base cycle by layering in capex opportunities aided by data center development and continued O&M execution to manage customer bills. We look for management commentary on data center development and the outlook for the pending NIPSCO electric rate case on the call and at the EEI update.

CenterPoint Energy (CNP)

We reiterate our Neutral rating on CenterPoint Energy (CNP) as we await clarity on Texas regulatory treatment. We update our Q3'24 estimate to $0.30 (from $0.44) to reflect the impact of weather (including Hurricane Beryl and the May derecho event) and updated expectations about O&M seasonality. We maintain our annual EPS estimate and increase our Q4'24 earnings estimate to $0.43 from $0.29 to reflect the seasonality of some O&M initiatives. Our Q3'24 estimate of $0.30 is 14% below consensus of $0.35. See a more detailed breakout of drivers and earnings walk in Exhibit 1 below.

- Key drivers: We expect -21% YoY adjusted EPS growth in 3Q to be driven by increased operating expenditures due to timing of cost measures taken in 2023, increased D&A, higher storm and weather costs, and lower AFUDC (allowance for funds used during construction) due to decreased capex deployment in 2024 versus 2023, offset by higher customer rates, lower net interest expense, and lower preferred dividend requirements following the retirement of some preferred series instruments year over year.
- Unknowns: Storms incurred in Q3'24 represent the largest unknowns for CNP during Q3'24, as the company endured both Hurricane Beryl in early July and the follow-on impacts from the May derecho events. Cooling degree days (CDD) in Texas were likely above plan, but down 17% YoY (1,899 Q3'24 CDDs vs. 1,576 Q3'23 CDDs); we use a rule of thumb previously provided by CNP of $60k margin per degree day to estimate a $0.03 YoY drag.

On the Q3'24 call, we expect management to provide a full guidance refresh (2025 guidance, refreshed capex, etc.), in line with previous practices for Q3 earnings. Our 2025 estimate is $1.74 (one penny above consensus' $1.73). We see upside bias to CNP's current capital plan to reflect ongoing resiliency planning in the wake of Hurricane Beryl and other regional storms of increasing intensity. Any capital upside relative to the current plan would likely need associated external financing and we await management commentary about proportionate equity funding.

We also look for management commentary on the ongoing Hurricane Beryl and general rate case proceedings. The regulatory calendar calls for a vote on the general case on November 24 (follows oral arguments heard at the 10/24 open meeting) and a Staff report regarding Hurricane Beryl investigations is expected in mid/late November. As such, the timing of the call (Monday 10/28) likely limits the amount of commentary management can offer on pending regulatory. We anticipate company 2025 guidance will assume a status quo rate case outcome, while long-term capex could be guided higher on the back of higher resiliency spending.

Exhibit 1: CNP Q3'24 EPS Walk
We lower our 3Q estimate to reflect the impact of O&M and weather activity (incl storms)

CNP Earnings Walk:	
3Q23 EPS	**$0.40**
AFUDC	-$0.03
Regulated Rates	$0.08
Storms/Hurricanes	-$0.04
Weather	-$0.03
O&M	-$0.11
Interest	$0.03
Preferred Dvd	$0.02
Other	-$0.02
Q3'24 EPS	**$0.30**

Source: BofA Global Research estimates, Company filings, Bloomberg

BofA GLOBAL RESEARCH

We maintain our view that the refreshed capex plan will be in line with the current plan and current growth expectations and therefore leave long-term annual estimates unchanged heading into Q3'24. As noted, we would not be surprised to see higher capex, but we note we are already above guidance for resiliency spending and await management commentary before including further upside in estimates. We continue to forecast FY'24 EPS of $1.64, FY'25 EPS of $1.74, and FY'26 EPS of $1.85. These estimates compare to consensus of $1.62 for FY'24, $1.73 for FY'25, and $1.86 for FY'26.

Exhibit 2: CNP Earnings Snapshot
We maintain our FY24/25/26 estimates

CenterPoint (CNP) Financial Dashboard	**2024E**	**2025E**	**2026E**	**2027E**
Electric (Houston Electric)	0.97	1.03	1.15	1.37
CERC	0.88	0.82	0.94	0.99
SIGECO	0.14	0.17	0.20	0.24
Utility EPS (before allocation)	**1.99**	**2.03**	**2.29**	**2.59**
Corp & Other	(0.35)	(0.29)	(0.44)	(0.58)
Consolidated	**1.64**	**1.74**	**1.85**	**2.01**
Guidance: Mid-to-high end of 6-8%	**1.61-1.63**	**1.74**	**1.87**	**2.01**
BofA vs Guidance	***1.3%***	***0.0%***	***-1.2%***	***-0.1%***
Consensus	**$1.62**	**$1.73**	**$1.86**	**$1.99**
BofA vs Consensus	***1.4%***	***0.6%***	***-0.3%***	***0.9%***
Dividend Per Share:	$0.82	$0.82	$0.90	$0.98
Dividend Payout Ratio	50%	47%	49%	49%
FFO/Debt: 14-15%	14.0%	14.2%	14.4%	14.3%

Source: BofA Global Research estimates, Company filings, Bloomberg

BofA GLOBAL RESEARCH

PO remains $31; valuation methodology unchanged

We reiterate our Neutral rating on CenterPoint Energy. Our PO remains at $31 after marking-to-market to the 2026 peer group P/E multiples. We leave our methodology unchanged, as we apply a 5% discount at Houston Electric for ongoing rate case and Hurricane Beryl investigation risk. Our PO implies 4% upside and 7% total shareholder return potential, near the middle of our coverage group. We continue to value CNP using a sum-of-the-parts methodology, updating the 2026 electric group average P/E multiple to 16.3x from 16.1x prior, and the gas regulated multiple to 16.2x from 15.9x prior.

We think the risks associated with ongoing investigations and pending regulatory matters warrant a discount to the group average multiple. We also note relatively tight balance sheet metrics could be temporarily strained and come in below downgrade thresholds for next year, depending on storm cost recovery and general rate case timing. We view the remaining, non-Texas gas and electric businesses as generally in line given growth and demographic trends and average regulatory exposures.

Exhibit 3: CNP Valuation Methodology
We mark to market our PO and leave our methodology unchanged

CenterPoint Sum-of-the-Parts Valuation

	Electric P/E 16.3x	Gas P/E 16.2x		Group EPS CAGR: 5%	
		Peer		Base	
Subsidiary	2026E	P/E	Premium/Discount	P/E	Equity
Electric (Houston Electric)	1.15	17.1x	-5%	16.3x	$18.64
CERC	0.94	17.0x	0%	17.0x	$15.96
SIGECO	0.20	16.3x	0%	16.3x	$3.26
Corporate & Other	(0.44)	17.0x	-2%	17.0x	-$7.40
Total	$1.85	17.0x	-1%	16.8x	$31.00
Potential Price Return					4.2%
Dividend Yield					2.6%
Total Potential Return					6.8%

Source: BofA Global Research estimates, Company Filings, Bloomberg

BofA GLOBAL RESEARCH

FirstEnergy Corp (FE)

We reiterate our Underperform rating on FirstEnergy Corp (FE) ahead of an important Ohio rate case in 2025. We leave our Q3'24 and FY24 estimates unchanged at $0.90 and $2.67, respectively. Our Q3'24 estimate is in line with company guidance midpoint and consensus. See the detailed drivers and earnings walk below.

- **Key drivers:** We expect YoY EPS growth in the quarter to be largely driven by formula rate relief across the transmission business and reflective of state regulatory outcomes YTD, modest customer demand growth, and a return to near normal weather. We expect increased O&M timing (some variance from storms), timing of income taxes, NCI (non-controlling interest) impacts from minority asset sales, and a steadily declining Signal Peak contribution partially offsetting benefits.
- **Unknowns**: The magnitude of storm costs, weather-normalized customer demand growth, margin associated with load growth, and to a lesser extent the impact of weather are difficult to estimate and could provide some error to our estimate.

We expect most of FE's guidance update to come on the Q4'24 call in February, including a comprehensive capital refresh and 2025 guidance. On the Q3'24 call we look for management commentary on pending regulatory items and further discussion about data center activity in FE's service territory.

On the regulatory front, FE is active in front of the Ohio commission with their electric security plan (ESP) rehearing ongoing and the general rate case still awaiting a procedural schedule. FE also has three ongoing HB 6 related audit/investigation proceedings ongoing, including (1) political donations and general corporate spending (reply comments due early November, final order later this year or early next); (2) corporate separation investigations (hearings held earlier in October); and (3) riders DMR (Distribution Modernization Rider) and DCR (Delivery Capital Recovery)(hearings in February). We reiterate our Underperform rating as we await more clarity on the regulatory path forward.

Exhibit 4: FE 3Q'24 EPS Walk
We maintain our $0.90 EPS estimate; in line with company $0.85-$0.95 guidance range

FE EPS Walk	
3Q23	**$0.88**
Lower VCR	-$0.02
Higher rates	$0.12
Demand	$0.03
Weather	$0.02
OpEx	-$0.02
FET	-$0.05
UOP	$0.05
Signal peak	-$0.03
Income Tax	-$0.05
Storms	-$0.03
Q3'24	**$0.90**

Source: BofA Global Research estimates, Company Filings

BofA GLOBAL RESEARCH

We continue to forecast FY 24e/25e/26e EPS of $2.67/$2.92/$3.13, respectively. These estimates compare to consensus of $2.70/$2.89/$3.10, respectively.

Exhibit 5: FE Earnings Snapshot
We maintain our annual EPS forecast

	2023A	2024E	2025E	2026E
Regulated Distribution	**1.20**	**1.23**	**1.39**	**1.52**
Ohio Utilities	**0.35**	**0.35**	**0.45**	**0.51**
Ohio Edison	0.26	0.27	0.33	0.35
CEI	0.05	0.03	0.06	0.08
TE	0.05	0.05	0.07	0.08
Pennsylvania Utilities	**0.83**	**0.88**	**0.94**	**1.00**
PennPower	0.08	0.09	0.09	0.09
Penelec	0.30	0.32	0.34	0.37
WPP	0.18	0.20	0.21	0.22
MetEd	0.27	0.28	0.30	0.32
Integrated	**0.67**	**0.95**	**0.96**	**1.00**
New Jersey Utility	**0.23**	**0.48**	**0.48**	**0.49**
West Virginia/Maryland Utilities	**0.27**	**0.48**	**0.48**	**0.50**
MonPower	0.20	0.30	0.30	0.30
Potomac	0.07	0.18	0.18	0.20
Intrastate/Transmission allocation*	0.20			
Stand-Alone Transmission	**0.70**	**0.56**	**0.63**	**0.71**
FET	0.64	0.51	0.57	0.66
KATCo	0.05	0.06	0.05	0.05
Corporate	**-0.01**	**-0.08**	**-0.07**	**-0.10**
FirstEnergy Consolidated EPS	**2.56**	**2.67**	**2.92**	**3.13**

Source: BofA Global Research estimates, Company Filings, Bloomberg

BofA GLOBAL RESEARCH

PO stays at $43; modestly lower OH/PA P/E on reg risk

We maintain our $43 PO, continuing to value FE using a sum-of-the-parts methodology. Our PO implies modest downside from the current trading price and we see better relative return opportunities elsewhere in our coverage. We apply a 20% discount to the Ohio and Pennsylvania distribution earnings to better align with peers going through similar regulatory risk. We leave the remainder of our 2026 sum-of-the-parts valuation methodology unchanged. We apply somewhat aggressive discounts across the balance of non-Ohio jurisdictions to reflect the sweeping implications associated with ongoing HB 6 risk (even if the immediate earnings risk is limited to Ohio). We apply the latest 16.4x 2026 electric sector average P/E multiple to our 2026 EPS estimates.

Exhibit 6: FE Valuation Methodology
We update our relative premium and discount to reflect 20% discounts from 15% at OH and PA

FirstEnergy SOTP Valuation	Metric	P/E Multiple			Equity Value ($/sh)
	2026 EPS	Peer	Percent	Prem/ Discount	Base	Base
Group Peer Multiple - Electric		**16.3x**				
Group EPS 'CAGR - Electric		**5%**				
Electric Utilities		**17.1x**				
Regulated Distribution						
Ohio Utilities	$0.51		*-20%*		13.7x	$7.01
Pennsylvania Utilities	$1.00		*-20%*		13.7x	$13.75
Total Regulated Distribution	$1.52		*-20%*		13.7x	$20.76
Integrated						
New Jersey	$0.49		*-15%*		14.5x	$7.19
West Virginia/Maryland	$0.50		*-20%*		14.5x	$7.29
Total Integrated	$1.00		*-15%*		14.5x	$14.48
Transmission						
FET	$0.66		*-15%*		14.5x	$9.60
KATCo	$0.05		*-15%*		14.5x	$0.73
Total Transmission	$0.71		*-15%*		14.5x	$10.33
Parent	-0.10				17.1x	-$1.63
Total First Energy (FE) Equity Value	**$3.13**		***0%***		**14.1x**	**$43.00**
Shares Outstanding (2026E)						579
Consensus	**$3.10**					
FY1 Dividend						**$1.66**
Current Yield						**3.8%**
Price Return Potential						**-2.5%**

Source: BofA Global Research estimates, Company filings

BofA GLOBAL RESEARCH

NiSource Inc. (NI)

We reiterate our Buy rating on NiSource Inc. (NI). We make minor adjustments to our 3Q'24 earnings estimate and maintain full year 2024 and subsequent full year estimates. We revise our Q3'24 estimate up to $0.17 vs $0.13 prior and $0.15 consensus and maintain our FY24 EPS estimate of $1.72. See the detailed drivers and earnings walk below.

- **Key drivers:** We expect YoY EPS to decline slightly from 3Q'23 based on the timing of O&M optimization programs, the impact of a minority sale of NIPSCO, offset by rate relief across the regulated business.
- **Unknowns**: We see variability risk from the timing of O&M programs and effective tax rate given the timing of renewable credits incurred and basic seasonality.

Exhibit 7: NI EPS Walk
We estimate $0.17 EPS for Q3'24 driven up by rate relief; balanced by O&M timing

NI Earnings Walk:	
Q3'23	**$0.19**
Rate Relief	$0.09
O&M	-$0.04
DD&A	-$0.03
Interest	-$0.01
Other	$0.03
NCI	-$0.06
Pref Dvds	$0.02
Q3'24	**$0.17**

Source: BofA Global Research estimates, Company filings

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On the Q3'24 call, we expect management to provide a refreshed capital expenditure plan and discreet FY25 guidance given the traditional cadence of earnings and guidance. Model FY 25 EPS of $1.85 (in line with consensus). We look to see management update the Street on potential tailwinds from datacenter integration and optionality for existing electric and gas infrastructure. We are also focused on the NIPSCO electric rate case given the magnitude of the ask, but note the process is still early and not necessarily ripe for substantive updates.

PO raised to $38; valuation methodology unchanged

We reiterate our Buy rating on NiSource (NI). We raise our PO to $38 from $37. Our PO implies -6% price downside and -2% total shareholder return potential. Our $38 price objective is based on our 2026E EPS estimate using the updated 16.2x electric peer P/E base multiple (vs 15.8x prior). We now apply a -20% discount (vs -15% prior) to Oregon utility operations, given our view on the lower probability of rate case settlement in Oregon. Staff comments on the rate case proceedings have had a less constructive tone, with the national inflation and affordability environment influencings the backdrop. Also contributing to our -20% discount is the implied earnings volatility from equity financing needs. We believe this is appropriate for the below-average growth profile that is based in part on success in the current request for proposal process.

Exhibit 8: NI Valuation Methodology
Sum of the parts valuation methodology unchanged; PO higher on mark-to-market

NiSource Sum of the Parts Valuation	**2026E EPS**		**Peer**	**Prem/ Discount**	**Base**	**$/Sh**
Gas Utilities						
Group Peer Multiple - Gas & EPS CAGR	**16.2x**	x **5.0%** =	**17.0x**			
Columbia Gas of OH	$0.55		17.0x	**5%**	17.9x	$9.81
Columbia Gas of PA	$0.36		17.0x	**10%**	18.7x	$6.81
NIPSCO Gas	$0.31		17.0x	**15%**	19.6x	$6.04
Columbia Gas of VA	$0.11		17.0x	**0%**	17.0x	$1.81
Columbia Gas of KY	$0.07		17.0x	**0%**	17.0x	$1.14
Columbia Gas of MD	$0.03		17.0x	**0%**	17.0x	$0.53
Total Gas Utilities	**$1.43**		**17.0x**		**18.2x**	**$26.00**
Electric Utilities						
Group Peer Multiple - Electric & EPS CAGR	**16.3x**	x **5.0%** =	**17.1x**			
NIPSCO Electric	$0.82		17.1x	**15%**	19.7x	$16.10
Total Utility	**$2.24**				*18.7x*	**$42.00**
-Parent EPS Drag (ex-Interest Expense)	-$0.04				17.9x	-$0.64
-Parent Interest Drag	-$0.20				17.9x	-$3.67
Grand Total Equity Value						**$38.00**
Shares Outstanding 2026E						484
Price Objective						**$38.00**
Current NiSource Stock Price						$35.26
Potential Stock Return						7.8%
FY1 Dividend Yield						3.0%
Total Potential Return						**10.8%**

Source: BofA Global Research estimates, Company filings, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 9: Stocks mentioned
Prices and ratings for stocks mentioned in this report

BofA Ticker	**Bloomberg ticker**	**Company name**	**Price**	**Rating**
CNP	CNP US	CenterPoint Energy	US$ 29.31	B-2-7
FE	FE US	FirstEnergy	US$ 43.41	B-3-7
NI	NI US	NiSource Inc	US$ 34.82	A-1-7

Source: BofA Global Research

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Price Objective Basis & Risk

CenterPoint Energy (CNP)
Our $31 PO for CNP is based on a sum-of-the-parts basis where we assign a 5% relative discount to the group average 2026 utility P/E multiple for Houston Electric, a group average multiple for the CERC natural gas LDC's and Southern Indiana Gas and Electric (SIGECO). The electric peer group multiple is 16.3x. The gas peer group multiple is 16.2x.

Our 5% applied discount to Houston Electric (CEHE) reflects the significant uncertainty associated with Hurricane Beryl investigations and the pending general rate case.

Downside risks are: 1) financial penalties or cost recovery disallowances related to Hurricane Beryl investigations, 2) unconstructive regulatory decisions, 3) higher interest rates impacting CNP's unrecovered parent debt interest expenses, 4) new legislative initiatives or political agendas to reduce reliance on fossil fuels, 5) a significant increase in natural gas or purchased power costs, 6) any investigation or alleged improper contracting practices, 7) ability to close CNP's planned sale of its gulf coast LDCs by 2025 could force CNP to issue equity above the current plan. Upside risk: if CNP becomes an acquisition target.

FirstEnergy (FE)
Our $43 price objective is based on a sum-of-the-parts valuation. Our multiples are driven by relative P/E premiums/discounts to the 16.3x 2026E regulated peer multiple. Peer P/E multiple is grossed up for a year by 5% to reflect capital appreciation across the sector, a consistent approach across our coverage universe. We apply a 20% discount to the OH and PA distribution business to reflect elevated rate case risk and ongoing risk related to HB 6 investigations. We apply 15% discount to all other operating subsidiaries to reflect rate review risk, above average risk, and pension exposure. We subtract out the holding company debt given the above-average leverage.

Upside and downside risks to the Price Objective are: 1) regulatory/political/legislative outcomes, 2) ability to earn the allowed ROEs and/or other changes in regulatory earnings, 3) weather and natural disasters, 4) investigation revelations and liabilities, 5) equity needs versus forecasts, 6) capital expenditures, 7) pension plan returns, discount rate changes, and interest/service costs associated with the plan, 8) economic conditions & interest rates, and 9) taxes.

NiSource Inc (NI)
Our $38 PO is based on a sum of the parts with a relative premium/discount approach against a grossed-up group average gas and electric 2026e utility multiple of 16.3x and 16.2x. We apply a 5% premium to OH to reflect the favorable non-rate case mechanisms afforded to the OpCo (infrastructure replacement program - IRP, and capital expenditure program- CEP riders most significant). We apply at 10% premium to PA to reflect the long track record of settlements and constructive political environment for gas LDCs in the state (also note distribution system improvement charge - DSIC as a positive rider). We apply a similar 10% premium to NIPSCO gas to reflect the recent track record of settlements and positive rider construct (Transmission, Distribution and storage system improvement charge - TDSIC). We apply group average gas multiples for MD, VA, and KY. Finally, we apply a 15% premium to the group average electric multiple for NIPSCO electric to reflect a sizable unaccounted for capital growth opportunity to serve data center interconnection in the favorable regional fiber infrastructure and NIPSCO's recent settlement track record (in addition to TDSIC rider mechanisms).

Risks are: 1) regulatory outcomes, 2) political activity for natural gas, 3) operational issues, 4) material rise or fall in interest rates that impacts parent interest or materially lowers authorized ROEs, 5) major storms or other natural disasters impacting NI gas distribution or electric systems.

Coverage Cluster

North America - Utilities Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alliant Energy Corporation	LNT	LNT US	Ross Fowler, CFA
	CMS Energy	CMS	CMS US	Ross Fowler, CFA
	Consolidated Edison	ED	ED US	Ross Fowler, CFA
	DTE Energy	DTE	DTE US	Ross Fowler, CFA
	Edison International	EIX	EIX US	Ross Fowler, CFA
	Entergy	ETR	ETR US	Ross Fowler, CFA
	Essential Utilities Inc	WTRG	WTRG US	Ross Fowler, CFA

	Evergy	EVRG	EVRG US	Ross Fowler, CFA
	NiSource Inc	NI	NI US	Ross Fowler, CFA
	NorthWestern Energy Group	NWE	NWE US	Ross Fowler, CFA
	PG&E Corp	PCG	PCG US	Ross Fowler, CFA
	Pinnacle West	PNW	PNW US	Ross Fowler, CFA
	PPL Corporation	PPL	PPL US	Ross Fowler, CFA
	Public Service Enterprise Group	PEG	PEG US	Ross Fowler, CFA
	Sempra	SRE	SRE US	Ross Fowler, CFA
	TXNM Energy	TXNM	TXNM US	Ross Fowler, CFA
	Xcel Energy Inc	XEL	XEL US	Ross Fowler, CFA
NEUTRAL				
	Ameren Corporation	AEE	AEE US	Ross Fowler, CFA
	CenterPoint Energy	CNP	CNP US	Ross Fowler, CFA
	Constellation Energy Corp	CEG	CEG US	Ross Fowler, CFA
	Dominion Energy	D	D US	Ross Fowler, CFA
	Duke Energy	DUK	DUK US	Ross Fowler, CFA
	Emera Inc	YEMA	EMA CN	Ross Fowler, CFA
	Eversource Energy	ES	ES US	Ross Fowler, CFA
	Exelon	EXC	EXC US	Ross Fowler, CFA
	Idacorp	IDA	IDA US	Ross Fowler, CFA
	MDU Resources Group, Inc.	MDU	MDU US	Ross Fowler, CFA
	NextEra Energy	NEE	NEE US	Ross Fowler, CFA
	OGE Energy	OGE	OGE US	Ross Fowler, CFA
	SJW Group	SJW	SJW US	Ross Fowler, CFA
	Southern Company	SO	SO US	Ross Fowler, CFA
UNDERPERFORM				
	American Electric Power	AEP	AEP US	Ross Fowler, CFA
	American Water Works	AWK	AWK US	Ross Fowler, CFA
	Avista	AVA	AVA US	Ross Fowler, CFA
	Black Hills Corp	BKH	BKH US	Ross Fowler, CFA
	FirstEnergy	FE	FE US	Ross Fowler, CFA
	Fortis Inc	YFTS	FTS CN	Ross Fowler, CFA
	Fortis Inc	FTS	FTS US	Ross Fowler, CFA
	Portland General Electric	POR	POR US	Ross Fowler, CFA
	WEC Energy Group Inc	WEC	WEC US	Ross Fowler, CFA

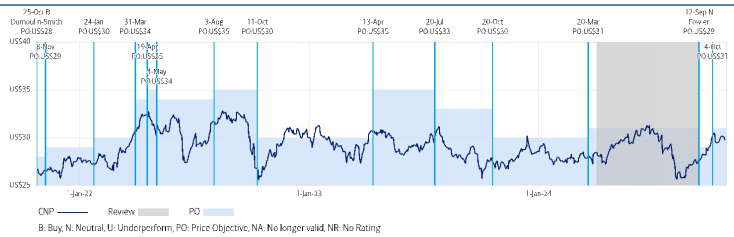
Analyst Certification

I, Ross Fowler, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Disclosures

Important Disclosures

CenterPoint Energy (CNP) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

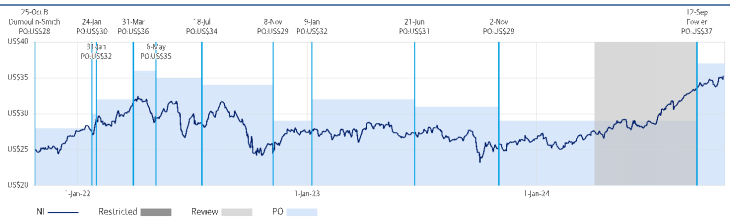
FirstEnergy (FE) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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NiSource Inc (NI) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Energy Group (as of 30 Sep 2024)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	71	62.83%	Buy	49	69.01%
Hold	22	19.47%	Hold	19	86.36%
Sell	20	17.70%	Sell	12	60.00%

Equity Investment Rating Distribution: Utilities Group (as of 30 Sep 2024)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	69	48.25%	Buy	47	68.12%
Hold	35	24.48%	Hold	25	71.43%
Sell	39	27.27%	Sell	21	53.85%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2024)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	1863	54.91%	Buy	1079	57.92%
Hold	768	22.63%	Hold	447	58.20%
Sell	762	22.46%	Sell	349	45.80%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster [R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2] Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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GUGGENHEIM

Shahriar Pourreza, CFA
shahriar.pourreza@guggenheimpartners.com
212 518 5862

Constantine Lednev
constantine.lednev@guggenheimpartners.com
212 651 0847

James Kennedy
james.kennedy@guggenheimpartners.com
212 823 6741

Alexander Calvert
alexander.calvert@guggenheimpartners.com
212 518 9661

Guggenheim Utilities Research Team
GSUtilities@guggenheimpartners.com

Ticker	Price	Rating
ED	89.16	Neutral
ES	57.30	Buy
EXC	37.63	Neutral
NEE	71.76	Buy
NI	36.70	Buy
NWN	39.37	Neutral

Power & Utilities

December 31, 2024

The Guggenheim Daily Transmission: ES/CT, FERC/ PJM, NEE, NWN, EXC/MD, ED, MI, NI

For details on our 2024 events, scroll down...

Please join us for our Hosted Commissioner Roundtable Event on Thursday, Jan 16, 2025... scroll down for more details...

ES/CT – CL&P files lower CT capital spend forecast with PURA

FERC/PJM – PA Governor Shapiro files complaint against PJM

NEE – FPL notes additional details around preliminary request in 2026 general rate case

NWN – NW Natural files new GRC

EXC/MD – OPC seeks suspension of schedule

ED – CECONY Steam files an earnings update report showing 6.55% ROE

MI – Michigan data center sales and use tax bill is signed into law

NI – Final order approving Columbia Gas of Kentucky rate increase request

ES/CT – CL&P files lower CT capital spend forecast with PURA

- "The outcome of the recent Avangrid [PRIVATE] rate cases is a striking confirmation that PURA's rate decisions are a function of a pre-determined, politically motivated goal of reducing rates for customers, rather than adhering to law, utility finance principles or even plain economics, and without consideration of the consequences for system reliability and resilience. This stark reality raises concerns for capital cost recovery in the context of any future general distribution rate proceeding. In light of this setback, and combined with the continued constraints on the Company's cash flow associated with deferred storm costs, CL&P has made the difficult decision to reduce planned capital expenditures for 2025 from its original estimate of $557.9 million to approximately $475 million, as shown in the revised Attachments included herewith." - release
- More HERE

Guggenheim takeaway: *ES following through on its earlier announcements – as a reminder, the shifting of capital out of CT will not impact the overall capital program. We expect some local noise of the filing to build post-holiday as the local media has already begun to pick up some of the language – stay tuned. ES in a very tough position at this current stage, and we hope cooler heads will prevail as we approach the New Year but, in our view, the recent decision by PURA has left ES no choice in CT.*

FERC/PJM – PA Governor Shapiro files 206 complaint against PJM over BRA design

- "Pennsylvania ratepayers face potentially the largest unjust wealth transfer in the history of U.S. energy markets due to PJM Interconnection LLC's ("PJM") capacity auctions. Three unexpected developments—(1) significant load growth; (2) the country's most snarled interconnection queue; and (3) a compressed capacity auction schedule—have collided with PJM's inapt design decisions to produce record high prices that are ineffective at delivering new power generation—the intended purpose of those high prices. The Commonwealth of Pennsylvania, and other states PJM serves, are already experiencing the consequences. The 2025/2026 Base Residual Auction ("BRA") cleared at a price nearly ten times that of the immediately preceding auction. Even that price will almost certainly soon be eclipsed. The upcoming 2026/2027 BRA is forecast to produce a result that could be the most expensive in capacity market history. If the auction were functioning as intended, these record-setting prices could encourage investment in new generation and preserve reliability, both of which Pennsylvania agrees are needed. Yet, as PJM's own experts have warned this Commission in recent weeks, the auction is

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currently structurally unable to deliver that intended result." -filing

- "Find that PJM's capacity market cap is unjust and unreasonable. Due to changes in load growth and existing constrained entry conditions for new supply, the current market cap permits the auction to clear at prices that threaten to impose enormous costs upon consumers without commensurate public benefit." - filing
- "Establish just and reasonable replacement rates by ordering PJM to redefine its capacity auction market cap until the next quadrennial review period. This measure is needed so that the next two auctions do not impose $20.4 billion in unnecessary costs on consumers that provide no commensurate benefit in the public interest. The capacity price cap should be no more than 1.5 times Net CONE, and PJM should use 1.5 times the RTO Net CONE to set the minimum price cap for all Locational Deliverability Areas ("LDAs")." – filing
- "Witness Aksomitis estimates the capacity price for the upcoming July 2025 auction for the 2026/2027 Delivery Year will fall between $360/MW-Day and $500/MW-Day, or about 50% higher than actual 2025/2026 BRA results." – filing

More HERE

Guggenheim takeaway: *The filing appears to focus heavily on affordability and auction price cap adjustments vs. a wholesale reform of how PA approaches resource adequacy, with a distinct focus on cost containment. While we continue to parse the complaint and its attachments, the materials point to the inherent friction in trying to incent new entry – as we have said repeatedly, someone will eventually have to pay for the capacity. We need to watch the PA legislative window when it opens up in early January.*

NEE – FPL notes additional details around preliminary request in 2026 general rate case

- FPL CEO Armando Pimentel provided additional details in a letter to the FPSC around 2026 rate case requests.
- FPL anticipates making a full filing as early as February 2025 for rates starting in 2026.
- The PR highlights a target bill increase trajectory of 2.5% annually over 2025-2029.
- The preliminary estimates for the rate requests are a $2.5B headline revenue increase for 2026 and 2027, with ~$1.55B related to recovery of invested capital during the prior rate case cycle, and $0.93B related to continued capital investment.
- The proposal also includes a Solar and Battery Base Rate Adjustment ('SoBRA') mechanism in 2028 and 2029 to allow FPL to recover the costs of building and operating additional cost effective solar and battery projects.
- FPL noted the key operating metrics and cost savings relative to peer utilities but also highlighted major cost inflation categories since the last rate filing in 2021: the cost of labor has increased nearly 11%, wires and cables 20%, utility poles 49% and transformers 101%.
- PR here.

Guggenheim takeaway: *FYI. A few additional details around the 2.5% levelized annual increase with full filing details scheduled to be filed by February 2025. We anticipate a contentious case as FPL seeks to reconcile invested capital and revenue requirements. That said, there is a history of settlement for FPL and we will be looking for the forthcoming details on new revenue requirements relative to the 2.5% annual bill inflation trajectory. We see a settlement around the late Q2/early Q3 timeframe.*

NWN — NW Natural files new GRC

- "The filing includes a requested $59.4 million annual revenue requirement increase, or an approximate 5.79 percent increase over current customer rates. The request is based upon the following assumptions or requests:
- Capital structure of 48% long-term debt and 52% equity;
- Return on equity of 10.4%;
- Cost of capital of 7.658%; and
- Average rate base of $2.29 billion.
- The filing includes effects of inflation and higher interest rates, approximately $10 million related to an updated depreciation study, and an increase in average rate base of $204 million compared to the last rate case for several long-planned investments by NW Natural" - release
- More HERE

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Guggenheim takeaway: *A fresh filing for your awareness as NWN seeks to roll in incremental capital and O&M increases – the headline increase (5.8%) is a more palatable starting point in our view relative to recent changes, however, we note the region remains weary from multiple sets of utility increases in recent years.*

EXC/MD – OPC seeks suspension of schedule

- "To ensure that the Commission has all relevant facts before it when it decides BGE's reconciliation request, OPC wishes to conduct discovery concerning the gas infrastructure inspection issues raised in the former employees' petition. OPC intends to address those issues in its supplemental reply testimony in this matter, if warranted. Currently, however, the supplemental reply testimony of OPC, Staff, and intervenors in this matter is due on January 15. 2025. That imminent deadline leaves insufficient time for OPC to conduct discovery on these issues and address them in its testimony. Consequently, OPC requests that the Commission suspend the procedural schedule established in this case by Order No. 91412 and direct the parties to develop a revised schedule that provides for at least two rounds of additional discovery and extends the deadline for supplemental reply testimony at least six weeks." - OPC
- More HERE

Guggenheim takeaway: *Procedural FYI as the ex-employee filing continues to generate some noise.*

ED – CECONY Steam files an earnings update report showing 6.55% ROE

- CECONY Steam filed an earnings report for the 12 months ending October 31, 2024.
- The earnings report shows an earned ROE of 6.55%, which is underearning vs. the 9.75% ROE sharing threshold (9.25% allowed ROE).
- The currently approved rates include a weather normalization adjustment for Steam sales.
- Docket: 22-S-0659

Guggenheim takeaway:*FYI. Not much change in earned ROE from the 3Q24 earnings disclosures (9/30/24), but demonstrates the slight underearning on the steam business in 2024.*

MI – Michigan data center sales and use tax bill is signed into law

- SB237 (Michigan data center bill) was signed into law by the Governor.
- Michigan Legislature previously passed the amended data center sales and use tax exemption for large capital investments.

Guggenheim takeaway: *FYI. No surprise here as there has been majority support for this bill from both the Governor and the legislature. This was an important piece of the puzzle for MI to compete with data center demand nationally, and we have previously noted data center developers pursuing large land acquisitions. This solidifies CMS/DTE load growth opportunities in current plan.*

NI – Final order approving Columbia Gas of Kentucky rate increase request

- "The Parties agree that Columbia's adjusted base rate revenue requirement for the forecasted test year of January 1, 2025 through December 31, 2025 is $164.671 million. This represents an increase of $14.313 million over the test year revenue that would be collected at current rates." – filing
- "Columbia's authorized return on equity ("ROE") will be 9.75% for natural gas base rates." – filing
- "Columbia's capital structure is 52.64% equity, 45.53% long-term debt." – filing
- In the original filing, NI requested a $24M revenue increase (vs. settle of $14.13M), a 10.8% ROE (vs. settle 9.75% and AG proposal of 9.6%), and 52.64% equity ratio that was in line with ask.
- More HERE

Guggenheim takeaway: *Final order from the Commission approving Columbia Gas of Kentucky's rate increase request. We note that the company filed a settlement agreement in October – please see our thoughts following the settlement agreement HERE*

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Equity Research | Corporate Access

Guggenheim Hosted Commissioner Roundtable Event

Please join Guggenheim Research Analyst Shar Pourreza for a roundtable discussion with utility commissioners on key regulatory trends, among other topics.

Date and Time

Thursday, January 16, 2025
8:00AM – 9:30AM

Location

Guggenheim Office
330 Madison Ave
New York

Commissioner Participants

**More Commissioners expected to be added for a total of 4 or more*
Commissioner Steve DeFrank, *Pennsylvania Public Utilities Commission*
Commissioner Tricia Pridemore, *Georgia Public Service Commission*

Participating Analyst

Shar Pourreza, *Senior Managing Director, Equity Research Analyst – Power & Utilities*

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Guggenheim 2024 Client and Corporate Access Utility Events

Ticker	Dates	Regions
2024 Utilities Conference Call	1/22	Dial–In
Utilities Investor Quarterly Roundtable Discussion	1/24	NYC
DUK	2/13–2/14	Virtual
WEC	2/19–2/21	Boston; virtual group lunch on 20th
AWK	2/27	NYC
ED	2/29	NYC
EIX	3/5–3/6	NYC
CNP Bourbon Day Tour	3/18–3/19	Kentucky
AEE	3/26–3/27	Boston
PPL	3/28	Boston
Data Center Power Grab with Leonard Klein PE	4/8	Virtual
Data Center Power Grab with Catalin Vieru	4/9	Virtual
LNT	4/10–4/11	NYC
Utilities Investor Quarterly Roundtable Discussion	4/11	NYC
DUK	4/15	NYC (Guggenheim's offices)
ES	4/16–4/17	NYC
PNW	4/23–4/24	Toronto/Boston & virtual group lunch
Regulatory Speaker Series: Wisconsin PSC Chair Strand	4/29	Virtual
Regulatory Speaker Series: Wisconsin PSC Kristy Nieto	4/29	Virtual
PCG	4/30–5/1	Boston & MidAtlantic
IDA	5/7–5/8	Boston/Virtual
EXC	5/14–5/15	NYC
AGA Financial Forum Conference	5/18–5/21	Palm Desert, CA
POR	5/23	NYC In-Person
POR	5/28-5/29	Virtual
Dominion Coastal Virginia Offshore Wind (CVOW) Trip	6/3–6/4	Virginia Beach, VA
MPSC Commissioner Day	6/4	Virtual
ETR	6/25–6/27	NYC
EVRG	7/08–7/09	NYC/Boston
Call with Former FERC Chair Neil Chatterjee	7/12	Virtual
PPL (C-Suite Lunch)	8/8	NYC
FE	8/8–8/9	NYC
PJM Expert Call (EPSA CEO)	8/12	Virtual
NJR	8/13–8/14	Boston/NYC
SR	8/15	Virtual
Microsoft (MSFT) and Big Data in the Badger State	8/27	Virtual
NWE	9/5	Boston
NI	9/9	NYC
NEE	9/11–9/13	West Coast
3rd Annual Guggenheim Georgia Field Trip	9/17–9/18	Atlanta, GA
IPP Bus Tour	9/26–9/27	Houston / Irving, TX
OGE	10/8	NYC
FERC: A Conversation with Former FERC Chair Neil Chatterjee	11/8	Virtual
EEI Financial Conference	11/10–11/12	Hollywood, FL
Utilities Hedge Fund Quarterly Roundtable Dinner - Invite Only	12/4	NYC
PEG: Group Dinner	12/9	NYC
CMS	12/11	Boston

MORE TO BE ADDED…

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Guggenheim Utilities Comp Sheet

12/30/2024		Market	Guggenheim EPS Ests				Consensus				Δ vs Consensus (>$0.02)				Implied P/E Multiple				Prem/(Disc) vs Mid/Lg Cap Utes				'23–'27	NTM	Payout	Guggenheim		NTM Total	Consensus		NTM Total
	Price	Cap ($m)	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	EPS	Yield	Ratio	Rating	Target	Return	Rating	Target	Return
Small Cap Electric																														
ALE	$64.63	3,737	3.75	4.23	4.62	4.80	3.68	3.90	4.32	4.78	0.07	0.33	0.30	–	17.6x	16.6x	15.0x	13.5x	-3%	-3%	-6%	-9%	2.5%	4.6%	76%	Neutral	$56	-9%	Buy	$69	12%
AVA	$36.67	2,904	2.40	2.60	2.71	2.80	2.32	2.49	2.72	2.81	0.08	0.11	–	–	15.8x	14.7x	13.5x	13.1x	-13%	-14%	-15%	-12%	5.7%	5.4%	80%	Neutral	$37	6%	Neutral	$39	13%
IDA	$109.49	5,833	5.38	5.73	6.00	6.32	5.41	5.84	6.38	6.74	(0.03)	(0.11)	(0.38)	(0.42)	20.2x	18.7x	17.2x	16.2x	11%	10%	8%	9%	5.3%	3.2%	60%	Neutral	$100	-5%	Buy	$118	11%
NWE	$53.55	3,283	3.40	3.70	3.89	4.08	3.39	3.58	3.87	4.09	–	0.12	–	–	15.8x	15.0x	13.8x	13.1x	-13%	-12%	-13%	-12%	5.7%	5.0%	74%	Neutral	$51	0%	Buy	$58	13%
UTL	$53.87	872	2.91	3.08	3.29	3.51	2.92	3.09	3.29	3.51	–	–	–	–	18.5x	17.4x	16.4x	15.3x	2%	2%	3%	3%	5.6%	3.3%	56%	Neutral	$53	2%	Buy	$58	11%
POR	$43.54	4,592	3.13	3.27	3.46	3.61	3.12	3.24	3.40	3.56	–	0.04	0.06	0.05	14.0x	13.5x	12.8x	12.2x	-23%	-21%	-20%	-18%	11.0%	4.8%	64%	Buy	$59	40%	Buy	$52	23%
		21,220													**17.0x**	**16.0x**	**14.8x**	**13.9x**	**-7%**	**-7%**	**-7%**	**-7%**	**6.0%**	**4.4%**	**68%**						
Mid/Large Cap Electric																														
AEE	$89.62	23,885	4.62	4.91	5.26	5.55	4.63	4.94	5.29	5.64	–	–	(0.03)	(0.09)	19.4x	18.2x	16.9x	15.9x	6%	6%	6%	7%	6.1%	3.2%	58%	Neutral	$80	-8%	Buy	$92	6%
AEP	$92.06	49,028	5.63	6.00	6.32	6.63	5.62	5.90	6.29	6.67	–	0.10	0.03	(0.04)	16.4x	15.6x	14.6x	13.8x	-10%	-9%	-8%	-7%	6.0%	4.1%	64%	Neutral	$86	-2%	Neutral	$102	15%
CMS	$66.63	19,908	3.34	3.61	3.87	4.16	3.34	3.59	3.86	4.16	–	–	–	–	20.0x	18.6x	17.3x	16.0x	10%	9%	8%	8%	7.5%	3.3%	61%	Buy	$77	19%	Buy	$73	12%
CNP	$31.83	20,744	1.58	1.74	1.90	2.04	1.62	1.74	1.87	2.02	(0.04)	–	0.03	–	19.7x	18.3x	17.1x	15.8x	8%	7%	7%	6%	8.0%	2.6%	48%	Buy	$33	6%	Neutral	$32	5%
D	$53.87	45,251	2.75	3.30	3.43	3.78	2.76	3.38	3.58	3.83	–	(0.08)	(0.15)	(0.05)	19.6x	15.9x	15.0x	14.1x	7%	-7%	-6%	-6%	17.4%	5.0%	79%	Buy	$65	26%	Neutral	$59	15%
DTE	$120.55	24,945	6.78	7.19	7.71	8.26	6.74	7.20	7.76	8.34	0.04	–	(0.05)	(0.08)	17.9x	16.7x	15.5x	14.5x	-2%	-2%	-2%	-3%	9.6%	3.6%	61%	Neutral	$129	11%	Buy	$138	18%
DUK	$107.71	83,044	5.98	6.36	6.75	7.15	5.94	6.35	6.74	7.19	0.04	–	–	(0.04)	18.1x	17.0x	16.0x	15.0x	-0%	-1%	0%	0%	6.4%	4.0%	68%	Buy	$131	26%	Buy	$124	19%
ED	$89.16	30,886	5.31	5.65	5.87	6.19	5.35	5.63	5.95	6.25	(0.04)	–	(0.08)	(0.06)	16.7x	15.9x	15.0x	14.3x	-8%	-7%	-6%	-4%	5.1%	3.8%	61%	Neutral	$99	15%	Neutral	$101	17%
EIX	$79.68	30,848	4.95	5.64	5.99	6.32	4.95	5.65	6.06	6.45	–	–	(0.06)	(0.13)	16.1x	14.1x	13.2x	12.4x	-12%	-18%	-17%	-17%	7.2%	4.1%	57%	Buy	$91	18%	Buy	$90	18%
ES	$57.30	20,995	4.55	4.71	5.10	5.49	4.56	4.78	5.04	5.31	–	(0.07)	0.06	0.18	12.6x	12.0x	11.4x	10.8x	-31%	-30%	-29%	-28%	6.1%	5.3%	63%	Buy	$77	40%	Buy	$71	29%
ETR	$75.75	32,483	7.25	7.75	8.67	9.53	3.63	3.87	4.31	4.66	3.63	3.88	4.36	4.87	20.9x	19.6x	17.6x	16.2x	15%	14%	10%	9%	8.9%	4.0%	78%	Buy	$165	122%	Buy	$84	15%
EVRG	$61.52	14,134	3.83	4.02	4.23	4.44	3.84	4.02	4.25	4.48	–	–	–	(0.04)	16.0x	15.3x	14.5x	13.7x	-12%	-11%	-9%	-8%	5.8%	4.4%	68%	Neutral	$56	-5%	Buy	$65	10%
EXC	$37.63	37,812	2.45	2.61	2.81	2.98	2.45	2.63	2.79	2.96	–	–	–	–	15.3x	14.3x	13.5x	12.7x	-16%	-16%	-15%	-15%	7.3%	4.3%	61%	Neutral	$39	8%	Buy	$43	19%
FE	$39.64	22,845	2.66	2.91	3.09	3.32	2.68	2.89	3.09	3.30	–	–	–	–	14.8x	13.7x	12.8x	12.0x	-19%	-20%	-20%	-19%	6.7%	4.5%	62%	Buy	$50	31%	Buy	$47	24%
LNT	$59.33	15,224	3.03	3.20	3.50	3.67	3.04	3.23	3.46	3.69	–	–	0.04	–	19.5x	18.4x	17.2x	16.1x	7%	8%	8%	8%	7.2%	3.4%	63%	Neutral	$56	-2%	Buy	$63	9%
OGE	$41.22	8,283	2.18	2.24	2.37	2.50	2.17	2.27	2.41	2.56	–	–	(0.04)	(0.06)	19.0x	18.2x	17.1x	16.1x	4%	6%	7%	8%	4.8%	4.1%	75%	Neutral	$40	1%	Neutral	$41	4%
PCG	$20.13	53,625	1.36	1.49	1.61	1.76	1.36	1.49	1.62	1.77	–	–	–	–	14.8x	13.5x	12.4x	11.3x	-19%	-21%	-22%	-24%	9.1%	0.5%	6%	Buy	$24	20%	Buy	$24	18%
PEG	$84.47	42,085	3.67	3.97	4.24	4.54	3.67	4.03	4.33	4.61	–	(0.06)	(0.09)	(0.07)	23.0x	21.0x	19.5x	18.3x	27%	23%	22%	23%	6.9%	3.0%	63%	Buy	$94	14%	Buy	$90	10%
PNW	$84.80	9,642	5.10	4.52	5.30	5.55	5.12	4.57	5.17	5.67	–	(0.05)	0.13	(0.12)	16.6x	18.6x	16.4x	15.0x	-9%	9%	3%	0%	5.9%	4.2%	79%	Buy	$98	20%	Buy	$93	14%
PPL	$32.39	23,903	1.71	1.82	1.96	2.08	1.71	1.84	1.97	2.12	–	–	–	(0.04)	19.0x	17.6x	16.5x	15.3x	4%	3%	3%	3%	6.8%	3.4%	59%	Buy	$37	18%	Buy	$36	13%
SO	$82.38	90,176	4.03	4.30	4.56	4.83	4.04	4.31	4.59	4.88	–	–	–	(0.05)	20.4x	19.1x	18.0x	16.9x	12%	12%	13%	13%	7.3%	3.6%	69%	Buy	$97	21%	Buy	$92	15%
WEC	$94.21	29,804	4.85	5.24	5.60	5.96	4.86	5.22	5.60	5.98	–	–	–	–	19.4x	18.0x	16.8x	15.8x	6%	6%	6%	6%	6.5%	3.8%	68%	Neutral	$100	10%	Neutral	$101	11%
Mid/Lg Cap (excl. EIX, PCG)															**18.2x**	**17.1x**	**15.9x**	**14.9x**					**7.3%**	**3.9%**	**65%**						
SMID + Lg Cap		**750,770**													**17.9x**	**16.8x**	**15.7x**	**14.7x**					**7.0%**	**4.0%**	**66%**						

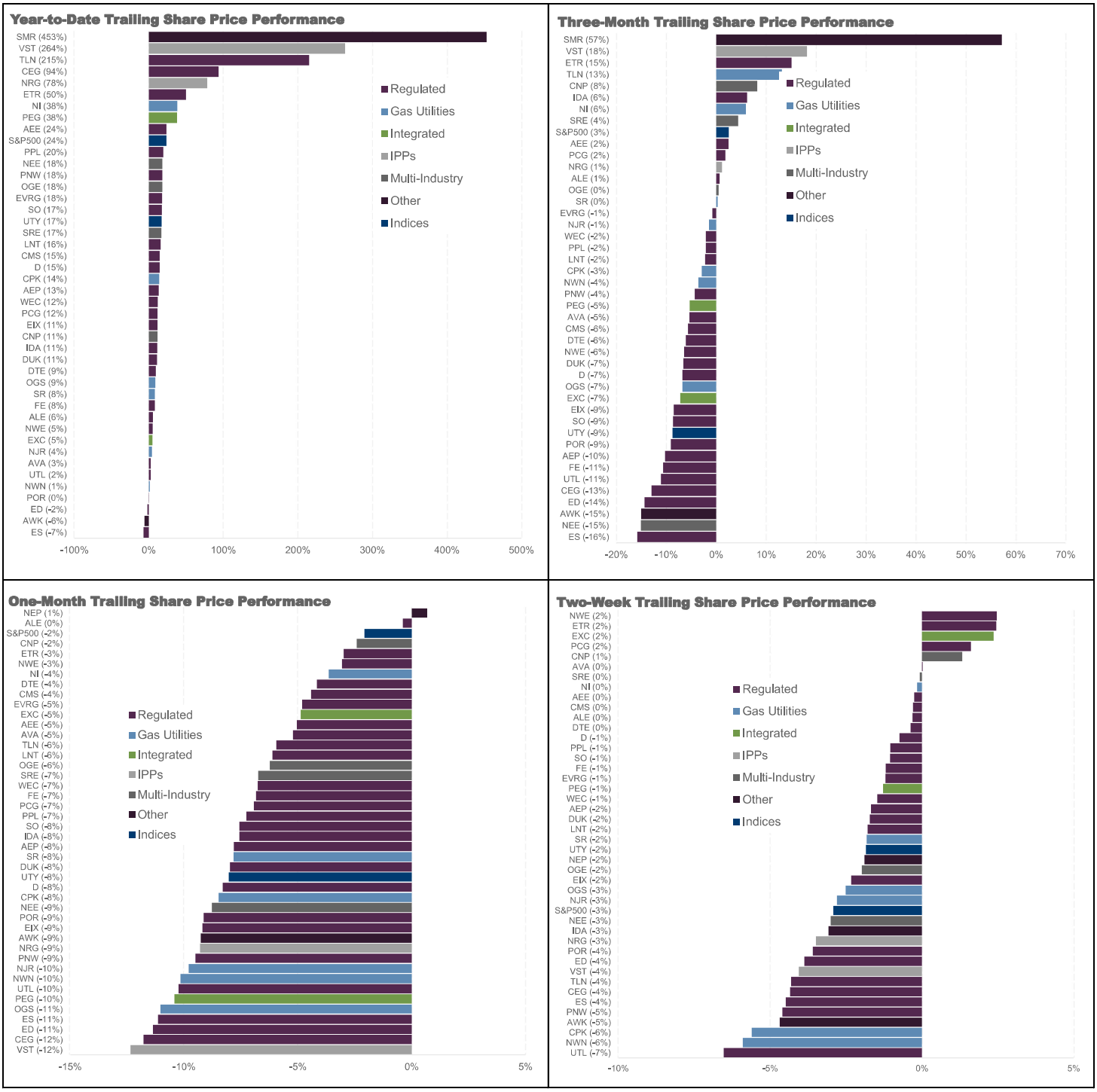
		Market	Guggenheim EPS Ests				Consensus				Δ vs Consensus (>$0.02)				Implied P/E Multiple				Prem/(Disc) vs Mid/Lg Cap Utes				'23–'27	NTM	Payout	Guggenheim		NTM Total	Consensus		NTM Total
Diversified	Price	Cap ($m)	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	EPS	Yield	Ratio	Rating	Target	Return	Rating	Target	Return
NEE	$71.76	147,568	3.42	3.69	3.99	4.35	3.42	3.68	4.01	4.33	–	–	–	–	21.0x	19.5x	17.9x	16.6x	15%	14%	12%	11%	8%	3.2%	61%	Buy	$92	31%	Buy	$88	25%
SRE	$87.35	55,327	4.78	5.13	5.44	5.83	4.76	5.16	5.58	5.93	–	–	(0.14)	(0.10)	18.3x	16.9x	15.7x	14.7x	1%	-1%	-2%	-1%	6%	3.3%	56%	Buy	$95	12%	Buy	$95	12%
		202,895													**19.7x**	**18.2x**	**16.8x**	**15.6x**	**8%**	**7%**	**5%**	**5%**	**7.1%**	**3.2%**	**59%**						
Gas LDCs																														
NI	$36.70	17,131	1.73	1.84	1.96	2.11	1.74	1.86	2.00	2.16	–	–	(0.04)	(0.05)	21.2x	19.8x	18.4x	17.0x	16%	16%	15%	14%	7%	3.1%	61%	Buy	$38	7%	Buy	$38	8%
CPK	$120.57	2,747	5.41	6.15	6.71	7.30	5.40	6.25	6.73	7.24	–	(0.10)	–	0.06	22.3x	19.3x	17.9x	16.7x	23%	13%	12%	12%	8%	2.3%	44%	Neutral	$118	0%	Buy	$136	15%
NJR	$46.53	4,642	2.94	2.86	3.06	3.31	2.94	3.10	3.11	3.44	–	(0.24)	(0.05)	(0.13)	15.8x	15.0x	14.9x	13.5x	-13%	-12%	-6%	-9%	5%	3.9%	59%	Neutral	$46	3%	Buy	$53	19%
NWN	$39.37	1,580	2.32	2.98	3.09	3.21	2.33	2.85	2.97	3.20	–	0.13	0.12	–	16.9x	13.8x	13.3x	12.3x	-7%	-19%	-17%	-17%	6%	5.0%	69%	Neutral	$39	4%	Buy	$45	20%
OGS	$69.36	3,930	3.90	4.14	4.67	4.81	3.89	4.25	4.49	4.69	–	(0.11)	0.18	0.12	17.8x	16.3x	15.5x	14.8x	-2%	-5%	-3%	-1%	4%	3.9%	63%	Neutral	$66	-1%	Neutral	$75	12%
SR	$67.46	3,899	4.21	4.61	4.85	5.07	4.20	4.50	4.92	5.15	–	0.11	(0.07)	(0.08)	16.1x	15.0x	13.7x	13.1x	-12%	-12%	-14%	-12%	6%	4.7%	69%	Neutral	$66	3%	Neutral	$71	11%
		33,929													**18.3x**	**16.5x**	**15.6x**	**14.6x**	**1%**	**-3%**	**-2%**	**-2%**	**6.0%**	**3.8%**	**61%**						
Regulated Water																														
AWK	$124.24	24,214	5.27	5.69	6.10	6.49	5.28	5.71	6.13	6.43	–	–	(0.03)	0.06	23.5x	21.8x	20.3x	19.3x	29%	27%	27%	30%	7%	2.6%	57%	Neutral	$132	9%	Buy	$144	18%

		Market	Guggenheim EBITDA Ests				Consensus				Δ vs Consensus (>$20m)				Implied EV/EBITDA Multiple				Enterprise Value				'24–'27	NTM	Payout	Guggenheim		NTM Total	Consensus		NTM Total
IPPs	Price	Cap ($m)	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E	Growth	Yield	Ratio	Rating	Target	Return	Rating	Target	Return
CEG	$226.32	71,318	5,389	4,795	4,724	4,894	4,725	4,925	5,157	5,488	664	(130)	(433)	(594)	16.1x	15.5x	14.6x	13.7x	76,032	76,298	75,142	74,934	-3.2%	0.7%	17%	Buy	$328	46%	Buy	$283	26%
NRG	$92.15	18,666	3,578	3,605	3,644	3,701	3,696	3,803	3,886	3,585	(118)	(198)	(243)	116	7.7x	7.4x	7.3x	8.0x	28,307	27,953	28,365	28,705	1.1%	1.9%	24%	Buy	$118	30%	Buy	$99	9%
TLN	$201.66	9,269	765	1,186	1,389	1,384	780	1,087	1,460	1,532	–	99	(71)	(148)	14.1x	10.2x	7.5x	7.1x	11,018	11,064	10,940	10,826	21.8%	–	–	Buy	$246	22%	Buy	$251	25%
VST	$140.09	47,662	5,100	5,803	6,651	6,156	4,989	5,913	6,527	6,925	111	(110)	124	(769)	12.4x	10.4x	9.3x	8.8x	62,018	61,634	60,598	60,641	6.5%	0.7%	13%	Buy	$177	27%	Buy	$163	17%
Other																														
NEP	$17.59	1,645	2,027	2,002	2,009	2,017	1,954	1,982	1,997	1,968	73	20	–	50										17.9%	–	Neutral	$22	43%	Neutral	$22	42%
SMR	$18.21	1,841	(57)	(6)	66	149	(163)	(136)	(108)	*(80)*	106	130	174	229										–	–	Neutral	NA	–	Buy	$20	10%

Source: Guggenheim Securities, LLC estimates, Bloomberg LP.

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Share Price Performance (Year-to-Date, Three-Month, One-Month, & Two-WeekTrailing)



(1) Regulated utilities deliver power to end-use customers via regulated transmission & distribution (T&D) infrastructure; vertically integrated utilities with regulated or mostly contracted generation are also included.

(2) Local Gas Distribution Companies (LDCs), as well as diversified utilities with a business mix largely comprised of gas infrastructure and related activities (i.e., LDC franchises, interstate pipelines, and/or other gas midstream activities).

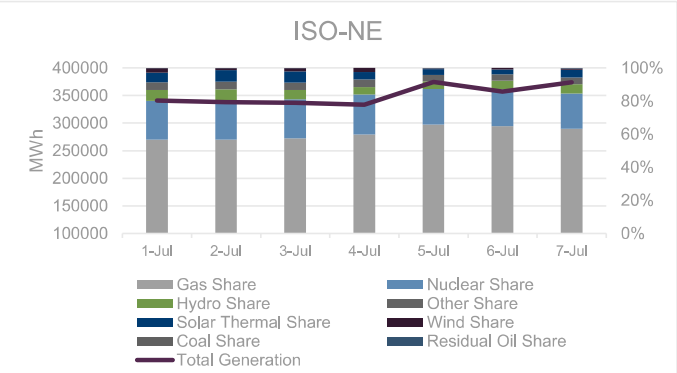
(3) Integrated utilities own and operate regulated T&D franchises, as well as un-regulated power generation with commodity exposure.

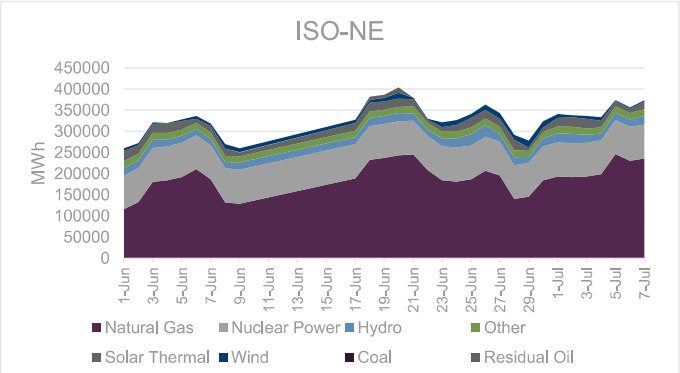
(4) IPPs operate merchant (i.e., un-regulated, non-utility) power plants that compete to sell power in wholesale markets or through retail marketing businesses.

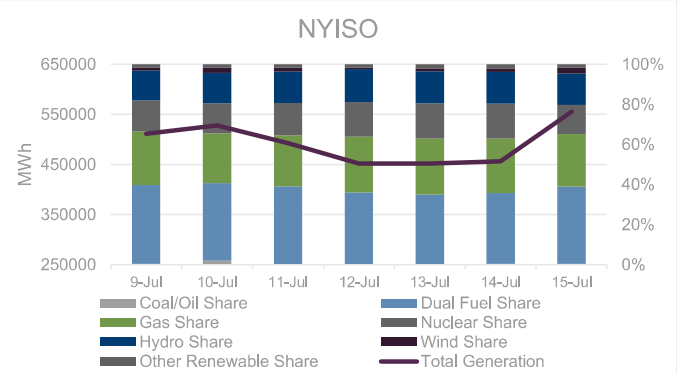
Source: Bloomberg, Guggenheim Securities, LLC estimates.

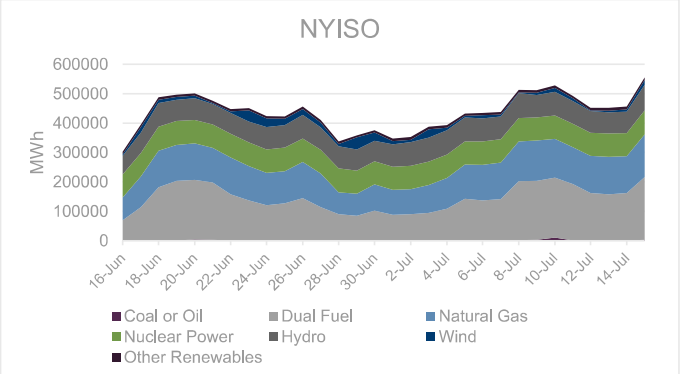
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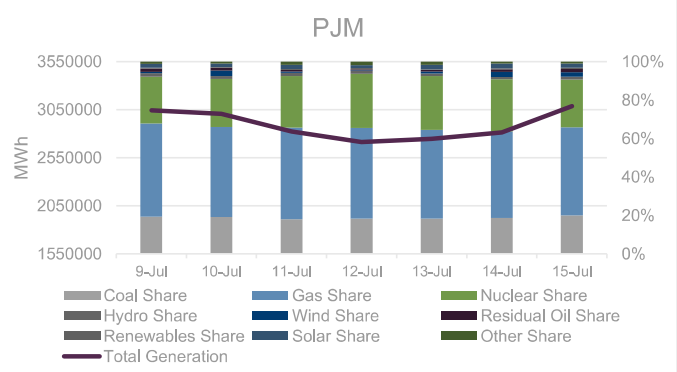
Generation and Mix

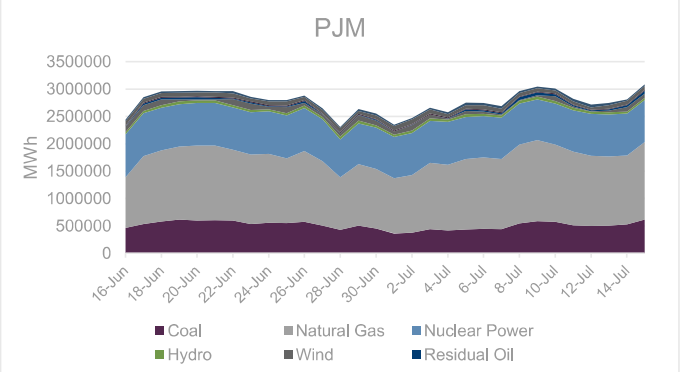


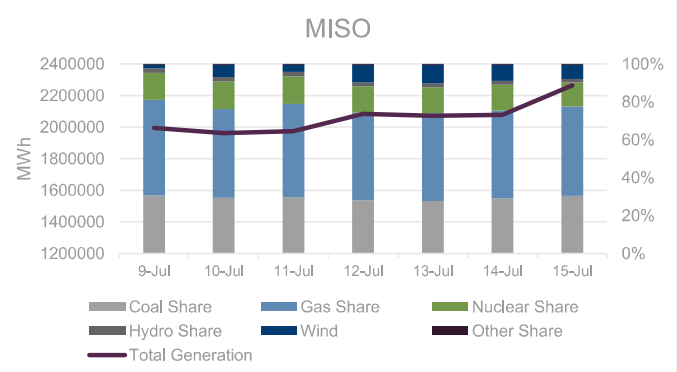


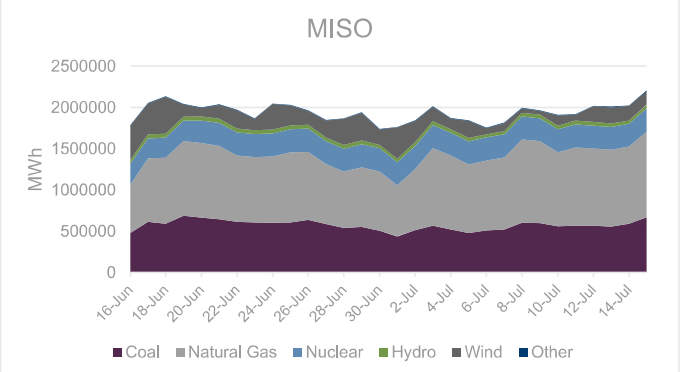








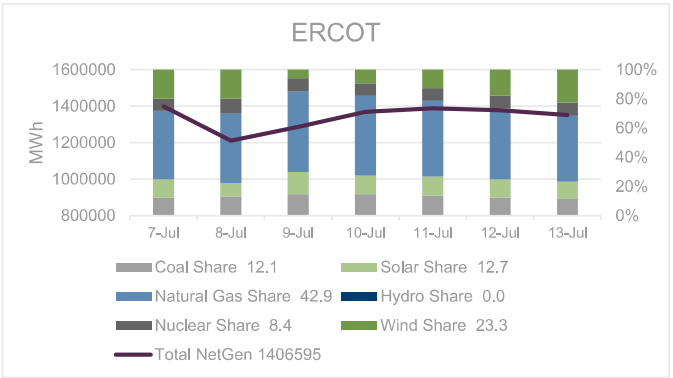


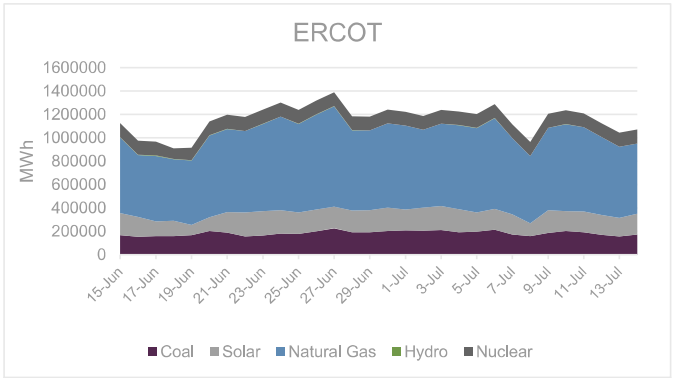


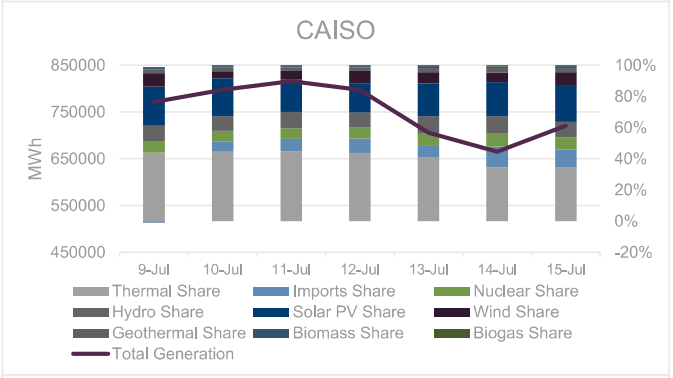
Source: S&P Global Platts, Guggenheim Securities, LLC.

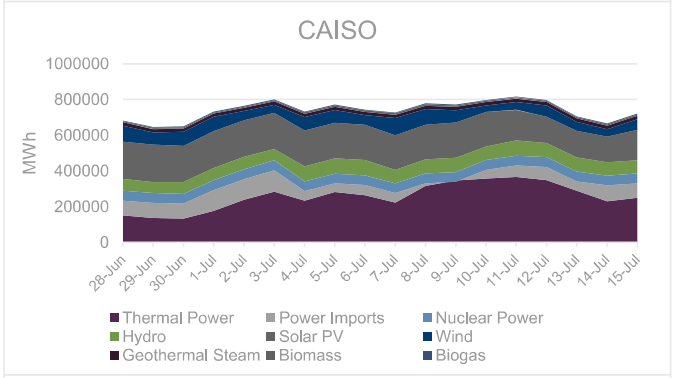
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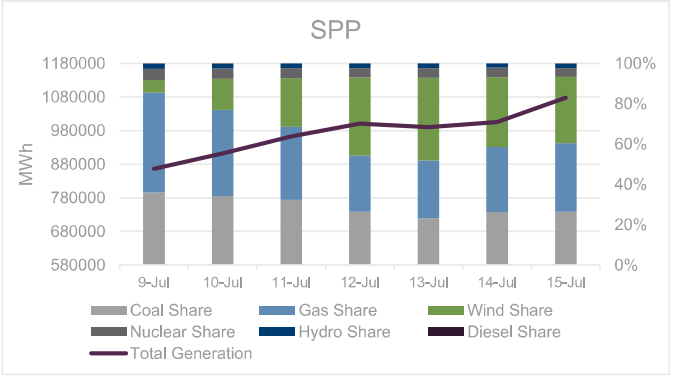
Generation and Mix (continued)

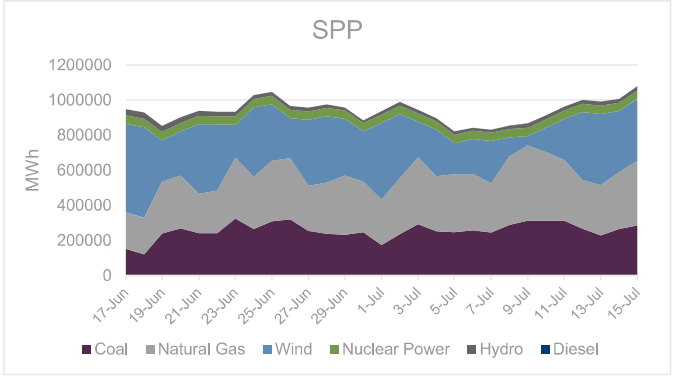








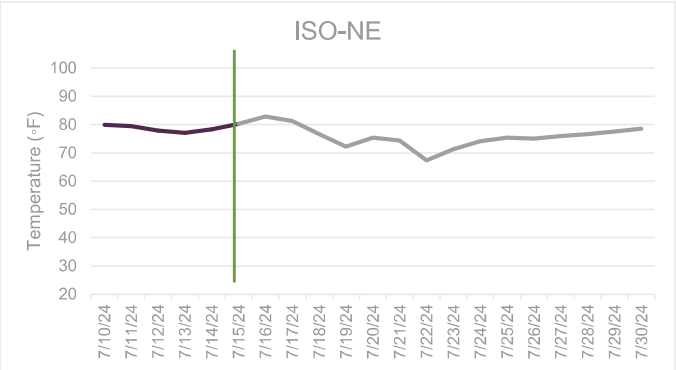


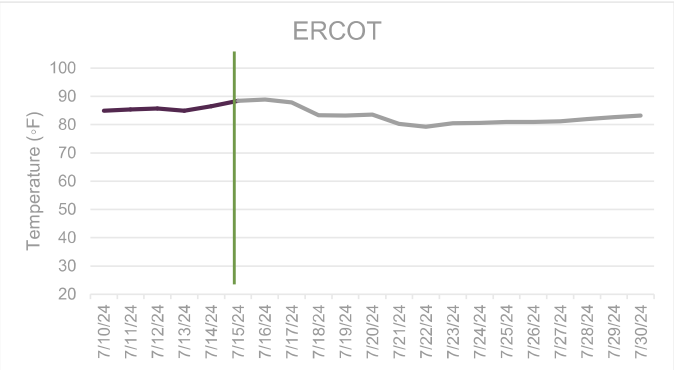


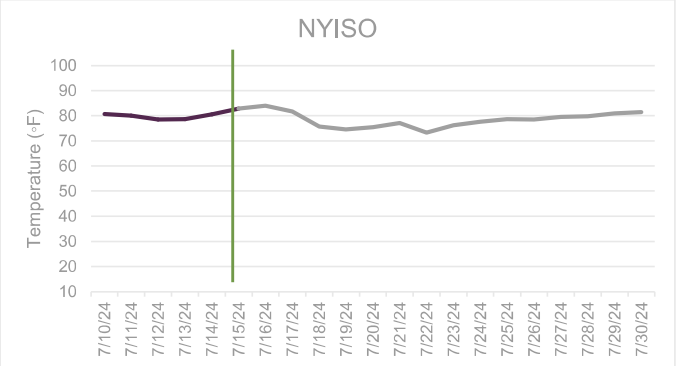
Source: S&P Global Platts, Guggenheim Securities, LLC.

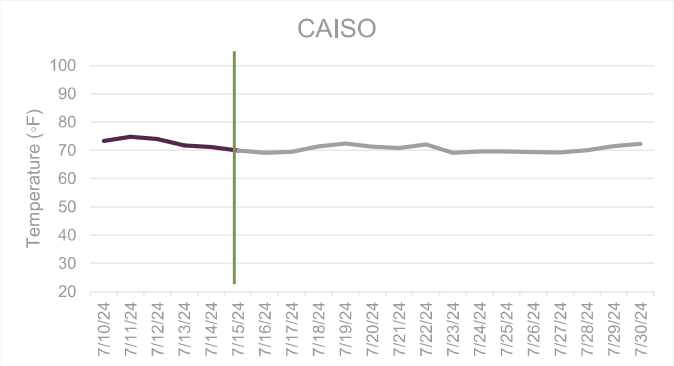
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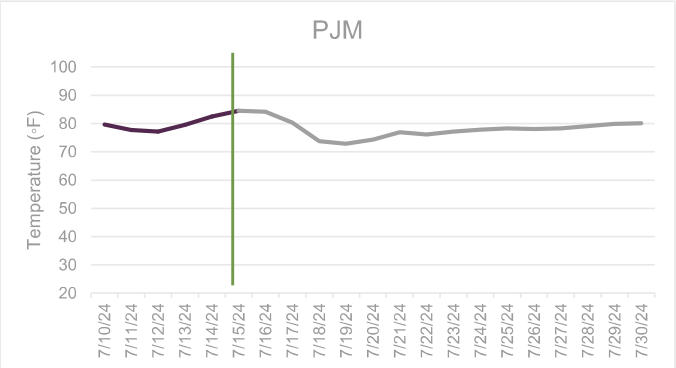
Weather

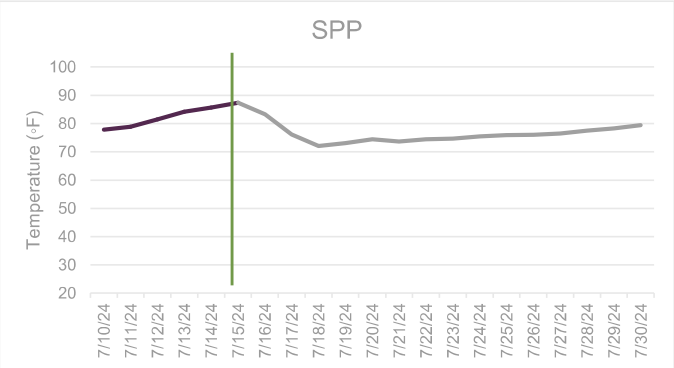










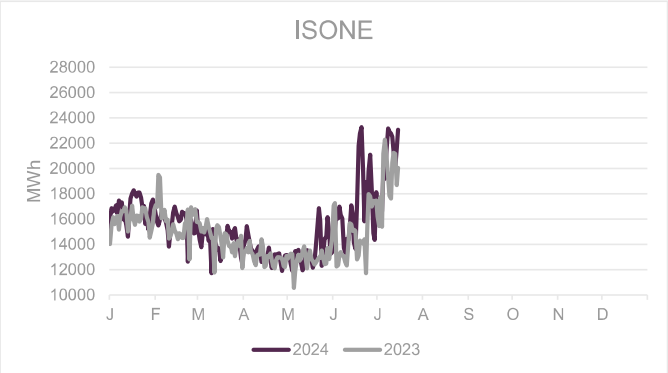


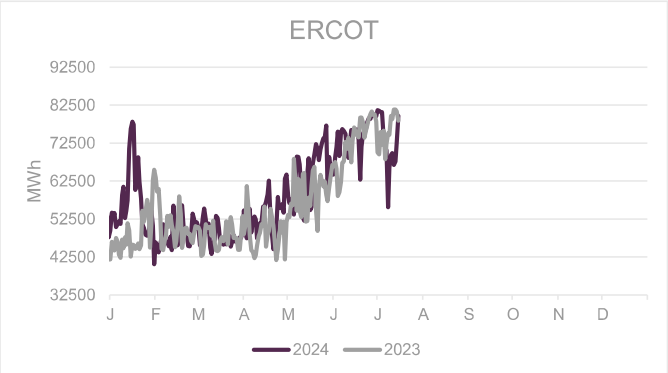


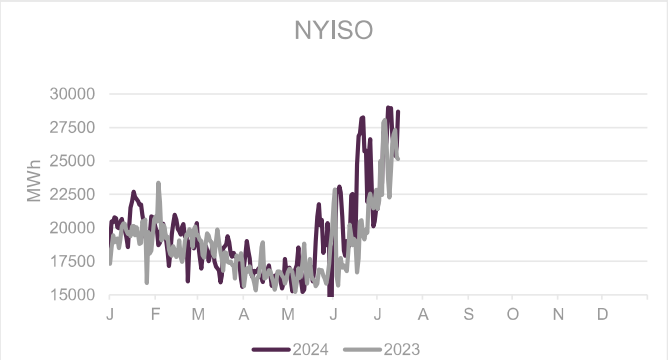
Source: S&P Global Platts, Guggenheim Securities, LLC.

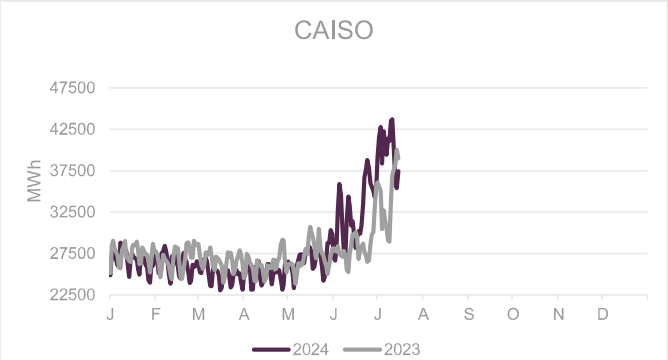
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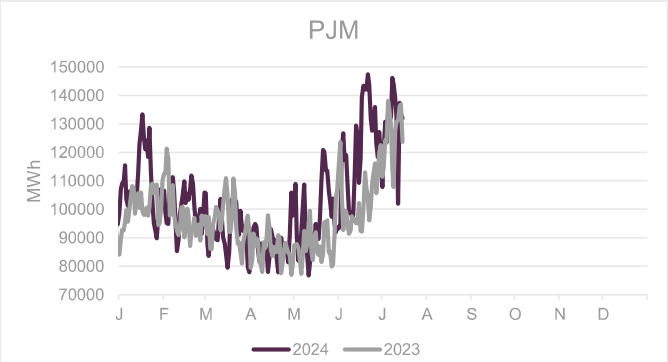
YTD Peak Load

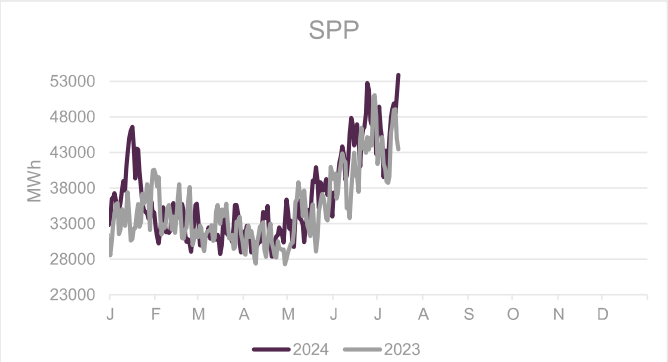


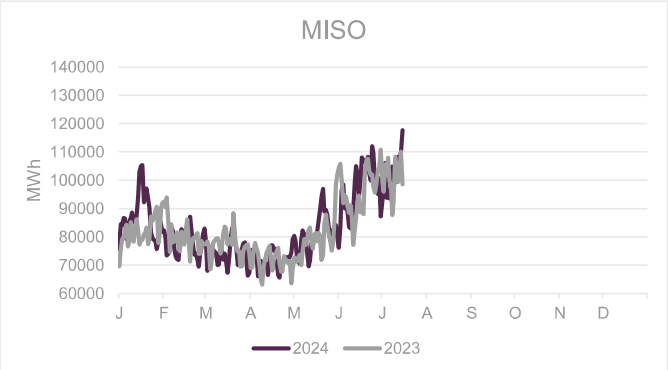












Source: S&P Global Platts, Guggenheim Securities, LLC.

Average Deviation in Peak Load vs Prior Year

RTO/ISO	2Q23	3Q23	4Q23	1Q24	2Q24
ISONE	-4.3%	-3.1%	0.4%	1.7%	7.8%
NYISO	-3.9%	-3.5%	0.3%	1.7%	8.2%
PJM	-4.8%	-0.4%	0.3%	3.4%	10.7%
MISO	-2.7%	2.3%	-0.9%	0.3%	1.8%
CAISO	-6.0%	-5.4%	0.3%	-3.8%	3.3%
ERCOT	-2.4%	11.5%	3.4%	6.2%	7.5%
SPP	-0.7%	1.0%	0.3%	2.7%	5.2%

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Regulatory Calendar

Power and Utilities: Coverage Calendar (11/30/2024-2/18/2025)

Date	State	Ticker	Utility/Event	Docket	Description
11/30/2024	CA	EIX	Southern California Edison Co.	A-23-05-010	Commission decision expected on or around
12/3/2024	MI	CMS	Consumers Energy Co.	C-U-21585	Briefs due in electric rate case
12/3/2024	MO	AEE	Union Electric Co.	C-ER-2024-0319	Staff and intervenor testimony due in rate proceeding
12/3/2024	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00137 (Rider DIST)	Intervening parties to file testimony in Rider DIST proceeding
12/4/2024	TN	DUK	Piedmont Natural Gas Co.	D-24-00036	Expected decision
12/5/2024	VA	SO	Virginia Natural Gas Inc.	C-PUR-2024-00163 (SAVE)	Staff report due in SAVE rider update proceeding
12/10/2024	VA	NI	Columbia Gas of Virginia Inc	C-PUR-2024-00030	Hearings scheduled in base rate case
12/14/2024	PA	NI	Columbia Gas of Pennsylvania	D-R-2024-3046519	End of suspension period; decision due in rate case
12/16/2024	MI	CMS	Consumers Energy Co.		Gas rate case to be filed on or after
12/17/2024	MI	CMS	Consumers Energy Co.	C-U-21585	Reply briefs due in electric rate case
12/19/2024	IN	NI	Northern IN Public Svc Co. LLC	Ca-46120	Intervenor testimony due in rate proceeding
12/20/2024	OR	POR	Portland General Electric Co.	D-UE-435	Target PUC order date
12/20/2024	TX	CNP	CenterPoint Energy Houston	D-56211	End of extended suspension period in rate case; decision expected
12/20/2024	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00137 (Rider DIST)	Staff report due in Rider DIST proceeding
12/31/2024	NY	ED	Orange & Rockland Utlts Inc.	C-24-E-0060	Commission decision expected to be issued
12/31/2024	NY	ED	Orange & Rockland Utlts Inc.	C-24-G-0061	Commission decision expected to be issued
12/31/2024	PA	FE	Metropolitan Edison Co.	D-R-2024-3047068 (MetEd)	Approximate end of statutory suspension period; decision likely in rate case
12/31/2024	PA	FE	Pennsylvania Electric Co.	D-R-2024-3047068 (Penelec)	Approximate end of statutory suspension period; decision likely in rate case
12/31/2024	PA	FE	Pennsylvania Power Co.	D-R-2024-3047068 (PennPower)	Approximate end of statutory suspension period; decision likely in rate case
12/31/2024	PA	FE	West Penn Power Co.	D-R-2024-3047068 (WestPenn)	Approximate end of statutory suspension period; decision likely in rate case
12/31/2024	VA	SO	Virginia Natural Gas Inc.	C-PUR-2024-00163 (SAVE)	Decision expected in SAVE rider update proceeding
1/1/2025	VA	SO	Virginia Natural Gas Inc.	C-PUR-2024-00048	Interim rates may be implemented in base rate case
1/8/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00180 (Rider RBB)	Staff and intervening parties to file testimony in Rider RBB update proceeding
1/15/2025	MN	CNP	CenterPoint Energy Resources	D-G-008/GR-23-173	Initial briefs due in rate case
1/16/2025	IN	NI	Northern IN Public Svc Co. LLC	Ca-46120	Company rebuttal testimony due in rate proceeding
1/17/2025	MO	AEE	Union Electric Co.	C-ER-2024-0319	Rebuttal testimony due in rate proceeding
1/20/2025	MD	CHK	Chesapeake Utilities Corp.	C-9722	End of suspension period in rate case
1/21/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00147 (Rider CE)	Parties and staff to file testimony in Rider CE proceeding
1/22/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00180 (Rider RBB)	Rebuttal testimony due in Rider RBB update proceeding
1/22/2025	WV	AEP	Appalachian Power Co.	C-24-0669-E-42T	Staff and other intervenor testimony
1/23/2025	IN	NI	Northern IN Public Svc Co. LLC	Ca-46120	Deadline for settlement to be filed in rate proceeding
1/27/2025	MI	CMS	Consumers Energy Co.	C-U-21585	ALJ proposed decision due in rate case
1/28/2025	MI	DTE	DTE Electric Co.	C-U-21534	Commission order due in rate case
1/31/2025	MN	CNP	CenterPoint Energy Resources	D-G-008/GR-23-173	Reply briefs due
2/3/2025	DE	CHK	Chesapeake Utilities Corp.	D-24-0906	Intervenor testimony due in natural gas rate proceeding
2/3/2025	IN	CNP	Sthrn IN Gas & Electric Co.	Ca-45990	Target date for decision in rate proceeding
2/4/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00137 (Rider DIST)	Hearing scheduled in Rider DIST proceeding
2/6/2025	IN	NI	Northern IN Public Svc Co. LLC	Ca-46120	Hearing to begin in rate proceeding
2/6/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00180 (Rider RBB)	Hearing scheduled in Rider RBB update proceeding
2/12/2025	WV	AEP	Appalachian Power Co.	C-24-0669-E-42T	Co. rebuttal testimony
2/18/2025	VA	D	Virginia Electric & Power Co.	C-PUR-2024-00147 (Rider CE)	Hearing scheduled in Rider CE proceeding

Source: S&P Global Market Intelligence, Company Filings, Guggenheim Securities, LLC.

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Key Research

Guggenheim's Forward Commodity Curves

- Forward Power Curves, GenCo MtM, and Weekly Commentary

Key Research

- **A Conversation with Microsoft Senior Director of Public Policy, Ryan Harkins** (HERE)
- **FERC/PJM: EXC 205 Filings Seek FERC Action on Colocation Tariff** (HERE)
- CNP – Temperature Check In Houston; Fever Breaking, Fundamentals Intact, But Complications Persist With Investigations and Cost Recovery Dynamics
- FE: CEO/CFO NDR; Execution in Focus; Putting Legacy Issues Behind; Top Tier EPS Growth and Sound Balance Sheet – Reiterate BUY on Positive Tailwinds and Rerating Story
- Utilities: Cut Me, Jay! Rising Tides and Utilities Growth Make Case For Valuation Uplift; We Remain Bullish After Recent Run-Up
- PPL: Dr. Sorgi or: How I Learned to Stop Worrying and Love Resource Adequacy
- PJM: Reserve Margins "Flying Below Hard Deck" Not Allowed
- FERC: Susquehanna ISA Call Underscores Policy Uncertainty; Former Chair Sees RTO Process Ahead
- ETR – NDR: Did We Ask About Growth Upside? Where They Could Be Within the EPS Ranges? You Bet Ya! Catalysts Levered to Diverse Customer Base including Data Centers
- Power/Data Centers: Susquehanna Protest Formalizes Longstanding Questions on Colo Interconnections
- NI: NIPSCO Electric Demand Growth Projected to Be Among the Fastest in the Industry
- ALE/M&A: Proxy Materials Provide Insight Into Sale Process; Confirm Our Views
- PEG – Late to the Party but Didn't Miss the Dance – Upgrading to BUY, Raising PT on Data Center Upside, Forward Curve, Regulatory Alignment & Unique Sector Positioning
- PCG Investor Update – From Muted Expectations to Constructive Updates; PCG Puts Numbers to Potential Upside and Keeps Up With Data Center Trend
- EXC: MD PSC MYP Order Precipitates More Case Activity, Longer Policy Discussions
- NEE Analyst Day: Despite Selloff, Our Expectations Met and We See Buying Opportunity for the LT; Optics of Higher Capex with no EPS Upside Misconstrued
- PCG Update Preview: With a Solid Plan In Place, We See Opportunity to Sway Investors on Risks and Execution, LT Sustainability of Current Plan and Wildfire Constructs
- NEE: Analyst Day Preview – Temper Expectations: Solid Footing with Conservative and Measured Messaging, but Unlikely a Transformational Update; Shares Remain Best Idea
- D: 27 Miles Offshore… Not a Data Center in Sight but Getting Our Sea Legs in Virginia
- ETR – Did Someone Ask About Top End of Guidance? Good Things, They're Just Beginning; Modest Sell on The News Not Reflective of Potential to go to "Top End" Over Time
- FE: OH Rate Case Filed — In-Line Ask; Smooth Proceeding Expected; Outcome Unlikely To Move The Needle but Should Provide Comfort for Investors
- POR NDR: Valuation Dislocation Increasingly Irrational on Load and Capital Growth Catalysts – Focused on AI/Datacenter Upside? Look at Oregon/POR
- ERCOT: TEF Data Set
- VST: Supply Additions Presage More Clarity on ERCOT Reserve Margins
- ERCOT: CDR Underscores Tightening Backdrop and Supports our IPP and TX Utility Views
- AGA 2024 Recap: Ain't No Connection Long Enough To Keep Me From Getting To You
- CEG: Where Do We Go From Here? Quieter Quarter Punctuated by Ongoing Growth Commentary – We Take a Deeper Look at TMI… Raising PT to $242
- VST: De Curves! De Curves! Vistra Lands on Unicorn Island – Raising Price Target, Again
- VST: The Tao of Vistra - Every 'Vision' Starts With A Deal
- DUK NDR: Top End of 5%-7% in Sight; Succession Planning Concluding; FFO-to-Debt Still Doesn't Concern Us
- ETR – New Orleans Settlements Help Clear The Decks, SERI Settlement and Tax Refunds to Help NOLA Customers; All Eyes on Constructive Analyst Day
- LNT NDR: Still Quality After All These Years…
- NEE: FEC Statements of Reasons and General Counsel Report Muddy Retrospective Views; We Are Addressing Some Investor Concerns, Followed Up w/C Suite - We Still See Clearing Event… Process Is Closed
- Data Center Power Grab With Leonard Klein – Datacenter Demand and Load Density Continue Inflection; No Constraint on Geography as Hyperscalers Look for Delivery Timelines
- Data Center Power Grab With Catalin Vieru – Differentiated Day 2 Shows DC Industry More Selective on Geography, More Constructive

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on Renewables and Off Grid Solutions

- PJM: 2025/2026 Auction Parameters Point to Heightened Focus on Virginia
- CNP NDR – KY Bourbon Tour Mixed With Productive Meetings? Why Not! Regulatory Progress Highlights Differentiated Approach; Incremental CapEx Opportunities Evident
- Utilities Sector Meter Read: Defending Our Sector Bull Thesis Despite Underperformance; We See a Case for a Strong Snapback into Year-End (Including Post-Election)…
- CEG: The Valuation May Have Changed but This Is Still a Unicorn…. Raising PT to $199/share
- NEE Devco Day: Data Is the New Oil and for NEER, It's Drill Baby Drill; NEER Reinforces Competitive Moat and Surprising Insight Into Data Center Growth vs. Expectations
- PCG: CPUC Filing Proposes $1B Transmission Entitlement Sale; Another Avenue for Capital Efficiency Opens Alongside PacGen
- EIX NDR: Post-4Q Focus Remains on Stabilization, Back to Fundamentals Story With Wildfire Claims Upside; Shares Remain Deeper Value
- WEC NDR: Deeper Dive - 6.5-7% Growth Can Be Sustained, Shares Showing Value But Execution in IL and WI Remains Core for Our Entry Point
- ED NDR – Simple Regulated Story With Growing Capex Upside Runway; Constructively Shifting Regulatory Backdrop Continues
- D: "Southern-esque" Re-Rating in Time? New Dominion, New Southeast Premium Name? Strategic Review Conclusion Marks a Turning Point…
- DUK – Deep Dive: Let's Talk Credit, Nuclear PTCs and Growth – CEO NDR Leaves Us Unconcerned; Supports Our Stance
- AEP: New Guard Coming but Is the Plan the Plan? Most Likely Singles & Doubles vs. a Home Run… Could Take a Play-Book From Other Peers Like FE, CNP, PCG
- PNW – Constructive Outcome to APS Rate Case; Nationally Comparable ROE of >9.8%; Recouped Half the Revenue Difference Between Initial and Final ROO
- D: Constructive Wind Transaction; Strategic Business Guidance Forthcoming – Mgmt. Kitchen Sinking Estimates Ahead of Event? No
- AEP: Textbook Case of Activism - Icahn Isn't Here to Guide Rate Cases; We Expect Bigger Strategic Initiatives Ahead w/Potential Governance Changes
- PNW – Consistency Issues in AZ? We Think Textbook… Somewhat Unprecedented Move by ALJ
- Taking a Credit Rating Methodology Pulse: Revised Equity Treatment of Hybrid Instruments Could Present a Modest Boost for Select Utility Names
- CMS – Rochow-Hayes 2024: A Ticket We Can Get Behind – Upgrading to BUY on Earnings Power Rebase and No Shortage of Capital Upsides
- PNW – ALJ's ROO Issued in APS Rate Case; Reiterate Buy Following Our Recent Upgrade: Outcome Supportive of Our Anticipatory Call
- ES: Orsted to Purchase Sunrise Pending Successful Rebid – Move Supports Our Upgrade
- '24 Utilities Outlook: Utility Valuations Finally "NSYNC" with Fundamentals? Buy Buy Buy…
- D: Investor Survey Results Reveal Tighter Buyside Perceptions on Review Outcomes, Degree of Conservatism
- ES: Substantial Impairments Write Projects Down to Almost Zero; Reposition Sunrise Overhang

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Guggenheim Securities Equity Research & Equities Teams

Consumer Equity Research

Automotive
Ron Jewsikow 212.823.6581
Ronald.Jewsikow@guggenheimpartners.com

Food Retailers; Consumables Retail/Distribution
John Heinbockel 212.381.4135
John.Heinbockel@guggenheimpartners.com

Hardlines Retail
Steven Forbes, CFA, CPA 212.381.4188
Steven.Forbes@guggenheimpartners.com

Restaurants
Gregory Francfort, CFA 212.518.9182
Gregory.Francfort@guggenheimpartners.com

Retailing/Department Stores & Specialty Softlines
Robert Drbul 212.823.6558
Robert.Drbul@guggenheimpartners.com

Technology & Media Equity Research

Entertainment & Digital Media
Michael Morris, CFA 804.253.8025
Michael.Morris@guggenheimpartners.com

Media & Live Entertainment
Curry Baker 804.253.8029
Curry.Baker@guggenheimpartners.com

IT Services
Jonathan Lee 212.518.5388
Jonathan.Lee@guggenheimpartners.com

Software
John DiFucci 212.518.9670
John.DiFucci@guggenheimpartners.com

Howard Ma 512.354.3458
Howard.Ma@guggenheimpartners.com

Technology & Media Equities Team

TMT Sector Specialist
Seth Ostrie 212.518.9547
Seth.Ostrie@guggenheimpartners.com

Equities Management

Stefano Natella, Head of Equities	212.292.4700
Jeffrey Cohen, Head of Sales	212.292.4762
Dante Ferrarie, Head of Trading	212.518.3331
Craig Peckham, Head of Research	212.292.4765

Power & Energy Transition Equity Research

Energy Technology & Industrial Technology
Joseph Osha, CFA 415.852.6468
Joseph.Osha@guggenheimpartners.com

Power & Utilities
Shahriar Pourreza, CFA 212.518.5862
Shahriar.Pourreza@guggenheimpartners.com

Healthcare Equity Research

Biotechnology
Debjit Chattopadhyay, Ph.D. 212.823.6584
Debjit.Chattopadhyay@guggenheimpartners.com

Kelsey Goodwin 617.859.4621
Kelsey.Goodwin@guggenheimpartners.com

Eddie Hickman, Ph.D. 212.518.9904
Eddie.Hickman@guggenheimpartners.com

Michael Schmidt, Ph.D. 617.859.4636
Michael.Schmidt@guggenheimpartners.com

Yatin Suneja 212.518.9565
Yatin.Suneja@guggenheimpartners.com

Diagnostics & Life Sciences Tools
Subbu Nambi, Ph.D. 617.859.4609
Subbu.Nambi@guggenheimpartners.com

Global Biopharmaceuticals
Vamil Divan, M.D. 212.823.6543
Vamil.Divan@guggenheimpartners.com

Seamus Fernandez 617.859.4637
Seamus.Fernandez@guggenheimpartners.com

Healthcare Services
Jason Cassorla 212.518.9501
Jason.Cassorla@guggenheimpartners.com

Healthcare Equities Team

Healthcare Sector Specialist - New York
Whitney Wolfe 212.518.9630
Whitney.Wolfe@guggenheimpartners.com

Healthcare Sector Specialist - San Francisco
Daniel Donner 415.671.4385
Daniel.Donner@guggenheimpartners.com

Sales and Trading Offices

New York	212.292.4700
San Francisco	415.852.6451
Boston	617.859.4626
Richmond	804.253.8052

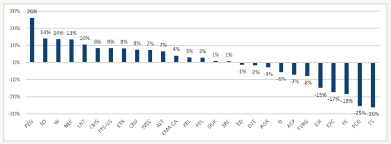
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NORTH AMERICA | Power & Utilities

Equity Research
December 18, 2024

Top Utility Ideas for 2025



What are our top utility & power picks? Large Cap Xcel Energy [XEL] and Duke Energy [DUK], Integrated PPL Corp [PPL], Evergy [EVRG], NiSource [NI]; Transmission & Distribution PG&E Corp [PCG] and Exelon [EXC]; Small Cap TXNM Energy [TXNM];. We gravitate more toward the mid-cap utilities $10-$30Bn where large data centers can truly move the needle driving outsized rate base growth accretion with both EVRG and NI illustrating this.

Top Utility & Power Ideas for 2025: XEL, DUK, PPL, EVRG, NI, PCG, EXC, TXNM.

XEL: 9.4% rate base CAGR and 6-8% EPS CAGR (~8% JEFe) both have potential upside from $10Bn + of incremental capex related to 9GW data center pipeline and associated renewables. 4Q25 risk is the Marshall fire trial with potential for significant liabilities if found unanimously guilty.

DUK: Poised to deliver growth at the upper half of its 5-7% EPS CAGR at long last. Consolidation of its Carolinas subsidiaries should deliver hundreds of millions in customer savings over time, supporting customer investments (report here, 3Q24, & EEI takeaways).

PPL: Our overall utility top pick. Robust & accelerating Kentucky generation transformation coupled with top tier Pennsylvania data center transmission growth +9GW (doubling the utilities load by 2032). We expect top end of 6-8% EPS CAGR formalized on 4Q24 call. All supported by leading credit metrics. See more details in our latest report.

EVRG: Outlook embeds only three large load customers and no probability weighted embedded in outlook of increasingly probable incremental large customers. Expect management to move EPS growth rate higher later in 2025 after Kansas rate case from upper half of 4-6% to upper half of 5-7%. Kansas and Missouri outlooks each improving.

NI: We see long-awaited articulation of meaningful rate base opportunity associated with outsized growth: see at least 8.5% EPS CAGR with accelerating EPS in '27+ as driving real differentiation vs peers later in the decade. Yes, a 10%+ premium now indeed already, but with among single-highest fully related EPS CAGR and upside still, we see merits.

PCG: While not a data center story to the extent of its peers, PCG has the most conservatism in its financial outlook while offering 9-10% EPS CAGR. Well-regarded CEO has signed up for another five-year contract and financing plan derisked via equity, although walking back on no 2024 equity commitment.

EXC: We are cautiously optimistic in a reasonable Illinois grid plan outcome, which will cap a successful regulatory year, including strong Pennsylvania and Washington D.C. rate cases plus Federal transmission wins. FY25 EPS beat on the strength of PA rate case plus significant and diversified transmission capex solidly supports upper-half of 5-7% EPS CAGR (~7% off depressed 2024 base).

TXNM: The recently filed constructive PNM rate case settlement (pending approval) can help derisk the story. We see accelerating rate base above the already double-digit CAGR from TNMP ERCOT Permian Basin estimated transmission spend of $750Mn, as well as $220-$252Mn at PNM for new 2028 capacity resources. Expectations for an improving New Mexico regulatory environment along with accelerating double-digit rate case CAGR drive a 6-7% EPS CAGR.

Julien Dumoulin-Smith * | Equity Analyst
+1 (281) 774-2066 | jds@jefferies.com

Paul Zimbardo * | Equity Analyst
+1 (212) 778-8497 | pzimbardo@jefferies.com

Brian Russo, CFA * | Equity Analyst
+1 (212) 778-8559 | brusso@jefferies.com

Antoine Aurimond * | Equity Analyst
+1 (786) 535-2032 | aaurimond@jefferies.com

Jamieson Ward, CFA * | Equity Analyst
+1 (281) 774-2081 | jamieson.ward@jefferies.com

Dushyant Ailani, CFA * | Equity Analyst
1 (212) 778-8318 | dailani@jefferies.com

Hannah Velasquez * | Equity Associate
+1 (347) 982-6038 | hvelasquez@jefferies.com

Whitney Mutalemwa * | Equity Associate
+1 (212) 707-6413 | wmutalemwa@jefferies.com

Nicolas Dominique * | Equity Associate
+1 (646) 805-5452 | ndominique@jefferies.com

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Other Companies Mentioned in This Report

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- Evergy Inc (EVRG: $61.50, BUY)
- Exelon Corp (EXC: $36.52, BUY)
- NiSource Inc. (NI: $36.21, BUY)
- PG&E Corporation (PCG: $19.71, BUY)
- PPL Corp. (PPL: $32.26, BUY)
- TXNM Energy (TXNM: $48.44, BUY)
- Xcel Energy Inc (XEL: $68.08, BUY)

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October 7, 2024

Energy: Natural Gas Utilities

U.S. Equity Research

NiSource Inc. (NI)

Outperform | $34.64 | PT $38.00

Price Target Change

Emerging Premium Should Prove Structural; PT to $38

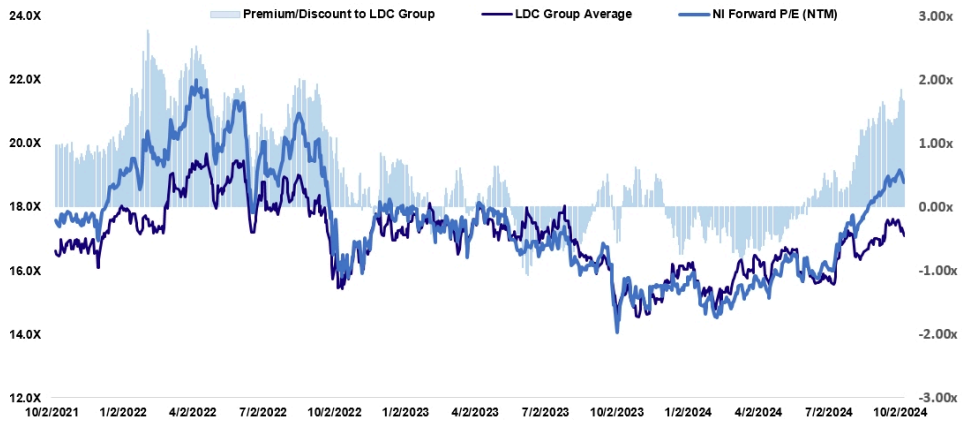
A central argument of our NI Initiation at Outperform in July was NI's deserving a greater structural premium compared with the ~0.5x it has experienced (three-year average) versus LDC peers. This relative valuation bump has borne out over the last several months as NI now trades at a ~1.7x premium to peers. Despite commanding more respect, we expect NI to maintain this valuation premium and argue for its expansion. We ascribe valuation developments to the Street's increasing excitement over other components of our Outperform thesis - NI's scale, regulatory support, capital backlog, and most influential, the data center angle at its NIPSCO territory. On this note, we look for NIPSCO Electric's rate case (filed in September) to underscore these drivers.

We update our model to reflect higher estimates, less dilution from equity needs, and a higher target multiple reflecting sector valuation expansion. Reiterate Outperform; PT to $38.

Key Points

We expect expanding premium to prove increasingly structural: Throughout its history, NI has struggled to establish a ***structural*** premium to its gas utility (LDC) peers. It has experienced extended periods of valuation premiums (as high as +2.8x NTM P/E) and discounts (as low as -1.1x) over the last three years, with an average of +0.5x premium - see ***Exhibit #1***. A premium has re-emerged over the last ~five months (flipping from a discount as deep as ~1.0x in April 2024) which we believe will prove structural. NI's current iteration of strengthening balance sheet, upside option to electricity demand, constructive and diverse jurisdictions support our new PT of $38 at ~2x premium to peers.

Exhibit 1 - We anticipate emerging NI premium to LDCs to be structural



Source: LDC peers include: ATO, BKH, CPK, MDU, NJR, NI, NWN, OGS, SWX, SR

Valuation

Our $38 PT is derived from an 18.5x target P/E premium to our 2026 EPS estimates

MIZUHO SECURITIES USA LLC

Connect With Our Analysts

Gabriel Moreen | Managing Director
+1 646 949 9783 | Gabriel.Moreen@mizuhogroup.com

Christopher Jeffrey, CFA | Senior Associate
+1 646 949 9666 | Christopher.Jeffrey@mizuhogroup.com

Robert Mosca, CFA | Senior Associate
+1 212 209 9332 | Robert.Mosca@mizuhogroup.com

Overview

Rating (Previous)	Outperform (No Change)
Price	$34.64
Price Target (Previous)	$38.00 ($33.00)

Key Data

Symbol	NI (NYSE)
52-Week Range	$35.10 - $23.07
Market Cap ($mm)	$15,536
Shares Outstanding (mm)	448.5
Average Daily Volume	3,891,147
Dividend/Yield	$1.00/2.9%

Source: Bloomberg

Fiscal Year-End: Dec 31

Earnings per Share ($)	2023A	2024E Prior	2024E Curr	2025E Prior	2025E Curr
Q1	0.77A	–	0.85A	–	–
Q2	0.11A	0.15E	0.21A	–	–
Q3	0.19A	0.16E	0.12E	–	–
Q4	0.53A	0.57E	0.56E	–	–
FY	1.60A	1.74E	1.75E	1.85E	1.87E
P/E	21.7x		19.8x		18.5x

Source: Bloomberg

Dividend per Share	2023A	2024E	2025E
FY	1.00A	– 1.06E	– 1.13E

Source: Company Data, Mizuho Securities USA Research estimates

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The Mizuho View

Investment Thesis

Attractive regulatory jurisdictions and visible capital deployment opportunities underpin NI's 8-10% rate base and 6-8% adj EPS annual growth targets through 2028, which we view as attainable and attractive compared to peers. We believe NI's results likely drift towards the top of these ranges as we expect its capital backlog to be upsized given several angles, including data center-driven electricity load growth.

NIPSCO minority stake sale and hybrid security issuances have improved balance sheet and fundraising outlook. We expect NI to stay within its 14-16% FFO/Debt target. We believe NI can stay within equity fundraising projections, which are substantiated by earnings growth, but could see the need to raise incremental equity financing to support further growth should data center opportunities come to fruition.

Base Case/PT

Base Case, $38 PT: NI grows adj EPS at the top-end of its 6-8% target range (~8%). NI valuation experiences a structural premium to gas utility, which experiences a moderate mean reversion to historical multiples. Shares trade at 18.5x earnings.

Bull Case/PT

Bull Case, $41 PT: NI exceeds the high-end of its adj EPS growth target (~9%). Constructive macro backdrop creates more robust expansion of utility multiples. Shares trade at 20.0x earnings.

Bear Case/PT

Bear Case, $32 PT: NI underperforms the low-end of its adj EPS growth target (~5%). Challenging macro backdrop puts pressure on utility multiples. Shares trade at 17.0x earnings.

Risks

Key risks to our thesis include:

(1) Sustained higher interest rates impact bottom-line profitability and utility sector valuation

(2) Cost initiatives to keep O&M flat through 2028 prove unsuccessful

(3) Risks to the execution of NIPSCO's electric generation strategy, including retirement of coal generation units and ability to add load capacity through renewable or gas-fired power generation

(4) Capital investment opportunities fail to materialize

(5) Adverse regulatory rulings in NI's operating footprints

(6) Equity financing needs more than offset growth prospects causing EPS dilution

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NIPSCO Electric files landmark rate case: In our July initiation, we described the next NIPSCO Electric rate case as likely one of the most significant in NI's history. NIPSCO filed the case in September (IURC Cause #46120), and the description fits. NIPSCO is requesting an authorized rate base of $9.2bn, which is a $3.3bn (+55%) increase from the previous case settled in September 2022. ~68% of that increase is due to NIPSCO's renewable power generation build-out, namely, one solar facility placed into service and three additional solar facilities anticipated for in-service by the forward test year-end of December 2025. The case also anticipates the closure of NIPSCO's remaining coal-fired power units, though this falls outside the test period. The balance of the rate base request is largely attributable to transmission improvements and system safety spending.

The proceeding requests a gross revenue increase of $424.8mn (+23.2%), which would be effective over two phases (May 2025 and December 2025). NIPSCO is requesting a 10.6% ROE (7.6% ROR), and a 53.0% equity layer. The ***net*** revenue request is for $368.7mn (+20.2%), which takes into account $56.1mn of lower fuel costs and renewable credit benefits to customers due to the renewable generation installations.

Exhibit 2 - NIPSCO Electric revenue requirement calculations

Revenue Requirement

Sch. 1

Line		Petitioner
1	Original Cost Rate Base	$ 9,229,813,441
2	Times: Weighted Average Cost of Capital	7.59%
3	Net Operating Income Required for Return on Original Cost Rate Base	700,542,840
4	Less: Net Operating Income at Pro forma Rates With No Rate Case	383,364,871
5	Net Revenue Increase Required	317,177,970
6	Times: Gross Revenue Conversion Factor	133.9175%
7	Recommended Gross Revenue Increase Required	$ 424,756,681
8	Less: NOI Neutral Revenue Requirement Associated with Fuel Reduction	$ 56,096,064
9	Petitioner's Total Recommended Revenue Increase Required	$ 368,660,618
10	Operating Revenues Subject to Increase at Present Rates	$ 1,829,598,917
11	Recommended Percentage Increase over Revenues Subject to Increase at Present Rates: (Line 9/Line 10) *	20.15%

Source: NIPSCO cause 46120

Rate case is demonstrative of the larger NI story: We draw a number of takeaways from the NIPSCO case that we believe will be instructive for NI's overall outlook:

Size: The sheer size of the rate base increase should be meaningful for future cases. NIPSCO is still positioned to make significant capital investments over the medium-term as it aims to meet expected power generation demand growth on its territory. This includes the likely construction of a gas peaking plant (Cause #45947; final order still pending) by 2027, and a likely additional combined cycle power plant (CCGT) for baseload power on the longer-term horizon (no official announcement on this, but we expect more detail in NI's updated outlook in November). We expect much of NI's 'upside' capital plan to be located within its NIPSCO territory to meet growing electricity demand in the long-term (see below). A positive reception for this case could provide a read-through to future recovery requests.

Customer impact: The proceeding provides some credence as to the lower fuel cost benefits that customers are experiencing through NI's renewable investments via the aforementioned Fuel Reduction Adjustment of $56.1mn that is credited against the revenue increase. However, ***NIPSCO expects customers to experience a 22.0% bill increase through 2026 following the rate case***. This figure is difficult to square with NI's stated goal of < 4% customer bill increases, though this is an annual figure and applies across all service territories (NIPSCO Electric accounts for ~34% of combined rate base). NIPSCO expects to mitigate this increase through a variety of measures, such as a proposal for a multi-family residential rate, continued roll-out of advanced meters that allow lower-cost remote reconnections. Testimony also credibly points to the impressive job NIPSCO has done keeping costs flat. We note NIPSCO is using a ***lower*** O&M estimate on its December 2025 test year-end figure than it did in its previous 2022 rate case (2023 test year).

Exhibit 3 - Anticipated customer impact from NIPSCO Electric case

Current Average Monthly Electric Bill for Residential Customer using 729 kWh (Includes all monthly charges normally (or proposed to be) applicable to Rate Class *11 residential customers) **	Volumes	September 2025 No Rate Case Factor	September 2025 No Rate Case Bill	March 2026*** at Proposed Rates Factor	March 2026*** at Proposed Rates Bill
Customer charge			$14.00		$25.00
Energy charge	729	0.166243	$121.19	0.198605	$144.78
FAC	729	(0.005140)	($3.75)	(0.000371)	($0.27)
RA	729	0.000675	$0.49	0.000066	$0.05
TDSIC	729	0.009265	$6.75	0.001292	$0.94
RTO [1]	729	0.004742	$3.46	0.005492	$4.00
DSM	729	0.004932	$3.60	0.004589	$3.35
ECT	729	0.001082	$0.79	0.001284	$0.94
Total			$146.53		$178.79
Rate Increase Compared to September 2025 at Current/Expected Rates without a Rate Case.					22.01%

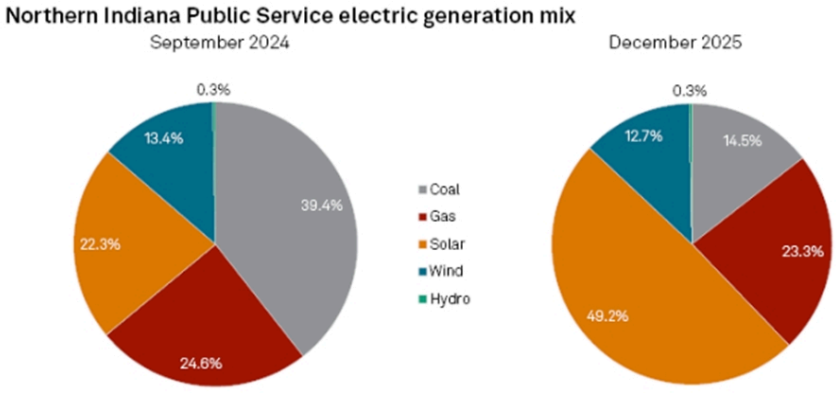
Source: NIPSCO cause 46120

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Speed: Also in our initiation, we highlighted NI's expectation to be engaged in full rate cases often through the medium-term - likely every two years in its larger jurisdictions. We anticipate this will be particularly true for NIPSCO Electric and Gas to minimize lag on the sizeable capital projects at the territory.

Power mix: The rate case underscores NIPSCO's ambitions to clean its power generation mix, particularly the continued retirement of its coal-fired generation (Schahfer Units 17 & 18; Michigan City Unit 12 online through 2028).

Exhibit 4 - NIPSCO expected generation mix



As of Sept. 17, 2024.
Source: Northern Indiana Public Service Co., Indiana Utility Regulatory Commission cause 46120.
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Source: S&P Global; NIPSCO cause 46120

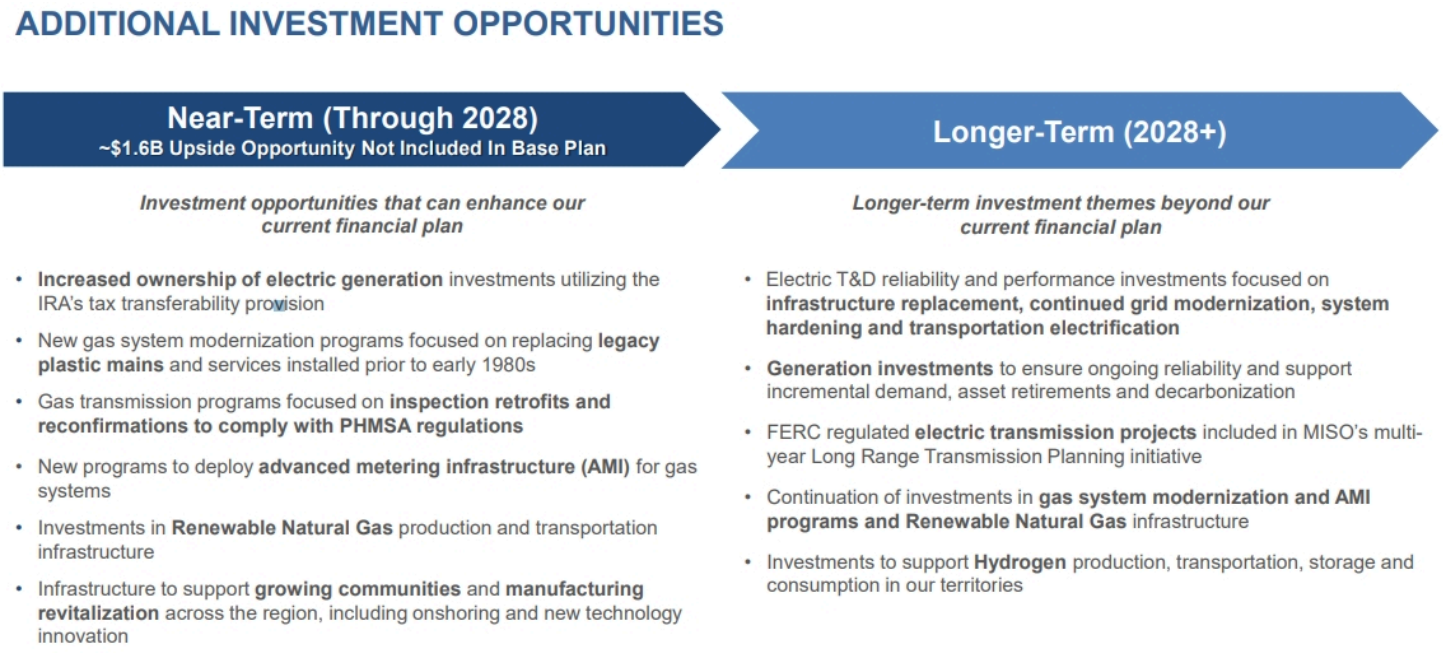
Bottom-line impacts: We anticipate NIPSCO will ultimately receive below the 10.6% ROE requested, but even keeping the 9.8% that is currently in place should drive significant growth at the NIPSCO segment. *We expect the bulk of the impacts to drive 2026 growth in rate base and EPS above NI's annual goals of 8-10% (MSUSAe: 11.5%) and 6-8% (MSUSAe: 9.5%), respectively.*

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We anticipate a capital backlog update in 3Q24: We expect NI will release its updated five-year outlook for 2024-2029 during its 3Q24 update (est. 10/30), which will also be ahead of the EEI Conference (11/10). While we expect headline targets to remain in place (EPS, rate base, balance sheet metrics), we expect more movement in the capital spending update. NI's current 'upside' backlog is ~$1.6bn in addition to the official backlog of $16.4bn through 2028, with a number of 'longer-term' opportunities listed for 2028+. We believe some of these 'longer-term' projects could move into the visible horizon, such as spending for MISO's Long Range Transmission Planning Initiative, which is anticipating Tranche 2 conclusions in December 2024. PHSMA rulemaking is also anticipated for 4Q24. We continue to model a ratable ~$600mn of the upside backlog into spending over the next several years.

Finally, we note NI's longer-term opportunities still do not explicitly account for data-center demand growth. We believe this will be added to the list for 2029+ as investors expect capital spend is within range given the demand needs outlined in NIPSCO's 2024 IRP (see below).

Exhibit 5 - We expect NI's capital backlog will shift with its updated five-year outlook in November, including an explicit nod to data center demand growth



Source: NiSource investor presentation 2Q24

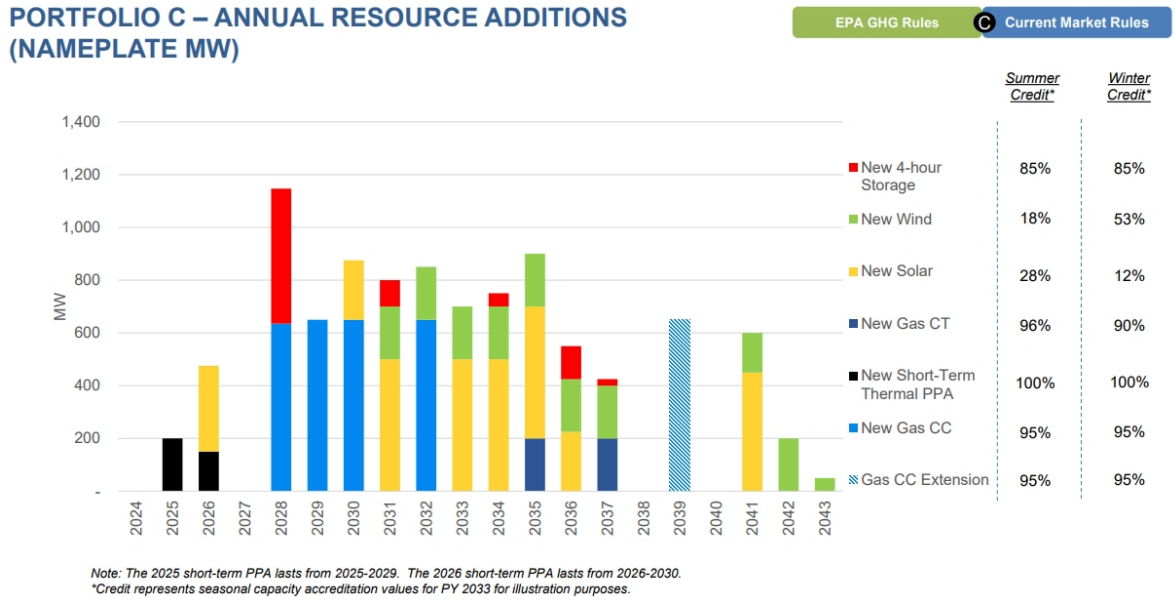
Settlement reached in Pennsylvania: Another example of NI's constructive regulatory relationships is the settlement reached on August 23 in Pennsylvania (~16% of rate base), which is still pending PUC approval. As is typical for the state, the details are in black-box disclosure, but the PUC has established a 10.15% proxy ROE for gas utilities as a benchmark, which we view as above-average.

Another hybrid security issuance positive for balance sheet targets: NI issued another $500mn of junior sub debt (which brings the total YTD to $1,000mn). This sum received 50% equity treatment from the credit agencies and should help keep NI within its 14-16% FFO/Debt target (MSUSAe FY24-26e with 50% treatment: 14.0%, 15.0%, 15.4%). These are well above its downgrade thresholds of ~13%. The righting of NI's balance sheet is another reason we have argued for a structural premium to LDC peers, as the balance sheet used to be more of a detraction from the company.

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What's next for data center buzz? The next few months should prove consequential for NI, starting with this week's Stakeholder Advisory Meeting #4 for ***NIPSCO's 2024 IRP***. Based on the presentation materials, we believe NIPSCO representatives will address the incremental generation resources necessary over the long-term to address the immense power generation demand increase that was addressed in Stakeholder Meeting #1 related to data centers (and detailed in our initiation). The following slide from the upcoming presentation outlines the resource additions necessary in a scenario of constant EPA and MISO rules.

Exhibit 6 - NIPSCO's 2024 IRP outlines additional power generation needs through 2043



Source: NIPSCO 2024 IRP Stakeholder Meeting #4

Eventually, we expect NI will have to address the top-of-mind question for ratepayers and investors: Who is paying for all of this incremental generation? We do not expect an answer to this during the IRP or even during NI's next several earnings updates, but we expect more detail as firm projects and capacity needs are announced. Ultimately, we believe the answer will involve separate rates for hyperscalers and firm bilateral capacity contracts that prevent the data center from abandoning its generation.

NI beats on 2Q24 results: In early-August, NI reported 2Q24 adj EPS of $0.21/sh that beat Street ($0.16/sh) and MSUSAe ($0.15/sh). Management pointed to the top-half of its guidance range for 2024 ($1.70-1.74/sh) and reaffirmed its long-term growth targets and capex plan. We raise our 2024e adj EPS to $1.75/sh (+$0.01/sh from previous) as the strong second quarter and 97% of regulated rate recovery being finalized through the year provides strong confidence in the guidance update.

Exhibit 7 - NI 2Q24 results versus Street and Mizuho

	24Q2			Vs. Mizuho	Vs. Street
	Reported	Mizuho	Consensus	(%)	(%)
Net margin	920	914		1%	
Operations and maintenance	358	386			
DD&A	254	249			
General taxes	67	75			
Total operating expenses	**848**	**710**		19%	
Operating income (GAAP)	**237**	**204**		16%	
Interest expense, net	(129)	(123)			
Net income available to common (GAAP)	**85.8**	**69.8**	**73.7**	23%	16%
EPS, diluted (GAAP)					
Adjustments to operating income					
Operating income (Adjusted)					
Adjustments to net income					
Net income (Adjusted)					
Consensus income					
Adj EPS	**$0.21**	**$0.15**	**$0.16**	36%	31%
Consensus EPS					
Guidance					
Dividends declared per share of stock	**$0.27**	**$0.27**	**$0.27**	0%	-2%
Consensus DPS					
Diluted shares outstanding	450	452			

Source: Company filings, MSUSA

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Raising estimates; PT to $38: We raise our FY25-26e adj EPS to $1.87/sh (+$0.03/sh) and $2.05/sh (+$0.07/sh). These changes reflect updated assumptions for NIPSCO Electric rate case and recent NI share price strength, which should mitigate dilution from equity needs over the five-year plan. We raise our target P/E valuation to 18.5x, which is +2.0x from previous and reflects the structural premium to peers we have discussed as deserved by NI.

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Financials

Exhibit 8 - Updates to Mizuho's NI model

	New Estimates								Old Estimates								New vs. Old estimates		
	2023	1Q24	2Q24	3Q24E	4Q24E	2024E	2025E	2026E	2023	1Q24	2Q24	3Q24E	4Q24E	2024E	2025E	2026E	2024E	2025E	2026E
Net margin	3,972	1,281	920	923	1,180	4,356	4,682	5,015	3,972	1,281	914	914	1,177	4,336	4,711	5,025	0%	-1%	0%
Operations and maintenance	1,495	378	358	357	411	1,503	1,518	1,549	1,495	378	386	357	411	1,532	1,562	1,594	-2%	-3%	-3%
DD&A	908	242	254	260	268	1,024	1,140	1,236	908	242	249	256	262	1,009	1,118	1,214	1%	2%	2%
General taxes	271	77	67	87	87	319	343	375	271	77	75	65	77	294	337	374	8%	2%	0%
Total operating expenses	**4,210**	**1,123**	**848**	**704**	**765**	**2,850**	**3,001**	**3,160**	**4,210**	**1,123**	**710**	**677**	**750**	**2,835**	**3,018**	**3,182**	1%	-1%	-1%
Operating income (GAAP)	**1,296**	**583**	**237**	**219**	**415**	**1,454**	**1,682**	**1,856**	**1,296**	**583**	**204**	**237**	**427**	**1,451**	**1,693**	**1,843**	0%	-1%	1%
Interest expense, net	(490)	(116)	(129)	(135)	(145)	(525)	(627)	(672)	(490)	(116)	(123)	(138)	(145)	(522)	(629)	(674)	1%	0%	0%
Net income available to common (GAAP)	**662**	**344**	**86**	**54**	**260**	**744**	**878**	**980.1**	**662**	**344**	**70**	**76**	**266**	**756**	**880**	**963**	-2%	0%	2%
EPS, diluted (GAAP)	**$1.48**	**$0.77**	**$0.19**	**$0.16**	**$0.50**	**$1.62**	**$1.92**	**$2.12**	**$1.48**	**$0.77**	**$0.14**	**$0.21**	**$0.51**	**$1.62**	**$1.90**	**$2.04**	0%	1%	4%
Adjustments to operating income	61	33	12	0	0	45	0	0	61	33	0	0	0	33	0	0			
Operating income (Adjusted)	**735**	**433**	**115**	**72**	**231**	**851**	**901**	**1,011**	**735**	**433**	**62**	**96**	**238**	**828**	**903**	**992**	3%	0%	2%
Adjustments to net income	55	39	9	0	0	47	0	0	55	39	0	0	0	39	0	0			
Net income (Adjusted)	**716**	**383**	**95**	**54**	**260**	**791**	**878**	**980**	**716**	**383**	**70**	**76**	**266**	**795**	**880**	**963**	0%	0%	2%
Consensus income				*71*	*258*	*795*	*886*	*971*											
Adj EPS	**$1.60**	**$0.85**	**$0.21**	**$0.12**	**$0.56**	**$1.75**	**$1.87**	**$2.05**	**$1.60**	**$0.85**	**$0.15**	**$0.16**	**$0.57**	**$1.74**	**$1.85**	**$1.98**	0%	1%	3%
Consensus EPS				*$0.16*	*$0.56*	*$1.73*	*$1.85*	*$1.99*											
Guidance	*$1.54-1.60*					*$1.70-1.74*								*$1.70-1.74*					
Dividends declared per share of stock	**$1.00**	**$0.27**	**$0.27**	**$0.27**	**$0.27**	**$1.06**	**$1.13**	**$1.21**	**$1.00**	**$0.27**	**$0.27**	**$0.27**	**$0.27**	**$1.06**	**$1.13**	**$1.20**	0%	0%	1%
Consensus DPS				*$0.27*	*$0.27*	*$1.06*	*$1.13*	*$1.20*											
Diluted shares outstanding	447.9	449.4	450.2	452.4	460.5	453.1	469.2	478.4	447.9	449.4	451.8	459.1	466.4	456.7	475.5	486	-1%	-1%	-2%

Source: Company filings, MSUSA

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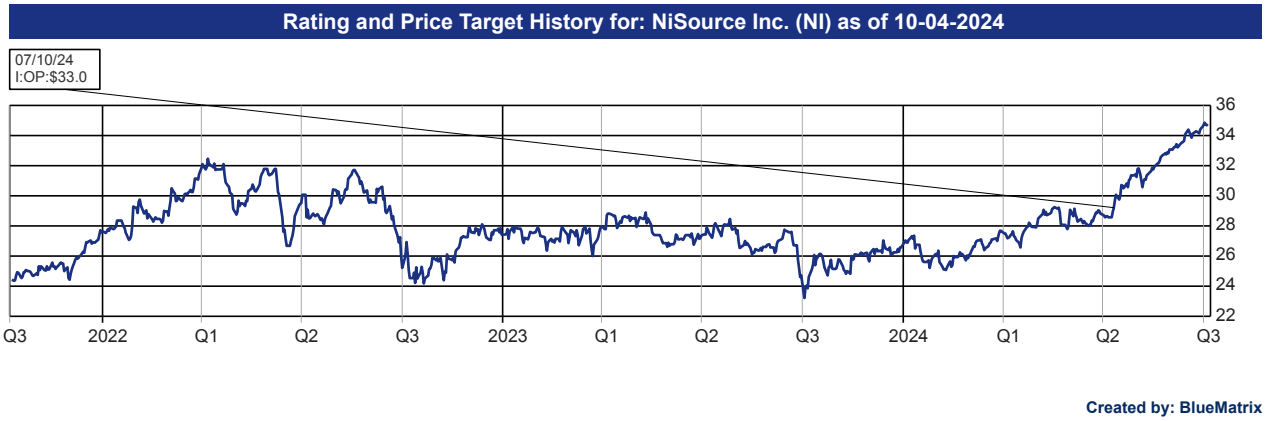
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WOLFE RESEARCH

Utilities & Power

October 21, 2024

Q3 preview – Earnings, EEI, Elections and Eyes on FERC

The Wolfe Byte

Q3 should see a lot of beats/raises. We see more capex, more sales growth, more equity but same EPS CAGRs. Election will be huge – with Dems winning anything a positive, Rep. sweep negative. Power will be noisy again, but we are buyers of weakness.

More capex, More growth, More Equity, Same EPS CAGRs – Q3 is big for utilities with 2024 outlook updates and LT plan refreshes into EEI. We expect the 2024 updates to be positive but the L-T plan refreshes matter more. The story is generally good – rising capex and ratebase and higher sales growth – but the punchline will still be the same 5-8% EPS CAGRs. Some of this is rising equity needs (Q3 should have been full of ATM issuances) and some of this is conservatism. Other key topics will be data center load updates (higher again) and recent hurricanes and fire risks (not as bad as feared).

Elections key – better off with Dems winning anything. We see Renewables very volatile and binary around the election. A Rep sweep would create huge overhang; Dems winning anything would be a relief rally. Utilities may also do better with Dems winning since they are not a Trump beneficiary. Even Power names might do better since Dems would be tougher on gas new build and EPA rules.

Power noisy – Déjà vu all over again with big FERC events during earnings - FERC technical conference on 11/1 and the TLN ISA ruling due 11/4. Investors are worried but we don't see the outcome being a gamechanger on co-location so we lean toward buying weakness. We show a Q3 miss for VST and EPS guide shift for NRG, but otherwise expect IPPs to keep their LT guidances even with lower ERCOT.

Positives: 1) ETR – upward bias to 2024 and 6-8% LT CAGRs; rising sales; **2) NI –** upside to 24/25; capex refresh and LT data center growth; **3) PCG –** capex from new connections; maybe higher 2024/2025; fire season end approaching.

Negatives: 1) NRG – Big new EPS guide likely below consensus, otherwise solid; **2) PNW –** 2025 guide well below consensus, new AZ regs take time to boost EPS; **3) SRE –** CA PDs overhang until resolved later in year; **4) XEL –** 2024 pressures, 2025 guide below consensus; but solid LT capex and growth.

Important: 1) AEP – New CEO plan – capex, growth, equity, asset sales, EPS CAGR all on table; **2) CNP –** Q3 miss, TX storm actions including higher capex; **3) EVRG –** new 5-yr capex, equity and CAGR refresh, likely stays 4-6%; **4) LNT –** new 4-year plan and data center announcements, likely reaffirm 5-7%; **5) WEC –** new 5-yr plan on capex, MSFT load and equity and likely reaffirm 6.5%-7%.

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Steve Fleishman
sfleishman@wolferesearch.com
(646) 582-9241
View Steve's Research
View Comp Table

Michael Sullivan, CFA
msullivan@wolferesearch.com
(646) 582-9245
David Paz
dpaz@wolferesearch.com
(646) 582-9242

WOLFE RESEARCH

October 21, 2024

COMPANY	TICKER	RATING	PT *(PRIOR)*	% UPSIDE
Ameren Corp	AEE	OP	$97 *($89)*	9.9%
American Electric Power	AEP	PP	NA	
AES Corp.	AES	PP	NA	
Avangrid	AGR	NR	NA	
American Water Works	AWK	PP	NA	
Constellation Energy, Inc.	CEG	OP	$285	4.1%
CMS Energy	CMS	OP	$76 *($67)*	6.8%
CenterPoint Energy	CNP	OP	$33 *($31)*	9.7%
Dominion Energy	D	PP	NA	
DTE Energy	DTE	PP	NA	
Duke Energy	DUK	PP	NA	
Consolidated Edison	ED	PP	NA	
Edison International	EIX	OP	$100 *($94)*	18.2%
Emera, Inc.	EMA-CA	PP	NA	
Eversource Energy	ES	PP	NA	
Entergy Corp	ETR	OP	$144 *($131)*	6.6%
Evergy	EVRG	PP	NA	
Exelon Corp	EXC	OP	$47 *($43)*	16.0%
FirstEnergy	FE	OP	$50 *($44)*	14.4%
Fortis, Inc.	FTS	UP	$46 *($40)*	2.6%
Alliant Energy	LNT	PP	NA	
NextEra Energy	NEE	OP	$88 *($82)*	4.7%
NextEra Energy Partners	NEP	PP	NA	
NiSource	NI	OP	$37 *($33)*	5.9%
NRG Energy	NRG	PP	NA	
OGE Energy	OGE	PP	NA	
PG&E Corp	PCG	OP	$26 *($22)*	27.8%
PSEG	PEG	PP	NA	
Pinnacle West Capital	PNW	PP	NA	
Portland General	POR	PP	NA	
PPL Corp	PPL	OP	$37 *($34)*	13.0%
The Southern Company	SO	PP	NA	
Sempra	SRE	OP	$92 *($86)*	8.3%
Talen Energy Corp	TLN	OP	$201	12.2%
Vistra Corp.	VST	OP	$138	5.8%
WEC Energy Group	WEC	PP	NA	
Xcel Energy	XEL	OP	$70 *($65)*	10.4%

Source: Wolfe Research
OP=Outperform, PP=Peer Perform, UP=Underperform, NR=Not Rated
Priced as of 10/21/24

Investment Conclusion

Our Regulated Utilities sector rating is Market Overweight. Utilities now trade at a discount to the market with relative P/E valuation vs. the S&P 500 below the L-T average. While interest rate volatility exposed utilities' dependence on external financing & asset sales, the core utility model is holding up. The regulatory environment remains constructive overall. Bad regulatory outcomes, such as the disappointments in IL and KS, tend to garner more investor attention, but there have been notable improvements in the regulatory climates in CA, NY, TX, AZ, etc.

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Furthermore, lower N-T natural gas prices should reduce political risk of customer rate shock. Investors want to see ROEs starting rise more noticeably, which will be important to monitor in 2024. Utilities' capex plans keep inching higher to support renewables/fleet transition, grid resiliency/reliability, transmission, and accelerating sales growth, which is positive for earnings power, but will require more external financing. We think its important for utilities to maintain strong balance sheets and finance these robust investment opportunities using a balanced approach. We see equity needs growing across the sector, but view the equity funding as net accretive. Utilities are also gaining line of sight to future growth drivers – AI/data, onshoring of manufacturing, electrification/EVs, and climate change – all of which point to L-T growth for utilities. Overall, we see 8-10% utility total returns intact and largely resisent to a potential economic slowdown.

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WOLFE RESEARCH

October 21, 2024

Quarterly Estimates

Exhibit 1: Wolfe Research Earnings Estimates vs. Consensus

				Q3 2024E		Q3 2023	2024E		2025E		2026E		2027E	
Company Name	Ticker	Price	Rating	WR	Cons	Actual	WR	Cons	WR	Cons	WR	Cons	WR	Cons
AES Corp.	AES	$17.21	PP	$0.63	$0.61	$0.60	$1.95	$1.92	$2.10	$2.08	$2.15	$2.15	$2.27	$2.37
Alliant Energy	LNT	61.36	PP	1.10	1.11	1.05	3.05	3.06	3.24	3.26	3.47	3.47	3.67	3.70
Ameren	AEE	88.23	OP	1.89	1.97	1.87	4.62	4.62	4.92	4.92	5.26	5.26	5.56	5.59
American Electric Power	AEP	100.16	PP	1.79	1.81	1.77	5.60	5.62	6.01	5.97	6.36	6.33	6.71	6.66
American Water	AWK	141.05	PP	1.75	1.85	1.66	5.31	5.27	5.67	5.68	6.12	6.12	6.51	6.42
Avangrid	AGR	35.67	NR	N/A	0.37	0.27	2.22	2.25	2.43	2.42	2.63	2.51	N/A	N/A
CMS Energy	CMS	71.17	OP	0.82	0.78	0.61	3.34	3.33	3.60	3.59	3.86	3.86	4.15	4.16
CenterPoint**	CNP	30.09	OP	0.29	0.39	0.40	1.62	1.62	1.74	1.73	1.88	1.86	2.02	2.01
Con Edison	ED	106.26	PP	1.69	1.59	1.62	5.35	5.31	5.65	5.62	5.95	5.94	6.20	6.24
Dominion	D	60.03	PP	0.94	0.93	0.75	2.74	2.76	3.40	3.38	3.58	3.58	3.82	3.82
DTE Energy	DTE	127.96	PP	1.88	1.84	1.44	6.65	6.69	7.14	7.18	7.73	7.74	8.30	8.32
Duke Energy	DUK	119.89	PP	1.73	1.81	1.94	6.00	5.98	6.33	6.35	6.74	6.74	7.14	7.17
Edison Int'l	EIX	84.61	OP	1.35	1.40	1.38	4.93	4.94	5.60	5.61	6.06	5.99	6.39	6.39
Emera*	EMA	53.56	PP	0.79	0.78	0.75	2.85	2.84	3.13	3.17	3.30	3.27	N/A	3.34
Entergy	ETR	135.04	OP	2.96	3.03	3.27	7.25	7.21	7.72	7.72	8.33	8.31	8.88	8.86
Evergy	EVRG	61.20	PP	1.93	1.91	1.88	3.82	3.84	4.07	4.05	4.32	4.27	4.53	4.46
Eversource Energy	ES	66.13	PP	1.06	1.05	0.97	4.53	4.56	4.83	4.80	5.10	5.08	5.35	5.38
Exelon**	EXC	40.50	OP	0.66	0.68	0.67	2.44	2.45	2.65	2.63	2.77	2.77	2.91	2.96
FirstEnergy	FE	43.70	OP	0.90	0.89	0.88	2.72	2.70	2.91	2.89	3.09	3.10	3.27	3.30
Fortis*	FTS	44.83	UP	0.80	0.83	0.84	3.24	3.23	3.38	3.34	3.50	3.50	3.69	3.65
NextEra Energy	NEE	84.03	OP	1.00	0.99	0.94	3.44	3.41	3.70	3.68	4.00	4.00	4.32	4.34
NiSource	NI	34.93	OP	0.18	0.14	0.19	1.73	1.73	1.86	1.85	1.99	1.99	2.13	2.13
OGE Energy**	OGE	40.80	PP	1.11	1.20	1.20	2.16	2.15	2.26	2.27	2.39	2.44	2.53	2.55
PG&E	PCG	20.35	OP	0.33	0.31	0.24	1.35	1.36	1.48	1.48	1.60	1.61	1.74	1.75
Pinnacle West	PNW	87.46	PP	3.59	3.39	3.50	5.20	4.83	4.55	4.81	5.14	5.25	5.63	5.67
Portland General	POR	48.50	PP	0.91	0.71	0.46	3.18	3.08	3.25	3.23	3.36	3.38	3.46	3.50
PPL Corp.	PPL	32.73	OP	0.42	0.44	0.43	1.72	1.71	1.84	1.83	1.95	1.95	2.06	2.10
PSEG	PEG	90.17	PP	0.85	0.91	0.85	3.66	3.67	4.03	4.14	4.23	4.47	4.54	4.77
Sempra Energy	SRE	84.93	OP	1.03	1.10	1.08	4.80	4.78	5.11	5.14	5.46	5.50	5.88	5.85
Southern Company	SO	92.73	PP	1.34	1.34	1.42	4.03	4.04	4.30	4.32	4.57	4.60	4.82	4.86
WEC Energy Group	WEC	99.43	PP	0.70	0.70	1.00	4.86	4.86	5.19	5.22	5.59	5.57	5.95	5.94
Xcel Energy	XEL	63.43	OP	1.19	1.28	1.23	3.53	3.56	3.80	3.84	4.15	4.13	4.41	4.42

Source: Wolfe Research Utilities & Power Research, FactSet; Prices are as of 10/21/24
*Estimates in $CAD
**CNP, EXC, and OGE 3Q23 actuals are utility-only

Exhibit 2: Wolfe Research EBITDA Estimates vs. Consensus

				Q3 2024E		Q3 2023	2024E		2025E		2026E		2027E	
Company Name	Ticker	Price	Rating	WR	Cons	Actual	WR	Cons	WR	Cons	WR	Cons	WR	Cons
Constellation Energy Corp.	CEG	$273.72	OP	$2.71	$2.63	$2.13	$8.05	$8.06	$8.51	$8.97	$7.39	$9.72	$8.19	$10.93
Clearway Energy	CWEN	26.71	OP	350	352	323	1,172	1,169	1,210	1,240	1,251	1,302	N/A	1,373
NextEra Energy Partners	NEP	25.24	PP	500	504	488	2,055	1,921	2,195	1,954	2,213	1,980	N/A	1,958
NRG Energy	NRG	86.45	PP	1,000	1,011	973	3,618	3,710	3,646	3,576	3,706	3,695	N/A	3,756
Vistra Energy	VST	130.38	OP	1,325	1,600	1,613	4,898	4,879	5,602	5,791	6,288	6,481	N/A	6,732
Talen Energy Corp.	TLN	179.18	OP	225	222	224	748	767	1,036	1,071	1,291	1,414	N/A	1,507

Source: Wolfe Research Utilities & Power Research, FactSet; Prices are as of 10/21/24
*CEG uses EPS

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Issuing 2025 Guidance – Wolfe Estimates vs. Consensus

Exhibit 3: Issuing 2025 Guidance – Wolfe Estimates vs. Consensus

	2025 Guidance	
Ticker	**WR**	**Cons**
AEP	$6.01	$5.97
AWK	$5.67	$5.68
CMS	$3.60	$3.59
CNP	$1.74	$1.73
LNT	$3.24	$3.26
NI	$1.86	$1.85
NRG (EBITDA)	$3,646	$3,576
NRG (EPS)	$6.38	$7.06
PCG	$1.48	$1.48
PNW	$4.55	$4.81
XEL	$3.80	$3.84

Source: Wolfe Research Utilities & Power Research
NRG uses both EBITDA and EPS
*PCG could potentially issue 2025 guidance with Q3, but not confirmed (already has soft guide of at least 9%/year EPS growth off 2024)

3Q24 Beats/Misses – Wolfe Estimates vs. Consensus

Exhibit 4: 3Q24 Beats/Misses – Wolfe Estimates vs. Consensus

	3Q24 Estimate	
Ticker	**WR**	**Cons**
Beats		
CMS	$0.82	$0.78
DTE	$1.88	$1.84
NI	$0.18	$0.14
PCG	$0.33	$0.31
PNW	$3.59	$3.39
POR	$0.91	$0.71
Misses		
CNP	$0.29	$0.39
OGE	$1.11	$1.20
PEG	$0.85	$0.91
SRE	$1.03	$1.10
VST	$1,325	$1,600
XEL	$1.19	$1.28

Source: Wolfe Research Utilities & Power Research
VST uses EBITDA

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WOLFE RESEARCH

October 21, 2024

Wolfe Research Estimate and Price Target Revisions

See company-specific commentary on estimate changes later in this report where we discuss each company in more depth. Please see our revisions summary below.

Exhibit 5: Wolfe Research Earnings Estimate Revisions – Regulateds / Diversified

		2024E		2025E		2026E		2027E	
Company Name	Ticker	New	Prior	New	Prior	New	Prior	New	Prior
American Water	AWK	N/A	N/A	$5.67	$5.68	N/A	N/A	N/A	N/A
Alliant Energy	LNT	$3.05	$3.03	$3.24	$3.26	N/A	N/A	N/A	N/A
Pinnacle West	PNW	$5.20	$4.80	$4.55	$4.51	$5.14	$5.27	N/A	N/A
Portland General	POR	$3.18	$3.08	N/A	N/A	N/A	N/A	N/A	N/A
Xcel Energy	XEL	$3.53	$3.55	$3.80	$3.85	N/A	N/A	N/A	N/A

Source: Wolfe Research Utilities & Power Research

Exhibit 6: Wolfe Research EBITDA Estimate – IPPs and YieldCos

		2024E		2025E		2026E	
Company Name	Ticker	New	Prior	New	Prior	New	Prior
Constellation Energy Corp.	CEG	N/A	N/A	$8.51	$8.69	$7.39	$8.00
NRG Energy (EBITDA)	NRG	$3,618	$3,493	$3,646	$3,646	$3,706	$3,681
NRG Energy (EPS)	NRG	$5.71	N/A	$6.38	N/A	$6.81	N/A
Vistra Energy	VST	$4,898	$4,890	$5,602	$5,652	$6,288	$6,581
Talen Energy Corp.	TLN	$748	$753	$1,036	$1,080	$1,291	$1,324

Source: Wolfe Research Utilities & Power Research
CEG uses EPS
NRG uses both EBITDA and EPS; NRG 2024E is based on updated EBITDA guide, WR 2024E of base EPS is $5.15

Exhibit 7: Wolfe Research Price Target Revisions

Company Name	Ticker	Price	New PT	Old PT	Rating
Ameren	AEE	$88.23	$97	$89	OP
CenterPoint	CNP	$30.09	$33	$31	OP
CMS Energy	CMS	$71.17	$76	$67	OP
Edison Int'l	EIX	$84.61	$100	$94	OP
Entergy	ETR	$135.04	$144	$131	OP
Exelon	EXC	$40.50	$47	$43	OP
FirstEnergy	FE	$43.70	$50	$44	OP
Fortis	FTS	$44.83	$46	$40	UP
NextEra Energy	NEE	$84.03	$88	$82	OP
NiSource	NI	$34.93	$37	$33	OP
PG&E	PCG	$20.35	$26	$22	OP
PPL Corp.	PPL	$32.73	$37	$34	OP
Sempra Energy	SRE	$84.93	$92	$86	OP
Xcel Energy	XEL	$63.43	$70	$65	OP

Source: Wolfe Research Utilities & Power Research

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Average Spot Prices

In Exhibit 8 below, we highlight the year over year change in the average spot power price in different regions. The movements varied by region. ERCOT spot prices were down 76-78% and spot prices out West were down 24-34%, on average. Spot prices were up 11-17% in PJM, 14% in New England, and 9-11% in New York. Spot natural gas averaged $2.23/MMBtu, representing a 16% YoY decline.

Exhibit 8: Average 7x24 Spot Prices

Northeast	3Q24	3Q23	% Change
Mass Hub	$37.79	$33.07	14%
Connecticut	36.93	32.45	14%
SE Mass	38.11	33.29	14%
NY Zone A	32.09	28.86	11%
NY Zone G	34.90	32.04	9%
NY Zone - J	36.28	32.96	10%
PJM West	36.11	32.41	11%
Pepco Zone	36.63	31.20	17%
Midwest	**3Q24**	**3Q23**	**% Change**
Cinergy	$31.64	$33.69	(6%)
NI Hub	27.82	30.05	(7%)
AD Hub	31.40	31.02	1%
South Central	**3Q24**	**3Q23**	**% Change**
ERCOT North	$26.07	$117.55	(78%)
ERCOT South	27.04	112.90	(76%)
ERCOT West	28.35	118.84	(76%)
ERCOT Houston	26.60	118.99	(78%)
West	**3Q24**	**3Q23**	**% Change**
Palo Verde	$50.34	$76.28	(34%)
NP 15	42.15	55.14	(24%)
SP 15	41.29	61.43	(33%)
Mid-Columbia	48.73	68.45	(29%)
Natural Gas	**$2.23**	**$2.66**	**(16%)**

Source: Wolfe Utilities & Power Research, SNL

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Wolfe Research Prices vs. Market Prices

We've marked our commodities deck to market as of mid-October, which results in modest downward pressure on our estimates for the IPPs. This is most notable in ERCOT, where prices rolled over materially since our last commodities deck refresh in early-July. The impact in PJM is much more modest and the change in nat gas prices is small as well. As a reminder, the IPPs are well-hedged for the next several years, which also blunts the impact. We see the biggest change at VST in 2026 given they had more open exposure in ERCOT there, but we still believe their $6B+ EBITDA guidance is well intact.

Exhibit 9: Wolfe 7x24 power price estimates

	2024	2025	2026
PJM West	$37.52	$45.74	$48.90
PJM East	$35.52	$43.74	$46.90
NEPOOL	$41.21	$58.63	$60.04
NY Zone A	$36.59	$41.22	$42.96
NY Zone G	$42.19	$49.72	$53.18
NY Zone J	$44.34	$53.53	$56.87
A/D Hub	$36.87	$41.55	$43.78
NI Hub	$27.32	$36.67	$38.29
Indiana Hub	$35.93	$43.56	$46.12
ERCOT (Houston)	$37.64	$47.15	$48.85
ERCOT (South)	$36.63	$46.09	$47.84
ERCOT (North)	$35.94	$44.92	$46.25
ERCOT (West)	$38.30	$48.37	$49.97
NP-15	$72.41	$55.29	$61.05
SP-15	$66.86	$44.29	$49.95
Mid-C	$49.39	$61.83	$67.76
Palo Verde	$52.36	$51.61	$57.06
Nymex Gas ($/Mcf)	$2.89	$3.27	$3.62
CAPP Coal ($/ton)	$75.00	$75.00	$75.00
PRB Coal ($/ton)	$14.00	$14.00	$14.00

Source: Platts, Wolfe Research Utilities & Power Research

Exhibit 10: Market 7x24 power price estimates

	2024	2025	2026
PJM West	$37.62	$45.90	$49.07
PJM East	$35.62	$43.90	$47.07
NEPOOL	$41.31	$58.76	$60.17
NY Zone A	$36.68	$41.33	$43.07
NY Zone G	$41.99	$49.86	$53.34
NY Zone J	$44.48	$53.69	$57.06
A/D Hub	$36.96	$41.70	$43.93
NI Hub	$27.47	$36.83	$38.46
Indiana Hub	$36.03	$43.72	$46.29
ERCOT (Houston)	$38.02	$47.36	$49.00
ERCOT (South)	$36.98	$46.26	$47.96
ERCOT (North)	$36.31	$45.10	$46.41
ERCOT (West)	$38.64	$48.53	$50.16
NP-15	$72.18	$55.19	$61.01
SP-15	$67.05	$45.12	$50.15
Mid-C	$50.08	$60.18	$67.94
Palo Verde	$53.17	$51.66	$57.09
Nymex Gas ($/Mcf)	$2.89	$3.27	$3.62
CAPP Coal ($/ton)	$75.00	$75.00	$75.00
PRB Coal ($/ton)	$14.00	$14.00	$14.00

Source: Platts, Wolfe Research Utilities & Power Research

Exhibit 11: Market 7x24 vs. Wolfe 7x24

	2024	2025	2026
PJM West	0.2%	0.4%	0.4%
PJM East	0.3%	0.4%	0.4%
NEPOOL	0.3%	0.2%	0.2%
NY Zone A	0.2%	0.3%	0.2%
NY Zone G	(0.5%)	0.3%	0.3%
NY Zone J	0.3%	0.3%	0.3%
A/D Hub	0.2%	0.4%	0.3%
NI Hub	0.5%	0.4%	0.4%
Indiana Hub	0.3%	0.4%	0.4%
ERCOT (Houston)	1.0%	0.4%	0.3%
ERCOT (South)	0.9%	0.4%	0.3%
ERCOT (North)	1.0%	0.4%	0.3%
ERCOT (West)	0.9%	0.3%	0.4%
NP-15	(0.3%)	(0.2%)	(0.1%)
SP-15	0.3%	1.8%	0.4%
Mid-C	1.4%	(2.7%)	0.3%
Palo Verde	1.5%	0.1%	0.0%
Nymex Gas ($/Mcf)	0.0%	0.0%	0.0%
CAPP Coal ($/ton)	0.0%	0.0%	0.0%
PRB Coal ($/ton)	0.0%	0.0%	0.0%

Source: Platts, Wolfe Research Utilities & Power Research

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Market Power Prices (06/30/24 vs. 09/30/24)

In Exhibits 12-14, we show market 7x24 power and commodity prices at June 30, 2024 and September 30, 2024. 2024-26 contracts were down across the board compared to the marks at 6/30/24. ERCOT contracts were down ~26-28% in 2024, ~13-16% in 2025, and ~10-12% in 2026. PJM contracts were down ~5% in 2024, ~2% in 2025, and ~3% in 2026.

Exhibit 12: 6/30/24 Market 7x24

	2024	2025	2026
PJM West	$39.12	$46.76	$49.82
PJM East	$37.12	$44.76	$47.82
NEPOOL	$44.43	$64.47	$62.31
NY Zone A	$36.25	$42.71	$45.97
NY Zone G	$41.99	$54.01	$58.53
NY Zone J	$44.54	$58.00	$62.68
A/D Hub	$37.65	$43.08	$45.21
NI Hub	$29.74	$38.01	$39.69
Indiana Hub	$38.37	$44.48	$47.23
ERCOT (Houston)	$52.33	$57.98	$55.90
ERCOT (South)	$50.75	$55.87	$53.57
ERCOT (North)	$50.42	$54.87	$52.48
ERCOT (West)	$54.27	$58.32	$56.19
NP-15	$70.15	$63.33	$67.80
SP-15	$66.88	$55.46	$58.39
Mid-C	$65.10	$75.99	$79.63
Palo Verde	$62.59	$64.58	$67.94
Nymex Gas ($/Mcf)	$2.90	$3.47	$3.78
CAPP Coal ($/ton)	$81.85	$81.85	$81.85
PRB Coal ($/ton)	$13.55	$13.55	$13.55

Source: Wolfe Utilities & Power Research, Platts

Exhibit 13: 9/30/24 Market 7x24

	2024	2025	2026
PJM West	$37.21	$45.69	$48.49
PJM East	$35.21	$43.69	$46.49
NEPOOL	$40.57	$58.58	$59.19
NY Zone A	$36.15	$40.80	$42.50
NY Zone G	$41.99	$49.10	$51.64
NY Zone J	$43.62	$53.04	$55.35
A/D Hub	$36.57	$41.45	$43.55
NI Hub	$27.18	$36.59	$38.11
Indiana Hub	$35.79	$43.37	$45.56
ERCOT (Houston)	$38.69	$48.99	$49.26
ERCOT (South)	$37.54	$48.43	$48.40
ERCOT (North)	$36.79	$46.65	$46.67
ERCOT (West)	$39.32	$50.08	$49.57
NP-15	$69.59	$54.80	$61.17
SP-15	$64.83	$45.25	$50.39
Mid-C	$49.67	$59.44	$67.90
Palo Verde	$51.83	$51.92	$57.45
Nymex Gas ($/Mcf)	$2.83	$3.29	$3.62
CAPP Coal ($/ton)	$82.15	$82.15	$82.15
PRB Coal ($/ton)	$13.90	$13.90	$13.90

Source: Wolfe Utilities & Power Research, Platts

Exhibit 14: 6/30/24 vs. 9/30/24 Market 7x24

	2024	2025	2026
PJM West	(4.9%)	(2.3%)	(2.7%)
PJM East	(5.1%)	(2.4%)	(2.8%)
NEPOOL	(8.7%)	(9.1%)	(5.0%)
NY Zone A	(0.3%)	(4.5%)	(7.6%)
NY Zone G	0.0%	(9.1%)	(11.8%)
NY Zone J	(2.1%)	(8.5%)	(11.7%)
A/D Hub	(2.9%)	(3.8%)	(3.7%)
NI Hub	(8.6%)	(3.7%)	(4.0%)
Indiana Hub	(6.7%)	(2.5%)	(3.5%)
ERCOT (Houston)	(26.1%)	(15.5%)	(11.9%)
ERCOT (South)	(26.0%)	(13.3%)	(9.7%)
ERCOT (North)	(27.0%)	(15.0%)	(11.1%)
ERCOT (West)	(27.6%)	(14.1%)	(11.8%)
NP-15	(0.8%)	(13.5%)	(9.8%)
SP-15	(3.1%)	(18.4%)	(13.7%)
Mid-C	(23.7%)	(21.8%)	(14.7%)
Palo Verde	(17.2%)	(19.6%)	(15.4%)
Nymex Gas ($/Mcf)	(2.5%)	(5.2%)	(4.2%)
CAPP Coal ($/ton)	0.4%	0.4%	0.4%
PRB Coal ($/ton)	2.6%	2.6%	2.6%

Source: Wolfe Utilities & Power Research, Platts

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WOLFE RESEARCH

October 21, 2024

Market Prices Changes Since Q2 Earnings

We also wanted to highlight the move in power prices since the beginning of August, when companies last reported earnings (TLN gave an updated at its Analyst Day in early-September). Since then, PJM forwards/sparks have been relatively flattish. That said, ERCOT forwards/sparks have fallen more dramatically, but moreso in 2025-2026 where IPPs are better-hedged (2027 power/sparks were flattish). We believe a big driver of this has been the lack of a volatile summer in Texas and the progression of the Texas Energy Fund loan applications. On the former, we did see an all-time demand record in ERCOT, but there weren't any sustained peak loads and renewables availability was generally strong. This likely took some risk premium out of the curve. On the TEF, we saw 9.8 GWs of applicants selected, most of which appeared to be real developers. There was an erroneous selection that falsely associated itself with NEE and has already been disqualified. The average in-service date for the portfolio of projects is mid-2027, so we now wait to see what comes online and whether there is any support future iterations of TEF to incent more dispatchable generation. Interestingly, both the pressure on ERCOT pricing and the delay in the PJM auction, likely make dispatchable new build even less compelling, as a time that investment signals are needed.

Exhibit 15: Market Prices Changes Since Q2 Earnings

PJM West 7x24						
	2025	Change	2026	Change	2027	Change
8/5/24	$45.61	0.7%	$48.98	0.5%	$49.98	2.1%
10/11/24	$45.92		$49.25		$51.04	

ERCOT North 7x24						
	2025	Change	2026	Change	2027	Change
8/5/24	$50.62	(12.4%)	$48.64	(5.2%)	$46.79	(0.2%)
10/11/24	$44.37		$46.12		$46.69	

PJM West Spark Spread						
	2025	Change	2026	Change	2027	Change
8/5/24	$24.86	2.1%	$25.68	(1.6%)	$25.90	1.3%
10/11/24	$25.37		$25.26		$26.24	

ERCOT North Spark Spread						
	2025	Change	2026	Change	2027	Change
8/5/24	$30.44	(21.3%)	$25.88	(8.8%)	$23.41	(0.8%)
10/11/24	$23.95		$23.61		$23.22	

TETCO M3						
	2025	Change	2026	Change	2027	Change
8/5/24	$2.88	(1.0%)	$3.24	2.9%	$3.35	3.0%
10/11/24	$2.86		$3.33		$3.45	

Houston Ship Channel						
	2025	Change	2026	Change	2027	Change
8/5/24	$2.80	1.1%	$3.16	(1.1%)	$3.25	0.3%
10/11/24	$2.84		$3.13		$3.26	

Henry Hub						
	2025	Change	2026	Change	2027	Change
8/5/24	$3.16	2.2%	$3.50	2.8%	$3.56	2.7%
10/11/24	$3.23		$3.60		$3.65	

Source: Wolfe Utilities & Power Research, Platts, Bloomberg

Source: Wolfe Utilities & Power Research, Platts, Bloomberg

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WOLFE RESEARCH

October 21, 2024

Earnings Call Calendar

Below, we have provided the 3rd quarter 2024 earnings call calendar for companies in our coverage universe. Please note all times are in Eastern Daylight Time.

October 2024

Monday	Tuesday	Wednesday	Thursday	Friday
21	12pm: Utilities, Clean Energy & Midstream Q3 Earnings Preview Lunch 4pm: AGR* **22**	9am: NEE/NEP 12pm: Utilities, Clean Energy & Midstream Q3 Earnings Preview Webcast **23**	9am: DTE **24**	11am: POR **25**
8am: CNP **28**	4:30pm: EIX **29**	8am: CWEN 9am: FE 10am: EXC 11am: NI **30**	9am: AWK 9:30am CMS 10am: XEL 11am: ETR 1pm: SO 2pm: WEC **31**	

November 2024

Monday	Tuesday	Wednesday	Thursday	Friday
				9am: AES 10am: D, LNT 11am: PPL **1**
10am: CEG 11am: PEG **4**	8:30am: FTS 9am: ES, OGE **5**	9am: AEP 11am: PNW 12pm: SRE **6**	9am: EVRG 10am: AEE, DUK, VST 11am: PCG 4:30pm ED (tent.)* **7**	9am: NRG 5pm: EMA **8**

*No earnings call
**TLN has not announced its earnings call date yet

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Highlights and Lowlights

AEE: Quiet Q ahead of another December to remember (positively this time?)

- We estimate 3Q24 EPS of $1.89, below consensus, potentially on timing of 2H24 drivers. We expect AEE to narrow FY24 guidance of $4.52-4.72 to around the same midpoint, despite the Q3 miss as FY24 vs FY23 improvement is weighted to Q4, including higher AFUDC and lower O&M.
- **New disclosures limited.** We expect comments on the recent proposed order in AEE's IL revised grid plan/MYRP (see below) and final order in Dec, as well as the MISO Tranche 2.1 projects awaiting approval also in Dec. AEE will give 2025 earnings drivers, which next year includes MO rate relief, IL MYRP, earnings from new solar rate base (expected to begin this Dec), transmission growth, and other typical drivers, such as D&A, dilution and a return to normal weather. Our 2025E is $4.92 vs $4.91 consensus.
- **EPS growth of at least midpoint or better.** We anticipate AEE to repeat its messaging from the Q2 call, namely achieving the midpoint of its 6-8% EPS growth rate or better, driven in part by sales growth from data centers. In Feb, AEE said it expected growth to be just under the midpoint (6.7%), but that was based on a conservative sales growth, material pullback in IL capex and then interest rate curve.
- **ALJ's proposed order in IL revised grid/MYP good data point ahead of ICC's Dec ruling.** The recent ALJ rec was in line with Staff and largely approved most of AEE's requested rate base, except for OPEB, which is not AEE's growth outlook. AEE previously noted Staff RB recs are better than its assumed $4.7B YE27 rate base, suggesting an outcome could be better than that implied in AEE's growth outlook, assuming the ICC doesn't surprise to downside again. A final order is expected by 12/19.
- **MO rate case, gas CCN; LT opportunities.** Intervenor testimony in AEE's MO rate case is due 12/3. AEE has a long history of settling its MO rate cases, and most other regulatory cases. AEE recently settled its pending CCN request to build an 800 MW gas CT. We expect some high level comments on AEE's planned update MO IRP filing in Feb, in which there is the potential to accelerate the renewables and storage in the last IRP, plus adding more gas CTs. Notably, gas generation capex is not covered under PISA. Legislation that would have done that and extend PISA even longer but did not get passed last year. Next year is setting up to be a more favorable environment, with the next governor in Jan likely being the current Lt Gov: Michael Kehoe (R) who helped pass the PISA law in 2017. The current PSC chair also was involved in drafting PISA, and she has taken an interest to improve resource adequacy in the state.
- **MISO Tranche 2.1 approval expected in Dec; looks to be as much as $3.6B opportunity.** AEE disclosed last month the potential for $3.6B transmission investments from MISO's Tranche 2.1 projects, which were published in Sep. The MISO Board is expected to vote on 12/12. Until then, we expect more precision on which projects will be allocated to AEE vs open for competition and brown- vs green-field. The projects would be in-service post 2030. MISO plans to produce another project portfolio in Tranche 2.2 next year, suggesting even more opportunities in AEE's region. MO and IL currently are not right-of-first-refusal states. Both states failed to vote on transmission ROFR bills in their respective 2024 legislative sessions, but we expect AEE to try again next year.

AEP: New CEO, New Plan

- We estimate 3Q24 EPS of $1.79, in line with consensus. We expect AEP to narrow FY24 guidance of $5.53-5.73 to around the same midpoint.
- **New disclosures key.** AEP will give 2025 guidance, 2025-29 capital/financing plans, LT EPS growth and more, including load growth outlooks driven by data centers. Historically, AEP has disclosed its annual updates at EEI, a week or two after Q3 results. But this year, AEP's Q3 call is a few days before EEI meetings start, suggesting at least some of the disclosures could be released then. This will be new CEO Bill Fehrman's first AEP earnings call.
- **2025 guidance and LT growth.** We think AEP's 2025 guidance could have a midpoint around $6.00 vs consensus of $5.97. AEP's LT growth is expected to widen by 100bp from its current 6-7%; however, it

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is unclear whether that will be to 5-7% or 6-8%. We think 5-7% is more likely: our 2027E of $6.71 implies 6.0% growth; consensus is $6.68.

- **Capital plan expected to be notably higher.** AEP sees its $43B 5yr capital plan rising, driven by transmission and generation, given large load growth and retiring units. But AEP also wants to improve its reliability metrics, such as SAIDI, which will require more distribution capex.
- **Balance sheet and portfolio optimization update.** Funding the growth is still in the works. AEP is committed to its 14% FFO/D target (on a Moody's basis), even as it adds capex. But AEP could announce asset sales, assuming any transaction is executable. One technical item we are watching is Moody's CFO ex-WC to debt calculation. Moody's incorporates deferred fuel recoveries into AEP Holdco's CFO ex-WC calculation, which makes the metric look higher than if those recoveries were in WC. Moody's said at our conference this month that it expects to revise AEP's calculation to be consistent with how it calculates all other utility holding companies after AEP's 10K is issued this February.
- **OH data centers.** AEP OH's proposed data center tariff has been contentious, with the large data center customers, retailers, generators and others filing a stipulation without AEP OH, PUCO Staff, OCC or Walmart. A hearing is scheduled for 11/4, with testimony against the data center stip on 10/28.

AES: Many watching Renewables biz performance, but stock likely trades on election

- We see Q3 EPS of $0.63 – slightly above consensus and above $0.60 last year. There is expected to be some lumpiness between Q3/Q4 for AES, as the timing for tax credit realization makes for differing comps versus last year. We expect new renewables in-service to be the primary driver as 2024 is seeing more evenly spread CODs, whereas last year a lot of the tax credit benefit came in Q4 (so we expect 4Q24 down meaningfully YoY). The primary headwinds are Columbia margins/hydro, Southland margins, Warrior Run PPA monetization, one-time OH ESP recovery last year, asset sales, and interest/taxes. AES printed $990M of EBITDA last year and we see that down more significantly YoY in Q3 given it excludes the tax attribute benefit in EPS. We expect a lot of investor focus on the Renewables segment – this is expected to be one of AES' highest growth areas, but 1H24 EBITDA is actually down year-over-year and the Brazil sale is expected to close by year-end.
- We expect AES to reaffirm pointing to the top-half of 2024 guidance at $1.87-1.97. Recall that AES made this distinction of the Q2 call, though our sense is this was mostly on renewables tax credits, as EBITDA guidance was left unchanged. We expect AES to reaffirm the 2023-2027 EPS/EBITDA CAGRs of 7-9%/5-7%.
- The presidential election outcome remains an overhang on renewables players, despite our view that a full IRA roll-back is unlikely. AES will be reporting just before the result – anything other than a Republican trifecta should be a clearing event.
- We expected continued focus on AES' renewables backlog additions, which have totaled 2.2 GWs in 1H24 and were 1.5 GWs in 3Q23. AES has brought online 1.6 GWs of new renewables in 1H24 and we see continued progress toward the goal of 3.6 GWs in CODs for 2024.
- Asset sales remain topical as well. Since the last call, AES sold a 30% stake in AES Ohio to CDPQ, which is the same stake/partner at AES Indiana. This brings them to 75% of their $3.5B+ asset sale target through 2027. AES is tracking ahead of plan on this and likely looks to take equity issuances fully off the table. The next likely asset sale candidate is the Chilean fossil assets in our view.

AWK: Watering down PA capex on the margin?; key MO, IL, and CA rate cases pending

- Q3: We forecast 3Q24 EPS of $1.75, which is below cons. at $1.85. We see YoY results in Q3 up $0.09, driven by traditional rate relief / rider mechanisms and higher interest income from the amended HOS seller note. Partial offsets include higher D&A, interest expense, O&M, lower interest income due to a smaller cash balance, and the reversal of 3Q23's $0.04 weather benefit.
- 2024 guidance: We anticipate that AWK will reaffirm its 2024 guidance of $5.25-5.30, on a W/N basis, which was narrowed to the range's top-half at Q2. Our 2024E of $5.31 (including $0.03 of favorable Q2 weather) is above cons. at $5.27, but in-line with the midpoint of AWK's FY24 range on a W/A basis.
- 2025 guidance: AWK will initiate 2025 guidance and discuss L-T financial targets (currently 7-9% EPS / DPS CAGR) at Q3. We are trimming our 2025E by $0.01 to $5.67 (cons. at $5.68), which represents

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~8% YoY growth off 2024's original guidance midpoint of $5.15 plus ~$0.11 of additional interest income from the HOS seller note restructuring.

- Capex / financing refresh: AWK will update & roll-forward its 2024-28 capital plan of $16-17B through 2029 at Q3. After the disappointing 9.45% ROE stipulated in the PA rate case order, AWK had noted that it intends to reallocate discretionary capex to states with higher ROEs / less lag without compromising reliability & resiliency spend. We will be curious to hear from mgmt. on the pace of regulatory strategy in PA and whether AWK may pursue better DSIC terms or a multi-year plan in PA to reduce the frequency of its filings. We will also be interested in AWK's refreshed municipal tuck-in plan ($1.5-2B over 5 years currently) given fair market value (FMV)-related challenges in PA recently. Recall, AWK started the process to terminate its $104M Towamencin asset purchase agreement and is endeavoring to close the $230M Butler acquisition expeditiously after the PA Commonwealth Court dismissed township appeals. AWK has previously signaled its intent to finance any incremental capital with ~50% equity vs. $1B planned in the middle of its 2024-28 plan.
- Key pending rate cases: Intervenor testimony in MO is due 12/6, with a settlement conference set for 2/13-2/14, 2025. An ALJ proposed order in the IL proceeding is expected in Oct., with an ICC decision due 12/17. CPUC's decision on CalAm's partial settlement stipulating a ~$51M revenue increase over 2024-26 has been delayed to the 12/5 meeting, with rates retroactively implemented to Jan. 1, 2024.
- Other items: We will look for any updates on: (i) the recent cybersecurity incident that AWK reported; (ii) settlements in the Multi-District Litigation against PFAS manufacturers; and (iii) the EPA's proposed Lead & Copper Rule Improvements ($500M of proactive replacement included in 2024-28 plan).

CEG: After TMI, market looking for more info on colo deal

- We estimate 3Q24 EPS of $2.71, slightly above consensus. We expect continued outperformance in CEG's wholesale and retail margins, higher CMC contract prices, the inclusion of STP, partially offset by higher O&M/incentives and outages.
- We believe CEG will narrow 2024 EPS guidance of $7.60-8.40 around the current midpoint at least, compared to our $8.05e and consensus of $8.06.
- **New disclosures mostly limited**. We do not anticipate any new longer-term financial disclosures on the Q3 call. Last month, CEG updated its 2024-30 Base EPS growth of at least 13% as part of its TMI/Crane restart and PPA with MSFT. CEG already has provided 2025 Base EPS ($6.40 midpoint) and a range for Enhanced net income ($825-1,100M). Our new 2025 of $8.51 vs $8.97 consensus is on the lower end of the implied 2025 EPS, given our updated commodity price assumptions. But CEG likely entered into hedges above current market for 2025 and could see elevated retail margins from 2024 carryover into 2025.
- **But commentary on FERC tech conference, TLN-AWS ISA ruling, EXC protests, and future co-location deals in focus**. CEG's next nuclear deal – co-location or FTM – remains the main inbound question. CEG's 11/4 earnings call is the Monday after FERC's 11/1 technical conference and the expected ruling date for the contested TLN-AWS amended ISA. We anticipate investor questions on the technical conference, particularly on any commissioner comments and next steps, which remain unclear. Also, we expect questions on EXC's 205 tariff filings and EXC's petition for declaratory order on interconnection agreements, both of which are pending at FERC and could have implications on co-location deals. On the TLN-AWS ISA, we lean towards FERC approving it, given the PJM/PPL support, but likely limited to not have precedential value; see our write-up on TLN below for more.
- **Updated estimates to reflect lower prices in new commodity deck**. We are lowering our estimates on our updated commodity deck, which reflects the roll over in prices, particularly ERCOT, since our last commodities deck refresh in early-July. Our Base EPS estimates for CEG are unchanged, but our Enhanced EPS are lower. As a reminder, CEG's Base EPS reflect the PTC floor for its nuclear fleet, generally, and historical baseline spark spreads for its ERCOT fleet. Prices and sparks above PTC floor and historical baselines are in Enhanced EPS, along with portfolio optimization, above average retail margins, and inflation above 2%. CEG does not disclose hedges, suggesting our new numbers could be too low because CEG likely locked in hedges over the last year or so at prices above those in our latest estimates. Our new 2025-30E are $8.51/7.39/8.19/9.99/10.99/12.11 vs $8.69/8.00/8.62/10.44/11.41/12.55.

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- **Buybacks and unallocated cash updates**. CEG likely updates progress on its 2024-25 buyback program, $1B of the $2B for 2024-25 had been repurchased through 6/30/24. After the TMI/Crane announcement, CEG projected $1.6-2.0B of unallocated cash for 2024-25 remaining.
- **Other topics include uprates and elections/IRA**. We also anticipate CEG to provide its latest view on uprates, which could be another 1 GW (on top of current plan and TMI/Crane restart). We expect CEG to provide the latest on nuclear PTC guidelines.

CMS: Regulatory momentum continues; on data center bill watch into lame duck

- We forecast Q3 EPS of $0.82 – above consensus and well-above $0.61 last year. Key drivers are expected to be better weather, rate relief, lower O&M (fewer storms), Northstar/DIG, liability mgmt. / open market repurchases (OMRs) of debt. The main negative is the typical higher investment costs.
- We expect CMS to raise the low-end of 2024 guidance at $3.29-3.35 while still pointing to the high-end of the range. Weather/and storms were unhelpful in 1H24, but Q3 saw some improvement and the Northstar/OMRs are expected to be a help. We also expect CMS to issue 2025 guidance with our $3.60 estimate in-line with consensus and reflecting 7.5% growth off the top-end of the 2024 guide. That said, we expect CMS' initial range to reflect 6-8% growth off the midpoint of 2024 guidance, before likely being re-based off a 2024 actual with year-end results.
- CMS recently settled its 4th gas rate case in a row and expects to file the next one around the end of the year, in what has become a typical annual cadence. Its pending electric case saw a reasonable MI PSC Staff recommendation and the ALJ recommendation is expected in late-January.
- There remains focus on the Michigan legislature and whether a sales/use tax break bill will pass for data centers. The use tax exemption bill passed the House in September and now goes back to the Senate. While a separate bill that addressed the sales tax is still pending in the House. CMS is already seeing load growth from both manufacturers and data centers, though this bill passage would help amplify the latter.
- CMS also has its Renewable Energy Plan filing coming on 11/15, which will start to reflect last year's new energy law that set new clean energy targets and the latest load growth. CMS sees a big opportunity to scale up from just 6% renewables today towards the 50% target in 2030 – with the ability to build in rate base or earn a return on PPAs.

CNP: Q3 miss, but CEHE rate case withdrawal appeal and higher SRP the focal point

- Q3: We project 3Q24 EPS of $0.29, which is below cons. at $0.39. We see YoY results in Q3 down $0.11, driven by higher O&M (including ~$70M that CNP will not seek to recoup), interest expense, less favorable weather YoY, lower usage / lost revenue due to Hurricane Beryl, loss of deferred equity earnings from securitization charges rolling off customer bills, and share dilution. Partial offsets include rate recovery, customer / sales growth, and preferred dividend savings.
- 2024 guidance: We expect CNP to reaffirm its 2024 guidance of $1.61-1.63, which was reiterated after CNP proposed to forego ~$110M of profit. Our 2024E of $1.62 matches cons. at $1.62 and the midpoint of CNP's FY24 range.
- 2025 guidance: We think that CNP will provide initial 2025 guidance at Q3. Our 2025E of $1.74 is a penny above cons. at $1.73 and represents ~7.5% growth off the midpoint of 2024 guidance. This is consistent with CNP's L-T outlook at the mid-to-high end of 6-8% EPS growth annually over 2025-30, which was also reaffirmed after CNP offered the aforementioned concessions.
- CEHE's rate case withdrawal appeal and revised ~$5B SRP: The PUCT is set to consider the merits of CEHE's appeal at its 11/14 meeting. This is later than the 10/24 date that Chair Gleeson previously mentioned, with the PUCT maybe trying to accommodate oral arguments requested by some parties. We continue to think that the PUCT will be supportive of rate case withdrawal. If successful, CEHE has committed to refile by 6/30/25 using a calendar year 2024 test year. The revised ~$5B SRP over 2026-28 (to be filed by 1/31/25) potentially doubles CEHE's prior ~$2.2-2.7B plan and would effectively increase CNP's 10-year capex plan to ~$47B from ~$44.5B if folded in at Q3. CNP will need to fund ~$2.5B of incremental capex with ~50% additional equity or evaluate capital recycling opportunities; we see OH Gas as a more viable option given CNP's preference for dual fuel jurisdictions (making IN less likely) and relatively smaller size than MN Gas.

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- Flurry of upcoming TX regulatory filings: CEHE intends to file for its traditional capital recovery mechanisms (TCOS, DCRF, TEEEF / mobile generation) and May's derecho recovery ($425-475M of est. costs) in Q4, while Hurricane Beryl's securitization filing (remainder of ~$1.6-1.8B of total est. costs) will likely be submitted around mid-2025. We will be monitoring the trajectory of CNP's credit metrics after Q2's TTM FFO/Debt troughed at 13.3% / 12.9% per Moody's / S&P vs. CNP's L-T 14-15% target, but it is expected to improve in Q3 as a one-time cash tax item normalizes. Since Q2, CNP pulled forward $250M of equity from 2025 to 2024 via overnight block and issued $800M of junior subordinated notes (50% equity content) to support its B/S till securitization proceeds are received towards YE25.
- Updates on other pending rate cases: IN Electric is awaiting the IURC's final decision on its non-unanimous settlement by Feb. 3, 2025. Mgmt. has previously stated that MN Gas intends to engage in settlement discussions after intervenor testimony, which was filed on 10/7 with a reasonable starting recommendation by the MN Dept. of Commerce. OH Gas will file its rate case by the end of Oct.

D: SMR move on nuclear

- We estimate 3Q24 EPS of $0.94, in line with consensus. We see D narrowing 2024 EPS guidance of $2.62-2.87 around the current midpoint, as short term rates were higher for longer. The asset sale closures should largely be fully in earnings 4Q24.
- **Asset sales nearly complete; 2025 guidance likely affirmed.** D has closed all of its LDC sales, and is just one BOEM consent away from closing on its minority sale in CVOW to Stonepeak. D still plans to use proceeds to reduce debt, and 2025 will be the first full year of the new D, with 5-7% EPS growth through 2029. We think D will affirm its previously-disclosed 2025 guidance of $3.25-3.54; our estimate is $3.40 vs consensus of $3.39.
- **Offshore wind update.** D will provide its latest CVOW update, which we expect will still be on time and on budget. As of the beginning of Oct, D had installed 78 monopiles vs its targeted 70-100 installations during the first installation season (5/1-10/31/24); the remaining installations to get to the planned 176 are expected during the next season (5/1-10/31/25). D's CVOW project has all the required federal permits and strong bipartisan support in VA, suggesting little risk to its 2026 planned COD even under a R trifecta in DC this Nov.
- **VA IRP and SMR news**. D released its latest VA IRP last week, which included a 5.5% demand growth CAGR over the next decade and an all-of-the-above strategy with 5.9 GW of gas (though none before 2029), 12 GW of solar, 4.5 GW of storage, 3.5 GW of offshore wind (on top of CVOW) and 1.3 GW of SMRs (mid-2035 and beyond). Much was anticipated but the SMR news propelled the stock, as D announced a MOU with AMZN for at least 300 MW of SMR in VA. D is not taking on construction risk and may buy into rate base SMR capacity in the future. See our latest Green Playbook for more.
- **Data centers; investor questions on Millstone.** D has indicated data center interest remains robust in its VA region. Investor questions have centered around Millstone. D is exploring all possibilities but indicated the state CT would have to be on board. Nothing appears imminent. D has contracts with CT electric utilities for about half of Millstone into 2029 at ~$50/MWh below current NEPOOL forward prices of $59 later this decade. Earlier this year, CT passed legislation allowing utilities to extend PPAs. And there is potential for a regional PPA for Millstone capacity down the road. But again nothing appears imminent.
- **Good data points into 2025 biennial in VA.** D has received or settled on ROEs around 9.95% in NC and SC, relative to the last allowed ROEs of 9.75% and 9.5%, respectively. And in AEP VA's biennial SCC Staff proposed a 9.7% ROE, which is D VA's current allowed ROE. All are good data points heading into D VA's next biennial rate case in March 2025.
- **Storm costs likely small**. D's SC territory was impacted by Helene, but we don't anticipate any material financial impact.

DTE: Waiting on rate case outcomes for guidance updates

- We forecast Q3 EPS of $1.88 – above consensus and above $1.44 last year. The big driver is electric rate relief, somewhat offset by depreciation, interest, and taxes. Weather/storms should be a tailwind versus last year's pressures. Vantage is a bigger positive driver in 2H24 though faces a tough comp, with Trading also facing a tough comp, and Corporate likely to be a drag as well.

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- We expect DTE to reaffirm 2024 guidance of $6.54-6.83 or tighten at the midpoint. We see the year tracking well (despite well-below-normal weather in 1H24), particularly at Trading, as the company likely looks to pull-forward O&M to the extent any upside is being captured. Typically, DTE would issue 2025 guidance on the Q3 call and roll-forward the long-term plan another year. This back-fired in 2022 when it was subsequently followed by a disappointing electric rate order that had the company playing catch-up all year (and when coupled with weather/storms ultimately resulted in its first guide miss in 15 years), and then in 2023 it waited for its next electric order in December before guiding future years. This year, we expect DTE to again hold-off with electric/gas orders both coming by early-2025 and the recent gas ALJ rec a bit disappointing. As such, we anticipate DTE will wait until the year-end call for all longer-term financial updates.
- To be clear, we still expect Michigan to remain a constructive jurisdiction and saw the late-2022 electric order as the exception, not the norm. We would like to see DTE find a path to more settled outcomes, as in-state peer CMS has settled 4 straight gas cases, but our understanding is that DTE's cases also typically come with more intervenors. We thought the Staff recommendation in both the gas/electric cases were reasonable. A gas final order is expected by 11/8 (MI PSC meeting on 11/7), while the electric case has no ALJ and will be decided by 1/28.
- We'll also be watching the Michigan legislature during the lame duck session for action on the data center bills. We expect these to pass. The use tax emption bill passed the House in September and now goes back to the Senate, while a separate bill that addresses the sales tax is pending in the House.

DUK: Stormy quarter

- We estimate 3Q24 EPS of $1.73, below consensus potentially on the unique shaping of the quarter, with the absence of a tax gain, return to normal weather, and potentially some modest storm costs. We see DUK affirming 2024 EPS guidance of $5.85-6.10 vs $5.98 consensus and $6.00 WRe.
- **New disclosures limited.** We expect storm cost updates and 2025 drivers, as usual. But DUK's LT outlook and plan will be updated in Feb. DUK's 2025 earnings drivers include rate relief across several jurisdictions, grid riders, and other typical drivers, such as D&A, dilution and a return to normal weather. Our 2025E is $6.33 vs $6.35 consensus.
- **Helene and Milton**. DUK's regions were among the hardest hit by Helene, particularly in the Carolinas in late Sep, and Milton impacted DUK's FL region. DUK will provide an initial storm cost estimate. As a point of reference, DUK said Hurricanes Irma and Florence were each about $500M, and DUK anticipates Helene will be higher. DUK did not provide any indication on Milton. We don't anticipate a material earnings drag, as costs are generally deferred.
- **Upside to 2027-29 capital plan.** We anticipate questions on upside to DUK's plan. Mgmt previously indicated upside to the outer years of its 2025-29 capital plan, assuming IRP/Carbon Plan orders this Nov/Dec are as expected. But DUK's 2025-26 capex is largely set under MYPs. Incremental gen is anticipated in 2027-29, including new gas plants in NC (online 2028-30) and in IN (2029-30), and more solar and storage. On 11/1, DUK is expected to file an IRP in IN. In the Carolinas, we will watching for any comments around SMR plans, particularly after D's SMR MOU with AMZN in VA.
- **Load growth upside.** DUK has indicated its LT load growth next Feb will be higher than its current 1.5-2.0% target, as it is trending on the high end. Data centers are driving growth in the Carolinas, where DUK has some sites that are almost ready, and in FL and IN. DUK has already disclosed a projection of 10-18 TWh of load growth from economic development by 2028, with 25% of that coming from data centers and most of the rest from manufacturing. DUK has indicated data centers' share is larger post 2028.
- **14% FFO/D target intact.** DUK currently plans to issue $500M/yr of equity through 2028. We don't anticipate that changing on the Q3 call, but we expect DUK to message adjusting equity needs accordingly to maintain its FFO/D target of at least 14% as the capital plan grows. A rule of thumb is 30-50% of equity for every incremental dollar of capex. DUK's regulatory framework for and monetization of nuclear PTCs helps FFO while flowing them back to customers over 4 years.

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ED: ROE upside potential from O&R settlement?; more insight into capex upsides in Q4

- Q3: We estimate 3Q24 EPS of $1.69, which is above cons. at $1.59. We see YoY results in Q3 up $0.07, driven by rate relief at CECONY / O&R. Partial offsets include higher D&A, interest expense, O&M (NYC heatwave), and lower interest income at the parent.
- 2024 guidance: We believe that ED is tracking well within its range and could narrow guidance to the upper-half of $5.20-5.40. Our 2024E of $5.35 is above cons. at $5.31 and the midpoint of ED's FY24 range.
- O&R joint proposal filing soon; potential positive ROE readthrough to CECONY: O&R's settlement filing is expected soon, with statements of support / opposition due 10/25 and an evidentiary hearing set for 11/7. Recent NY ROE datapoints awarded by the PSC or stipulated in settlements range from 9.35-9.7%; Staff has largely recommended 9.5% (before the ~10-40bps multi-year settlement premium). With CECONY expected to file its next rate case in Jan. 2025, we see the potential for ROE upside and estimate that every 10bps of ROE = ~$0.06-0.065 of EPS for CECONY + O&R combined in 2026-27.
- Watching for updates on offshore wind-related capex upsides in Q4: NJ BPU's decision on CET's joint solicitation with National Grid on the proposed Garden State Energy Path is anticipated by YE24. For the NYC PPTN, NYISO is expected to release its final Viability & Sufficiency Assessment Report in 4Q24, with final evaluation / project selection in 2Q-3Q25. The size of the incremental capex is undisclosed, but this report could contain some information on project costs. Given the Jan. 2033 expected in-service date, spend will probably start, in earnest, in 2027-28. Recall, NYISO received 28 proposals, including 10 for Energy Link NY transmission from NY Transco (of which CET owns 45.7%). 26 identified the $810M Brooklyn Hub as the primary interconnection, while 14 / 2 recommended interconnecting at ED's proposed Astoria / Manhattan Hubs.
- Other items: We will monitoring any developments around: (i) discussions about potential utility ownership of renewables at the NY PSC; (ii) ED's ~$2.9B energy efficiency filing, ~$1.3B climate change resiliency plans, and proceeding to proactively plan grid infrastructure for transportation & building electrification; and (iii) ED's intention to possibly monetize its 6.7% MVP interest, which could reduce its block equity needs of up $1.3B in 2025 and up to $2.8B over 2026-28.

EIX: CCM order, TKM settlement headline regulatory updates

- We estimate 3Q24 EPS of $1.35, below consensus potentially timing of O&M and higher wildfire debt costs. We see EIX affirming 2024 EPS guidance of $4.75-5.05 vs $4.95 consensus and $4.93 WRe.
- **New financial disclosures limited but a lot of regulatory updates.** EIX has previously provided 2025 guidance and LT growth outlook of 5-7%. There are several regulatory updates, including the recent CCM order, cutting the ROE in 2025 to 10.33% vs 10.75% in 2024. Other pending cases include the TKM wildfire settlement (only on party opposes), recently filed Woolsey case, and 2025-28 GRC.
- **Feels good on 5-7% EPS growth outlook before wildfire cost recoveries**. Earlier this month at our conference, EIX was confident on its 5-7% EPS growth whether the 2025 ROE was reduced from 10.75% to 10.33%. The 2026-28 ROE will be set in the upcoming cost of capital case next year. EIX's outlook does not include recoveries of 2017-18 wildfire costs.
- **TKM wildfire cost recovery settlement pending; Woolsey filing**. Only one intervenor (Wild Tree Foundation) has opposed the TKM settlement of $1.6B, which EIX reached with Cal Advocates in late Aug. There is no deadline for an ALJ PD or final CPUC order, but EIX anticipates a PD by 1Q25. EIX noted recovery could take till early 2026. On Woolsey, EIX plans filed for $5.4B. EIX has suggested it is hard to extrapolate from the TKM case, as each fire is unique. We anticipate questions on the likelihood and timing of settling Woolsey. A Woolsey PD is likely in 2026 (12-18 months after filing at least).
- **Wildfire risk remains; but its prevention/mitigation efforts have been paying off in its territory**. There have not been any major utility-caused fires in CA, despite an abnormally early start to Red Flag Warnings this June and during the most recent RFWs last week. EIX has particularly noted its covered conductors are working well in its territory.
- **GRC decision expected in 1H25**. A PD in EIX's 2025-28 GRC is possible in 4Q24, but could be in 1H25, as some of the same CPUC staff working on its case is working on SRE's GRC, in which a PD was just issued last week. Any rate change is retroactive to 1/1/25, regardless of the decision date.

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EMA: TECO rate case outcome before Dec. A.D.; monitoring Hurricane Milton's impact on B/S

- Q3: We forecast 3Q24 EPS of C$0.79, slightly above cons. at C$0.78. We see YoY results in Q3 up C$0.04, driven by MTM gain on LTIP hedges, new base rates and customer growth at PGS / TECO, non-recurrence of C$10.2M Hurricane Lee costs in 3Q23, a slight FX benefit, and favorable weather at TECO. Partial offsets include net earnings dilution from LIL's stake sale, higher corporate interest costs, share dilution, higher O&M at NSPI, and reversal of 3Q23's one-time ITC benefit at Bear Swamp.
- 2024 guidance: EMA does not provide annual EPS guidance. Our 2024E of C$2.85 is modestly above cons. at C$2.84.
- Important TECO rate case dates in late-Nov. / early-Dec.: In its 2023 litigated case, PGS received ~85% of its ask, with a 20bps ROE boost, while DUK recently settled at ~64% of ask (excluding $141M recovered in the SOBRA mechanism and $67M in a non-recurring 2027 ITC benefit) and a 10.3% midpoint ROE. TECO's historical spread vs. DUK in FL would imply a ~10.4-10.5% ROE. Staff's recommendation is due 11/22 and FL PSC's verbal decision is anticipated on 12/3.
- Watching for Hurricane Milton cost est. & effect on balance sheet / credit metrics: Directionally, restoration costs for 2022's Hurricane Ian (291K outages; 3K crews for 5 days) were USD $119-126M, while Hurricane Milton caused approximately 540K peak / 750K total outages, with 6K crews for 9 days. TECO typically files to recoup its storm cost reg. asset in Dec./Jan., with recovery historically starting in Apr. over a 12-month period. FL has a proven track record, with TECO recouping USD $652M of fuel + storm under-recoveries from 2022-23 over 12-21 months. Credit rating agencies have historically looked through the impact on cash flow since they adjust for S-T reg. assets. Every C$20M of cash flow and each C$175M of debt = ~10bps FFO/Debt. Recall, at Q2, EMA forecasted 2024 FFO/Debt of 11.5-12% or 12-12.5% pro forma NMGC's divestiture; NSPI subsequently secured C$500M of additional fuel securitization in Q3 vs. Q2's C$314M FAM balance.
- Capex / financing refresh tabled for 12/4 Analyst Day: EMA has already extended its 7-8% RB growth projection over the next 5 years through 2029, but intends to provide an updated capital forecast at its 12/4 Investor Day. We think ~C$3B of annual capex is a reasonable run-rate. Given that LIL / NMGC asset sales have exceeded EMA's ~15% or ~C$1.3B funding target, equity needs will likely be lower post-NMGC sale close vs. C$250-300M/year of ATM and C$250-280M of annual DRIP currently.

ES: Oh AMI, how nice would it be to have a reasonable CT reg environment; too early to tell

- We estimate 3Q24 EPS of $1.06, in line with consensus. We see ES narrowing 2024 EPS guidance of $4.50-4.67 around the midpoint vs $4.56 consensus and $4.53 WRe.
- **New financial disclosures limited but comments on AMI draft order, Aquarion sale process and offshore wind key**. We do not anticipate any updates to LT growth or financial plans on ES' Q3 call on 11/5. But we anticipate investor questions on the draft order AMI order in CT, as the latest and important sign on whether the PURA will improve or continue being adversarial. CT distribution is about 20% of ES' business but has weighed on the stock, given the PURA chair's adversarial positions. This summer has seen some relatively decent outcomes, including timely recovery of previously-incurred non-earnings impacting expenses, a rate order in CT Water's rate case with 9.3% ROE and 53% equity (both better than last allowed), and a Gov-led settlement on EV rebates.
- **AMI draft order looks decent but not final; 11/6 decision; watching other CT cases too**. The 10/17 draft order in ES' AMI cost recovery request seems reasonable, but all four commissioners are expected to weigh in on the 11/6 final decision. ES will file comments on 10/31, and we don't anticipate much opining on ES' 11/5 earnings call, given PURA's history. PURA also is expected to issue orders by 11/18 in AGR's gas draft rate case decisions, which include rate cuts, with 9.2% ROE and 53% equity ratio in draft orders. ES is filing a Yankee Gas rate case this quarter and is expected to file a CL&P rate case next fall (at the earliest).
- **Update on Aquarion sale.** ES' $1.6B equity reflects the final offshore wind sale proceeds and a sale of its water utility Aquarion, which is largely in CT. ES targets 14-15% FFO/D in 2025. ES is on the second of a two-stage sale process. Whenever a sale is announced, CT's PURA has six months to review.
- **Offshore wind still a risk.** On 9/30, ES closed the sale of its 50% share of South Fork and Revolution Wind to GIP; the other 50% is owned by Orsted. But ES reduced the expected proceeds from the sale, and after accounting for a gain in a separate Sunrise sale to Orsted projects $360M lower proceeds by

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2026 (when Revolution is COD) from its offshore wind sale. ES still has construction risk to monitor until COD, as the sharing cap with GIP has been exceeded; every $1 increase from here is split 50/50 ES and Orsted until COD. Orsted reports on the same day (11/5), and we'll be watching for any new comments on costs/timing.

ETR: Potential upside to numbers

- We estimate 3Q24 EPS of $2.96, slightly below consensus. We see ETR narrowing and raising 2024 EPS guidance of $7.05-7.35 vs $7.21 consensus and $7.25 WRe. Sales growth and O&M savings are FY24 vs FY23 earnings drivers weighted toward Q4.
- **New disclosures**. On its Q3 call, ETR will give EPS guidance/outlook through 2027 and its credit outlook. At EEI, ETR will give capex, rate base and its other typical annual EEI updates.
- **Potentially higher EPS ranges but likely same 6-8% EPS growth**. We think ETR can point to higher EPS ranges for 2025-27. In June, ETR gave annual ranges through 2028. But those included only the one AWS data center in MS, with indications pointing strong data center and industrial demand. They also included $1.7B of equity needs in 2027-28 prior to the stock's nearly 25% appreciation. And the ranges did not incorporate any potential temporary cash benefits from nuclear PTCs, which was approved in the LA FRP extension this summer.
- **Solid industrial growth with potential for upside to plan**. ETR projects 8-9% industrial sales growth over next 5 years, given strategic advantages being in the Gulf Coast, plus IRA, interest in clean energy transition, and data centers (only AWS in current plan). ETR has an advantage on data centers, given it is vertically integrated. ETR has pointed to an incremental 5-10 GW from data center demand not in its current plan.
- **ETR's handling of recent storms**. ETR performed well during two large storms impacting its region – Beryl and Francine – this summer. The stock has reacted positively, underscoring the upside potential from perceived climate-risk stocks when utilities perform well. This year's storm season is almost over (typically by November).
- **Regulatory successes.** Since its Q2 call, ETR has finalized key regulatory settlements, underscoring improvement in its regulatory engagement.

EVRG: Lot of focus on the CAGR, seems likely they keep it

- We forecast Q3 EPS of $1.93 – in-line with consensus and modestly above $1.88 last year. Weather looks much worse than last year. Other positive drivers including rate relief in Kansas, transmission margin, and weather-normal sales; offset some by higher depreciation and less COLI benefit. O&M and interest expense were expected to be headwinds this year, but most of that was realized in 1H24.
- We expect EVRG to tighten the 2024 guidance range of $3.73-3.93 at the midpoint given negative weather YTD, offset by the PISA benefit in KS. We also expect EVRG to reaffirm its 4-6% long-term EPS CAGR and extend it through 2028 (from 2026). The latter was a big topic of debate amongst investors coming out of our conference. We came away with the impression that EVRG was more likely to keep its current CAGR, even though it is amongst the lowest in the sector, as the upward bias to rate base growth will take time to trickle down to higher earnings.
- We also expect updates on the call around capex and rate base growth through 2028, which is earlier than usual, as EVRG incorporates its latest IRP filings and legislation that passed in Kansas. We see greater spend on new generation longer-term, which should drive rate base growth higher than 6%, despite some of the historic rate sensitivity in Kansas. EVRG will update its financing plan as well, where we expect the introduction of modest equity issuance in the out-years of the plan to fund higher capex and maintain credit metrics (after previously pointing to no equity through 2026). EVRG typically does its dividend boost with Q3 and our sense that they drift a little lower within the payout ratio target range, similar to some industry peers.
- We're also watching the Kansas workshop on 11/20 that will discuss capital structure. This was a big topic of debate in the last round of rate cases in the state. KCC Staff has held the view that parent leverage should be imputed into utility capital structures and EVRG disagrees. After initially proposing legislation in this year's session that looked at this topic, it was decided that the KCC would hold a

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workshop on this. We are cautiously optimistic that the KCC Staff might be willing to budge on this issue.

- We're also watching the Missouri gubernatorial election, though Lt. Gov. Mike Kehoe (R) is overwhelming expected to win. We view this as net positive given his background in being involved with prior utility legislative pushes. This could set-up well for next year's session, where EVRG/AEE likely look to extend PISA and expand it to gas generation (similar to what passed in Kansas this year).
- Finally, this should be EVRG's first call to discuss the Missouri West rate case outcome, which looks generally constructive. EVRG got a higher implied ROE (9.71%) and over 60% of the ask, and that's before Crossroads which seemed like a long putt. The fuel clause sharing still needs to be decided on, but Staff is on EVRG's (and history's side) – a final order is due by 12/1. Good to see execution here after the last Missouri West rate case got messy.

Exelon (EXC): 2024 has been eventful and hopefully culminates in Nov/Dec

- We estimate 3Q24 EPS of $0.66, about in line with consensus. We expect EXC to affirm FY24 guidance of $2.40-2.50 vs $2.45 consensus and our $2.44.
- **New financial disclosures limited but expect commentary on several pending proceedings.** EXC is not expected to provide any LT growth outlooks. But EXC has important regulatory proceedings pending, including the important IL/ComEd decision which surprised to the downside last Dec. Others include MYRP-related proceedings in MD and DC. EXC's PECO rate case was settled.
- **IL ALJ's proposed order in revised grid/MYP a good data point ahead of ICC's Dec ruling.** The recent ALJ rec was better than Staff's and largely approved most of ComEd's requested rate base, except for $200M nearly entirely as a result of denied New Business and Facilities Relocation capex. We think EXC's EPS growth outlook did not assume all of its requested capex and see little risk to it, assuming the ICC doesn't surprise to the downside again. A final order is expected by 12/19.
- **Clarity on MD and DC MYRPs also expected by yearend; PA settlement likely approved**. Decisions on or related to EXC's MYRPs in DC and MD are expected by YE24. The MD "lessons learned" case relates to the future of the MYRP. While it is not expected to impact BGE's current MYRP, which was just approved last year, the order is important as a regulatory signal. Moody's recently the case has the potential to result in a negative outcome for BGE's rating. The MD PSC recently was downgraded by the RRA. In DC, which is only 5% of EXC, an order in the MYRP is expected at any time. In PA, the PUC ALJs recommended approval of the settlements with no major modifications; final orders are expected at a public meeting by YE24, potentially at the 12/5 or 12/19 meeting.
- **Co-location battle potentially coming to a head**. EXC's protest in the TLN/AWS amended ISA proceeding at FERC, plus several other proceedings at FERC and in IL and MD rate cases, puts the company in middle of the debate over co-located data centers. EXC was glad the FERC decided to hold a technical conference on 11/1, giving EXC/AEP's concerns (e.g., paying transmission charges) a forum at FERC. But what happens thereafter is unclear. The 11/4 ISA ruling will be closely watched but the implications on broader co-location are also unclear. EXC has also asked for rulings this December in its FERC 205 cases, which seek to clarify co-located load is network load. And EXC has a petition for declaratory order on interconnection agreements, which are also intended to prevent generators from getting an ISA approved without EXC's participation. The co-located battle has also permeated into the IL grid plan and MD lessons learned cases. The dizzying protests/complaints are potentially going to be addressed by regulators by YE. Below is a near-term schedule.

FE: Some weather/storm headwinds, but regulatory execution has been strong

- We project Q3 EPS of $0.90 – in-line with $0.85-0.95 guidance, consensus, and $0.88 last year. Rate relief (WV/NJ/MD) and weather-normal sales are expected to be positive drivers. The new Ohio ESP does create a negative impact on DCR recovery (more on that below). The other primary offsets are higher O&M (pull-forwards last year that mostly reversed in 1H24), lower Signal Peak earnings ($0.06 in 3Q23 versus $0.12 assumed in FY24). There's also the absence of the FET stake that closed at Q1-end this year, but this is offset by using the proceeds to pay down debt to drive interest cost savings. Finally, there's the absence of a state tax NOL benefit from a year ago. All of this is expected. The only

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unexpected headwind is incremental storm costs that couldn't fully be deferred to the balance sheet – the question will be if FE can find offsets here.

- We expect FE to tighten 2024 guidance of $2.61-2.81 at the midpoint. Weather, storms and ESP treatment of DCR recovery have created some headwinds that likely make achieving the upper-half of guidance difficult.
- On the regulatory side, execution has generally been strong. We found the Pennsylvania rate case settlement to be constructive – many of the disallowed items were non-earnings-impacting like depreciation and storms. This followed solid outcomes in NJ/WV/MD as well. Now comes the key Ohio rate case, which is actually only half the size of Pennsylvania in terms of earnings (~15% versus ~30%), but will garner a lot of attention, and last through most of next year.
- There's nuance around the ESP that is admittedly confusing. FE seems likely to withdraw its appeal for rehearing after the state courts ruled that PUCO had to make a decision in 30 days or else the challenge is considered denied. As a result, they will defer back to ESP IV – avoiding some of the less helpful lowering of non-distribution recovery, but also losing the new recovery for vegetation management and storms. FE then plans to file an ESP VI covering just a few years, and then a longer-term ESP VII once it has clarity coming out of the rate case
- We also expect investor focus on the potential for regulated generation in FE's OH/PA territories – this will likely be a legislative push next year from the state's utilities, as they focus on the resource adequacy and customer affordability debate.

FTS: Living in the Tranches

- We project Q3 EPS of $0.80 – slightly below consensus and $0.84 last year. Two one-time headwinds to be mindful – retroactive booking of the FortisBC cost of capital result last year and excluding the since-sold Aitken earnings. To the positive, FTS should benefit from ITC rate base growth, rate relief at TEP, and better FX.
- As a reminder, FTS doesn't give annual guidance. We forecast 2024E of $3.24 versus $3.23 consensus. Current FX rates should remain a tailwind ($1.38 versus $1.30 in plan).
- FTS did its big annual refresh a bit early, right before our conference, though the updates were mostly down the fairway. FTS extended its dividend growth target at 4-6% through 2029, raised the capex plan by $1B, and kept rate base growth consistent at ~6.5%.
- Most in focus within the capex plan was MISO transmission tied to long-range planning. FTS is now able to resume construction on MISO Tranche 1 projects, after MISO completed a variance analysis following court challenges around the prior ROFR bill in Iowa. FTS still plans to spend $1.4-1.8B USD on Tranche 1. FTS also estimated its MISO Tranche 2.1 capex opportunity at $3B+ USD. Most of the spend is 2029 and beyond, and this only includes MI/MN, as FTS conservatively excluded IA for now, where it has a sizable footprint that could add another $1.5-2.0B in spend. All together this is a solid portion of the overall $21.8B being awarded by MISO.
- Last week FERC ruled on the long-standing MISO transmission base ROE complaint – shifting it to 9.98% from 10.02%, which is immaterial. We also continue to watch the workshops on regulatory lag in Arizona. We see the ACC, Staff, and companies likely coming into alignment around formula rates with some of the specifics still to be worked out. The next steps will be a rulemaking or policy statement. FTS may then to look toward implementation in a 2026 rate case at TEP.

LNT: Important capex / sales growth refresh; outyear upside potential from IA settlement

- Q3: We project 3Q24 EPS of $1.10, which is slightly below cons. at $1.11. We see YoY results in Q3 up $0.05, driven by higher revenue requirement / rate base in WI, lower O&M, and WI solar financing deferral. Partial offsets include higher interest expense, D&A, milder weather YoY, and share dilution.
- 2024 guidance: Our expectation is that LNT will narrow 2024 guidance of $2.99-3.13 around the same $3.06 midpoint. Q3 weather was about neutral and at Q2, LNT noted that it had line of sight to ~50% of offsets to the -$0.10 YTD weather headwind vs. normal and was continuing to work on cost controls. The PSCW's recently approved WI solar financing deferral provides a ~$0.02-0.03 benefit for 2024. To reflect this, we are raising our 2024E by $0.02 to $3.05 vs. cons. at $3.06.

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- 2025 guidance: We anticipate that LNT will introduce 2025 guidance with a $3.24 midpoint, representing ~6% growth off the $3.06 midpoint of LNT's FY24 range. Consequently, we are trimming our 2025E by $0.02 to $3.24 vs. cons. at $3.26 to conform to this view.
- 4-year plan refresh: LNT intends to provide updates on sales growth (forecast, size / timing), resource needs, capex / rate base growth, and financing through 2029. This will be based on signed contacts, not speculative or risk-adjusted load. We anticipate that LNT will provide 3 load growth cases (low / medium / high) based on its Clean Energy Blueprint and discuss which scenario is embedded in its plan. If additional contracts were to be potentially signed with counterparties, LNT could be flexible and nimbly update its plan before Q3 / EEI 2025. We see LNT raising generation capital, with any capex upsides vs. $9.1B over 2024-27 likely being funded in-line with its 40-45% consolidated equity ratio target.
- Upside potential from constructive IA settlement in the outyears; sales growth color: In the earlier half of the 5-year stayout recently approved by the IUC, IPL intends to earn its authorized ROE by utilizing retained tax credits, energy margins, and capacity revenues on new renewables / batteries and any new gas plants that it builds to support the load growth. In the latter half, IPL's objective would be to progress into the earnings sharing mechanism as large data centers come online. This should help elongate / de-risk LNT's growth trajectory and could provide an upward bias within LNT's 5-7% EPS growth in the 2027-29 timeframe. Recall, on the Q2 call, LNT mentioned that it has executed multiple contracts with data centers in IA / WI – local press has reported on Google's proposed $576M data center that aims to be online in 2026 (initial load of 300 MW and expected to ramp-up to 600 MW over time) and another unnamed $750M data center campus proposed in Cedar Rapids. Large C&I projects from IA's mega site legislation would likely be the 2nd wave of sales growth beyond data centers.

NEE/NEP: The earnings call calm before the election outcome

- We estimate Q3 EPS of $1.00 – above consensus and slightly above $0.94 last year. We see 9%+ rate base growth at FPL, new Resources projects online, and more normal wind conditions as key positive drivers; offset some by a weaker gas infrastructure segment, financing costs, and share dilution. In Q3 last year, wind conditions were a weak 93% of normal – based on NOAA maps it looks closer to normal this year.
- We expect NEE to reiterate its guidance ranges through 2024-2027, which includes a 2024 range of $3.23-3.43 (our estimate and consensus are at the top-end). We also expect mgmt. to continue pointing to the high-end of its 6-8% EPS CAGR over 2024-2027. This is all consistent with the June Analyst Day.
- NEE will hold its call before the 11/5 election day. We see lower likelihood of an IRA repeal that permanently removes any of the provisions that matter for NEE (maybe just a shorter runway for wind/solar tax credits). Regardless, we see NEE best-positioned within the industry. That said, it's worth noting that NEE underperformed meaningfully the day after Trump's 2016 victory, and then subsequently went on to outperform during his first term.
- We're awaiting next year's big FP&L rate case, while watching in-state peers DUK and EMA this year. DUK recently announced a constructive settlement that saw its ROE range move up to 9.3-11.3% from a 10.1% midpoint currently, with agreement to its 53% equity ratio as requested. EMA looks like it is going the litigated route. We're also watching the court challenge to Chesapeake's surplus amortization mechanism that it inherited from NEE in the Florida City Gas purchase. We expect NEE to seek a similar but different mechanism in its next case.
- As always, NEE's backlog additions will be important to watch with ~2.0-2.5 GWs per quarter the rough bogey. Q3 last year was a high watermark at 3.2 GWs, with Q1/Q2 this year rounding out the top 3 all-time. Momentum appears strong here.
- For NEP we estimate Q3 EBITDA of $500M, which is slightly below consensus. This is up from $488M last year. We see a return to normal wind conditions from 91% last year, basically offset the absence of STX Midstream after the sale ($181M full-year). There's been no new dropdowns in the last year that factor in here. Guidances likely remain unchanged at $1.9-2.1B run-rate given there are no planned dropdowns for this.
- We're still waiting to see how NEP addresses the long-term CEPFs. Mgmt. has been very quiet on its plans. We feel like a distribution cut feels inevitable at this point, but NEP does still have time to address the issue of how it will finance itself and grow going forward.

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NI: Huge data center opportunity into capex refresh; modest upside potential to 2024

- Q3: We estimate 3Q24 EPS of $0.18, which is above cons. at $0.14. We see YoY results in Q3 down $0.01, driven by headwinds from non-controlling interest due to NIPSCO's 19.9% stake sale to Blackstone, higher O&M, D&A, interest expense, and share dilution. Partial offsets include rate relief / capital rider investments and preferred dividend savings.
- 2024 guidance: We think NI will reaffirm 2024 guidance in the top-half of $1.70-1.74 after it pointed to the upper-half of that range at Q2. That said, we see the potential for NI to achieve the top-end ($1.74) given strong YoY growth YTD. Our 2024E is $1.73, which matches cons. at $1.73.
- 2025 guidance: NI will provide initial 2025 guidance at Q3. Our 2025E of $1.86 is a penny above cons. at $1.85 and represents ~7% YoY growth off the upper-end ($1.74) of NI's FY24 guidance range.
- Capex / financing refresh: When NI updates and rolls forward its capital plan through 2029, we will be curious to see if it folds any of the ~$1.6B of N-T upsides through 2028 into its $16.4B base capex plan. Data center opportunities are not included in either bucket, and it remains TBD if they will feature in Q3's refresh. If not, NI could provide more insight into the financial implications of the 2024 RFPs and the impact of data centers on its plan at Q4. NI currently has $200-300M of annual ATM equity needs over 2025-28 and has issued $1B of junior subordinated notes in 2024 to add credit cushion. Mgmt. has stated that capex upsides may require modest increases to ATM to maintain 14-16% FFO/Debt.
- More color on data center opportunities: NIPSCO sees 2.6 GW (reference case) to 8.6 GW (emerging load case) of load growth by 2035 mainly from data centers vs. its current ~2.3-2.5 GW peak. NIPSCO hasn't disclosed % ownership vs. PPA and resource type, but mgmt. views this as a significant opportunity whilst discussions continue with counterparties on ramp rates and commercial terms. Slide 65 of the 10/8 IRP presentation shows that NIPSCO would need to add installed capacity that is around double its summer supply-demand gap in almost all portfolios (combinations of wind, solar, storage, gas CCGT, gas peaking, and Sugar Creek) given renewables' lower expected seasonal capacity credit. Most of the load ramp will likely be 2030+, but there could be some investment over 2025-29. NIPSCO will submit its finalized IRP to the IURC by 12/9, with the 2024 RFPs designed to act as a bridge between the initial load from data centers and the ramp-up. NI sees opportunities to build gas pipelines to support on-site generation for data centers in VA, OH, and PA – each project is ~$50-100M of capex.
- Pending rate cases: Intervenor testimony in NIPSCO electric's rate case is due Dec. 19, 2024, with Jan. 23, 2025 as the preliminary settlement deadline, while SCC Staff testimony in the VA gas rate case is due 10/30. The ALJ recommended approval of the PA gas rate case settlement, while NI recently filed a settlement in KY stipulating a $14.3M revenue increase, 9.75% ROE, and 52.64% equity layer. A decision in the MD gas rate case is expected in early-to-mid 2025.

NRG: The long-awaited big shift to EPS

- We're forecasting Q3 EBITDA of $1,000M – in-line with consensus and up modestly from $973M last year. This is largely being driven by the annual guidance drivers – cost synergies and growth targets; somewhat offset by Vivint amortization costs and asset sales (STP nuke sale closed in December). We also factor in some uplift tied to the guide raise that happened at the end of Q3.
- We expect NRG to reaffirm its 2024 guidance range of $3,525-3,675, which was raised from $3,300-3,550M (top-end) in late-September. NRG had a strong summer across its businesses. We expect NRG to initiate 2025 EBITDA guidance, where our estimate is $3,646M
    - In summary, our new EBITDA estimates are $3,618/3,646/3,706M – from $3,493/3,646/3,681M previously, as we better reflect some of the strength in 2024.
- Then there is EPS, where we expect NRG to make the long-awaited shift – using 2024 original guidance as a base. Our 2024E of base EPS is $5.15 (we estimate $5.71 using the higher 2024 guide). We then believe NRG can point to a roughly 10-15% EPS CAGR over the long-term, primarily driven by growth at the Home segment (energy/security) and buybacks shrinking the share count. We bake in some power price upside flow-through next year along with synergies and our 2025E is $6.38. Our 2026E is $6.81. These numbers are all below consensus, which is stale/inaccurate. A low-double-digit P/E multiple and low-double-digit EPS growth rate is solid, but we're not sure this drives tremendous excitement. To the positive, NRG still has a compelling Free Cash Flow valuation to point to (~14-16%

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in 2025-2026). One of the keys will be the level of visibility that NRG is able to convey around the long-term growth trajectory.

- Two other disclosures we expect to be in focus – 2025 capital allocation, where we expect NRG to stick to its 80/20 framework that features a heavy dose of buybacks, with some growth capex towards its Texas new build plant(s). The other is the virtual power plant opportunity, which NRG first introduced a while ago and now plans to flesh this out in more detail.
- The other remaining item is the plan for monetizing its 21 sites. Our sense is that it's too early for an update on the Q3 call, but we could hear on/before the year-end call. Any cash proceeds or valuation realization here would be an upside.
- Below, we lay out our walk across 2024-2026 for EBITDA and then walks down to EPS in each year as well:

NRG Simplified EBITDA/EPS Walk ($MM, Except per Share Data)	Estimate	Notes
2024 EBITDA Estimate	**3,618**	**Current Guide = $3,525-3,675M**
Original 2024 EBITDA Guide	3,425	
Cost Savings Target	145	2025 Run-rate versus 2024
Growth Synergies Target	100	2025 Run-rate versus 2024
Amortization of Fulfillment Costs	(100)	Vivint
Power Price MTM Upside	100	Illustrative Slide - Assume $48/MWh
Airtron Sale	(60)	2023 EBITDA of $58M (8.3x sale)
Other Upside	36	Wolfe Estimate
2025 EBITDA Estimate	**3,646**	
Retail Home / Vivint Growth	60	Wolfe Estimate
2026 EBITDA Estimate	**3,706**	
Original 2024 EBITDA Guide	**3,425**	
Amortization of Customer Acquisition Costs	(215)	Reg G Guide
Depreciation and Amortization	(1,075)	Reg G Guide
Interest Expense	(640)	Reg G Guide
Taxes	(374)	Assume 25% Rate
Preferred Dividends	(67)	
Net Income	1,054	
Shares	210	Implied
Other Upside	0.13	Wolfe Estimate
2024 EPS Base	**5.15**	
2024 EPS Estimate	**5.71**	
2025 EBITDA Estimate	**3,646**	
Amortization of Customer Acquisition Costs	(215)	Flat to above
Depreciation and Amortization	(1,000)	Assume some decline
Interest Expense	(640)	Flat to above
Taxes	(448)	Assume 25% Rate
Preferred Dividends	(67)	
Net Income	1,276	
Shares	200	$1B in buybacks at $100/sh
2025 EPS Estimate	**6.38**	
Implied CAGR off 2024 EPS Base	0.43	High-end of 10-15%
2026 EPS Estimate	**6.81**	

Source: Wolfe Utilities & Power Research, Company Filings

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OGE: Load growth / weather trending well; awaiting OK settlement approval; still early in RFP

- Q3: We forecast 3Q24 EPS of $1.11, which is below cons. at $1.20. We see YoY results in Q3 down $0.09, driven by load growth, higher AFUDC, OK's Grid Enhancement Mechanism and AR's FRP. Partial offsets include less favorable weather YoY, higher D&A, O&M, interest expense, property taxes, YoY headwind from 3Q23's Guaranteed Flat Bill (GFB) benefit, and higher HoldCo drag.
- 2024 guidance: Given Q3's more favorable weather vs. normal, we think that OGE could be tracking towards the top-end of its $2.06-2.18 range after having pointed to the top-half of guidance at Q2. To reflect this, we are raising our 2024E by $0.02 to $2.18 / Our 2024E is $2.16, which is slightly above cons. at $2.15 and consistent with the upper-half of OGE's FY24 range. Our est. assumes that the OCC approves the OK rate case settlement in Q4, allowing OGE to book 2 quarters worth of rate relief.
- Monitoring OCC election in Nov. and OK settlement approval: Brian Bingman (R), former OK Secretary of State, is the leading candidate in Nov.'s OCC election – we think he would be viewed constructively, if elected. Given the clash between former Chair Hiett and Comm. Anthony, we are also watching for an OCC order on the uncontested OK rate case settlement, with the ALJ having recommended approval.
- Progress on 2024 RFP: Selection of bids for negotiation and completion of agreements in OGE's 1.5 GW 2024 RFP are expected in January and April 2025, respectively. OGE will likely wait for regulatory pre-approval in 2025 (similar to Horseshoe Lake) before layering incremental generation capex in its plan. Mgmt. has stated its intent to avoid chunky investments and OGE may moderate some T&D spend to manage customer bill impact. Given ~17% FFO/Debt – close to OGE's downgrade threshold for Moody's Baa1 rating – equity (beyond $15-25M of annual DRIP currently) will likely be needed to fund generation capex, but the generation rider and higher sales growth could boost OGE's FFO.
- Sales growth / data center discussions and permanent CFO role: OGE has experienced 5.8% load growth YTD, driven by +13.8% commercial, and at Q2, raised its 2024 forecast to 4-6% from 3-5%. We will be interested in how sales growth has continued to trend and whether mgmt. has any more visibility into the level in 2025 & beyond vs. OGE's at least 2% projection in the outyears. Every 1% incremental load = ~$0.05 of EPS. We will also be curious to get updates on how discussions are progressing with >6 data center projects in various stages of development, which could provide further upside, and OGE's search for a permanent CFO. Charles Walworth, OGE's Treasurer, has been appointed interim CFO, but OGE has noted that it is evaluating both internal and external candidates for this role.

PG&E (PCG): Potential upside to estimates; wildfire season nearing end

- We estimate 3Q24 EPS of $0.33, modestly above consensus. We expect PCG to narrow FY24 guidance of $1.33-1.37 at least around the midpoint vs $1.36 consensus and our $1.35.
- **New disclosures could include capex updates and 2025 guidance**. We believe PCG could raise its capex for new interconnections (SB 410) investments. We also would not be surprised if PCG gives formal 2025 guidance. It currently has soft guidance of at least 9% EPS growth off 2024. Regardless, we see a positive bias to the Q3 call.
- **Higher capex and potentially better EPS growth**. Earlier this year, the CPUC approved $2.3B of incremental capex for energization under SB 410. PCG originally requested $4.1B but conservatively planned for about $1B, implying upside to its capital plan. PCG this month requested an increase to the 2025-26 caps, plus movement of 2024 unspent capex, which would result in a net incremental $4.1B of energization capex above the roughly $1B in PCG's current plan. PCG has said it would only add approved capex if it is affordable to customers, earnings accretive and helpful to the B/S. We think PCG could see at least 9% EPS growth off either a higher 2024 (vs $1.35 guidance midpoint) or a higher 2025 EPS than consensus or we are estimating ($1.48).
- **2025 ROE cut doesn't impact outlook**. PCG has previously indicated its LT EPS outlook did not assume the ROE increase approved for 2024, which raised allowed ROEs by 70bp to 10.70%. We therefore do not believe the 2025 ROE reduction to 10.28% impacts PCG's outlook. The 2026-28 ROE will be set in the upcoming cost of capital case next year.
- **Wildfire risk remains; but PCG's prevention/mitigation efforts appear to be paying off in its territory**. There have not been any major utility-caused fires in CA, despite an abnormally early start to Red Flag Warnings this June and during the most recent RFWs last week. PCG's prevention/mitigation efforts have been working well in its territory. PCG has implemented limited PSPS during RFWs. We

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think the wildfire risk overhang will ease meaningfully once fire season ends, typically by late Nov in Northern CA.

PEG: New Jersey rate case done, now all attention on Artificial Island data center deal potential

- We see Q3 EPS of $0.85 – below consensus and in-line with $0.85 last year. We see a lot of the same drivers in Q3 that we have seen YTD, as regulatory lag continues to weigh on the utility before new rates are in effect. The big step-up in hedge pricing ($38 vs. $31) was expected to be 2H24-weighted, but mostly in Q4 (taxes timing could be another 2H24 tailwind). Other negative drivers include higher O&M, higher interest costs, and the roll-off in OPEB amortization credit.
- We expect PEG to reaffirm 2024 guidance at $3.60-3.70, though the year appears to be tracking well and likely in the upper-half. Everything has seemed in-line with our expectations and PEG usually budgets conservatively. Plus new rates went into effect on 10/15, which seems modestly earlier than planned – we estimate every additional month in 2024 is worth ~$0.03/sh. Last year, PEG issued forward-year guidance in December and then did a longer-term roll-forward in January. It's unclear when this update happens this year, but our sense is that PEG is looking to announce it all at the same time – we're not expecting PEG to issue 2025 guidance on this call, but it may still happen before the year-end call. We don't see PEG moving off their 5-7% EPS CAGR L-T that assumes the nuke PTC floor. Our official 2025E of $4.03 assumes the nuke PTC floor, but on a MTM-basis we see EPS around ~$4.15. Key drivers YoY in 2025 include new rates at PSE&G ($0.30 annualized), while Power realizes higher capacity revenues that put it modestly above the PTC floor after accounting for PECO-basis discount.
- The most recent news was the PSE&G rate case in New Jersey that was settled as expected. PEG will see a $505M rate hike, an allowed ROE that stays at 9.6%, and an equity ratio that moves up to 55% (from 54%). PEG also got helpful pension/storm mechanisms that should reduce volatility. We viewed this as constructive outcome. PEG's only regulatory proceeding in focus is its Energy Efficiency filing, which could see resolution by the end of the year along with NJ's other utilities.
- We expect continued focus on the data center angle. PEG talked to the opportunity at its three-unit Artificial Island site in New Jersey that is aligned with Governor Murphy's economic development push. Hard to say when anything gets announced, as mgmt. is taking their time to make sure they get it right (just like the original decision to retain nuclear), but our sense is that PEG would like to get something done before his term ends in a year. PEG also continues to look at nuclear uprate opportunities at its fleet. Their view on the co-located load debate at FERC is that there is a lot of existing load of this nature and all of it needs to be treated consistently, which means there are wide-reaching implications.

PNW: Weak 2025 guide; EPS boost from formula rates not likely until 2H27 or 2028

- Q3: We project 3Q24 EPS of $3.59, which is above cons. at $3.39. We see YoY results in Q3 up $0.09, driven by rate relief from the 2022 GRC and sales growth. Partial offsets include higher O&M, D&A, interest expense, income taxes / timing, non-recurrence of the 20bps ROE boost portion of the SCR surcharge as well as a $0.05 BCE asset sale gain from 3Q23, and share dilution. CDDs in 3Q24 were slightly above those in 3Q23, which resulted in $67M of pre-tax gross margin from favorable weather.
- 2024 guidance: Due to continued favorable weather in Q3, we see PNW well-positioned to raise 2024 guidance after pointing towards the high-end of its $4.60-4.80 range at Q2. We are raising our 2024E by $0.40 to $5.20 vs. cons. at $4.83 to reflect favorable weather YTD and 5.6% sales growth through Q2 (+10% large C&I) exceeding PNW's 2024 forecast of 2-4% (2.5-3.5% from large C&I), partially offset by the pull-forward of some O&M to de-risk future years.
- 2025 guidance: PNW will provide initial 2025 guidance at Q3, which we anticipate will be weak due to a few key headwinds: reversal of the $0.15 non-recurring BCE asset sale gain that occurred in 2024, a ~$30M pre-tax OPEB service credit roll-off, equity dilution from settlement of the ~$750M forward block, and continued N-T regulatory lag from the 2022 GRC's historic test year. We are raising our 2025E by $0.04 to $4.55 to reflect the pull-forward of some O&M, but still remain below cons. at $4.81.
- Formula rates will likely take time to boost EPS; monitoring ACC election in Nov.: At the 10/3 workshop, the ACC Commissioners decided that another mini virtual workshop on formula rates may be needed –

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this will be scheduled later by Staff (date TBD). We still think a policy statement on formula rates is possible by YE24 or in early-2025. The earliest APS can file its next rate case would be sometime in 2Q25 using a YE24 test year, implying rate relief likely in 2H26 given the 12-15 month timeframe for rate cases in AR. However, the benefit from the 1st annual true-up / formula rates (i.e., earning closer to the allowed ROE) would be in 2H27 or 2028. We are also monitoring the ACC election in Nov. and believe that the election of at least 1 of the 3 Republican candidates (incumbent Comm. Marquez Peterson or candidates Rene Lopez and Rachel Walden) would support continued regulatory improvement in AZ.

  - We are lowering our 2026E by $0.13 to $5.14 to reflect rate relief effective a little later in 2026 (now in early-Q3) and modestly higher regulatory lag in the interim.

- Capex / financing refresh; color on sales growth beyond 2026 and data centers: PNW sees the need for more transmission investment to support growth in its service territory and its 10-year transmission plan estimates >$5B of proposed opportunities over 2024-33. The SRB enables more % generation ownership. While unlikely to be featured in Q3's refresh, formula rates would allow for better capital allocation / visibility and support more distribution capex. More contemporaneous recovery / higher FFO would also expand PNW's capex opportunity set. PNW currently has ~$400M of remaining equity needs over 2025-26 – we see incremental equity roughly in-line with ~40% of any capex upsides. As we look to the roll forward through 2027, there are announced projects beyond 2026 – TSMC's 2nd /3rd fabs, TSMC's supply chain (for example, Amcor's $2B packaging facility), Air Products and Linde's projects – which are key to the stickiness of large C&I growth driving PNW's L-T 4-6% sales CAGR and maybe lend an upward bias to it. PNW has >4 GW of committed data centers (not all embedded in L-T 4-6% sales CAGR through 2026) and >10 GW backlog of majority data center requests beyond that.

POR: Strong Q3 / YTD results set-up 2024 guide raise?; 2025 GRC settlement seems unlikely

- Q3: We estimate 3Q24 EPS of $0.91, which is above cons. at $0.71. We see YoY results in Q3 up $0.45, driven by rate relief from the 2024 GRC, reversal of 3Q23's NVPC headwind as well as lower power costs YoY, and non-qualified benefit trust performance, partially offset by share dilution.
- 2024 guidance: Strong YoY growth YTD and low power price volatility in Q3, with Mid-C prices being down ~43% YoY, position POR well to raise 2024 guidance of $2.98-3.18, in our view. 4Q23 had PCAM favorability (-$23M of NVPC) and cost reduction measures, which may not recur, and 4Q24 is expected to have additional equity dilution (through Q2, POR had settled only $78M of the $296M ATM priced). Thus, we are conservatively raising our 2024E by $0.10 to the high-end $3.18 vs. cons. at $3.08.
- 2025 GRC settlement appears unlikely: The window is getting narrower, and the consumer advocate has been more vocally opposed than prior, citing macro / affordability concerns. Oral arguments are set for 11/4, with a final order due 12/20. Staff has recommended a 9.22-9.46% ROE range vs. POR's currently allowed 9.5% and lower rate base using the average of averages method (reduces revenue in the low-$10Ms). We will be interested to hear from mgmt. on regulatory strategy for recovery and how POR intends to manage any potential lag in 2025 if it is unable to secure approval for the Seaside BESS tracker and if the OPUC doesn't provide clarity on the inclusion of standalone storage in the RAC.
- EPS upside potential from 2023 RFP: POR requested OPUC acknowledgement of the final shortlist by 11/19 and with bidder negotiations underway, seeks to execute final contracts by the end of 1Q25. In priority Group A, POR could potentially own 525 MW of storage & 125 MW of solar (~$1.2B of est. capex) and in alternative Group B, POR could potentially own 300 MW of batteries (~$600M of est. capex). We estimate that every $100M of RFP capex = ~$0.01-0.015 of EPS accretion, net of 50% equity financing, so Groups A/B could provide ~$0.12-0.19/~$0.06-0.09 of potential EPS upside.
- Additional Q3 disclosures; upcoming regulatory / legislative agenda: At Q3, POR intends to provide some clarification on timing of equity needs / capital projects, CWIP balance and AFUDC earnings / returns, and monetization of tax credits to give a better sense of L-T earnings power in the outyears. In 1Q25, POR will file its updated IRP/CEP, which could feature some upward pressure on sales growth and resource needs. We will be watching for potential wildfire legislation, which could be introduced in OR in Jan.-Feb. 2025, but could take May / June to be voted on given that the longer session doesn't close until the end of 2Q25. We will also be curious to hear from mgmt. on the progress in evaluating alternative financing structures, including the potential establishment of a HoldCo.

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PPL Corp (PPL): Data center updates, KY IRP

- We estimate 3Q24 EPS of $0.42, about in line with consensus. We expect PPL to narrow FY24 guidance of $1.63-1.75 at least around the midpoint vs $1.72 consensus and our $1.72.
- **New financial disclosures limited**. We do not expect any material updates to PPL's LT financial outlook/plan on the Q3 call. PPL will update its quarterly data center pipeline and provide some comments on its recently filed KY IRP. We also anticipate investor questions on PPL's expectation for FERC's 11/4 ruling on the TLN-AWS ISA, to which PPL is a party.
- **KY IRP could be have some upside to backend of current capex plan.** PPL filed its latest IRP in KY last week. It showed system load increasing 30-45% by 2032 compared to 2024, driven in part by data center growth (at least 1,050 MW by 2032). PPL's recommended demand scenario require two new CCGTs by 2031 (on top of one already approved for 2027) and 400 MW of storage by 2028 (with more by 2035 including solar). PPL also plans for incremental coal retrofitting by 2028 and 2030 at two of its plants. SMRs were not included but are still being evaluated.
- **Data center pipeline update.** PPL sees 5 GW of data center demand in PA. Any data center growth would be upside to PPL's 6-8% EPS growth outlook, both incremental capex and load In PA. PPL's current load growth assumption is 50bp/yr.
- **Legislation in PA.** PPL is looking for legislative solutions to the resource adequacy issues looming in PJM as early as 2027. Some solutions could be generation in rate base, a state fund that supports new build (like the TEF), or PPAs with utilities, or an all-of-the-above. PPL wants to address the generation needs sooner rather than later. The current PA legislative session is through Nov; then next starts in Jan.
- **TLN/AWS ISA.** PPL said it put customer protections in place in the ISA and supports approval by FERC. Notably, PPL's future data center pipeline is all FTM.

Southern Company (SO): Quarterly data center updates, storms

- We estimate 3Q24 EPS of $1.34, in line with consensus and above SO's guidance of $1.30. We expect SO to raise FY24 guidance to the top end of $3.95-4.05 vs $4.03 consensus and our $4.03.
- **Quarterly updates on large load, data center growth.** SO is expected to preview its quarterly large load update in GA, as it does every quarter. Its Aug update showed GA Power's total economic development pipeline through the mid-2030s had expanded from 17,000 MW in Oct 2023 to 24,300 MW. Customer commitments expanded from 3,612 MW in Oct 2023 to 7,252 MW. But SO has previously noted data center opportunities outside of GA, including a Meta data center announced in AL and another unnamed data center in MS, which was in advanced discussions with SO.
- **SO's emphasis on discipline**. At our conference earlier this month, SO acknowledged the data center market is like the "Wild Wild West" and knows data centers are shopping around. SO said it needs to stay disciplined as its formulates resource needs. Although SO projects length to its EPS growth, it is unlikely to change 5-7% LT target even on its YE call in Feb, given a heavy regulatory calendar, with a GA IRP filing (ruling mid-2025) and GA rate case (ruling by Dec 2025).
- **Helene costs**. SO's regions were among the hardest hit by Helene; it was the worst storm to hit GA Power. SO is expected to provide an estimate of storm costs, but it they are expected to be deferred for future recovery.

Sempra (SRE): GRC PD disappointing but may get better; TX still looks good

- We estimate 3Q24 EPS of $1.03, below consensus potentially on timing of GRC rate relief. We expect SRE to maintain FY24 guidance of $4.60-4.90 (vs $4.78 consensus, $4.80 WRe) and FY25 guidance of $4.90-5.25 ($5.14 consensus, $5.08 WRe) until a final decision in the CA GRC is issued.
- **PD is an overhang but growth story intact given TX upside**. The CA GRC is a little in flux, not atypical after a PD is issued. There is still time to improve the final decision, but that is unlikely before SRE's 11/6 call or EEI. Regulatory outcomes in TX, on the other hand, have suggested even more incremental upside from the SRP and Permian Plan since SRE disclosed its 2024-28 plan earlier this year. We anticipate SRE's LT 6-8% EPS growth will be intact.

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- **CA GRC PD could still improve**. The PD is overall disappointing but is not final. The 2024 rate base is a decent starting point, and some of the PD's denied capex is for safety and risk reduction (e.g., wildfire mitigation), or it could be recovered in future proceedings. But the attrition rates seem low and are the key area needing improvement. At the 11/4 oral arguments, 11/7 comments and 11/12 reply comments, we anticipate SRE will work on further justifying higher attrition rates. A final vote is expected no earlier than 12/5. Notably, the PD in PCG's GRC last year also had low attrition rates before improving in the final order.
- **TX upside.** Oncor's $2.9B System Resiliency Plan settlement is on the 10/24 PUCT meeting agenda. And this month the PUCT issued a final order on the first phase of the Permian Plan, which is expected to be $4B of investment, with Oncor expected to get a large portion of that, given the number of endpoints it has in the Permian. The capex would be incremental to SRE's 2024-28 plan of $48B.
- **Watching Port Arthur 2 announcements.** At our conference earlier this month, SRE is working on more HOAs for PA 2 beyond Aramco and could announce them sooner rather than later. Last summer's ECA 1 delay is not meaningful to numbers; and returns are protected. SRE also pointed to ECA 2 potentially being very attractive, as there is tremendous interest in West Coast LNG to Asia.

TLN: Big FERC ISA decision coming, PJM auction result left in some limbo

- We're forecasting Q3 EBITDA of $225M – in-line with consensus and $224M a year ago. Similar to Q1/Q2, this is a relatively low conviction estimate given TLN is just lapping one-year since emerging from bankruptcy and being a "regular-way" company. Q1 featured a big YoY step-down that was expected given the roll-off of strong hedges that were locked in for 2023. We believe there may be some of this in Q3, but lesser magnitude. There's also loss of contribution from the ERCOT assets, where the sale closed at the start of May. To the positive, PJM power/spark moves look attractive YoY, as did local weather conditions. TLN's business is fairly seasonal, with Q3 being a bigger quarter typically for EBITDA. On the cash flow side, we expect a YoY uptick in pension contribution outflows based on guidance.
- We expect TLN to reaffirm its 2024 EBITDA guidance of $720-780M, which was tightened higher on the Q2 call and then reaffirmed at the September Analyst Day. TLN was 100% hedged for the rest of 2024, so we don't sense much fluctuation around the range.
- We also expect TLN to reaffirm its 2025-2026 EBITDA ranges of $925-1,175M and $1,130-1,530M respectively. Since the early-September Analyst Day, PJM forwards/sparks have flat to slightly down. We've marked our commodities deck to market, which puts some modest downward pressure on our 2024-2026E EBITDA estimates, but still well within guidance ranges – we move to $748/1,036/1,291M from $753/1,080/1,324M.
- One of the key wildcards here is the 2026/2027 PJM auction, which now looks like it will be delayed from December to next June, as PJM itself works to respond to the Sierra Club complaint on TLN's own RMR units and looks at some other market design concepts as well. This creates some overhang as TLN baked in another $270/MW-day print into 2026 guidance, so there is uncertainty. We were worried about the steepness of the VRR curve and potential for a $0 or $696 price, both of which would've been bad for different reasons. So hopefully, PJM can find a construct with more stable results. For TLN, every $10/MW-day change is ~$14M of EBITDA. Our 2026E embeds $270 for 2026/2027, but our valuation uses a $125 steady-state. At the same time, TLN continues to work on a settlement for the RMR rate agreement itself.
- Last but certainly not least is the big interconnection service agreement filing at FERC for Susquehanna/AWS – a decision is due by 11/4, which will be before TLN's earnings call. This is tough to call and investors seem split on the outcome. We lean towards it being approved given the PJM/PPL support. Before that will be the FERC technical conference on 11/1, which may give some indication on the future of co-location as well. So while the existing deal's ISA is pending for the time being, we're still waiting to see if TLN can replicate it and announce another deal around the its gas plants or excess Susquehanna capacity.

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VST: Waiting to join the data center deal party

- We're forecasting Q3 EBITDA of $1,325M – a miss versus consensus and $1,613M last year. The main positive driver is Energy Harbor's contribution, whereas the existing assets are facing a very tough comp from last year, particularly the Retail business which saw a rare positive 3Q23 contribution (seasonality). Demand and pricing in ERCOT ended up comparing unfavorably to last summer, where multiple demand records were set and pricing hit the $5,000/MWh cap several times. As a result we see pressure on both the Retail and Generation businesses, though the latter is largely protected by hedging.
- We expect VST to reaffirm all of its guidances – upper-end of $4.55-5.05B in 2024 (with potential tightened range), $5.2-5.7B in 2025, and $6B+ in 2026. Recall that VST pointed to the upper-end of 2024 and raised 2025 on the Q2 call. Since then, we've continued to see pressures on ERCOT forwards, while PJM forwards have stabilized. VST is close to fully-hedged in 2024/2025, so pressure should be fairly modest, whereas 2026 is facing headwinds but still comfortably above $6B+ thanks to the most recent PJM capacity print. We've marked our commodities deck to market and as such our 2024-2026E EBITDA moves to $4,898/5,602/6,288M from $4,890/5,652/6,581M. Recall that VST bought-in the 15% non-controlling interest in Vistra Vision, but already reported EBITDA on a consolidated-basis – so no change there.
- We came away from our early-October conference feeling that VST had the best chance of being the next to announce a data center deal – they've yet to do so whereas we've now seen two of their peers (CEG/TLN) and they have the most diversification in terms of potential options – nuclear or gas and ERCOT or PJM. Hard to predict specific timing, but excitement is clearly building here.
- In PJM there has been a lot to watch on the regulatory/political front. VST will report after both the FERC technical conference on co-location and the FERC decision on TLN's ISA with AWS, which will likely frame a lot of the discussion. Then there's the PJM auction delay, which likely is pushed out to June now after originally being set for December. On co-location, we believe anything in ERCOT will involve grid back-up and VST also seems focused on the additionality front via coal-to-gas conversion, uprates, and peaker new build potential. On the PJM auction, we believe VST was embedding more conservative assumptions for 2026/2027 than the recent $270 print (our estimate/valuation assumes $125). Revisiting market design for the auction hopefully addresses some of the binary risk that could've driven a $0 or $696 price given demand curve steepness.
- We'll also be interested in how VST talks to capital allocation longer-term – buybacks/dividends continue to be a automatic part of the equation ($3.25B buybacks over 2024-2026). The Vistra Vision buy-in was attractive. VST is assessing new build options in Texas. Where else could VST look to allocate capital?

WEC: Waiting on Wisconsin rate case; capex refresh coming

- We forecast Q3 EPS of $0.70 – in-line with consensus and at the top-end of WEC's guidance of $0.68-0.70. This is well below $1.00 last year, but recall there is a shift in timing of earnings recognition in Illinois following the most recent rate case – shifting to base rates from the QIP rider will result in earnings following a more volumetric pattern (ie: heavily weighted to winter, Q1/Q4). So Q1 was up big YoY and now Q2/Q3 are expected to be down. Weather looks relatively normal this year and shouldn't be much of a factor. There's also continued headwinds from higher O&M/depreciation/interest. The main positive driver is Wisconsin rate relief.
- We expect WEC to reaffirm 2024 guidance of $4.80-4.90. The year still appears on track, despite weather being a headwind in 1H24. WEC already lowered its O&M target to 2-3% higher (from 3-5% and before that 6-7%) and has proven it can flex this historically.
- As per usual, WEC will refresh and roll-forward their five-year capex plan with Q3. We expect an upward bias that will be funded incrementally with 50% equity. We expect WEC to continue pointing to a 6.5-7% EPS CAGR, though it remains unclear when they are back within the range. Recall that 2024 was below the CAGR given the Illinois pressures and we think it likely takes until 2026 to get back on track. WEC's normal practice would be to give 2025 guidance in December (last year's year-end call update was an anomaly after the IL rate case outcome) and our estimate is $5.19 – slightly below consensus and 6.2% growth off the original 2023 guidance base (or 7.0% growth off 2024 guidance midpoint). WEC will also

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refresh/extend its sales growth outlook, which currently is 4.5-5% in 2026-2028 on the back of MSFT's expansion in Wisconsin.

- In Wisconsin, we were a bit surprised to see WEC not settle its biannual rate case, as has historically been the case. We view the current WI PSC as well-balanced, but will have to wait for a final decision to know for sure. To the positive, WI PSC Staff was supportive of 60%+/90%+ of WEC's rate ask in year 1/2. We don't expect much change to the allowed ROE or equity ratio either. A decision matrix was just published for WPS, with WEPCO/WI Gas still to come. We expect a final WI PSC decision in late-November or early-December.
- In Illinois, it has continued to be a bit more troubling. First, was the disappointing rehearing order on the SMP. Second, was the decision on the QIP rider reconciliation for 2016 that resulted in a $0.06 GAAP charge. WEC still has to go through reconciliations for 2017-2023, but our understanding is they don't expect similar charges. Illinois also still has a broader review of the SMP pending, as well as a proceeding on the future of natural gas in the state.

XEL: 2024 pressures, 2025 guidance miss; considerable upside plan and DC sales growth

- Q3: We forecast 3Q24 EPS of $1.19, which is below cons. at $1.28. We see YoY results in Q3 down $0.04, driven by higher D&A, interest expense, O&M, replacement power costs for Prairie Island outage from Oct. 2023 through Feb. 2024, and share dilution. Partial offsets include rate relief, capital riders, higher AFUDC, and electric sales growth. Weather was about neutral YoY (~+$0.04 vs. normal).
- 2024 guidance: We think XEL could narrow 2024 guidance slightly below the midpoint of its $3.50-3.60 range due to the following headwinds: lower electric sales growth (~1% vs. ~2-3% forecasted initially; every 100bps = $35M pre-tax), pressure on O&M from higher veg. mgmt. and wildfire insurance premiums, and Prairie Island outage replacement power costs. To reflect these pressures, we are lowering our 2024E by $0.02 to $3.53 vs. cons. at $3.56.
- 2025 guidance: XEL will provide initial 2025 guidance at Q3. We anticipate seeing a midpoint around $3.80 and are lowering our 2025E by $0.05 to $3.80 vs. cons. at $3.84 to conform to that view. This reduction reflects higher O&M from wildfire mitigation initiatives, an increase in XEL's wildfire insurance premium, and more lag at PSCo electric and SPS. Our 2025E represents ~7% YoY growth off the $3.55 original midpoint of XEL's FY24 range – this is consistent with XEL's L-T outlook to achieve EPS growth at or above the top-end of its 5-7% range starting in 2025.
- Capex / financing refresh; upside plan likely significant from resource plans: Q3's updated 2025-29 base capital plan will include wildfire mitigation spend (~$1.6B in CO over 2025-27; SPS' TX resiliency plan to be filed in Q4), 418 MW of approved self-build solar projects in TX / NM (currently $740M in the $5B incremental plan), and some additional T&D capex. The upside plan will likely be significant and include resource plans / RFPs that haven't yet received regulatory approvals – SPS ($4-10B) / NSP ($3-4B) resource plans, PSCo's Just Transition Solicitation (we est. ~$5-14B of capex assuming 50% ownership of ~5-14 GW resource need by 2031 and capital costs of $2,000/kW); $4.26B is also included in the current upside plan from 1,850 MW of outstanding RFPs at NSP and future PSCo RFPs. XEL will fund any additional capex with ~40% equity to maintain ~17% FFO/Debt and sub-25% HoldCo/Total Debt. $93M / $40M of ATM / DRIP equity had been issued through Q2 vs. $4B of needs over 2024-28.
- TX / CO wildfire developments: We will be monitoring any TX / CO wildfire updates, including any potential revisions to the $215M lower end TX liability est. that was unchanged at Q2. SPS has settled 52 of the 160 claims it has received, with 22 lawsuits filed against it due to the Smokehouse Creek Fire. PSCo recently received a positive ruling from the judge on the structure of the Marshall Fire litigation – the 1st phase will be subject to all ~4K plaintiffs and deal only with liability; if XEL is found not negligent, the trial will not move to the 2nd damages phase. The CO trial is expected to start in Sept. 2025 and last ~2 months. XEL will have a similar level of insurance (~$500M) for 2025, but sees premiums at 2-3x its current ~$40M cost; a related deferral request has been filed in CO and will be filed in TX.
- Sales CAGR boost to ~4-5% from ~3%; updates on rate cases: Mgmt. sees XEL's L-T sales growth increasing to ~4-5% due to incremental load from high probability data centers. At Q2, XEL's total customer requests were ~6.7 GW (+9.1% CAGR). XEL's current ~3% sales forecast annually for 2024-28 reflects a +1.7% contribution from data centers that are contracted and in the N-T pipeline. XEL will file a multi-year MN electric rate case in Nov. – the 9.6% ROE stipulated in the gas settlement is a

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positive readthrough vs. NSP-MN electric's currently allowed 9.25%. The CPUC recent deliberations on PSCo's gas rate case were mixed – $135M est. revenue increase (~70% of adjusted ask), but average RB with historic test year and a 7% WACC, reflecting 9.2-9.5% ROE and 52-55% equity ratio ranges.

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WOLFE RESEARCH

October 21, 2024

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Wang \ George

From: Steve Fleishman <utilities@wolferesearch.com>
Sent: Monday, December 23, 2024 8:47 AM
To: Wang \ George
Subject: The Fleishman Daily 12/23/24 - POR, NI, ERCOT, CNP, Power Prices, AEE, EXC, AGR, Midstream Weekly, SEDG, GREEN Weekly

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December 23, 2024

THE FLEISHMAN DAILY 12/23/24

POR, NI, ERCOT, CNP, Power Prices, AEE, EXC, AGR, Midstream Weekly, SEDG, GR

The Fleishman Daily 12/23/24
Utilities: POR, NI, ERCOT, CNP, Power Prices, AEE, EXC, AGR
Midstream: Midstream Weekly
Clean Energy: SEDG, GREEN Weekly
WEBCAST: Fleish on Fridays; replay here, slides here, polls here

Utilities

POR – OPUC final order in 2025 GRC sets $98M rate hike, 9.34% ROE; rejects Seaside BESS tracker and requires anoth recovery; disappointing
NI – OUCC recommends ~$203M revenue increase, 9% ROE, ~53% equity ratio in NIPSCO electric rate case; reasonabl
ERCOT – PUCT drops pursuit of Performance Credit Mechanism (PCM); not surprising
CNP – Files extension letter for proposed rates to facilitate ongoing settlement discussions in CEHE's rate case
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AEE: No MO overhang from IL; off to bigger and better

EXC: Regulatory uncertainties resolved; hoping the narrative will as well
AGR: Dropping coverage As Iberdrola Set to Close Buy-In

Midstream

Midstream of Consciousness – A look back at 2024 – key themes from our most read reports; Introducing our open seas

Clean Energy

SEDG – Holiday video attempts to spread cheer despite abysmal year
Wolfe GREEN Playbook – Most read reports; TSLA overtakes SEDG in share war; Awaiting final 45V for hydrogen

Utilities sentiment meter – We keep our sentiment meter at "4". Interest rates jumped as the Fed signaled an end to furt This seemed to hit the market more than utilities, however, as the market also didn't like the budget messiness in DC. R were mixed last week with more constructive IL grid plan orders for EXC/AEE and OH supporting FE's ESP withdrawal, outcome for SRE in CA and a disappointing GRC for POR in OR. It should be quiet to the end of the year now on the reg Happy Holidays!

Wolfe Utility, Clean Energy, & Midstream Materials: Utility Comps, Utility Stock Charts, Midstream Comps, Clean E Clean Energy Stock Charts, Models, Valuation Charts, Marketing Deck

Utilities

POR – OPUC final order in 2025 GRC sets $98M rate hike, 9.34% ROE; rejects Seaside BESS tracker and requires anoth recovery; disappointing

- On Friday, the OPUC issued a final order in POR's 2025 GRC approving an expected revenue increase of ~$98M 9.34% ROE (vs prior 9.5%) & 50/50 cap structure.
    - In its closing brief, POR requested a revenue increase of ~$183M premised on a 9.5% ROE and 50% equ (consistent with its previously allowed levels).
- The OPUC rejected POR's request for a tracker for the Seaside BESS project.
    - POR noted in its press release that as the OPUC invited in its decision, POR intends to submit a new filin investments in Seaside BESS with expedited review.
- The OPUC ruled that neither Clearwater Wind's costs (+$68M) nor its benefits (-$96M in lower power costs) ca rates until after the determination of prudence by 3/1/25.
    - If found prudent in docket UE 427, this would lead to a -1% overall rate reduction.
- The Commission rejected POR's interpretation of the inclusion of standalone storage in the RAC.
    - The OPUC reiterated that the RAC statute's intent is to cover only storage and transmission more directl renewable energy resource.
- The OPUC declined to open an investigation into multi-year rate plans at this time, but directed Staff to present public meeting and convene at least 1 stakeholder workshop.
    - The OPUC believes that an alternative approach exists that better balances regulatory lag with the curre climate to meet state policy/decarbonization efforts.

- The Commission invited POR to submit such a proposal for review in its next GRC.

We are still digesting the order, but it looks disappointing. This was the first GRC that POR hadn't settled in awhile. Des interest rate environment and significant future financing needs, the ROE was lowered as the OPUC believes that freque lower POR's financial risk. We estimate that the 16bps ROE reduction = ~$0.055-0.06 of EPS. There is regulatory lag ri Seaside BESS delay, but the expedited filing and potential to capture revenue outside the regulated construct may help we are not sure POR can still hit the low end of the of the 5-7% CAGR in 2025 ex RFPs. OR seems to have rate case fat type of multi-year framework would be helpful.

NI – OUCC recommends ~$203M revenue increase, 9% ROE, ~53% equity ratio in NIPSCO electric rate case; reasonable

- Last week, the OUCC filed testimony in NIPSCO electric's rate case recommending a $203.3M (11.1%) total reve using a 9.00% ROE and ~53% equity ratio.
  - Step 1: $191.0M based on a 52.90% equity ratio and $8,826.4M rate base.
  - Step 2: $12.2M based on a 53.01% equity ratio and $9,229.3M rate base.
- NIPSCO requested a $368.7M (20.1%) total revenue increase premised on a 10.60% ROE and ~53% equity rati test year ending 12/31/25.
  - Step 1: $319.1M based on a 52.90% equity ratio and $8,826.9M rate base.
  - Step 2: $49.6M based on a 53.01% equity ratio and $9,229.8M rate base.
- The rate hike has been proposed to be phased-in over 2 steps: effective 9/1/25 (based on rate base as of 5/31/2 3/1/26 (based on rate base as of 12/31/25).
- Per its last settlement, NIPSCO electric is currently allowed a 9.80% ROE & 51.63% equity ratio.
- Next steps: Per the procedural schedule, 1/23/25 is the preliminary settlement deadline and a final order is expe

Coming in at ~55% of NIPSCO's ask and only marginally lower rate base, this appears to be a reasonable starting point recommendation seems low, but it is not an atypical starting point for the OUCC (the Consumer Counselor). In recent ca the OUCC's initial ROE recommendation has ranged between 8.8-9.3%, but settlements have been reached around 9.7 be monitoring the docket in Jan. for the filing of a potential settlement agreement or any extensions to the procedural sc accommodate further settlement discussions.

ERCOT – PUCT drops pursuit of Performance Credit Mechanism (PCM); not surprising

- Last week, PUCT Chair Gleeson filed a memo – effectively shutting down implementation of the Performance Cr
  - He wrote: " I don't believe that the PCM, as currently designed, will provide the reliability benefits neede market. While reconsideration of the PCM may be appropriate in the future, at this point I believe our col are best directed toward implementing other market design initiatives"

- At the 12/19 PUCT open meeting, all commissioners and PUCT Staff were in agreement on the memo
- Recall that PCM passed out of the 2023 Texas legislative session, but had not been implemented
- Instead the PUCT remains focused on the implementation of other market design items like real-time co-optimiz dispatchable reliability reserve services (DRRS)

Not surprising here. Last year, the PCM ended up getting watered down ($1B/year net cost cap) in the ERCOT legislativ year, the PUCT seemed reluctant to move forward with any form of implementation. Some of the generators had previo PCM as needed to incent new build, but since that time at least the power price environment has improved.

CNP – Files extension letter for proposed rates to facilitate ongoing settlement discussions in CEHE's rate case

- On Friday, CEHE filed a request with the ALJ in its rate case to extend the effective dates for the proposed rates Dec. 20 to facilitate parties' ongoing settlement negotiations.

This filing is not surprising given the ongoing settlement talks in CEHE's rate case. We continue to monitor the docket fo developments and think that CNP could reach an agreement in early-2025.

Power Prices – Weekly Tracker

- Below we show our weekly tracking of power, gas, and spark spreads – data requests we frequently get with m sector than ever
- We show the key markets – PJM West / ERCOT North power and their respective spark spreads based on TETC Ship Channel gas
- As a reminder, we also provide a mark-to-market view for our coverage as part of our Bi-Weekly Mark publishe every other Monday
- Power and sparks were mostly up again in PJM and ERCOT last week
- PJM forwards rallied sharply on nat gas, though sparks actually came down in 2025 and were more mixed in ou
- ERCOT forwards also rallied on nat gas, but sparks expanded across 2025-2027
    - The delay in the ERCOT CDR and the end of PCM implementation was the main news last week



AEE: No MO overhang from IL; off to bigger and better

Click here to view our complete note

All the focus turns to MO, transmission. The IL order removes a modest but year-long overhang on AEE stock, which t turn premium to the group avg P/E. With IL resolved, we see the stock closer to 1.5-2x now that investor focus turns to In 2025, we expect MO legislation and more large load growth opportunities in MO: 350 MW of data center demand an expected; AEE's MO IRP in Feb will be another data point. And MISO transmission, while longer-dated, could result in f the Tranche 2.2 process, plus ROFR legislation in 1H25.

EXC: Regulatory uncertainties resolved; hoping the narrative will as well

Click here to view our complete note

Busy year of rate cases done but stock remains depressed. The IL order removes an overhang that EXC did not expect able to manage on top of previously planned rate cases in PA, MD and DC. The IL outcome was better than feared. PA a Although MD denied a MYRP for Pepco, EXC still has one for BGE, and a review of MYRP framework is ongoing. Headin has certainty on revenues covering 90% of EXC's rate base. Why a 2.5x discount to the group avg P/E? We think EXC's to co-location have become a distraction to the investment case. As those hopefully resolve, the discount should narrow

AGR: Dropping coverage As Iberdrola Set to Close Buy-In

Click here to view our complete note

Dropping coverage of AGR. We suspended our rating on 3/10/24 when the Iberdrola deal was originally announced. Ib to close the deal on 12/23/24. Our final rating, estimates, and price target should no longer be relied upon.

Midstream

Midstream of Consciousness – A look back at 2024 – key themes from our most read reports; Introducing our open seas

In this week's report:

- We highlight our top 10 most read reports of the year. These included lots of reports on the electrification / data C-corps vs. MLP divergence, evolving valuation frameworks, and M&A potential.
- We introduce our open season project tracker, which should be a helpful guide as investors increasingly focus o additions and growth

See full report **here** for more.

Clean Energy

SEDG – Holiday video attempts to spread cheer despite abysmal year

- **Link to video**

We understand that SEDG's lighthearted holiday videos are a tradition that goes back to Guy Sella. Still, SEDG investor cheerful with the stock down ~84% YTD.

Wolfe GREEN Playbook – Most read reports; TSLA overtakes SEDG in share war; Awaiting final 45V for hydrogen

- **Most read GREEN Playbooks of 2024**
- **Inverter death cross: TSLA overtakes SEDG's market share in CA**
  - ENPH maintains this month; SEDG's turn to give up share
  - Approvals down ~11% in November
- **Will the final 45V Clean Energy PTC rules be a Christmas gift or a lump of coal?**
- **Where the seven DOE Hydrogen Hubs stand now**
- **Clean Energy Sentiment Meter maintained at "2"**
- Please see full report **here** for more.

Recent Popular Reports

Cross-Sector Data Center Report
Power Supply Outlook 2024
Wolfe Clean Energy Initiation
Utilities Top 10 for 2024
Midstream Top 10 for 2024
Clean Energy Top 10 for 2024
Wolfe Hydrogen Primer
Wolfe Resi Solar Primer
Utility Proxy Review
Midstream Proxy Review
Clean Energy Proxy Review
Utilities Earnings Accountability
Utilities Credit Metrics Outlook
Midstream Credit Metrics Outlook
Utility Pension Review
Wolfe Utilities Primer
Wolfe Midstream Primer

Wolfe Events

January 14: Group Lunch with McKinsey & Company in New York
January 14-15: Vistra Non-deal Roadshow in New York

Calendar

View Comp Table

Steve Fleishman
sfleishman@wolferesearch.com
(646) 582-9241
View Steve's Research

Keith Stanley, CFA
kstanley@wolferesearch.com
(646) 582-9243
View Keith's Research

David Paz
dpaz@wolferesearch.com
(646) 582-9242

Michael Sullivan, CFA
msullivan@wolferesearch.com
(646) 582-9245

Dylan Nassano
dnassano@wolferesearch.com

Burke Sansiviero
bsansiviero@wolferesearch.com

Chris Tsung, CFA
ctsung@wolferesearch.com

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www.wolferesearch.com

Wolfe Research
757 Third Avenue, 6th Floor
New York, NY 10017
(646) 845-0700

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North American Utilities

3Q24 Previews: NI & POR

Please find below our thoughts on NI and POR into the quarter.

- **NI: Capex, upside capex, and upside to the upside all in focus; potential 7GW generation opportunity outlined in IRP materials.** Consistent with our AGA mini forum takeaways, 3Q screens as an impactful update for NI, with the company's 2025-2029 plan refresh primed to demonstrate progress on upside capex and some potential for outlining data center impacts currently outside of plan. On data centers, load and capex related to the MSFT project or MWs contemplated in the IRP appear to carry potential for inclusion in the roll-forward, although may ultimately await a later update. That said, we suspect that the IRP overall and data center opportunities alongside this will still see updates on 3Q regardless of the latest capital plan drivers, potentially in the form of outlining even broader upside to the refreshed incremental capex opportunity. NI's latest IRP presentation points to a potential 7GW generation need, representing significant investment if ultimately realized. For capex, we expect some upside capex will migrate into NI's base plan, new upside capex will see inclusion in the incremental bucket, and this broader upside to the upside could garner discussion to outline IRP elements that do not yet meet NI's bar for plan inclusion (given the company's focus on conservatism in assumptions). Overall, we remain positive on the virtuous cycle of plan execution, leading to capex increases, leading to guidance and forward earning power increases that NI has demonstrated over the past few years and retains runway for going forward. Additionally, NI's growth leverage to new generation to serve large power additions continues to demand market attention within the data center theme. We see these dynamics contributing to a positive backdrop into this 3Q update. Separately, we anticipate NI will continue its past practice of initiating guidance alongside earnings and estimate 2025 EPS of $1.85 for 7% YoY growth from the $1.73 2024 JPMe (3Q24 JPMe EPS: $0.15).
- **POR: All eyes on rate case final stretch, plus forthcoming RFP updates into early 2025.** With the Oct 10 rate case hearing date eclipsed with no settlement, we now expect a fully litigated proceeding into upcoming milestones across opening briefs on Oct 28, oral arguments on Nov 14, and a target order date of Dec 20. Ratcheting up investor angst given the lack of a settlement, there appears to be little to assuage market fears until the commission ultimately weighs in to address affordability debates, the request for standalone storage in the RAC, and other key case items. We see this as a wait-and-see moment in the case, as rate design could help the path forward and

North American Utilities

Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

Jeremy Tonet, CFA
(1-212) 622-4915
jeremy.b.tonet@jpmorgan.com

Eli Jossen, CFA
(1-212) 622-4113
eli.jossen@jpmchase.com

Aidan C Kelly
(1-212) 622-4912
aidan.x.kelly@jpmchase.com

Robin L Shillock
(1-212) 622-8223
robin.shillock@jpmchase.com
J.P. Morgan Securities LLC

Equity Ratings and Price Targets

Company	Ticker	Mkt Cap ($ mn)	Price ($)	Rating Cur	Rating Prev	Price Target Cur	Price Target End Date	Price Target Prev	Price Target End Date
NiSource Inc.	NI US	14,436.57	34.93	OW	n/c	38.00	Dec-25	36.00	n/c
Portland General Electric	POR US	4,347.69	48.50	OW	n/c	55.00	Dec-25	54.00	n/c

Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates. n/c = no change. All prices as of 21 Oct 24.

See page 7 for analyst certification and important disclosures.

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

other options (multi-year frameworks, investment trackers, battery recovery changes) screen as stakeholder discussion points to reduce the need over time for serial filings. Separately, POR's recently released final shortlist in its 2023 RFP is also topical, although major updates appear more likely for YE24 or early 2025. Previously, the company had indicated primary "Group A" projects include a 400MW battery and 125MW solar + 125MW battery projects under a BTA structure for 650MW of ownership potential, subject to OPUC acknowledgement and final negotiations. Additionally, POR laid out secondary "Group B" projects representing 300MW of ownership potential across three battery projects, all of which could supplement Group A or backfill Group A projects that fall short of reaching commercial terms. With up to ~$1.0-1.8bn of POR investment represented across Group A and Group A + Group B (depending on price assumptions; no capex currently disclosed) and a 55% win rate under Group A if all projects receive contracts, we continue to see the shortlist as a positive next step in the process and indicative of a path to firmly secure the capex required for POR's 5-7% EPS growth rate. On the quarter, we model 3Q24 EPS of $0.85, which assumes a meaningful power cost swing in POR's favor.

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

Investment Thesis, Valuation and Risks

NiSource Inc. *(Overweight; Price Target: $38.00)*

Investment Thesis

NI's favorable thematic qualities include, 1) an outlook baked for inflation and high interest rates, 2) balance sheet cushion after the NIPSCO minority stake sale, 3) relatively lower regulatory risk versus the overall group following the 2022-23 rate case cycle, and 4) an O&M efficiency runway primed to generate annual savings. Additionally, the company's 6-8% annual EPS growth and an 8-10% rate base CAGR screen as attractive, either matching or exceeding premium peers. While NI now trades at a premium to electrics, we still see this balance of qualities underpinning upside, with the company's beat & raise EPS potential also additive. We are also positive on regular capex updates to incorporate upside opportunities (including to serve new data center/manufacturing load), plus benefits of further building an execution track record.

Valuation

We raise our Dec 2025 price target to $38/share (compared to prior $36/share). We base our price target on a sum-of-the-parts analysis using our 2026 electric and gas segment EPS forecasts. We value the gas and electric segments using 18.9x and 20.0x P/E multiples, respectively. These represent premiums to peers on account of NI's coal generation transition, incremental renewables investment, ongoing pipe replacement programs, and above-average growth as a result, plus favorable ratemaking mechanisms. The increase in price target primarily stems from higher peer average multiples.

Risks to Rating and Price Target

Gas pipeline accidents in the industry have heightened the importance of pipeline safety and integrity management. These accidents can result in significant financial strains related to pipeline replacement, accident investigations, life and property claims, regulatory fines, and disallowances.

Achievement of NiSource's long-term rate base and EPS CAGR targets is heavily dependent on robust capital investments, regulatory support, and favorable ratemaking mechanism. Any deferral of spending could put the company at risk of falling short of the LT rate base and earnings growth CAGR in any one year.

Regulated electric and gas utilities are subject to federal and state regulations, including determinations of allowed revenues. Negative changes to the regulatory environments may cause future earnings to be materially lower than current expectations.

This document is being provided for the exclusive use of spopovski@nisource.com.

Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

Investment Thesis, Valuation and Risks

Portland General Electric *(Overweight; Price Target: $55.00)*

Investment Thesis
Portland General Electric carries a significant generation transition opportunity, codified in OR's HB 2021 clean energy bill that drives 80% by 2030 and 100% by 2040 decarbonization targets. To POR, this represents a 3,500-4,500MW need through 2030, with upcoming RFPs to cover a portion of these resources for potential project ownership. Hurdles to POR's 5-7% EPS growth target appear manageable, and POR's incremental project leverage stands out given its relative size and the active, multi-year window to secure additional investments. We see these qualities as differentiated, with the potential to underpin an attractive growth runway. While work remains to secure the ~25% level supporting this outlook, we expect POR to demonstrate progress on this front through RFPs. Separately, we note that POR aspires to continue improving the PCAM over time, building on revisions out of the 2024 rate case. While we currently ascribe no credit to these future efforts, we believe any further changes to reduce the underlying PCAM-driven earnings volatility could also result in a multiple uplift. At POR's discount to peers, we see current levels as attractive for this renewables growth and upside potential.

Valuation
We raise our Dec 2025 price target to $55/share (compared to prior $54/share). We use a 16.5x P/E multiple on 2026E EPS. The multiple reflects a discount to regulated electric peers on account of execution risk associated with securing incremental renewables to meet the company's growth target. We expect further progress on project announcements will eventually de-risk POR's outlook but do not credit this element in the multiple at this time. Higher peer average multiples primarily contribute to the increase in price target.

Risks to Rating and Price Target

- With the potential for high capital investment or growing PPA costs to effect Oregon's generation transition, strong underlying load growth is a key element to mitigating the ultimate customer bill impact of this transition. Should the rate trajectory outstrip local willingness to pay, backlash against utility rates could limit the commission's appetite for future increases, lowering capex or driving adverse rate case outcomes for POR and downside versus our estimates.
- Oregon policy contemplates an accelerated generation transition, both in the path to 80% decarbonization by 2030, for which technological solutions are available today, and 100% decarbonization by 2040, which likely requires development of advanced technologies. Should the transition threaten resiliency, this concern may immediately halt efforts, risking future renewables capex to POR. Alongside this, the western power markets have featured notable constraints, highlighted through significantly elevated power prices. Transmission development is one path to alleviating constraints but is subject to long lead times, permitting challenges, and adds to customer bill pressure. Should further transmission build-out not occur, POR may face limitations to procuring incremental renewables. Additionally, transmission may enable alternative supply solutions that reduce the need for company-owned generation. Under either scenario, POR's growth could fall short of expectations.

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

NiSource Inc.: Summary of Financials

Income Statement - Annual	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	**5,834**	**5,566**	**5,397**	**5,695**	**6,000**
COGS	(2,111)	(1,533)	(1,106)	(1,106)	(1,106)
Gross profit	**3,723**	**4,033**	**4,291**	**4,589**	**4,894**
SG&A	(1,754)	(1,766)	**(1,775)**	**(1,800)**	**(1,815)**
Adj. EBITDA	**2,010**	**2,272**	**2,533**	**2,789**	**3,079**
D&A	(821)	(908)	(1,014)	(1,087)	(1,143)
Adj. EBIT	**1,189**	**1,364**	**1,519**	**1,703**	**1,936**
Net Interest	(362)	(490)	(510)	(611)	(734)
Adj. PBT	**828**	**874**	**1,009**	**1,091**	**1,202**
Tax	(137)	(155)	(153)	(174)	(192)
Minority Interest	(43)	(3)	(67)	(44)	(59)
Adj. Net Income	**648**	**716**	**789**	**874**	**950**
Reported EPS	1.46	1.60	1.73	1.85	1.99
Adj. EPS	**1.46**	**1.60**	**1.73**	**1.85**	**1.99**
DPS	**0.94**	**1.00**	**1.06**	**1.12**	**1.19**
Payout ratio	64.2%	62.5%	61.1%	60.6%	59.9%
Shares outstanding	443	448	455	472	478

Income Statement - Quarterly	1Q24A	2Q24A	3Q24E	4Q24E
Revenue	**1,739A**	**1,097A**	**1,094**	**1,467**
COGS	(425)A	(165)A	(181)	(335)
Gross profit	**1,314A**	**932A**	**912**	**1,132**
SG&A	(456)A	(425)A	(421)	(473)
Adj. EBITDA	**868A**	**516A**	**491**	**659**
D&A	(242)A	(254)A	(257)	(261)
Adj. EBIT	**626A**	**262A**	**234**	**398**
Net Interest	(116)A	(129)A	(130)	(134)
Adj. PBT	**509A**	**133A**	**103**	**263**
Tax	(84)A	(21)A	(1)	(47)
Minority Interest	(42)A	(17)A	(36)	28
Adj. Net Income	**383A**	**95A**	**66**	**245**
Reported EPS	0.85A	0.21A	0.15	0.53
Adj. EPS	**0.85A**	**0.21A**	**0.15**	**0.53**
DPS	**0.27A**	**0.27A**	**0.27**	**0.27**
Payout ratio	31.1%A	126.0%A	182.5%	50.2%
Shares outstanding	449A	450A	455	464

Balance Sheet & Cash Flow Statement	FY22A	FY23A	FY24E	FY25E	FY26E
Cash and cash equivalents	75	2,281	0	0	0
Accounts receivable	1,042	862	624	624	624
Other current assets	1,467	1,356	1,269	1,454	1,606
Current assets	**2,584**	**4,499**	**1,893**	**2,078**	**2,230**
PP&E	19,843	22,275	24,794	27,407	29,314
Other non current assets	4,310	4,303	4,341	4,341	4,341
Total assets	**26,737**	**31,077**	**31,028**	**33,826**	**35,886**
Short term borrowings	1,762	3,049	373	2,103	2,293
Payables	900	749	584	584	584
Other short term liabilities	1,999	1,467	1,257	1,257	1,257
Current liabilities	**4,661**	**5,265**	**2,214**	**3,943**	**4,134**
Long-term debt	9,524	11,056	13,521	13,696	14,616
Other long term liabilities	4,651	4,620	4,808	4,982	5,174
Total liabilities	**18,835**	**20,941**	**20,542**	**22,621**	**23,923**
Shareholders' equity	7,902	10,136	10,486	11,205	11,962
Minority interests	-	-	-	-	-
Total liabilities & equity	**26,737**	**31,077**	**31,028**	**33,826**	**35,886**
BVPS	**19.17**	**22.66**	**22.48**	**23.67**	**24.93**
y/y Growth	*6.8%*	*18.2%*	*(0.8%)*	*5.3%*	*5.3%*
Net debt/(cash)	11,210	11,823	13,893	15,798	16,909
Cash flow from operating activities	**1,409**	**1,935**	**1,694**	**1,949**	**2,133**
o/w Depreciation & amortization	821	908	1,014	1,087	1,143
o/w Changes in working capital	(285)	200	(272)	(185)	(153)
Cash flow from investing activities	**(2,570)**	**(3,572)**	**(3,294)**	**(3,700)**	**(3,050)**
o/w Capital expenditure	(2,203)	(2,646)	(2,919)	(3,700)	(3,050)
as % of sales	*37.8%*	*47.5%*	*54.1%*	*65.0%*	*50.8%*
Cash flow from financing activities	**1,141**	**3,842**	**(410)**	**21**	**726**
o/w Dividends paid	(437)	(457)	(491)	(529)	(569)
o/w Net debt issued/(repaid)	1,488	2,742	4	175	920
Net change in cash	**(20)**	**2,206**	**(2,010)**	**(1,730)**	**(191)**
Adj. Free cash flow to firm	**(492)**	**(308)**	**(792)**	**(1,237)**	**(300)**
y/y Growth	*45.4%*	*(37.4%)*	*157.2%*	*56.1%*	*(75.7%)*

Ratio Analysis	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	63.8%	72.5%	79.5%	80.6%	81.6%
EBITDA margin	34.5%	40.8%	46.9%	49.0%	51.3%
EBIT margin	20.4%	24.5%	28.2%	29.9%	32.3%
Net profit margin	11.1%	12.9%	14.6%	15.3%	15.8%
ROE	8.5%	7.9%	7.6%	8.1%	8.2%
ROA	2.5%	2.5%	2.5%	2.7%	2.7%
ROCE	5.5%	5.2%	5.3%	5.6%	5.8%
SG&A/Sales	30.1%	31.7%	32.9%	31.6%	30.3%
Net debt/equity	1.4	1.2	1.3	1.4	1.4
P/E (x)	23.9	21.8	20.1	18.9	17.6
P/BV (x)	1.8	1.5	1.6	1.5	1.4
EV/EBITDA (x)	9.3	8.7	8.8	8.7	8.3
Dividend Yield	2.7%	2.9%	3.0%	3.2%	3.4%
Sales/Assets (x)	0.2	0.2	0.2	0.2	0.2
Interest cover (x)	5.6	4.6	5.0	4.6	4.2
Operating leverage	40.8%	(319.9%)	(374.6%)	218.5%	255.4%
Revenue y/y Growth	19.0%	(4.6%)	(3.0%)	5.5%	5.4%
EBITDA y/y Growth	8.5%	13.0%	11.5%	10.1%	10.4%
Tax rate	16.5%	17.7%	15.2%	15.9%	16.0%
Adj. Net Income y/y Growth	13.5%	10.5%	10.1%	10.8%	8.8%
EPS y/y Growth	7.0%	9.2%	8.5%	6.8%	7.3%
DPS y/y Growth	6.8%	6.4%	6.0%	6.0%	6.0%

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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Portland General Electric: Summary of Financials

Income Statement - Annual	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue	**2,647**	**2,923**	**3,268**	**3,383**	**3,459**
COGS	(988)	(1,190)	(1,346)	(1,346)	(1,346)
Gross profit	**1,659**	**1,733**	**1,922**	**2,037**	**2,113**
SG&A	(688)	(715)	**(748)**	**(759)**	**(770)**
Adj. EBITDA	**845**	**904**	**1,055**	**1,164**	**1,229**
D&A	(417)	(458)	(491)	(511)	(527)
Adj. EBIT	**428**	**446**	**564**	**653**	**702**
Net Interest	(156)	(173)	(212)	(230)	(238)
Adj. PBT	**272**	**273**	**352**	**424**	**464**
Tax	(39)	(45)	(45)	(62)	(72)
Minority Interest	0	0	0	0	0
Adj. Net Income	**245**	**233**	**321**	**362**	**393**
Reported EPS	2.73	2.38	3.09	3.26	3.36
Adj. EPS	**2.73**	**2.38**	**3.09**	**3.26**	**3.36**
DPS	**1.79**	**1.88**	**1.98**	**2.08**	**2.18**
Payout ratio	65.4%	78.9%	63.9%	63.7%	65.0%
Shares outstanding	90	98	104	111	117

Income Statement - Quarterly	1Q24A	2Q24A	3Q24E	4Q24E
Revenue	**929A**	**758A**	**875**	**706**
COGS	(405)A	(275)A	(386)	(280)
Gross profit	**524A**	**483A**	**489**	**426**
SG&A	(194)A	(204)A	(175)	(175)
Adj. EBITDA	**294A**	**253A**	**285**	**223**
D&A	(121)A	(122)A	(123)	(125)
Adj. EBIT	**173A**	**131A**	**162**	**98**
Net Interest	(51)A	(52)A	(54)	(55)
Adj. PBT	**122A**	**79A**	**108**	**43**
Tax	(13)A	(7)A	(19)	(5)
Minority Interest	0A	0A	0	0
Adj. Net Income	**123A**	**72A**	**89**	**37**
Reported EPS	1.21A	0.70A	0.85	0.35
Adj. EPS	**1.21A**	**0.70A**	**0.85**	**0.35**
DPS	**0.48A**	**0.50A**	**0.50**	**0.50**
Payout ratio	39.2%A	71.7%A	58.8%	142.6%
Shares outstanding	101A	103A	104	107

Balance Sheet & Cash Flow Statement	FY22A	FY23A	FY24E	FY25E	FY26E
Cash and cash equivalents	165	5	0	0	0
Accounts receivable	398	414	385	385	385
Other current assets	647	516	457	457	457
Current assets	**1,210**	**935**	**842**	**842**	**842**
PP&E	8,465	9,546	10,342	11,031	11,654
Other non current assets	784	727	841	820	744
Total assets	**10,459**	**11,208**	**12,025**	**12,693**	**13,240**
Short term borrowings	280	246	292	498	583
Payables	457	347	259	259	259
Other short term liabilities	759	519	487	487	487
Current liabilities	**1,496**	**1,112**	**1,038**	**1,244**	**1,329**
Long-term debt	3,386	3,905	4,353	4,353	4,342
Other long term liabilities	2,798	2,872	2,907	2,938	2,974
Total liabilities	**7,680**	**7,889**	**8,298**	**8,535**	**8,645**
Shareholders' equity	2,779	3,319	3,727	4,158	4,595
Minority interests	0	0	0	0	0
Total liabilities & equity	**10,459**	**11,208**	**12,025**	**12,693**	**13,240**
BVPS	**-**	**-**	**-**	**-**	**-**
y/y Growth	-	-	-	-	-
Net debt/(cash)	3,501	4,146	4,645	4,851	4,925
Cash flow from operating activities	**674**	**420**	**771**	**924**	**1,032**
o/w Depreciation & amortization	417	458	491	511	527
o/w Changes in working capital	71	(326)	(17)	0	0
Cash flow from investing activities	**(758)**	**(1,358)**	**(1,356)**	**(1,200)**	**(1,150)**
o/w Capital expenditure	(766)	(1,358)	(1,340)	(1,200)	(1,150)
as % of sales	*28.9%*	*46.5%*	*41.0%*	*35.5%*	*33.2%*
Cash flow from financing activities	**197**	**778**	**392**	**70**	**45**
o/w Dividends paid	(158)	(179)	(202)	(230)	(255)
o/w Net debt issued/(repaid)	360	340	450	0	0
Net change in cash	**113**	**(160)**	**(193)**	**(206)**	**(74)**
Adj. Free cash flow to firm	**42**	**(794)**	**(384)**	**(79)**	**83**
y/y Growth	*96.4%*	*(2006.0%)*	*(51.6%)*	*(79.3%)*	*(204.2%)*

Ratio Analysis	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	62.7%	59.3%	58.8%	60.2%	61.1%
EBITDA margin	31.9%	30.9%	32.3%	34.4%	35.5%
EBIT margin	16.2%	15.3%	17.2%	19.3%	20.3%
Net profit margin	9.3%	8.0%	9.8%	10.7%	11.4%
ROE	8.9%	7.6%	9.1%	9.2%	9.0%
ROA	2.5%	2.2%	2.8%	2.9%	3.0%
ROCE	5.9%	5.4%	6.2%	6.4%	6.4%
SG&A/Sales	26.0%	24.5%	22.9%	22.4%	22.3%
Net debt/equity	1.3	1.2	1.2	1.2	1.1
P/E (x)	17.7	20.4	15.7	14.9	14.5
P/BV (x)	-	-	-	-	-
EV/EBITDA (x)	4.1	9.2	9.0	9.0	9.0
Dividend Yield	3.7%	3.9%	4.1%	4.3%	4.5%
Sales/Assets (x)	0.3	0.3	0.3	0.3	0.3
Interest cover (x)	5.4	5.2	5.0	5.1	5.2
Operating leverage	56.7%	40.3%	223.6%	451.6%	330.4%
Revenue y/y Growth	10.5%	10.4%	11.8%	3.5%	2.3%
EBITDA y/y Growth	4.6%	7.0%	16.7%	10.3%	5.6%
Tax rate	14.3%	16.5%	12.7%	14.6%	15.4%
Adj. Net Income y/y Growth	0.4%	(4.9%)	37.9%	12.7%	8.5%
EPS y/y Growth	0.4%	(13.0%)	29.9%	5.5%	3.0%
DPS y/y Growth	5.3%	5.0%	5.2%	5.1%	5.2%

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

NiSource Inc. (NI, NI US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Aug 23, 2011. All share prices are as of market close on the previous business day.

Date	Rating	Price ($)	Price Target ($)
04-Jan-22	OW	27.52	31
26-Jan-22	OW	27.14	30
03-Mar-22	OW	29.19	32
18-Apr-22	OW	31.75	34
11-May-22	OW	29.32	33
25-Jul-22	OW	28.44	31
05-Sep-22	OW	29.55	34
24-Oct-22	OW	24.49	30
09-Dec-22	OW	27.77	31
13-Mar-23	OW	26.71	30
24-Apr-23	OW	28.64	31
20-Jun-23	OW	27.38	30
20-Jul-23	OW	27.70	31
05-Sep-23	OW	26.56	30
16-Oct-23	OW	25.78	29
04-Dec-23	OW	26.20	30
23-Jan-24	OW	25.59	29
21-Mar-24	OW	26.86	30
07-Jun-24	OW	28.54	31
23-Jul-24	OW	30.80	33
15-Aug-24	OW	31.84	36

Portland General Electric (POR, POR US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Dec 12, 2006. All share prices are as of market close on the previous business day.
Break in coverage Feb 08, 2020 - May 08, 2023.

Date	Rating	Price ($)	Price Target ($)
08-May-23	OW	51.35	56
26-Jul-23	OW	48.84	53
05-Sep-23	OW	43.99	49
16-Oct-23	OW	41.66	47
04-Dec-23	OW	41.97	48
23-Jan-24	OW	40.10	45
20-Mar-24	OW	41.10	46
23-Jul-24	OW	47.13	50
07-Aug-24	OW	46.07	54

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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IB clients**	50%	46%	38%
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Richard W Sunderland AC
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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Richard W Sunderland AC
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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Richard W Sunderland [AC]
(1-212) 622-2869
richard.w.sunderlandiii@jpmorgan.com

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Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-011:

If applicable, please supply a listing of all common equity infusions from the parent to the Company over the past five years. In each case, identify date and dollar amount.

Response:

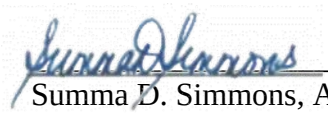
Attachment A shows Columbia Gas of Pennsylvania received equity infusions of $55,000,000 in March 2020, $60,000,000 in June 2021, and $25,000,000 in December 2021.

RECEIPT OF CAPITAL CONTRIBUTION

Columbia Gas of Pennsylvania, Inc. hereby acknowledges receipt of an equity capital contribution in the amount of $55,000,000 from its sole stockholder NiSource Gas Distribution Group, INC.

Dated: March 31, 2020

COLUMBIA GAS OF PENNSYLVANIA, INC.



Summa D. Simmons, Assistant Treasurer

RECEIPT OF CAPITAL CONTRIBUTION

Columbia Gas of Pennsylvania, Inc. hereby acknowledges receipt of an equity capital contribution in the amount of $60,000,000 from its sole stockholder, NiSource Gas Distribution Group, Inc.

Dated: June 30, 2021

COLUMBIA GAS OF PENNSYLVANIA, INC.

Randy G. Hulen, Treasurer

RECEIPT OF CAPITAL CONTRIBUTION

Columbia Gas of Pennsylvania, Inc. hereby acknowledges receipt of an equity capital contribution in the amount of $25,000,000 from its sole stockholder, NiSource Gas Distribution Group, Inc.

Dated: December 31, 2021

COLUMBIA GAS OF PENNSYLVANIA, INC.

Randy G. Hulen, Treasurer

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-012:

If applicable, please identify the Company's common dividend payments to its parent for each of the last five years.

Response:

Common dividend payments to the parent company for the last 5 years were as follows:

2020 -$0
2021 - $0
2022 - $0
2023 - $0
2024 - $0

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-013:

Please provide the latest year-by-year financial projections for the Company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies. (Information should be treated in a confidential manner.)

Response:

The financial projections of the Company are confidential and will be made available upon request, subject to an appropriate confidentiality agreement or protective order.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-014:

Please provide the Company's five-year construction budget.

Response:

GAS-ROR-014 Attachment A provides Columbia Gas of Pennsylvania's current five year Capital Program (2025-2029) broken down by Business Class, summarized by Gross Capital Expenditures, Net Capital Expenditures, and Contributions and Reimbursements.

Columbia Gas of Pennsylvania
Capital Program
($000)

Budgeted Capital Expenditures

Class	2025	2026	2027	2028	2029
Growth	$ 42,664	$ 40,697	$ 43,647	$ 43,671	$ 45,144
Betterment	$ 14,249	$ 26,679	$ 25,576	$ 7,034	$ 5,135
Public Improvement	$ 15,265	$ 9,884	$ 9,369	$ 9,347	$ 9,838
Replacement	$ 312,281	$ 335,994	$ 366,549	$ 396,530	$ 425,064
Support Services	$ 6,612	$ 12,933	$ 6,636	$ 6,083	$ 4,872
Total Gross Capital	**$391,072**	**$426,186**	**$451,777**	**$462,666**	**$490,053**
Shared Services Allocation	$24,881	$25,794	$25,703	$25,703	$25,703
Total Gross Capital Including Shared Services	**$415,953**	**$451,980**	**$477,480**	**$488,369**	**$515,756**

	2025	2026	2027	2028	2029
Contributions - Growth	($107)				
Reimbursement - Betterment					
Reimbursement - Public Improvement	($125)				
Reimbursement - Replacement					
Total Contributions & Reimbursements	**($232)**	**$0**	**$0**	**$0**	**$0**

Capital Expenditures Net Reimbursements

Class	2025	2026	2027	2028	2029
Growth	$ 42,557	$ 40,697	$ 43,647	$ 43,671	$ 45,144
Betterment	$ 14,249	$ 26,679	$ 25,576	$ 7,034	$ 5,135
Public Improvement	$ 15,140	$ 9,884	$ 9,369	$ 9,347	$ 9,838
Replacement	$ 312,281	$ 335,994	$ 366,549	$ 396,530	$ 425,064
Support Services	$ 6,612	$ 12,933	$ 6,636	$ 6,083	$ 4,872
Total Net Capital	**$ 390,839**	**$426,186**	**$451,777**	**$462,666**	**$490,053**
Shared Services Allocation	$24,881	$25,794	$25,703	$25,703	$25,703
Total Net Capital Including Shared Services	**$415,721**	**$451,980**	**$477,480**	**$488,369**	**$515,756**

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-015:

Please identify the Company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.

Response: Columbia Gas of Pennsylvania, Inc.

The Company targets an equity ratio of between 53-55% and a debt ratio, including short term debt, of between 45-47%. These ranges have been acceptable in Pennsylvania in the past. They also fall within the ranges of the Gas Group as described in Vincent Rea's direct testimony, Columbia Statement No. 8.

Response: NiSource Inc.

NiSource Inc. does not formally publish a capital structure target, but it implements its financial strategy with the goal of maintaining an investment grade bond rating.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-016:

For each month, of the most recent 24 months, please supply the Company's

a. short-term debt balance;

b. short-term debt interest rate;

c. balance of construction work in progress; and

d. balance of construction work in progress which is eligible for AFUDC accrual.

Response:

Please see GAS-ROR-016 Attachment A.

COLUMBIA GAS OF PENNSYLVANIA, INC.

	Part A	Part B	Part C	Part D
	Short Term Debt		Construction Work in Progress	
	Balance ($000)	Rate %	CWIP Balance (Dollars$)	CWIP Eligible for AFUDC (Dollars$)
January 2023	91,527	4.68%	81,449,099	56,648,003
February	464	5.41%	84,541,615	62,878,149
March	81,871	5.60%	91,452,430	68,568,385
April	60,663	5.77%	105,969,234	76,305,076
May	55,867	6.06%	117,461,438	84,037,013
June	60,970	5.97%	127,142,346	88,286,646
July	89,360	5.94%	118,626,217	94,435,248
August	115,199	6.03%	125,683,917	94,730,981
September	22,456	6.02%	136,467,398	99,718,601
October	44,913	6.05%	130,769,622	105,570,020
November	95,364	6.10%	135,257,418	110,732,300
December 2023	78,538	6.19%	79,033,805	73,163,633
January 2024	125,611	5.71%	87,147,814	60,067,402
February	88,867	5.62%	105,611,411	73,068,785
March	62,267	5.59%	115,932,174	82,056,319
April	44,501	5.63%	119,313,754	92,464,785
May	43,960	5.62%	131,122,681	98,793,955
June	50,261	5.62%	147,670,709	103,363,846
July	75,518	5.58%	124,832,643	104,402,138
August	112,937	5.57%	120,711,205	99,111,389
September	91,954	5.47%	136,571,629	114,661,647
October	131,396	4.99%	150,490,662	123,722,545
November	161,428	4.85%	137,815,234	122,507,964
December 2024	229,670	4.78%	87,524,474	95,745,769

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-017:

If applicable, please provide the currently authorized returns on equity for each of the parent's utility subsidiaries of the same industry type as the Company. In each case identify the approximate date when the current return on equity was approved by the state commission.

Response:

Company		Date		ROE
Columbia Gas of Kentucky		December 30, 2024		9.75%*
Columbia Gas of Ohio		January 26, 2023		9.6%
Columbia Gas of Maryland		October 26, 2023		N.A.**
Columbia Gas of Virginia		May 15, 2023		9.70%***
NIPSCO - Gas		July 31, 2024		9.75%

*Columbia Gas of Kentucky received a Final Order on December 28, 2024 in Case No. 2024-00092 approving a 9.75% ROE applied to the approved rate base (13 month average for rate year/calendar year 2025).

**On October 26, 2023, the Public Utility Law Judge's September 25, 2023 Proposed Order in Columbia Gas of Maryland's 2023 Rate Case, Case Number 9701, (recommending approval of the Settlement with a minor modification) became the Final Order of the Maryland Public Service Commission. The ROE is not stated and a ROR of 7.20% was approved for use in STRIDE filings.

***Columbia Gas of Virginia received a final order May 15, 2023, approving a settlement in a base rate proceeding. While the settlement indicated no specific ROE used to establish base rates, it did establish a ROE of 9.7% to be used in any application or filing other than a general base rate filing. Additionally, it established an ROE range of 9.2% to 10.2% with a midpoint of 9.7% for use in Earnings Tests filings.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-018:

Has the Utility reacquired or repurchased any debt within the last five years? If so, provide a summary of each gain or loss on reacquired debt, the date on which the utility commenced amortization of such a gain or loss, the regulatory commission decision addressing the treatment of such gain or loss on reacquired debt, if any, on interest expense.

Response:

Columbia has not reacquired or repurchased any debt within the last five years.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-019:

Fully identify all debt (other than instruments traded in public markets) owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.

Response:

Columbia Gas of Pennsylvania, Inc. (the Company) is a wholly owned subsidiary of NiSource Gas Distribution, Inc., which is a subsidiary of NiSource Inc. (the Parent). All debt of the Company is held by the Parent and is not publicly traded.

Please see GAS-ROR-019 Attachment A to this Response.

COLUMBIA GAS OF PENNSYLVANIA, INC.

STATEMENT OF OUTSTANDING LONG TERM NOTES AT DECEMBER 31, 2024

Line No.	Description	Date of Issue (1)	Date of Maturity (2)	Principal Amount Issued (3) $	Amount Paid (4) $	Amount Outstanding (5) $	Coupon Interest Rate (6)	Annualized Cost (7) $
	Columbia Gas of Pennsylvania, Inc.							
	LONG TERM DEBT							
1	Debentures	11/28/2005	11/28/2025	54,515,000	$ -	54,515,000	5.9200%	3,227,288
2	Debentures	12/14/2007	12/14/2027	58,000,000	$ -	58,000,000	6.8650%	3,981,700
3	Debentures	12/16/2010	12/16/2030	28,000,000	$ -	28,000,000	6.0200%	1,685,600
5	Debentures	3/28/2012	3/26/2032	30,000,000	$ -	30,000,000	5.3550%	1,606,500
6	Debentures	3/28/2012	3/26/2042	35,000,000	$ -	35,000,000	5.8900%	2,061,500
7	Debentures	11/28/2012	11/28/2042	65,000,000	$ -	65,000,000	5.2600%	3,419,000
8	Debentures	6/19/2013	06/19/2043	23,000,000	$ -	23,000,000	5.5300%	1,271,900
9	Debentures	12/18/2013	12/18/2043	32,000,000	$ -	32,000,000	6.2900%	2,012,800
10	Debentures	12/18/2014	12/16/2044	30,000,000	$ -	30,000,000	4.4300%	1,329,000
11	Debentures	3/24/2015	3/24/2045	60,000,000	$ -	60,000,000	4.1500%	2,490,000
12	Debentures	9/28/2015	9/28/2035	60,000,000	$ -	60,000,000	4.5051%	2,703,060
13	Debentures	3/31/2016	3/30/2046	45,000,000	$ -	45,000,000	4.1858%	1,883,610
14	Debentures	1/31/2017	1/31/2047	85,000,000	$ -	85,000,000	4.4386%	3,772,810
15	Debentures	6/29/2018	6/29/2048	80,000,000	$ -	80,000,000	4.5279%	3,622,320
16	Debentures	11/22/2019	11/22/2049	80,000,000	$ -	80,000,000	3.6870%	2,949,600
17	Debentures	3/31/2020	3/31/2050	110,000,000	$ -	110,000,000	3.8716%	4,258,760
18	Debentures	3/31/2021	3/31/2051	110,000,000	$ -	110,000,000	3.6521%	4,017,310
19	Debentures	12/31/2021	12/31/2051	50,000,000	$ -	50,000,000	3.2671%	1,633,550
20	Debentures	6/30/2022	6/30/2052	40,000,000	$ -	40,000,000	5.0808%	2,032,320
21	Debentures	12/30/2022	12/30/2052	60,000,000	$ -	60,000,000	5.6498%	3,389,880
22	Debentures	6/30/2023	6/30/2053	40,000,000	$ -	40,000,000	5.5628%	2,225,120
23	Debentures	9/29/2023	9/29/2053	110,000,000	$ -	110,000,000	6.2618%	6,887,980
24	Debentures	6/28/2024	6/28/2054	50,000,000	$ -	50,000,000	5.9124%	2,956,200
25	Debentures	9/30/2024	9/30/2054	50,000,000	$ -	50,000,000	5.3762%	2,688,100
24	TOTAL INSTALLMENT FROM NOTES PAYABLE			1,385,515,000	$ -	1,385,515,000		68,105,908
25	TOTAL AVERAGE WEIGHTED EFFECTIVE COST RATE [Col. 7/Col. 5]							4.916%

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-20:

Provide a summary statement of all stock dividends, splits, or par value changes during the two (2) year calendar period preceding the rate case filing.

Response:

Columbia Gas of Pennsylvania paid no dividends during the two year calendar period preceding the rate case.

Cash dividends on NiSource Inc. stock during the two year calendar period preceding the rate case were as follows:

Date Declared		Record Date		Date of Payment		Dividend Per share
08/13/2024		10/31/2024		11/20/2024		$0.265
05/13/2024		07/31/2024		08/20/2024		$0.265
03/19/2024		04/30/2024		05/20/2024		$0.265
01/25/2024		02/05/2024		02/20/2024		$0.265
08/07/2023		10/31/2023		11/20/2023		$0.25
05/23/2023		07/31/2023		08/18/2023		$0.25
03/14/2023		04/28/2023		05/19/2023		$0.25
01/26/2023		02/07/2023		02/17/2023		$0.25

NiSource Inc. also had two classes of preferred stock that paid dividends during the past two years. This is detailed below:

Series A:

Date Declared		Record Date		Date of Payment		Dividend Per share
03/14/2023		05/24/2023		06/15/2023		$25.25 per share equal to 0.02825 per $1 of its liquidation preference

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Series B:

Date Declared		Record Date		Date of Payment		Dividend Per share
01/25/2024		02/23/2024		03/15/2024		$406.25 per share equal to 0.40625 per depositary share
08/07/2023		11/24/2023		12/15/2023		$406.25 per share equal to 0.40625 per depositary share
05/22/2023		08/24/2023		09/15/2023		$406.25 per share equal to 0.40625 per depositary share
03/14/2023		05/24/2023		06/15/2023		$406.25 per share equal to 0.40625 per depositary share
01/26/2023		02/22/2023		03/15/2023		$406.25 per share equal to 0.40625 per depositary share

NiSource Inc. did not have any stock splits or par value changes during the two year calendar period preceding the rate case.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-021:

If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system--consolidated, the reasons for this claim must be fully stated and supported.

Response:

The filing utility, Columbia Gas of Pennsylvania, Inc., is not utilizing the capital structure of the parent company (NiSource Gas Distribution, Inc.), or the system consolidated (NiSource Inc.) in its claim.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-022:

To the extent not provided in SDR III-A.13, supply projected capital requirements and sources of the filing utility, its parent and system--consolidated--for the test year and each of three (3) comparable future years.

Response:

Response to this request is confidential at this time and will be provided upon request after an appropriate protective order is issued or once the information is made public.

Please refer to Exhibit No. 405 concerning the three future years.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-023:

To the extent not provided elsewhere, supply financial data of Company and/or parent for the last five (5) years.

a. Times interest earned ratio – pre and post tax basis.

b. Preferred stock dividend coverage ratio – post tax basis.

c. Times fixed charges earned ratio – pre tax basis.

d. Dividend payout ratio.

e. AFUDC as a percent of earnings available for common equity.

f. Construction work in progress as a percent of net utility plant.

g. Effective income tax rate.

h. Internal cash generations as a percent of total capital requirements.

Response:

Please see GAS-ROR-023 Attachment A, page 1 for Company financial data and page 2 for parent financial data.

COLUMBIA GAS OF PENNSYLVANIA, INC.
Standard Data Request - Rate of Return
SDR No. 23 - Exhibit

a. Times Interest earned ratio -- pre and post tax basis.

	2020	2021	2022	2023	2024
Pre-tax	3.55	4.07	5.03	4.12	3.53
Post-tax	3.03	3.40	4.22	3.45	2.99

b. Preferred stock dividend coverage ratio -- post tax basis.

2020	2021	2022	2023	2024
N/A	N/A	N/A	N/A	N/A

c. Time fixed charges earned ratio -- pre tax basis.

2020	2021	2022	2023	2024
3.70	4.22	5.36	4.48	3.84

d. Dividend payout ratio.

2020	2021	2022	2023	2024
0.00	0.00	0.00	0.00	0.00

e. AFUDC as earnings available for common equity.

2020	2021	2022	2023	2024
1.00%	1.27%	0.84%	0.97%	1.18%

f. Construction work in progress as a percent of net utility plant.

2020	2021	2022	2023	2024
1.80%	1.52%	2.16%	1.95%	1.97%

g. Effective income tax rate

2020	2021	2022	2023	2024
20.53%	21.77%	20.13%	21.51%	21.66%

h. Internal cash generations as a percent of total capital requirements.

2020	2021	2022	2023	2024
56.70%	57.96%	72.66%	69.59%	72.23%

NiSource Inc.
Standard Data Request - Rate of Return
SDR No. 23 - Exhibit

a. Times Interest earned ratio -- pre and post tax basis.

	2020	2021	2022	2023	2024
Pre-tax	0.92	3.07	3.64	2.66	2.94
Post-tax	0.96	2.73	3.19	2.38	2.63

b. Preferred stock dividend coverage ratio -- post tax basis.

2020	2021	2022	2023	2024
(0.26)	10.69	14.37	12.58	38.22

c. Time fixed charges earned ratio -- pre tax basis.

2020	2021	2022	2023	2024
0.96	3.11	3.83	3.23	3.00

d. Dividend payout ratio.

2020	2021	2022	2023	2024
(26.56)	0.68	0.55	0.69	0.60

e. AFUDC as earnings available for common equity.

2020	2021	2022	2023	2024
-13.62%	2.47%	2.02%	3.81%	10.15%

f. Construction work in progress as a percent of net utility plant.

2020	2021	2022	2023	2024
3.45%	4.52%	7.05%	5.66%	8.19%

g. Effective income tax rate.

2020	2021	2022	2023	2024
54.63%	16.67%	17.21%	17.14%	15.77%

h. Internal cash generations as a percent of total capital requirements.

2020	2021	2022	2023	2024
16.94%	56.75%	60.23%	47.10%	58.60%