Consumers Illinois Water Company
Historical and Projected Growth

	1	2	3	4	5	6		7	8	9
	Value Line Historical Five Year Growth Rate (1)		Five Year Historical BR + SV (2)	Value Line Projected 2000-02 to 2006-'08 Growth Rate (1)		ThomsonFN / First Call Mean Consensus Projected Five Year Growth Rate		*Average Projected* Five Year Growth Rate in EPS (3)	*Projected Five* Year BR + SV (4)	Conclusion of Growth Rate
	DPS	EPS		DPS	EPS	EPS	No. of Est.			
Proxy Group of Seven C. A. Turner Water Companies										
American States Water Co.	1.0 %	4.5 %	3.8 %	2.0 %	6.0 %	4.00 %	[1]	5.0 %	5.7 %	
Artesian Resources Corp.	9.0 (5)	4.4 (5)	4.6	NA	NA	7.25	[2]	7.3	NA	
California Water Service Group	1.5	(5.0)	5.6	1.0	9.0	3.00	[1]	6.0	5.7	
Middlesex Water Company	2.5 (5)	(0.2) (5)	3.7	NA	NA	7.00	[1]	7.0	NA	
Philadelphia Suburban Corp.	6.0	10.0	12.7	5.5	10.0	8.50	[6]	9.3	9.4	
Southwest Water Company	9.0 (5)	29.5 (5)	9.1	NA	NA	9.00	[1]	9.0	NA	
York Water Company	1.7 (5)	4.1 (5)	3.0	NA	NA	7.00	[1]	7.0	NA	
Average	4.4 %	5.8 % (8)	6.1 %	2.8 %	8.3 %	6.54 %		7.2 %	6.9 %	
								Range of Growth Rates		2.8% - 8.3%
								Midpoint of Range		5.6%
								Average of all Growth Rates (6)		5.8%
								Average of Midpoint of Range and Average of all Growth Rates		5.7%
								Average of Projected EPS Growth Rates (7)		7.2%
Proxy Group of Thirteen Utilities Selected on the Basis of Least *Relative Distance*										
AGL Resources, Inc.	0.5 %	(1.0) %	3.5 %	*Nil* %	8.0 %	6.21 %	[11]	7.1 %	7.3 %	
American States Water Co.	1.0	4.5	3.8	2.0	6.0	4.00	[1]	5.0	5.7	
California Water Service Group	1.5	(5.0)	5.6	1.0	9.0	3.00	[1]	6.0	5.7	
Cleco Corporation	2.5	6.0	4.9	1.0	5.5	7.50	[2]	6.5	7.2	
DPL Inc.	1.5	3.0	7.9	*Nil*	5.0	6.91	[11]	6.0	8.7	
Middlesex Water Company	2.5 (5)	(0.2) (5)	3.7	NA	NA	7.00	[1]	7.0	NA	
Northwest Natural Gas Co.	1.0	0.5	4.1	1.5	6.5	4.67	[3]	5.6	5.3	
Philadelphia Suburban Corp.	6.0	10.0	12.7	5.5	10.0	8.50	[6]	9.3	9.4	
Public Service Enterprise Group, Inc.	--	5.5	4.9	1.0	4.0	5.00	[15]	4.5	7.9	
Southern Company	2.0	2.5	2.6	3.0	6.0	5.13	[16]	5.6	5.2	
TECO Energy, Inc.	5.0	4.5	8.6	1.5	4.0	5.17	[12]	4.6	7.5	
WPS Resources Corporation	2.0	2.5	4.8	2.0	4.5	6.00	[3]	5.3	4.9	
York Water Company	1.7 (5)	4.1 (5)	3.0	NA	NA	7.00	[1]	7.0	NA	
Average	2.3 %	4.3 % (8)	5.4 %	2.1 %	6.2 %	5.85 %		6.1 %	6.8 %	
								Range of Growth Rates		2.1% - 6.8%
								Midpoint of Range		4.5%
								Average of all Growth Rates (6)		4.7%
								Average of Midpoint of Range and Average of all Growth Rates		4.6%
								Average of Projected EPS Growth Rates (7)		6.1%

Notes:
(1) As shown on pages 10 through 20 of this Schedule. *Historical growth rates are five-year compound growth rates.*
(2) From page 2 of this Schedule.
(3) Average of Columns 5 and 6.
(4) From page 6 of this Schedule.
(5) Calculated using the same methodology as Value Line Investment Survey, i.e., three-year base periods ending 2001.
(6) Average of Columns 1, 2, 3, 4, 5, 6, and 8.
(7) From Column 7.
(8) Excludes negatives. Also excludes the 29.5% five-year historical growth rate in EPS for Southwest Water Company because, in Ms. Ahern's opinion, such a growth rate is clearly an outlier.

Source of Information: Value Line Investment Survey, March 7, March 21, April 4, and May 2, 2003 Standard Edition
ThomsonFN First Call Earnings, ec.thomsonfn.com, updated April 26, 2003

Consumers Illinois Water Company
Calculation of Historical BR + SV

	1	2	3	4	5
	BR (1)	S Factor (2)	V Factor (3)	SV (4)	BR + SV (5)
Proxy Group of Seven C. A. Turner Water Companies					
American States Water Co.	2.8 %	2.7 %	38.1 %	1.0 %	3.8 %
Artesian Resources Corp.	3.5	3.2	35.2	1.1	4.6
California Water Service Group	3.6	4.0	49.7	2.0	5.6
Middlesex Water Company	1.7	4.0	50.2	2.0	3.7
Philadelphia Suburban Corp.	4.7	12.5	64.1	8.0	12.7
Southwest Water Company	7.8	2.6	49.4	1.3	9.1
York Water Company	1.8	2.4	48.3	1.2	3.0
Average	3.7 %	4.5 %	47.9 %	2.4 %	6.1 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance					
AGL Resources, Inc.	2.8 %	1.6 %	42.8 %	0.7 %	3.5 %
American States Water Co.	2.8	2.7	38.1	1.0	3.8
California Water Service Group	3.6	4.0	49.7	2.0	5.6
Cleco Corporation	4.9	0.1	46.6	0.0	4.9
DPL Inc.	7.5	0.7	62.4	0.4	7.9
Middlesex Water Company	1.7	4.0	50.2	2.0	3.7
Northwest Natural Gas Co.	3.3	2.3	32.8	0.8	4.1
Philadelphia Suburban Corp.	4.7	12.5	64.1	8.0	12.7
Public Service Enterprise Group, Inc.	4.9	NMF	44.0	NMF	4.9
Southern Company	1.7	2.0	47.3	0.9	2.6
TECO Energy, Inc.	4.4	7.5	55.6	4.2	8.6
WPS Resources Corporation	2.1	7.5	35.7	2.7	4.8
York Water Company	1.8	2.4	48.3	1.2	3.0
Average	3.6 %	3.9 %	47.5 %	2.0 %	5.4 %

Notes:
(1) From column 6, pages 3, 4 and 5 of this Schedule.
(2) From column 12, page 6 of this Schedule.
(3) From column 7, page 7 of this Schedule.
(4) Column 2 * column 3.
(5) Column 1 + column 4.

Consumers Illinois Water Company
Historical Internal Growth Rate (1), i.e., BR, for
the Proxy Group of Seven C. A. Turner Water Companies
for the Years 1997 -2001

	1	2	3	4	5	6
	2001	2000	1999	1998	1997	Five-Year Average 1997-2001 Internal Growth Rate. i.e., BR
Proxy Group of Seven C. A. Turner Water Companies						
American States Water Co.						
Common Equity Return Rate	10.37 %	10.24 %	10.23 %	9.52 %	9.38 %	
Retention Ratio	35.65	32.06	28.40	22.34	20.16	
Internal Growth Rate (1)	3.70	3.28	2.91	2.13	1.89	2.8 %
Artesian Resources Corp.						
Common Equity Return Rate	9.80 %	7.39 %	9.74 %	9.77 %	7.30 %	
Retention Ratio	98.44	8.12	27.74	34.04	14.43	
Internal Growth Rate (1)	9.65	0.60	2.70	3.33	1.05	3.5 %
California Water Service Group						
Common Equity Return Rate	7.49 %	10.54 %	11.43 %	10.96 %	14.55 %	
Retention Ratio	(14.22)	18.03	30.37	25.98	42.50	
Internal Growth Rate (1)	(1.07)	1.90	3.47	2.85	6.18	3.6 (20
Middlesex Water Company						
Common Equity Return Rate	9.37 %	7.16 %	11.05 %	10.52 %	11.22 %	
Retention Ratio	5.88	(21.76)	22.73	19.59	15.51	
Internal Growth Rate (1)	0.55	(1.56)	2.51	2.06	1.74	1.7 (2)
Philadelphia Suburban Corp.						
Common Equity Return Rate	13.34 %	13.32 %	12.17 %	13.53 %	12.49 %	
Retention Ratio	42.95	42.40	27.15	36.02	29.85	
Internal Growth Rate (1)	5.73	5.65	3.30	4.87	3.73	4.7
Southwest Water Company						
Common Equity Return Rate	12.12 %	12.16 %	15.53 %	9.99 %	8.33 %	
Retention Ratio	67.92	67.56	75.16	61.56	55.44	
Internal Growth Rate (1)	8.23	8.22	11.67	6.15	4.62	7.8
York Water Company						
Common Equity Return Rate	11.73 %	11.88 %	10.31 %	10.53 %	10.92 %	
Retention Ratio	21.97	21.50	10.46	12.44	15.06	
Internal Growth Rate (1)	2.58	2.55	1.08	1.31	1.64	1.8
Average						3.7 %

Notes: (1) The internal growth rate is calculated by multiplying the common equity return rate by the retention ratio (100% minus the dividend payout ratio). All data are on a

(2) Excludes negatives.

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus Research Insight Database

Consumers Illinois Water Company
Historical Internal Growth Rate (1), i.e., BR, for
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
for the Years 1997-2001

Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance	1 2001	2 2000	3 1999	4 1998	5 1997	6 Five-Year Average 1997-2001 Internal Growth Rate, i.e., BR
AGL Resources, Inc.						
Common Equity Return Rate	13.76 %	11.09 %	11.31 %	12.63 %	12.66 %	
Retention Ratio	34.08	15.89	16.53	23.70	21.02	
Internal Growth Rate (1)	4.69	1.76	1.87	2.99	2.66	2.8 %
American States Water Co.						
Common Equity Return Rate	10.37 %	10.24 %	10.23 %	9.52 %	9.38 %	
Retention Ratio	35.65	32.06	28.40	22.34	20.16	
Internal Growth Rate (1)	3.70	3.28	2.91	2.13	1.89	2.8
California Water Service Group						
Common Equity Return Rate	7.49 %	10.54 %	11.43 %	10.96 %	14.55 %	
Retention Ratio	(14.22)	18.03	30.37	25.98	42.50	
Internal Growth Rate (1)	(1.07)	1.90	3.47	2.85	6.18	3.6 (2)
Cleco Corporation						
Common Equity Return Rate	14.71 %	14.93 %	12.68 %	12.40 %	12.57 %	
Retention Ratio	44.38	43.84	32.18	29.94	30.03	
Internal Growth Rate (1)	6.53	6.55	4.08	3.71	3.77	4.9
DPL Inc.						
Common Equity Return Rate	25.15 %	24.31 %	14.41 %	14.17 %	14.59 %	
Retention Ratio	48.03	57.43	30.22	24.08	24.37	
Internal Growth Rate (1)	12.08	13.96	4.35	3.41	3.56	7.5
Middlesex Water Company						
Common Equity Return Rate	9.37 %	7.16 %	11.05 %	10.52 %	11.22 %	
Retention Ratio	5.88	(21.76)	22.73	19.59	15.51	
Internal Growth Rate (1)	0.55	(1.56)	2.51	2.06	1.74	1.7 (2)

NA = Not Available

Notes: (1) The internal growth rate is calculated by multiplying the common equity return rate by the retention ratio (100% minus the dividend payout ratio). All data are on a

(2) Excludes negatives.

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus Research Insight Database

Consumers Illinois Water Company
Historical Internal Growth Rate (1), i.e., BR, for
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
for the Years 1997 -2001

Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance	1 2001	2 2000	3 1999	4 1998	5 1997	6 Five-Year Average 1997-2001 Internal Growth Rate. i.e., BR
Northwest Natural Gas Co.						
Common Equity Return Rate	10.38 %	10.29 %	10.08 %	6.35 %	11.34 %	
Retention Ratio	34.48	31.22	27.95	(19.78)	32.40	
Internal Growth Rate (1)	3.58	3.21	2.82	(1.26)	3.67	3.3 % (2)
Philadelphia Suburban Corp.						
Common Equity Return Rate	13.34 %	13.32 %	12.17 %	13.53 %	12.49 %	
Retention Ratio	42.95	42.40	27.15	36.02	29.85	
Internal Growth Rate (1)	5.73	5.65	3.30	4.87	3.73	4.7 %
Public Service Enterprise Group, Inc.						
Common Equity Return Rate	18.76 %	19.12 %	15.90 %	12.49 %	10.74 %	
Retention Ratio	41.15	39.27	34.44	22.52	10.54	
Internal Growth Rate (1)	7.72	7.51	5.48	2.81	1.13	4.9
Southern Company						
Common Equity Return Rate	11.98 %	9.99 %	13.43 %	10.05 %	10.31 %	
Retention Ratio	17.61	12.17	27.82	4.50	8.54	
Internal Growth Rate (1)	2.11	1.22	3.74	0.45	0.88	1.7
TECO Energy, Inc.						
Common Equity Return Rate	17.46 %	17.16 %	13.73 %	13.57 %	15.62 %	
Retention Ratio	39.35	33.28	15.98	19.46	30.32	
Internal Growth Rate (1)	6.87	5.71	2.19	2.64	4.74	4.4
WPS Resources Corporation						
Common Equity Return Rate	12.33 %	12.42 %	11.31 %	9.37 %	11.37 %	
Retention Ratio	24.23	19.49	10.99	(9.34)	14.63	
Internal Growth Rate (1)	2.99	2.42	1.24	(0.88)	1.66	2.1 (2)
York Water Company						
Common Equity Return Rate	11.73 %	11.88 %	10.31 %	10.53 %	10.92 %	
Retention Ratio	21.97	21.50	10.46	12.44	15.06	
Internal Growth Rate (1)	2.58	2.55	1.08	1.31	1.64	1.8
Average						3.6 %

Notes: (1) The internal growth rate is calculated by multiplying the common equity return rate by the retention ratio (100% minus the dividend payout ratio). All data are on a

(2) Excludes negatives.

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus Research Insight Database

Consumers Illi[illegible]ter Company
Calculation of Five Year Average Growth in [illegible]mon Shares Outstanding (1), i.e., S Factor

	1	2	3	4	5	6	7	8	9	10	11	12
	1996 Common Shares Outstanding (1)	96-97 Growth	1997 Common Shares Outstanding (1)	97-98 Growth	1998 Common Shares Outstanding (1)	98-99 Growth	1999 Common Shares Outstanding (1)	99-00 Growth	2000 Common Shares Outstanding (1)	00-01 Growth	2001 Common Shares Outstanding (1)	Five Year Average Common Share Growth
Proxy Group of Seven C. A. Turner Water Companies												
American States Water Co.	13.329	0.8 %	13.437	0.0 %	13.437	0.0 %	13.437	12.5 %	15.120	0.0 %	15.120	2.7 %
Artesian Resources Corp.	1.748	1.8	1.780	1.3	1.803	10.8	1.998	0.8	2.013	1.3	2.040	3.2
California Water Service Group	12.620	0.0	12.620	0.0	12.619	2.5	12.936	17.1	15.146	0.2	15.182	4.0
Middlesex Water Company	6.307	1.5	6.404	14.7	7.345	2.1	7.501	1.0	7.573	0.7	7.626	4.0
Philadelphia Suburban Corp.	39.997	2.4	40.957	5.8	43.323	47.9	64.083	4.7	67.095	1.9	68.386	12.5
Southwest Water Company	8.067	1.6	8.195	1.4	8.310	1.8	8.462	5.9	8.960	2.5	9.183	2.6
York Water Company	5.800	1.2	5.870	1.5	5.960	(1.0)	5.902	1.8	6.010	5.0	6.308	2.4 (2)
Average												4.5 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance												
AGL Resources, Inc.	55.700	1.6 %	56.600	1.2 %	57.300	(0.3) %	57.100	(5.4) %	54.000	2.0 %	55.100	1.6 % (2)
American States Water Co.	13.329	0.8	13.437	0.0	13.437	0.0	13.437	12.5	15.120	0.0	15.120	2.7
California Water Service Group	12.620	0.0	12.620	0.0	12.619	2.5	12.936	17.1	15.146	0.2	15.182	4.0
Cleco Corporation	44.906	0.0	44.926	0.1	44.972	(0.2)	44.884	0.2	44.990	(0.1)	44.962	0.1 (2)
DPL Inc.	159.015	0.7	160.203	(4.2)	153.545	(2.1)	150.371	(20.2)	120.043	(0.9)	118.934	0.7 (2)
Middlesex Water Company	6.307	1.5	6.404	14.7	7.345	2.1	7.501	1.0	7.573	0.7	7.626	4.0
Northwest Natural Gas Co.	22.555	1.4	22.864	8.7	24.853	1.0	25.092	0.6	25.233	0.0	25.228	2.3
Philadelphia Suburban Corp.	39.997	2.4	40.957	5.8	43.323	47.9	64.083	4.7	67.095	1.9	68.386	12.5
Public Service Enterprise Group, Inc.	233.470	(0.6)	231.958	(2.3)	226.644	(4.5)	216.418	(3.9)	207.972	(1.0)	205.839	NMF
Southern Company	677.036	2.4	693.423	0.6	697.805	(4.6)	665.796	2.3	681.158	2.5	698.344	2.0 (2)
TECO Energy, Inc.	117.600	11.3	130.900	0.8	132.000	(4.0)	126.700	(0.3)	126.300	10.5	139.600	7.5 (2)
WPS Resources Corporation	23.897	0.0	23.897	11.1	26.551	1.1	26.851	(1.3)	26.515	17.6	31.189	7.5 (2)
York Water Company	5.800	1.2	5.870	1.5	5.960	(1.0)	5.902	1.8	6.010	5.0	6.308	2.4 (2)
Average												3.9 %

NMF = Not Meaningful

Notes: (1) Year-end shares outstanding.
(2) Excludes negatives.

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus Research Insight Database

Consumers Illin[illegible]ater Company
Calculation of the P[illegible]um/Discount of a
Company's Stock Price Relative to its Book Value, i.e., V Factor

	1	2	3	4	5	6	7
	1997 Market to Book Ratio (1)	1998 Market to Book Ratio (1)	1999 Market to Book Ratio (1)	2000 Market to Book Ratio (1)	2001 Market to Book Ratio (1)	Five Year Average Market to Book Ratio	V Factor (2)
Proxy Group of Seven C. A. Turner Water Companies							
American States Water Co.	137.4 %	147.8 %	177.2 %	170.8 %	174.8 %	161.6 %	38.1 %
Artesian Resources Corp.	120.0	156.4	168.0	163.3	163.8	154.3	35.2
California Water Service Group	191.2	206.6	201.5	197.1	197.4	198.8	49.7
Middlesex Water Company	164.0	175.6	218.2	209.8	236.9	200.9	50.2
Philadelphia Suburban Corp.	236.5	312.6	287.1	252.9	303.5	278.5	64.1
Southwest Water Company	152.8	173.3	222.9	204.8	234.6	197.7	49.4
York Water Company	226.2	197.5	174.4	154.2	214.9	193.4	48.3
Average						197.9 %	47.9 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance							
AGL Resources, Inc.	187.3 %	177.7 %	169.6 %	156.0 %	182.9 %	174.7 %	42.8 %
American States Water Co.	137.4	147.8	177.2	170.8	174.8	161.6	38.1
California Water Service Group	191.2	206.6	201.5	197.1	197.4	198.8	49.7
Cleco Corporation	162.0	174.6	165.9	215.4	218.5	187.3	46.6
DPL Inc.	221.0	225.2	205.3	293.7	386.1	266.3	62.4
Middlesex Water Company	164.0	175.6	218.2	209.8	236.9	200.9	50.2
Northwest Natural Gas Co.	173.2	168.6	140.5	129.1	132.7	148.8	32.8
Philadelphia Suburban Corp.	236.5	312.6	287.1	252.9	303.5	278.5	64.1
Public Service Enterprise Group, Inc.	122.1	162.5	182.2	200.9	224.9	178.5	44.0
Southern Company	167.6	198.6	185.5	187.6	208.7	189.6	47.3
TECO Energy, Inc.	234.0	246.6	205.1	218.1	221.5	225.1	55.6
WPS Resources Corporation	145.7	170.8	152.6	152.4	156.1	155.5	35.7
York Water Company	226.2	197.5	174.4	154.2	214.9	193.4	48.3
Average						196.8 %	47.5 %

Notes: (1) Market to Book Ratio = average of yearly high-low market price divided by the average of beginning and ending year's balance of book common equity per share.
(2) (1 - (100 / column 6)).

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus Research Insight Database

Consumers Illinois Water Company
Calculation of Projected BR + SV

	1	2	3	4	5	6	7	8	9	10	11
	Common Shares Outstanding (1) (000,000)			Projected 2005 - 2008 (1)							
	Actual 2002	Projected 2006-2008	S Factor (2)	High Stock Price	Low Stock Price	Book Value	Average Stock Price (3)	V Factor (4)	SV (5)	BR (6)	BR + SV (7)
Proxy Group of Seven C. A. Turner Water Companies											
American States Water Co.	15.18	16.80	2.0 %	$30.0	$19.0	$17.70	$24.50	27.8 %	0.6 %	5.1 %	5.7 %
Artesian Resources Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
California Water Service Group	15.18	18.80	4.4	35.0	25.0	19.50	30.00	35.0	1.5	4.2	5.7
Middlesex Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Philadelphia Suburban Corp.	67.92	75.00	2.0	35.0	25.0	9.90	30.00	67.0	1.3	8.1	9.4
Southwest Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
York Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average			2.8 %					43.3 %	1.1 %	5.6 %	6.9 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance											
AGL Resources, Inc.	55.10 (8)	65.00	2.8 %	$35.0	$25.0	$17.60	$30.00	41.3 %	1.2 %	6.1 %	7.3 %
American States Water Co.	15.18	16.80	2.0	30.0	19.0	17.70	24.50	27.8	0.6	5.1	5.7
California Water Service Group	15.18	18.80	4.4	35.0	25.0	19.50	30.00	35.0	1.5	4.2	5.7
Cleco Corporation	47.04	47.05	0.0	25.0	16.0	16.50	20.50	19.5	0.0	7.2	7.2
DPL Inc.	126.50	126.50	0.0	25.0	16.0	9.55	20.50	53.4	0.0	8.7	8.7
Middlesex Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northwest Natural Gas Co.	25.59	27.00	1.1	35.0	25.0	22.20	30.00	28.0	0.3	5.0	5.3
Philadelphia Suburban Corp.	67.92	75.00	2.0	35.0	25.0	9.90	30.00	67.0	1.3	8.1	9.4
Public Service Enterprise Group, Inc.	205.84 (8)	231.40	2.0	55.0	35.0	32.50	45.00	27.8	0.6	7.3	7.9
Southern Company	699.00 (8)	740.00	1.0	40.0	30.0	15.15	35.00	56.7	0.6	4.6	5.2
TECO Energy, Inc.	153.30	175.00	2.7	35.0	20.0	15.00	27.50	45.5	1.2	6.3	7.5
WPS Resources Corporation	31.18 (8)	36.20	2.5	60.0	45.0	29.70	52.50	43.4	1.1	3.8	4.9
York Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average			1.9 %					40.3 %	0.8 %	6.0 %	6.8 %

NA = Not Available

Notes:
(1) From pages 10 through 20 of this Schedule.
(2) The S Factor is the six or five year compound growth rate between the 2001 or 2002 and 2007 (mid-point of 2006-2008 projection) common shares outstanding.
(3) The Average Stock Price is the average of column 4 and column 5.
(4) (1 - (column 6 / column 7))
(5) Column 3 * column 8.
(6) From page 7, column 14 of this Schedule.
(7) Column 9 + column 10.
(8) 2002.

Source of Information: Value Line Investment Survey, March 7, March 21, April 4, and May 2, 2003 Standard Edition

Consumers Illinois Water Company
Projected Internal Growth Rate

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	2002			2006-2008					2006-2008					
	Common Equity (%) (1)	Total Capital ($ mill) (1)	Common Equity ($ mill) (2)	Common Equity (%) (1)	Total Capital ($ mill) (1)	Common Equity ($ mill) (3)	Annual Common Equity Growth Rate (4)	ROE Adjustment Factor (5)	Return on Common Equity (1)	Return on Average Common Equity (6)	EPS (1)	DPS (1)	Retention Ratio (7)	Projected Internal Growth (8)
Proxy Group of Seven C. A. Turner Water Companies														
American States Water Co.	48.00 %	$444.40	$213.31	49.00 %	$605.00	$296.45	6.80 %	1.03 %	10.50 %	10.82 %	$1.85	$0.98	47.0 %	5.1 %
Artesian Resources Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
California Water Service Group	44.00	453.10	199.36	49.00	745.00	365.05	12.86	1.06	10.00	10.60	1.95	1.18	39.5	4.2
Middlesex Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Philadelphia Suburban Corp.	45.80	1,076.20	492.90	48.00	1,550.00	744.00	8.58	1.04	15.00	15.60	1.45	0.70	51.7	8.1
Southwest Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
York Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average														6.8 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance														
AGL Resources, Inc.	38.70 % (9)	$1,736.30 (9)	$671.95 (9)	46.00 %	$2,485.00	$1,143.10	9.26 %	1.04 %	12.00 %	12.48 %	$2.10	$1.08	48.6 %	6.1 %
American States Water Co.	48.00	444.40	213.31	49.00	605.00	296.45	6.80	1.03	10.50	10.82	1.85	0.98	47.0	5.1
California Water Service Group	44.00	453.10	199.36	49.00	745.00	365.05	12.86	1.06	10.00	10.60	1.95	1.18	39.5	4.2
Cleco Corporation	42.40 (9)	1,134.70 (9)	481.11 (9)	47.50	1,650.00	783.75	8.47	1.04	12.50	13.00	2.00	0.90	55.0	7.2
DPL Inc.	24.70	3,265.80	806.65	34.00	3,600.00	1,224.00	8.70	1.04	18.00	18.72	1.75	0.94	46.3	8.7
Middlesex Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northwest Natural Gas Co.	53.20 (9)	880.50 (9)	468.43 (9)	52.00	1,150.00	598.00	4.15	1.02	11.00	11.22	2.40	1.33	44.6	5.0
Philadelphia Suburban Corp.	45.80	1,076.20	492.90	48.00	1,550.00	744.00	8.58	1.04	15.00	15.60	1.45	0.70	51.7	8.1
Public Service Enterprise Group, Inc.	27.20 (9)	15,198.00 (9)	4,133.86 (9)	40.00	18,925.00	7,570.00	10.61	1.05	14.00	14.70	4.60	2.32	49.6	7.3
Southern Company	42.20 (9)	18,925.00 (9)	7,986.35 (9)	45.00	25,000.00	11,250.00	5.88	1.03	15.00	15.45	2.30	1.61	30.0	4.6
TECO Energy, Inc.	51.70 (9)	3,814.10 (9)	1,971.89 (9)	50.00	4,550.00	2,275.00	2.41	1.01	15.50	15.66	2.50	1.50	40.0	6.3
WPS Resources Corporation	46.30 (9)	1,544.80 (9)	715.24 (9)	49.00	2,205.00	1,080.45	7.12	1.03	11.50	11.85	3.40	2.32	31.8	3.8
York Water Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average														6.0 %

NA = Not Available

Notes:
(1) From pages 10 through 20 of this Schedule.
(2) Column 1 * column 2.
(3) Column 4 * column 5.
(4) Five year compound growth rate in common equity from 2001 or 2002 to 2006-2008 or ((((column 6 / column 3) ^ (1/6)) - 1) or ((((column 6 / column 3) ^ (1/5)) - 1)).
(5) 2 * ((1 + column 7) / (2 + column 7)) .
(6) Column 8 * column 9.
(7) 1 - (column 12 / column 11).
(8) Column 10 * column 13.
(9) 2001

Source of Information: Value Line Investment Survey, March 7, March 21, April 4, and May 2, 2003 Standard Edition

AGL RESOURCES NYSE-ATG

RECENT PRICE 22.27 | P/E RATIO 11.7 (Trailing: 12.2; Median: 15.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 4.8% | VALUE LINE

TIMELINESS 3 Raised 5/10/02
SAFETY 2 New 7/27/90
TECHNICAL 2 Raised 3/7/03
BETA .75 (1.00 = Market)

High:	19.5	21.3	19.4	20.0	22.0	21.6	23.4	23.4	23.2	24.5	25.0	25.4				
Low:	15.1	17.0	14.6	14.9	17.1	17.8	17.7	15.6	15.5	19.0	17.3	21.9				

Target Price Range 2006 | 2007 | 2008

2006-08 PROJECTIONS

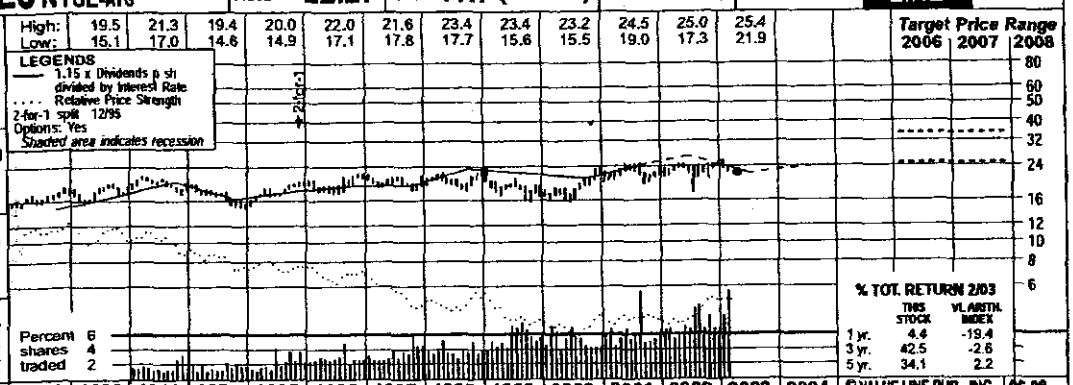
	Price	Gain	Ann'l Total Return
High	35	(+55%)	16%
Low	25	(+10%)	8%

Insider Decisions

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

Institutional Decisions

	3Q2002	4Q2002	1Q2003
to Buy	85	73	98
to Sell	55	59	45
Hld's(000)	27647	28389	28832



% TOT. RETURN 2/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	4.4	-19.4
3 yr.	42.5	-2.6
5 yr.	34.1	2.2

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
26.24	22.97	21.63	22.58	20.26	20.43	22.73	23.59	19.32	21.91	22.75	23.36	18.71	11.25	19.04	15.40	15.50	16.85	Revenues per sh A	20.00
1.84	1.90	1.93	2.04	2.07	2.31	2.25	2.24	2.33	2.49	2.42	2.65	2.29	2.86	3.31	3.40	3.25	3.55	"Cash Flow" per sh	3.90
1.02	1.13	.95	1.01	1.04	1.13	1.08	1.17	1.33	1.37	1.37	1.41	.91	1.29	1.50	1.82	1.85	1.95	Earnings per sh A B	2.10
.80	.88	.94	.98	1.02	1.03	1.04	1.04	1.04	1.06	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	Div'ds Decl'd per sh C■	1.08
3.59	2.86	2.65	2.73	2.95	2.74	2.49	2.37	2.17	2.37	2.59	2.05	2.51	2.92	2.83	3.00	2.70	2.70	Cap'l Spending per sh	2.60
7.89	8.72	8.83	8.97	9.42	9.70	9.90	10.19	10.12	10.56	10.99	11.42	11.59	11.50	12.19	13.00	12.65	13.90	Book Value per sh	17.60
37.48	42.47	43.40	44.32	47.57	48.69	49.72	50.86	55.02	55.70	56.60	57.30	57.10	54.00	55.10	56.50	63.00	63.00	Common Shs Outst'g D	65.00
11.5	11.1	13.7	14.2	15.3	15.5	17.9	15.1	12.6	13.8	14.7	13.9	21.4	13.6	14.6	12.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.77	.92	1.04	1.05	.98	.94	1.06	.99	.84	.86	.85	.72	1.22	.88	.75	.66			Relative P/E Ratio	1.00
6.8%	7.1%	7.2%	6.8%	6.4%	5.9%	5.4%	5.9%	6.2%	5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%			Avg Ann'l Div'd Yield	3.4%
						1130.3	1199.9	1063.0	1220.2	1287.6	1338.6	1068.6	607.4	1049.3	868.9	975	1050	Revenues ($mill) A	1300
						57.5	63.2	74.3	75.6	76.6	80.6	52.1	71.1	82.3	102.9	110	125	Net Profit ($mill)	135
						32.9%	35.2%	36.9%	38.6%	37.9%	32.5%	33.1%	34.3%	40.7%	36.0%	36.0%	36.0%	Income Tax Rate	36.0%
						5.1%	5.3%	7.0%	6.2%	5.9%	6.0%	4.9%	11.7%	7.8%	11.8%	11.4%	11.7%	Net Profit Margin	10.5%
						40.5%	49.0%	47.4%	46.2%	48.7%	47.5%	45.3%	45.9%	61.3%	60.0%	58.0%	55.0%	Long-Term Debt Ratio	54.0%
						53.1%	45.8%	47.6%	48.9%	45.9%	47.1%	49.2%	48.3%	38.7%	40.0%	42.0%	45.0%	Common Equity Ratio	46.0%
						925.7	1131.5	1170.3	1201.3	1356.4	1388.4	1345.8	1286.2	1736.3	1825	1890	1965	Total Capital ($mill)	2485
						1281.3	1297.4	1350.3	1415.4	1496.6	1534.0	1598.9	1637.5	2058.9	2230	2400	2600	Net Plant ($mill)	2900
						8.6%	7.5%	8.2%	8.0%	7.3%	7.6%	5.7%	7.4%	6.5%	6.0%	6.0%	6.5%	Return on Total Cap'l	5.5%
						10.4%	11.0%	12.1%	11.7%	11.0%	11.1%	7.1%	10.2%	12.3%	14.0%	14.0%	14.0%	Return on Shr. Equity	12.0%
						10.8%	11.3%	12.5%	12.1%	11.3%	12.3%	7.9%	11.5%	12.3%	14.0%	14.0%	14.0%	Return on Com Equity	12.0%
						.4%	3.0%	4.6%	3.8%	3.2%	4.4%	NMF	3.2%	4.2%	5.5%	5.5%	6.5%	Retained to Com Eq	6.0%
						96%	75%	66%	71%	74%	64%	101%	72%	65%	59%	61%	55%	All Div'ds to Net Prof	51%

CAPITAL STRUCTURE as of 9/30/02
Total Debt 1390.7 mill. Due in 5 Yrs 368.2 mill.
LT Debt $1022.5 mill. LT Interest $70.0 mill.
(Inc. $225.5 million in trust-preferred securities)
(Total interest coverage: 2.6x)
Leases, Uncapitalized Annual rentals $19.4 mill.
Pension Liability $6.4 mill. in '01 vs. $7.3 mill. in '00
Pfd Stock None

Common Stock 56,313,165 shs.
MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2000	2001	9/30/02
Cash Assets	2.0	2.8	6.1
Other	97.7	214.6	344.8
Current Assets	99.7	217.4	350.9
Accts Payable	34.0	82.4	36.5
Debt Due	161.2	348.4	368.2
Other	89.6	155.8	342.7
Current Liab.	284.8	586.6	747.4
Fix. Chg. Cov.	239%	241%	245%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	-2.5%	-5.5%	3.0%
"Cash Flow"	3.5%	3.5%	4.5%
Earnings	2.0%	-1.0%	8.0%
Dividends	1.0%	0.5%	Nil
Book Value	2.5%	2.5%	6.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2000	182.3	160.1	131.8	133.2	607.4
2001	294.8	350.6	175.7	228.2	1049.3
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	173.4	255.1	190.7	249.7	868.9
2003	195	280	215	285	975
2004	220	305	230	295	1050

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2000	.30	.41	.26	.32	1.29
2001	.41	.83	.17	.09	1.50
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.89	.21	.17	.55	1.82
2003	.90	.25	.20	.50	1.85
2004	.90	.30	.20	.55	1.95

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.27	.27	.27	.27	1.08
2000	.27	.27	.27	.27	1.08
2001	.27	.27	.27	.27	1.08
2002	.27	.27	.27	.27	1.08
2003	.27				

BUSINESS: AGL Resources, Inc. is a holding company. Its principal subsidiary is Atlanta Gas Light Co., a regulated distributor of natural gas to more than 1.8 million customers in Georgia, primarily Atlanta, Virginia, and in southern Tennessee. Also engaged in nonregulated natural gas marketing and other, allied services. Also wholesales and retails propane. Nonregulated subsidiaries: Georgia Natural Gas Services markets natural gas at retail. Acquired Virginia Natural Gas, 10/00. Sold Utilipro, 3/01. Has about 1,836 employees. Officers/directors own less than 1.0% of outstanding common shares. (1/02 Proxy).President & CEO: Paula Rospol. Incorporated: Georgia. Address: 303 Peachtree St., N.E., Atlanta, GA 30308. Telephone: 404-584-9470. Internet: www.aglresources.com.

We look for modest earnings growth from AGL Resources this year. The company is coming off a strong performance in 2002, as it earned $1.82 a share, compared to $1.50 a share in 2001. *(Note: AGL changed its fiscal year to a calendar-year basis in 2002.)* Its core utility businesses in Georgia, Tennessee, and Virginia fueled the advance. Earnings were lifted by reduced payroll and benefit expenses, decreases in bad debt, and lower depreciation. Also, operating margins improved due to AGL's successful pipeline replacement program at the Georgia utility, a beneficial weather normalization program at the Virginia distributor, as well as customer growth at the Virginia and Tennessee utilities.

The company's nonutility businesses should provide a larger contribution to earnings in 2003. These operations generated about 13% of AGL's earnings before interest and taxes last year. Its energy trading unit, Sequent, has capitalized on significant weather- and supply-related price volatility. Meantime, the company is in the process of expanding its interest in SouthStar, a natural gas marketer in the southeastern U.S. It has agreed to buy Dynergy's 20% stake in the entity for around $20 million. The deal, pending Georgia regulatory approval, would increase AGL's ownership to about 70%.

AGL Resources recently launched an equity offering. In February, the company completed the sale of 6.44 million shares of common stock at a price of $22 per share. It raised net proceeds of approximately $137 million, which will be used to repay short-term debt and for general corporate purposes. The issuance also assists the company's efforts to reduce financial leverage.

This issue is a good-quality income stock. It offers an adequate dividend yield and has provided a high level of share-price stability over the past decade. Most of the company's profits continue to be derived from utility operations, which are less volatile than nonutility activity earnings. Still, it is worth mentioning that AGL's nonregulated enterprises, though small, are boosting earnings at a time when many energy traders and marketers are recording lower profits or losses.

Michael P. Maloney *March 21, 2003*

(A) Fiscal year ends December 31st. Ended September 30th prior to 2002. (B) Diluted earnings per share. Next earnings report due late Apr. Excl. nonrecurring gains (losses): '88, $0.15; '95, d$0.83; '99, $0.39; '00, $0.13; '01, $0.13. (C) Next dividend meeting in early May. Goes ex mid-May. Approx. div'd payment dates: March 1, June 1, Sept. 1, Dec. 1. ■ Div'd reinvest. plan available. (D) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	20
Earnings Predictability	65

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AMER. STATES WATER NYSE-AWR

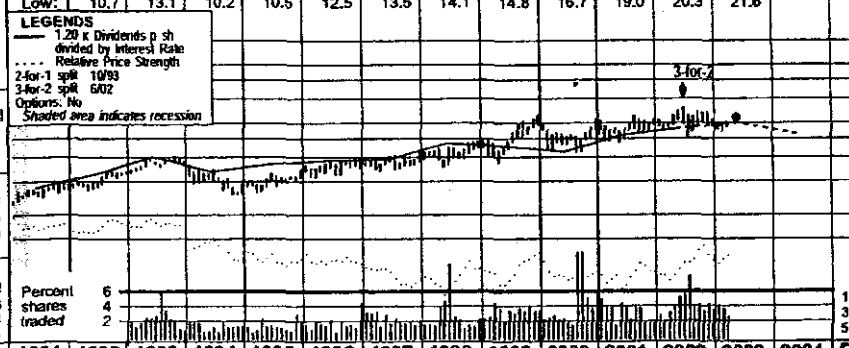
RECENT PRICE 25.63 | P/E RATIO 18.6 (Trailing: 19.1 Median: 15.0) | RELATIVE P/E RATIO 1.18 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 3 Raised 3/7/03
SAFETY 3 New 2/4/00
TECHNICAL 4 Lowered 4/25/03
BETA .60 (1.00 = Market)

High:	13.8	16.3	14.7	14.0	16.1	17.1	19.5	26.5	25.3	26.4	29.0	26.1												
Low:	10.7	13.1	10.2	10.5	12.5	13.5	14.1	14.8	16.7	19.0	20.3	21.6												

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.20 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 10/93
3-for-2 split 6/02
Options: No
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+15%)	7%
Low	19	(-25%)	-3%

Insider Decisions

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

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	39	39	36
to Sell	44	39	34
Hld's(000)	5529	5713	5723

% TOT. RETURN 3/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.3	-25.3
3 yr.	34.3	-10.0
5 yr.	68.1	-1.8

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
8.35	8.58	9.12	9.58	9.15	10.10	9.27	10.43	11.03	11.37	11.44	11.02	12.91	12.17	13.06	13.78	13.40	14.00	Revenues per sh	16.35
1.34	1.13	1.44	1.49	1.78	1.81	1.67	1.68	1.75	1.75	1.85	2.04	2.26	2.20	2.53	2.54	2.50	2.70	"Cash Flow" per sh	3.35
.89	.65	.92	.94	1.19	1.15	1.11	.95	1.03	1.13	1.04	1.08	1.19	1.28	1.35	1.34	1.35	1.45	Earnings per sh A	1.85
.64	.67	.69	.72	.73	.77	.79	.80	.81	.82	.83	.84	.85	.86	.87	.87	.88	.90	Div'd Decl'd per sh B■	.98
2.45	2.39	2.46	2.53	2.77	2.31	1.90	2.43	2.19	2.40	2.58	3.11	4.30	3.03	3.18	2.68	4.75	4.75	Cap'l Spending per sh	5.65
7.11	7.07	7.31	7.54	8.39	8.85	9.95	10.07	10.29	11.01	11.24	11.48	11.82	12.74	13.22	14.05	14.30	14.90	Book Value per sh	17.70
9.31	9.35	9.39	9.43	9.91	9.96	11.71	11.77	11.77	13.33	13.44	13.44	13.44	15.12	15.12	15.18	16.80	16.80	Common Shs Outst'g C	16.80
10.0	14.2	9.7	10.2	8.8	10.6	13.4	12.8	11.6	12.6	14.5	15.5	17.1	15.9	16.7	18.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.67	1.18	.73	.76	.56	.64	.79	.84	.78	.79	.84	.81	.97	1.03	.86	1.00			Relative P/E Ratio	.85
7.2%	7.4%	7.7%	7.5%	7.0%	6.3%	5.3%	6.6%	6.7%	5.8%	5.5%	5.0%	4.2%	4.2%	3.9%	3.6%			Avg Ann'l Div'd Yield	4.1%
						108.5	122.7	129.8	151.5	153.8	148.1	173.4	184.0	197.5	209.2	225	235	Revenues ($mill)	275
						12.0	11.3	12.2	13.5	14.1	14.6	16.1	18.0	20.4	20.3	21.5	24.5	Net Profit ($mill)	31.0
						31.3%	43.9%	41.9%	43.3%	41.1%	40.9%	46.0%	45.7%	43.0%	38.9%	40.0%	40.0%	Income Tax Rate	41.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	AFUDC % to Net Profit	Nil
						41.5%	43.5%	46.6%	41.9%	43.0%	43.6%	51.0%	47.5%	54.9%	52.0%	49.0%	48.0%	Long-Term Debt Ratio	51.0%
						57.4%	55.5%	52.5%	57.3%	56.3%	55.7%	48.4%	51.9%	44.7%	48.0%	51.0%	52.0%	Common Equity Ratio	49.0%
						203.0	213.5	230.6	256.0	268.4	277.1	328.2	371.1	447.6	444.4	470	480	Total Capital ($mill)	605
						295.0	314.9	335.0	357.8	383.6	414.8	449.6	509.1	539.8	563.3	620	650	Net Plant ($mill)	800
						7.8%	7.1%	7.2%	6.9%	6.9%	7.0%	6.6%	6.4%	6.1%	6.5%	6.5%	7.0%	Return on Total Cap'l	7.0%
						10.1%	9.4%	9.9%	9.0%	9.2%	9.4%	10.0%	9.2%	10.1%	9.5%	9.0%	9.5%	Return on Shr. Equity	10.5%
						10.2%	9.5%	10.0%	9.0%	9.2%	9.4%	10.1%	9.3%	10.1%	9.5%	9.0%	9.5%	Return on Com Equity	10.5%
						2.9%	1.6%	2.1%	2.4%	1.8%	2.1%	2.9%	3.0%	3.6%	3.3%	3.0%	3.5%	Retained to Com Eq	5.0%
						72%	84%	79%	73%	80%	78%	72%	68%	65%	65%	65%	62%	All Div'ds to Net Prof	53%

CAPITAL STRUCTURE as of 12/31/02
Total Debt $279.4 mill. Due in 5 Yrs $63.1 mill.
LT Debt $231.1 mill. LT Interest $17.0 mill.
(Total interest coverage: 2.9x) (52% of Cap'l)

Leases, Uncapitalized: None
Pension Assets-12/02 $39.8 mill. Oblig. $49.1 mill.
Pfd Stock None. Pfd Div'd None.

Common Stock 15,180,836 shs.
as of 12/31/02
MARKET CAP: $400 million (Small Cap)

CURRENT POSITION ($MILL.)	2000	2001	12/31/02
Cash Assets	5.8	30.5	18.4
Receivables	10.5	10.6	10.8
Inventory (Avg Cst)	1.1	1.0	.9
Other	35.1	45.7	21.7
Current Assets	52.5	87.8	51.8
Accts Payable	11.9	13.9	11.6
Debt Due	45.7	20.8	48.3
Other	22.6	28.9	19.6
Current Liab.	80.2	63.6	79.5
Fix. Chg. Cov.	332%	327%	285%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	3.0%	3.0%	4.0%
"Cash Flow"	3.5%	6.5%	5.5%
Earnings	2.0%	4.5%	6.0%
Dividends	1.5%	1.0%	2.0%
Book Value	5.0%	4.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2000	38.7	45.4	55.3	44.6	184.0
2001	40.3	49.9	59.4	47.9	197.5
2002	44.5	52.8	61.6	50.3	209.2
2003	46.0	57.0	67.0	55.0	225
2004	49.0	60.0	69.0	57.0	235

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2000	.21	.29	.57	.21	1.28
2001	.21	.33	.63	.18	1.35
2002	.25	.36	.50	.23	1.34
2003	.24	.36	.55	.20	1.35
2004	.25	.38	.60	.22	1.45

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.213	.213	.213	.213	.85
2000	.213	.213	.213	.217	.86
2001	.217	.217	.217	.217	.87
2002	.217	.217	.217	.221	.87
2003	.221				

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Southern California Water Company, it supplies water to 75 communities in 10 counties. Service areas include the greater metropolitan areas of Los Angeles and Orange Counties. The company also provides electric utility services to approximately 22,000 customers in the city of Big Bear Lake and in areas of San Bernardino County. Acquired Chaparral City Water of Arizona (10/00); 11,400 customers. Has about 500 employees. Off. & dir. own less than 1% of common stock (4/03 Proxy). Chairman: Lloyd Ross. President & CEO: Floyd Wicks. Incorporated: CA. Add.: 630 East Foothill Boulevard, San Dimas, CA 91773. Tel.: 909-394-3600. Web: www.gswater.com.

American States Water Company's share earnings in 2003 should be flat with last year's total. The company was recently informed by the Federal Energy Regulatory Commission that it would probably not allow American to reduce the price of its contract with Mirant for energy. The contract was signed during the California energy crisis in March, 2001, and will result in American's Bear Valley Electric Service subsidiary paying an above-market price for electricity through the end of 2006. Although the company has filed a few rate cases in recent months, the California Public Utilities Commission has been slow in making its decisions. Indeed, regulatory delays reduced 2002's share net by about $0.09. Nonetheless, recent rate increases should lead to higher revenues this year. Also, meteorological data indicate that AWR should experience good weather patterns in 2003 that may bolster water usage.

The company is ramping up capital expenditures. Since the recent termination of its cash-preservation program, American has returned to a normal maintenance routine. As such, it expects to spend about $80 million on capital improvements in 2003. We believe that the company will finance these expenditures with borrowings and an equity offering late in the year. Investors should note that an equity offering would dilute share net.

American will likely post modest earnings growth over the coming 3 to 5 years. Ongoing rate increases and steady population growth should maintain the top line's momentum. Too, we believe American would benefit from small-scale takeovers outside of California, because the move would limit the company's exposure to the state's onerous regulatory climate. These acquisitions would not only boost revenues, but would provide geographic diversity.

These shares are ranked to move in line with the year-ahead market. Moreover, they offer limited total-return potential out to 2006–2008. Nonetheless, income-oriented investors should note that the stock offers a safe, attractive dividend payout, and we believe that the declared dividend will grow at an average rate over the long haul.

Joseph Espaillat *May 2, 2003*

(A) Primary earnings. Excludes nonrecurring gains: '91, 73¢; '92, 13¢. Next earnings report due early May.

(B) Next dividend meeting late April. Next ex date: early May. Div'd payment dates: 1st of March, June, Sept., Dec.■ Div'd reinvestment plan available.

(C) In millions, adjusted for splits.

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

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CALIFORNIA WATER NYSE-CWT

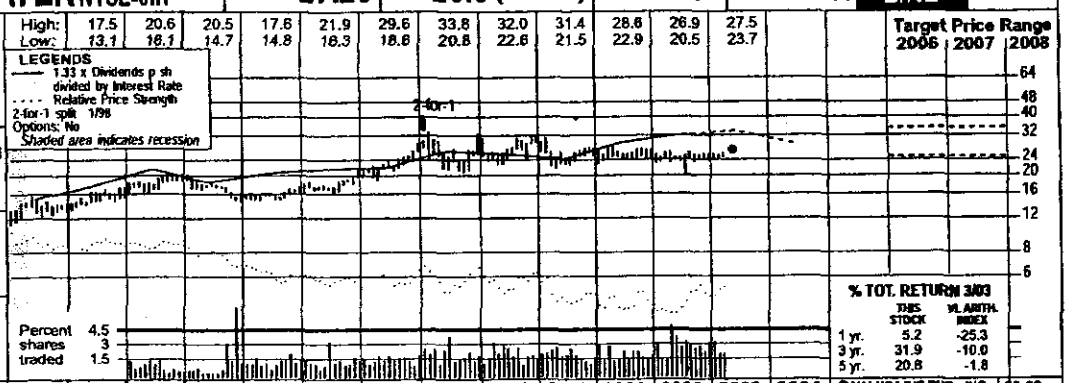
RECENT PRICE 27.25 | P/E RATIO 26.5 (Trailing: 22.0 Median: 16.0) | RELATIVE P/E RATIO 1.67 | DIV'D YLD 4.1% | VALUE LINE

TIMELINESS 3 Raised 9/13/02
SAFETY 2 Lowered 8/11/95
TECHNICAL 3 Lowered 4/11/03
BETA .60 (1.00 = Market)

High:	17.5	20.6	20.5	17.6	21.9	29.6	33.8	32.0	31.4	28.6	26.9	27.5
Low:	13.1	16.1	14.7	14.8	16.3	18.6	20.8	22.6	21.5	22.9	20.5	23.7

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.33 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 1/98
Options: No
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+30%)	10%
Low	25	(-10%)	3%

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	23	26	28
to Sell	19	13	10
Hld's(000)	2528	2633	2901

Percent shares traded 4.5 3 1.5

% TOT. RETURN 3/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.2	-25.3
3 yr.	31.9	-10.0
5 yr.	20.8	-1.8

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
10.13	10.03	10.33	10.93	11.18	12.29	13.34	12.59	13.17	14.48	15.48	14.76	15.96	16.16	16.26	17.33	15.90	15.15	Revenues per sh	19.40
1.94	1.87	1.89	1.97	1.98	1.92	2.25	2.02	2.07	2.50	2.92	2.60	2.75	2.52	2.20	2.65	2.50	2.80	"Cash Flow" per sh	3.60
1.32	1.23	1.20	1.25	1.21	1.09	1.35	1.22	1.17	1.51	1.83	1.45	1.53	1.31	.94	1.25	1.10	1.45	Earnings per sh A	1.95
.74	.80	.84	.87	.90	.93	.96	.99	1.02	1.04	1.06	1.07	1.09	1.10	1.12	1.12	1.15	1.14	Div'd Decl'd per sh B ■	1.18
1.75	2.12	2.40	2.36	3.03	3.09	2.53	2.26	2.17	2.83	2.61	2.74	3.44	2.45	4.09	5.82	2.95	3.20	Cap'l Spending per sh	4.35
8.85	9.30	9.66	10.04	10.35	10.51	10.90	11.56	11.72	12.22	13.00	13.38	13.43	12.90	12.95	13.12	14.80	16.55	Book Value per sh C	19.50
11.13	11.34	11.38	11.38	11.38	11.38	11.38	12.49	12.54	12.62	12.62	12.62	12.94	15.15	15.18	15.18	17.00	18.80	Common Shs Outst'g D	18.80
10.5	11.5	10.6	10.4	11.2	14.1	13.6	14.1	13.7	11.9	12.6	17.8	17.8	19.6	27.1	19.8	Bold figures are		Avg Ann'l P/E Ratio	14.5
.70	.95	.80	.77	.72	.86	.80	.92	.92	.75	.73	.93	1.01	1.27	1.39	1.08	Value Line		Relative P/E Ratio	.95
5.3%	5.7%	6.6%	6.7%	6.6%	6.1%	5.2%	5.8%	6.4%	5.8%	4.6%	4.2%	4.0%	4.3%	4.4%	4.5%	estimates		Avg Ann'l Div'd Yield	4.2%
						151.7	157.3	165.1	182.8	195.3	186.3	206.4	244.8	246.8	263.2	270	285	Revenues ($mill)	365
						15.5	14.4	14.7	19.1	23.3	18.4	19.9	20.0	14.4	19.1	19.0	27.5	Net Profit ($mill)	37.0
						40.6%	40.0%	40.1%	38.9%	37.4%	36.4%	37.9%	42.3%	39.4%	39.7%	39.5%	40.0%	Income Tax Rate	40.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	AFUDC % to Net Profit	Nil
						50.4%	46.8%	49.2%	47.4%	45.4%	44.2%	46.9%	48.9%	50.3%	55.3%	55.5%	51.5%	Long-Term Debt Ratio	50.5%
						48.2%	52.2%	49.7%	51.4%	53.5%	54.7%	52.0%	50.2%	48.8%	44.0%	44.0%	48.0%	Common Equity Ratio	49.0%
						257.1	276.9	296.0	299.9	306.7	308.6	333.8	388.8	402.7	453.1	570	650	Total Capital ($mill)	745
						391.7	407.9	422.2	443.6	460.4	478.3	515.4	582.0	624.3	697.0	770	810	Net Plant ($mill)	950
						8.1%	7.1%	6.8%	8.3%	9.4%	7.8%	7.8%	6.8%	5.3%	5.9%	5.0%	6.0%	Return on Total Cap'l	6.5%
						12.2%	9.7%	9.8%	12.1%	13.9%	10.7%	11.2%	10.0%	7.2%	9.4%	7.5%	8.5%	Return on Shr. Equity	10.0%
						12.4%	9.9%	9.9%	12.3%	14.1%	10.8%	11.4%	10.1%	7.2%	9.5%	7.5%	9.0%	Return on Com Equity	10.0%
						3.6%	1.9%	1.2%	3.8%	6.0%	2.8%	3.5%	1.8%	NMF	1.0%	NMF	2.0%	Retained to Com Eq	4.0%
						71%	81%	88%	69%	58%	74%	70%	82%	119%	90%	103%	79%	All Div'ds to Net Prof	81%

CAPITAL STRUCTURE as of 12/31/02
Total Debt $275.2 mill. Due in 5 Yrs $28.5 mill.
LT Debt $250.4 mill. LT Interest $15.6 mill.

(LT interest earned: 3.0x; total int. cov.: 2.9x)

Pension Assets-12/02 $56.3 mill. Oblig. $79.6 mill.
Pfd Stock $3.5 mill. Pfd Div'd $.15 mill.
139,000 shares, 4.4% cumulative ($25 par).

Common Stock 15,182,046 shs.
as of 12/31/02
MARKET CAP: $425 million (Small Cap)

CURRENT POSITION ($MILL.)	2000	2001	12/31/02
Cash Assets	3.2	1.0	1.1
Other	37.6	39.4	41.9
Current Assets	40.8	40.4	43.0
Accts Payable	26.5	24.0	23.7
Debt Due	16.1	26.6	24.8
Other	21.1	28.4	43.0
Current Liab.	63.7	79.0	91.5
Fix. Chg. Cov.	320%	214%	250%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	4.0%	3.0%	2.5%
"Cash Flow"	2.5%	-0.5%	6.5%
Earnings	--	-6.0%	9.0%
Dividends	2.0%	1.5%	1.0%
Book Value	2.5%	1.0%	7.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	46.6	66.0	76.6	55.6	244.8
2001	47.0	67.0	76.3	56.5	246.8
2002	51.7	69.2	81.4	60.9	263.2
2003	51.3	70.0	84.0	64.7	270
2004	56.0	74.0	86.0	69.0	285

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.09	.40	.60	.22	1.31
2001	.01	.34	.39	.20	.94
2002	.12	.43	.50	.20	1.25
2003	d.05	.27	.61	.27	1.10
2004	.15	.40	.62	.28	1.45

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.272	.271	.271	.271	1.09
2000	.275	.275	.275	.275	1.10
2001	.279	.279	.279	.279	1.12
2002	.28	.28	.28	.28	1.12
2003	.281				

BUSINESS: California Water Service Group provides regulated and nonregulated water service to over 2 million people (461,200 customers) in 98 communities in California, Washington, and New Mexico. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Dominguez Services Corp. (5/00); Rio Grande Corp. (11/00). Revenue breakdown, '02: residential, 70%; business, 18%; public authorities, 5%; industrial, 4%; other, 3%. '02 reported deprec. rate: 2.1%. Has about 800 employees. Chairman: Robert W. Foy. President & CEO: Peter C. Nelson. Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwater.com.

California Water's first-quarter results were weak. The company posted a $0.05-a-share loss, versus a $0.12 profit a year earlier. Much of the shortfall can be attributed to continued delays in receiving rate relief from the California Public Utilities Commission (CPUC). General rate cases filed in July, 2001 are now 12 months late. Also, unfavorable weather patterns led to a decline in water usage. That, too, hurt share earnings, to the tune of about $0.05. Revenues, meantime, declined nominally, to $51.3 million, while operating expenses rose 5%. Water production costs increased because the company did not receive another $750,000 water wholesaler refund as it did in 2002. Moreover, maintenance expenses and depreciation were higher. Wages and benefits also rose due mainly to contracts with unions that called for salary increases.

This will likely be a difficult year for the company. California Water's first-quarter revenue woes should continue until the CPUC provides rate relief. Once that happens, we expect revenues to finally move above 2002 levels. When the CPUC decides on California Water's 2001 rate cases, any higher rates granted are slated to be effective as of April, 2003, providing the water utility with a bit more revenue than it would have achieved otherwise. Also, the top line ought to get a boost from new customers and rate increases that were enacted in January, 2003. Nonetheless, expense growth (maintenance, depreciation, wages) will likely outpace any top-line gains this year, producing a likely profit shortfall.

California Water has good growth prospects out to 2006-2008. We believe the regulatory environment will improve over the next few years, as a new president at the CPUC has more time to affect change. Too, rate increases, small acquisitions, and population growth should sustain solid revenue advances, pushing earnings to perhaps near $2.00 a share.

These good-quality shares are ranked to move in line with the market over the coming year. Although the dividend payout will probably exceed earnings this year, we believe the disbursement is relatively secure and that the board may even approve a small payout hike in 2004.

Joseph Espaillat *May 2, 2003*

(A) Basic EPS. Excl. nonrecurring gain (loss): '87, 39¢; '00, (7¢); '01, 4¢; Q2'02, 8¢. Next earnings report due late July.
(B) Next dividend meeting late July. Goes ex early Aug. Div'd payment dates: mid-Feb., May, Aug., Nov. ■ Div'd reinvestment plan available.
(C) Incl. deferred charges. In '02: $31.4 mill., $2.07/sh.
(D) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	50
Earnings Predictability	70

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CLECO CORPORATION NYSE-CNL

RECENT PRICE 12.30 | P/E RATIO 7.9 (Trailing: 8.2 / Median: 13.0) | RELATIVE P/E RATIO 0.53 | DIV'D YLD 7.3% | VALUE LINE

TIMELINESS 3 Raised 5/10/02
SAFETY 3 Lowered 1/3/03
TECHNICAL 4 Lowered 3/21/03
BETA .85 (1.00 = Market)

High:	13.1	13.6	12.8	14.1	14.6	16.6	18.1	17.8	28.3	27.3	24.9	16.1	
Low:	11.4	11.5	10.4	11.0	12.6	12.4	14.3	14.1	15.1	19.2	9.7	11.0	

Target Price Range 2006 | 2007 | 2008

2006-08 PROJECTIONS

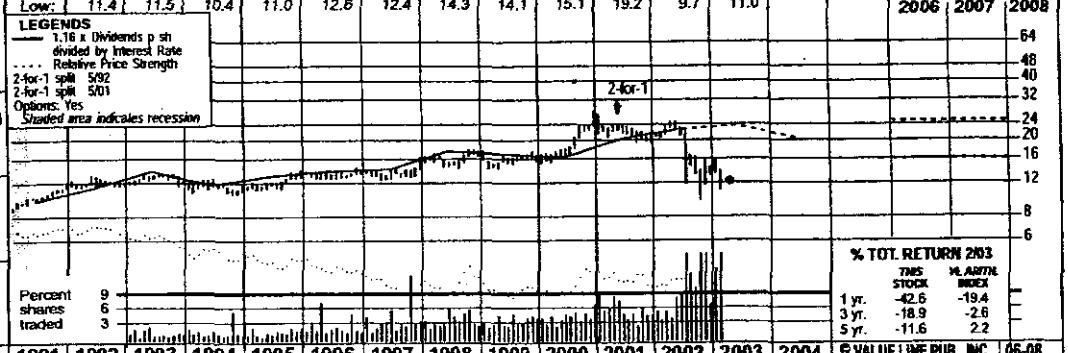
	Price	Gain	Ann'l Total Return
High	25	(+105%)	24%
Low	16	(+30%)	13%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	7	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	73	78	68
to Sell	61	67	51
Hld's(000)	24490	24480	25457



% TOT. RETURN 2/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-42.6	-19.4
3 yr.	-18.9	-2.6
5 yr.	-11.6	2.2

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
6.79	6.71	7.04	7.42	7.58	7.88	8.54	8.48	8.79	9.70	10.16	11.46	17.12	18.23	23.55	15.33	17.00	17.55	Revenues per sh	19.25
1.56	1.61	1.62	1.66	1.76	1.78	1.74	1.85	1.99	2.11	2.18	2.28	2.36	2.77	2.94	3.05	3.35	3.45	"Cash Flow" per sh	3.75
.88	.90	.89	.93	.96	.97	.89	.96	1.04	1.12	1.09	1.12	1.19	1.46	1.51	1.52	1.70	1.75	Earnings per sh A	2.00
.54	.57	.60	.63	.66	.69	.71	.73	.75	.77	.79	.81	.83	.85	.87	.90	.90	.90	Div'd Decl'd per sh B ■	.90
1.10	1.08	1.11	1.08	1.23	1.44	1.15	1.24	1.29	1.43	1.73	2.09	3.99	2.52	1.10	1.85	1.40	1.50	Cap'l Spending per sh	1.50
6.23	6.56	6.87	7.16	6.76	7.06	7.29	7.56	7.91	8.30	8.68	9.07	9.44	10.04	10.69	11.80	12.60	13.50	Book Value per sh C	18.50
44.84	44.90	44.96	45.00	44.48	44.61	44.77	44.78	44.85	44.91	44.93	44.97	44.88	44.99	44.96	47.04	47.05	47.05	Common Shs Outst'g D	47.05
9.2	9.1	9.3	9.1	10.7	12.5	14.3	12.1	11.6	11.9	12.5	14.4	13.4	13.2	14.6	12.2	Bold figures are		Avg Ann'l P/E Ratio	10.0
.62	.76	.70	.58	.68	.76	.84	.79	.78	.75	.72	.75	.76	.86	.75	.66	Value Line		Relative P/E Ratio	.65
6.6%	7.0%	7.3%	7.5%	6.4%	5.7%	5.5%	6.2%	6.2%	5.8%	5.8%	5.0%	5.2%	4.4%	3.9%	4.8%	estimates		Avg Ann'l Div'd Yield	4.5%
						382.4	379.6	394.4	435.4	456.2	515.2	768.2	820.0	1058.6	721.2	800	825	Revenues ($mill)	900
						41.8	45.0	48.7	52.1	52.5	53.8	56.8	69.3	72.3	74.2	85.0	90.0	Net Profit ($mill)	95.0
						31.9%	30.6%	34.1%	33.4%	34.6%	33.1%	32.4%	33.5%	34.7%	37.0%	34.0%	34.0%	Income Tax Rate	34.0%
						7.3%	5.1%	6.0%	3.3%	1.5%	3.2%	10.6%	12.1%	16.7%	6.0%	6.0%	6.0%	AFUDC % to Net Profit	5.0%
						49.1%	47.2%	47.9%	45.4%	46.2%	43.6%	56.2%	57.9%	55.2%	60.0%	57.5%	51.5%	Long-Term Debt Ratio	51.0%
						45.6%	47.5%	47.1%	49.7%	49.2%	51.9%	41.0%	39.7%	42.4%	38.0%	40.5%	48.5%	Common Equity Ratio	47.5%
						715.8	712.9	752.5	750.2	792.1	786.2	1032.1	1139.2	1134.7	1460	1465	1370	Total Capital ($mill)	1650
						895.0	912.1	929.5	952.9	1025.6	1089.8	1211.6	1232.8	1224.7	1566.2	1560	1555	Net Plant ($mill)	1525
						7.4%	7.9%	8.1%	8.6%	8.1%	8.3%	6.9%	8.3%	8.6%	7.0%	8.0%	8.5%	Return on Total Cap'l	8.0%
						11.5%	12.0%	12.4%	12.7%	12.3%	12.1%	12.5%	14.4%	14.2%	12.5%	13.5%	13.5%	Return on Shr. Equity	12.0%
						12.2%	12.7%	13.2%	13.4%	12.9%	12.7%	12.9%	14.9%	14.6%	13.0%	14.0%	13.5%	Return on Com Equity E	12.5%
						2.5%	3.1%	3.7%	4.2%	3.9%	3.8%	4.2%	6.5%	6.5%	5.0%	6.5%	6.5%	Retained to Com Eq	6.5%
						80%	77%	73%	70%	71%	71%	69%	57%	57%	61%	55%	54%	All Div'ds to Net Prof	49%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $1148.7 mill. Due in 5 Yrs $774.1 mill.
LT Debt $890.5 mill. LT Interest $64.1 mill.
Excludes $60.7 mill. off-balance-sheet financing.
(LT interest earned: 3.2x)
Pension Liability None
Pfd Stock $26.6 mill. Pfd Div'd $1.9 mill.
Includes 265,900 shares 8.125%, each convertible into 4.8 common shares, callable at $100.8125.
Excludes deferred ESOP benefit of $9.5 mill.

Common Stock 47,035,193 shs.
as of 12/31/02
MARKET CAP: $575 million (Small Cap)

ELECTRIC OPERATING STATISTICS

	1999	2000	2001
% Change Retail Sales (KWH)	+2.9	+5.0	-4.3
Avg. Indust. Use (MWH)	1176	1189	1305
Avg. Indust. Revs. per KWH (¢)	4.21	5.02	5.53
Capacity at Peak (Mw)	1879	2767	2982
Peak Load, Summer (Mw)	1767	1839	1751
Annual Load Factor (%)	54.3	55.4	57.2
% Change Customers (yr-end)	+1.7	+1.1	+3.4
Fixed Charge Cov. (%)	288	240	236

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	10.5%	17.0%	-.5%
"Cash Flow"	5.0%	6.5%	5.0%
Earnings	4.0%	6.0%	5.5%
Dividends	3.0%	2.5%	1.0%
Book Value	4.0%	5.0%	7.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	137.1	186.6	269.1	227.2	820.0
2001	253.1	303.7	307.0	194.8	1058.6
2002	F	F	224.6	173.7	721.2
2003	150	225	250	175	800
2004	155	230	260	180	825

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.23	.39	.66	.18	1.46
2001	.25	.29	.65	.32	1.51
2002	.29	.36	.74	.11	1.52
2003	.35	.35	.75	.25	1.70
2004	.35	.40	.75	.25	1.75

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.203	.208	.208	.208	.83
2000	.208	.213	.213	.213	.85
2001	.213	.218	.22	.22	.87
2002	.22	.225	.225	.225	.90
2003	.225				

BUSINESS: Cleco Corporation is a holding company for Cleco Power, which supplies electricity to about 261,000 customers in a 14,000-sq.-mile region in central Louisiana. Through subsidiaries, develops electric & gas assets, markets energy, and provides energy services. Electric revenue breakdown, '01: residential, 49%; commercial, 23%; industrial, 18%; other, 10%. Largest industrial customers are paper mills and other wood-product industries. Generating sources, '01: coal & lignite, 33%; gas, 27%; purchased, 40%. Fuel costs: 63% of revenues. '01 reported deprec. rate: 3.3%. Has 1,400 employees, 9,000 common stockholders. President & CEO: David M. Eppler. Inc.: LA. Address: P.O. Box 5000, Pineville, LA 71361-5000. Tel.: 318-484-7400. Internet: www.cleco.com.

Cleco's most pressing concern is the weak finances of the other parties in its tolling agreements. Cleco owns all or part of three nonregulated generating projects. Its counterparties (Aquila, Calpine, Mirant, and Williams) have contracts to supply the fuel for the plants and market their output. Cleco merely has to operate the plants for a fee. This seemed to be a low-risk strategy for Cleco until the domestic power markets collapsed, thereby hurting the counterparties' operations and finances severely. The counterparties now want to reduce the scope of their power-marketing businesses or cease these activities altogether. While they are trying to renegotiate their agreements with Cleco, they are still meeting their obligations.

Our estimates and projections are based on continuation of the contracts as they now exist. As long as the projects operate well — and Cleco's payments are based on plant availability, not on how much they run — they should provide earnings of $0.75 and $0.80 a share in 2003 and 2004, respectively. Combined with annual utility earning power of $1.00-$1.10 a share, Cleco's profit targets are $1.65-$1.75 this year and $1.70-$1.80 in 2004 (assuming $0.10 of corporate expenses). Our estimates are at the midpoint of management's guidance. But, any renegotiation of the contracts is likely to be on terms that are less favorable for Cleco. Moreover, if any of the counterparties defaults, then Cleco would be forced to assume the fuel and market risks that it wanted to avoid.

Cleco's streak of annual dividend increases is likely to come to an end this year. The uncertainties associated with the company's tolling agreements, combined with the fact that the dividend now amounts to roughly 80%-90% of the utility's earning power, preclude any boost in the payout. In fact, the board of directors might not even raise the dividend over the 3- to 5-year period.

Aggressive utility investors might want to consider this stock. It appears as if an unfavorable outcome regarding the tolling agreements is already reflected in the share price. Assuming the dividend holds at the current level, this stock offers good total-return potential to 2006-2008.

Paul E. Debbas, CFA *April 4, 2003*

(A) Primary EPS through '96, diluted thereafter. Excl. nonrec. gain (loss): '00, 5¢; '02, (5¢); losses from discont. ops.: '00, 14¢; '01, 4¢. '02 EPS don't add due to chg. in shs. Next egs. due late Apr. (B) Next div'd meeting in late Apr. Goes ex in early May. Div'd pmnt. dates: 15th of Feb., May, Aug., Nov. ■ Div'd reinv. plan avail. (C) Incl. deferred charges. In '01: $2.25/sh. (D) In mill., adj. for splits. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '96: 12.625%; earned on avg. com. eq., '01: 14.6%. Regul. Climate: Below Avg. (F) Unavail.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	40
Earnings Predictability	90

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DPL INC. NYSE-DPL

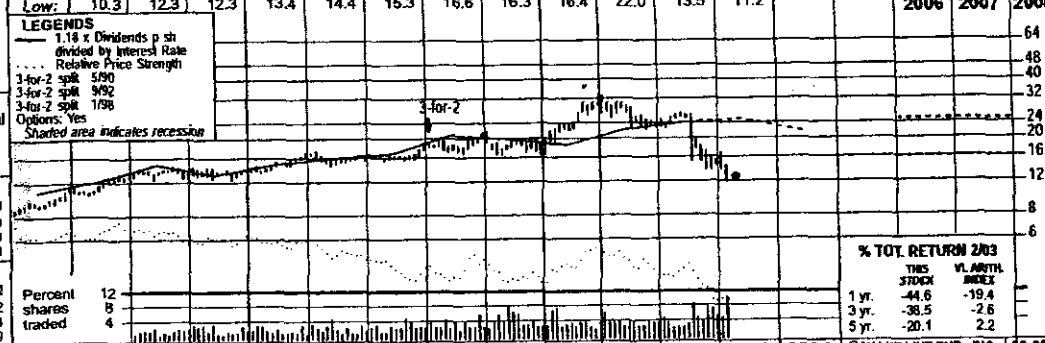
RECENT PRICE 12.66 | P/E RATIO 10.5 (Trailing: 17.6 Median: 14.0) | RELATIVE P/E RATIO 0.71 | DIV'D YLD 7.4% | VALUE LINE

TIMELINESS 5 Lowered 11/15/02
SAFETY 3 Lowered 1/3/03
TECHNICAL 4 Lowered 3/28/03
BETA .80 (1.00 = Market)

High:	13.3	14.6	14.4	17.1	17.4	19.2	21.8	22.0	33.8	33.3	27.3	16.9			
Low:	10.3	12.3	12.3	13.4	14.4	15.3	16.6	16.3	16.4	22.0	13.5	11.2			

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.18 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 5/90
3-for-2 split 9/92
3-for-2 split 1/98
Options: Yes
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+95%)	22%
Low	16	(+25%)	11%

Insider Decisions

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

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	84	89	92
to Sell	75	75	64
Hld's(000)	46784	46810	45649

Percent shares traded 12 8 4

% TOT. RETURN 2/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-44.6	-19.4
3 yr.	-38.5	-2.6
5 yr.	-20.1	2.2

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
6.72	7.04	6.23	6.09	6.41	6.55	7.42	7.40	7.84	7.90	8.46	8.55	8.48	11.25	9.48	9.38	9.25	9.10	Revenues per sh	10.65
1.68	1.33	1.29	1.41	1.39	1.57	1.61	1.68	1.77	1.87	1.92	1.96	2.15	2.62	2.76	1.75	2.30	2.30	"Cash Flow" per sh	2.90
1.07	.89	.97	.99	.77	.89	.95	1.03	1.09	1.15	1.20	1.24	1.35	1.49	1.74	.72	1.25	1.20	Earnings per sh A	1.75
.61	.64	.66	.69	.72	.72	.75	.79	.83	.87	.91	.94	.94	.94	.94	.94	.94	.94	Div'd Decl'd per sh B ■	.94
.74	1.13	1.57	.95	.66	.38	.73	.59	.63	.68	.71	.66	1.08	2.58	2.67	1.36	.80	.90	Cap'l Spending per sh	1.20
5.81	6.06	6.56	6.88	6.92	6.44	6.62	7.03	7.28	7.55	8.03	8.58	9.20	6.80	6.31	6.38	6.70	7.45	Book Value per sh D	9.55
140.02	139.69	153.47	155.27	155.27	155.27	155.27	160.43	160.05	159.01	160.20	161.26	157.80	127.77	126.50	126.50	126.50	126.50	Common Shs Outst'g E	126.50
7.1	8.6	8.2	8.5	12.4	13.1	14.3	13.0	13.6	13.8	13.7	15.1	13.7	16.6	15.4	28.8	Bold figures are		Avg Ann'l P/E Ratio	12.0
.47	.71	.62	.63	.79	.79	.84	.85	.91	.86	.79	.79	.78	1.08	.79	1.57	Value Line		Relative P/E Ratio	.80
8.0%	8.4%	8.4%	8.2%	7.5%	6.2%	5.5%	5.9%	5.6%	5.5%	5.5%	5.0%	5.1%	3.8%	3.5%	4.5%	estimates		Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 12/31/02
Total Debt $2445 mill. Due in 5 Yrs $1001 mill.
LT Debt $2436 mill. LT Interest $145.0 mill.
Incl. $292.4 mill. 8.125% mand. redeem. pref'd trust sec. (LT interest earned: 1.8x)
Pension Assets-12/02 $268 mill. Oblig. $266 mill.
Pfd Stock $22.9 mill. Pfd Div'd $0.9 mill.
Incl. 228,508 shs. 3.75% to 3.90%; call. $101 to $103 per shr.; and 6.8 mill. shrs., mand. redeem., with voting rights for up to 4.9% of total vote.
Common Stock 126,501,404 shs. C

(Incl. warrants: 31.6 mill. exer. at $21 thru 2012.)
MARKET CAP: $1.6 billion (Mid Cap)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		06-08
1151.3	1187.9	1255.1	1256.1	1355.8	1379.6	1338.9	1436.9	1199.6	1186.4	1170	1150	Revenues ($mill)	1350
147.7	159.6	164.7	172.9	181.4	189.1	204.2	199.0	221.5	87.3	155	150	Net Profit ($mill)	215
34.7%	38.8%	38.3%	37.4%	36.8%	38.9%	38.5%	35.5%	35.8%	36.6%	36.0%	36.0%	Income Tax Rate	38.0%
.3%	--	--	--	--	--	--	--	--	--	--	--	AFUDC % to Net Profit	--
49.2%	48.7%	47.7%	45.3%	42.6%	43.1%	47.5%	72.1%	74.8%	74.6%	73.5%	72.0%	Long-Term Debt Ratio	66.0%
45.8%	50.3%	51.3%	53.6%	56.4%	56.0%	51.6%	27.2%	24.4%	24.7%	26.5%	28.0%	Common Equity Ratio	34.0%
2243.1	2244.9	2269.2	2237.7	2279.9	2472.5	2811.1	3200.9	3264.3	3265.8	3310	3380	Total Capital ($mill)	3600
2312.6	2312.2	2281.8	2268.9	2256.2	2238.7	2266.8	2267.0	2482.3	2502.7	2410	2395	Net Plant ($mill)	2355
8.7%	9.2%	9.3%	9.7%	9.7%	9.3%	8.9%	8.2%	9.5%	5.4%	7.0%	7.0%	Return on Total Cap'l	8.5%
13.0%	13.9%	13.9%	14.1%	13.9%	13.4%	13.8%	22.3%	27.0%	10.5%	17.0%	15.5%	Return on Shr. Equity	17.5%
13.5%	13.7%	14.1%	14.3%	14.0%	13.6%	14.0%	22.9%	27.8%	10.8%	17.5%	15.5%	Return on Com Equity E	18.0%
2.9%	3.2%	3.3%	3.4%	3.4%	3.3%	4.2%	8.9%	13.7%	NMF	4.0%	3.0%	Retained to Com Eq	8.0%
80%	77%	76%	76%	76%	76%	70%	61%	51%	155%	95%	95%	All Div'ds to Net Prof	85%

ELECTRIC OPERATING STATISTICS

	2000	2001	2002
% Change Retail Sales (KWH)	+1.7	-.8	+2.9
Avg. Indust. Use (MWH)	2516	2400	2345
Avg. Indust. Revs. per KWH (¢)	4.88	5.02	5.10
Capacity at Peak (MW)	3194	3973	3051
Peak Load, Summer (MW)	2866	3045	N/A
Annual Load Factor (%)	63.7	N/A	N/A
% Change Customers (yr-end)	+.8	+.4	+.5
Fixed Charge Cov. (%)	250	259	238

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	4.5%	4.5%	1.0%
"Cash Flow"	5.0%	5.0%	3.5%
Earnings	4.0%	3.0%	5.0%
Dividends	3.0%	1.5%	Nil
Book Value	-0.5%	-3.0%	6.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	386.6	314.8	355.5	380.0	1436.9
2001	297.9	290.2	354.4	257.1	1199.6
2002	275.3	281.7	344.7	284.7	1186.4
2003	280	275	305	310	1170
2004	275	270	300	305	1150

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.38	.26	.55	.30	1.49
2001	.49	.29	.69	.29	1.74
2002	.33	d.36	.54	.21	.72
2003	.30	.20	.50	.25	1.25
2004	.30	.25	.40	.25	1.20

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.235	.235	.235	.235	.94
2000	.235	.235	.235	.235	.94
2001	.235	.235	.235	.235	.94
2002	.235	.235	.235	.235	.94
2003	.235				

BUSINESS: DPL Inc., parent of The Dayton Power & Light Company, sells electricity (100% of revenue in 2001) in Dayton and west-central Ohio. Elec. rev. breakdown in 2002: resid'l, 39%; comm'l, 23%; indus'l, 19%; wholesale, 11%; other, 8%. Power costs: 26% of rev.; labor costs, 6%. '02 rep'd depr. rate: 3.3%. Fuels: coal, 65%; other, 35%. Sold gas distr. business 10/00. Has about 1,230 empls., 31,856 comm. stockholders. Offs./dirs. own 2.4% of comm. stock; Dayton Ventures LLC (through Kohlberg Kravis Roberts LP) owns 6.6 mill. Series B voting pref'd shares and warrants to own 24.9% of comm. stock (3/02 proxy). Chrmn.: Peter H. Forster. Pres. & CEO: Steven Koziar. Inc.: OH. Addr.: Courthouse Plaza SW, Dayton, OH 45402. Tel.: 937-224 6000. Internet: www.dplinc.com.

DPL is battening down the hatches for the year ahead. Management is planning to return to basics and focus on the operation of its efficient, low-cost facilities. Nearly two-thirds of the company's generating capacity comes from low-cost coal plants, and 95% of this amount is under contract for 2003. The company has no plans to issue new debt or equity. In 2002, DPL completed construction of its merchant-energy peaking-plants. This year, capital spending is expected to be reduced dramatically to about $110 million, from $300 million in 2002.

The economic slowdown is muting the company's prospects. The economic down cycle and accompanying uncertainty are hurting industrial demand for DPL's electricity and wholesale electric products, and diminishing returns on the company's investment portfolio. In addition, DPL will be facing higher pension expenses, and power plant maintenance costs in 2003, and probably higher purchased power costs. Accordingly, we are reducing our 2003 share-net estimate by $0.25, to $1.25. We look for 2004's share earnings to be approximately level with this year's tally, since the company will not see further profit benefits from a self-insurance policy booked against a reserve.

Concerns surround DPL's $1 billion financial asset portfolio. The portfolio contributed about $27 million in net cash last year. But the company took a $155 million impairment writedown and may need to take more valuation writedowns in the future. DPL is also responsible for meeting up to $400 million in collateral calls over the next four to six years.

Investors may be concerned that DPL is seeking a new auditor. The company announced that PriceWaterhouseCoopers LLP declined to participate in a competitive bidding process for future work. DPL indicates that there are no unresolved accounting issues, and that the move is driven by pricing concerns only.

The stock carries *Value Line's* lowest Timeliness rank (5) and has below-average appreciation potential over the 3-to 5-year pull. Still, the dividend is likely to remain well covered and therefore probably won't be cut. This may be of interest to income-oreinted investors.

Terese S. Fabian *April 4, 2003*

(A) Basic shrs. till 1996, dil. thereafl. Excl. nonrec. gain (loss): '87, (44¢); '00, 33¢. '01, (5¢). Next emgs. rpt. mid-Apr. (B) Next div'd mtg. mid-Apr. Goes ex mid-May. Approx. div'd pmt. dates: 1st of March, June, Sept., Dec. ■Div'd reinvst. plan avail. (C) Incl. 7.4 mill. shrs. held by empl. plans. (D) Incl. intang. 12/02: $126.5 mill, $2.07/sh. (E) In mill, adj. for splits. (F) Rate base: net orig. cost. Rate all'd on comm. eq.: '91, 13.0%; erntd. avg. comm. eq.: '02: 10.5%. Reg. Clim.: Abv. Avg. (G) Quart. emgs. do not sum due to change in shr. count.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	60

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N.W. NAT'L GAS NYSE-NWN

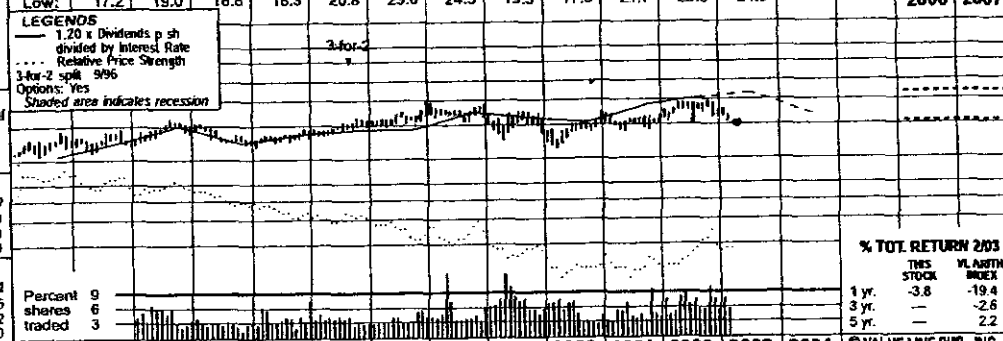
RECENT PRICE 24.13 | P/E RATIO 14.5 (Trailing: 14.9 Median: 13.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 5.3% | VALUE LINE

TIMELINESS 4 Lowered 12/27/02
SAFETY 2 New 7/27/90
TECHNICAL 2 Raised 3/14/03
BETA .60 (1.00 = Market)

High:	22.7	25.8	24.3	22.8	25.9	31.4	30.8	27.9	27.5	26.8	30.7	28.5	
Low:	17.2	19.0	18.8	18.3	20.8	23.0	24.3	19.5	17.8	21.7	23.5	24.0	

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.20 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 9/96
Options: Yes
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+45%)	14%
Low	25	(+5%)	6%

Insider Decisions

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

Institutional Decisions

	3Q2002	4Q2002	1Q2003
to Buy	55	45	55
to Sell	56	47	52
Hld's(000)	11539	11840	10690

% TOT. RETURN 2/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-3.8	-19.4
3 yr.	—	-2.6
5 yr.	—	2.2

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
19.69	17.39	15.22	17.02	16.74	14.10	18.15	18.30	16.02	16.86	15.82	16.77	18.17	21.09	25.78	25.06	28.20	28.95	Revenues per sh	33.35
2.38	2.79	2.85	3.22	2.57	3.25	3.74	3.50	3.41	3.86	3.72	3.24	3.72	3.68	3.86	3.70	3.85	4.05	"Cash Flow" per sh	4.50
1.20	1.33	1.58	1.62	.67	.74	1.74	1.63	1.61	1.97	1.76	1.02	1.70	1.79	1.88	1.62	1.80	1.95	Earnings per sh A	2.40
1.04	1.05	1.07	1.10	1.13	1.15	1.17	1.17	1.18	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	Div'ds Decl'd per sh B■	1.33
2.17	2.82	3.36	3.85	3.58	3.73	3.61	4.23	3.02	3.70	5.07	4.02	4.78	3.46	3.23	3.15	6.20	3.00	Cap'l Spending per sh	3.50
10.92	11.25	12.04	12.61	12.23	12.41	13.08	13.63	14.55	15.37	16.02	16.59	17.12	17.93	18.56	18.88	19.70	21.40	Book Value per sh C	22.20
15.69	15.96	17.14	17.41	17.68	19.46	19.77	20.13	22.24	22.56	22.86	24.85	25.09	25.23	25.23	25.59	25.70	25.90	Common Shs Outst'g D	27.00
11.8	10.2	9.8	10.2	28.1	27.0	12.9	13.0	12.9	11.7	14.4	26.7	14.5	12.4	12.9	17.2	Bold figures are		Avg Ann'l P/E Ratio	12.0
.79	.85	.74	.76	1.79	1.64	.76	.85	.86	.73	.83	1.39	.83	.81	.66	1.25	Value Line		Relative P/E Ratio	.80
7.3%	7.7%	6.9%	6.7%	5.9%	5.7%	5.2%	5.5%	5.7%	5.2%	4.8%	4.5%	5.0%	5.6%	5.1%	5.8%	estimates		Avg Ann'l Div'd Yield	4.6%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $486.0 mill. Due in 5 Yrs $155.0 mill.
LT Debt $446.0 mill. LT Interest $32.0 mill.
Incl. $6.5 mill. 7¼% debs. due 3/1/12, each conv. into 50.25 com. shs. at $19.90.
(Total interest coverage: 3.2x)

Pension Liability None

Pfd Stock $33.0 mill. Pfd Div'd $2.3 mill.

Common Stock 25,536,463 shs.
(as of 11/6/02)
MARKET CAP $675 million (Small Cap)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		06-08
358.7	368.3	356.3	380.3	361.8	416.7	455.8	532.1	650.3	641.4	700	750	Revenues ($mill)	900
37.7	35.5	38.1	46.8	43.1	27.3	44.9	47.8	50.2	43.8	46.5	50.5	Net Profit ($mill)	65.0
37.0%	36.6%	36.8%	36.9%	32.9%	31.0%	35.4%	35.9%	35.4%	34.2%	35.0%	35.0%	Income Tax Rate	35.0%
10.5%	9.6%	10.7%	12.3%	11.9%	6.6%	9.9%	9.0%	7.7%	6.8%	6.8%	6.7%	Net Profit Margin	7.2%
47.5%	47.9%	43.5%	41.4%	46.0%	45.0%	46.0%	45.1%	43.0%	48.0%	48.0%	47.0%	Long-Term Debt Ratio	48.0%
45.0%	45.1%	50.3%	52.8%	49.0%	50.6%	49.9%	50.9%	53.2%	50.5%	48.5%	49.5%	Common Equity Ratio	52.0%
575.2	607.7	643.3	657.4	748.0	815.6	861.5	887.8	880.5	960	1010	1070	Total Capital ($mill)	1150
606.9	654.3	697.2	745.3	827.5	894.7	895.9	934.0	965.0	990	1035	1050	Net Plant ($mill)	1200
8.5%	7.6%	7.7%	8.9%	7.4%	5.0%	6.8%	6.7%	6.9%	6.5%	7.0%	7.0%	Return on Total Cap'l	7.5%
12.5%	11.2%	10.5%	12.1%	10.7%	6.1%	9.7%	9.8%	10.0%	9.0%	10.5%	10.5%	Return on Shr. Equity	11.0%
13.2%	11.8%	10.9%	12.7%	11.0%	6.0%	9.9%	10.0%	10.2%	9.0%	10.5%	10.5%	Return on Com Equity	11.0%
4.4%	3.3%	3.0%	5.0%	3.6%	NMF	2.8%	3.1%	3.5%	2.5%	4.0%	4.5%	Retained to Com Eq	5.0%
70%	74%	74%	63%	70%	118%	74%	70%	67%	78%	71%	64%	All Div'ds to Net Prof	57%

CURRENT POSITION ($MILL.)	2000	2001	9/30/02
Cash Assets	11.3	10.4	19.7
Other	176.1	199.9	125.8
Current Assets	187.4	210.3	145.5
Accts Payable	110.7	70.7	45.4
Debt Due	76.3	148.3	40.0
Other	34.4	54.6	44.6
Current Liab.	221.4	273.6	130.0
Fix. Chg. Cov.	255%	285%	280%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	3.0%	5.0%	9.5%
"Cash Flow"	2.5%	1.0%	4.0%
Earnings	3.5%	0.5%	6.5%
Dividends	1.0%	1.0%	1.5%
Book Value	4.0%	4.0%	4.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	186.6	86.1	61.2	198.2	532.1
2001	217.3	118.2	78.4	236.4	650.3
2002	278.6	101.9	78.7	182.2	641.4
2003	285	110	80.0	225	700
2004	300	120	85.0	245	750

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	1.20	.07	d.22	.74	1.79
2001	.99	.17	d.22	.94	1.88
2002	1.32	d.13	d.26	.69	1.62
2003	1.10	.10	d.23	.83	1.80
2004	1.18	.12	d.21	.86	1.95

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.305	.305	.305	.31	1.23
2000	.31	.31	.31	.31	1.24
2001	.31	.31	.31	.315	1.25
2002	.315	.315	.315	.315	1.26
2003	.315				

BUSINESS: Northwest Natural Gas Co. (doing business as NW Natural) distributes natural gas at retail to 90 communities, 540,931 customers, in Oregon (96% of revs.) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.4 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline sys. to bring gas to market. Owns local underground storage. Gas revs: resident'l & comm'l, 84%; ind., 11%; transport. and other, 5%. Employs 1,284. Has 10,359 com. shrhldrs. Insiders own 1.4% of com. Chmn: R.G. Reiten. CEO: M.S. Dodson. Inc.: OR. Addr.: 220 N.W. 2nd Ave., Portland, OR 97209. Tel.: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural Gas is still awaiting a decision on its $38 million rate filing. The gas distributor has applied to regulators in Oregon for a 6.6% rate increase to recover the cost of new gas-plant investments. The application also seeks to offset rising pension, insurance, and healthcare costs, as well as expenses associated with new federal requirements related to pipeline safety. Infrastructure projects include a new gas-transmission pipeline to its Mist underground storage facility (to improve service to the local gas market) and the construction of a distribution system in Coos Bay. Meanwhile, NW Natural hopes regulators will agree to an adjustable-rate mechanism designed to dampen the impact of adverse weather conditions. The application asks for an allowed return on equity of 11.30%, up from 10.25%. At this point, a large step up in the allowed return seems unlikely, given the current low interest-rate environment. An order from the Oregon commission is expected by the end of September.

Income is the primary investment objective here. Prevailing low interest rates and uncertain economic conditions together give this equity some added allure. We feel investors are likely assured of very modest dividend increases over the next 3 to 5 years. This reflects our assumption that some of the company's cash flow will be diverted to nonregulated businesses, although management may well choose to boost the dividend instead. Meantime, the annual earnings gains that we forecast to 2006–2008 are based on normal weather patterns, a neutral regulatory climate, and customer growth that remains above the industry average. We note that the gas distribution business has ample opportunities to further its market penetration, as much less than 50% of the homes in NW Natural's coverage area burn natural gas.

Untimely Northwest Natural Gas shares have been a disappointment of late. Investors may be reacting to the utility's weakening near-term earnings outlook, which is a result of unseasonably warm weather and rising employment costs. But the stock's pullback does move its dividend yield back in line with the peer-group average.

John Marrin *March 21, 2003*

(A) Diluted earnings per share. Excludes nonrecurring gain: '87, $0.27; '98, $0.15; '00, $0.11. Next earnings report due early May.
(B) Next dividend meeting early Apr. Goes ex late Apr. Dividend payment dates: the 15th of February, May, August, and November. In '99, extra div'd of $0.005/sh. paid Dec. 15.
■ Div'd reinvestment plan available.
(C) Includes intangibles. At 12/31/01: $6.83/sh.
(D) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	20
Earnings Predictability	65

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PHILA. SUBURBAN NYSE-PSC

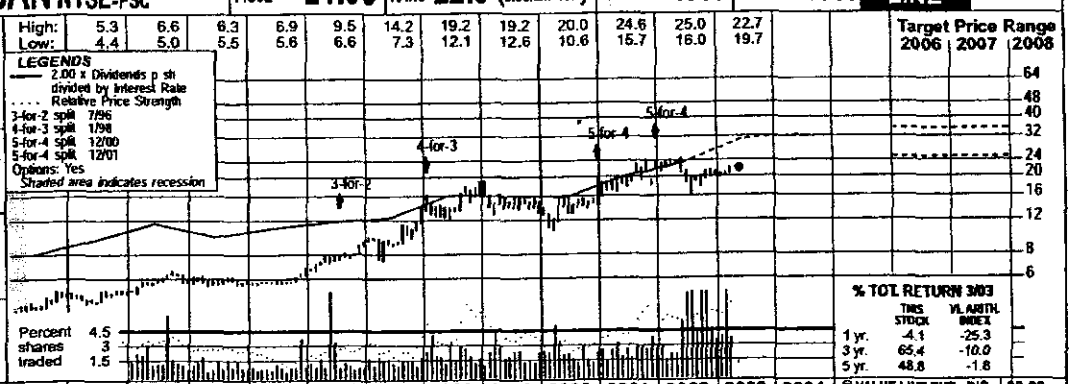
RECENT PRICE 21.95 | P/E RATIO 22.9 (Trailing: 24.4 Median: 18.0) | RELATIVE P/E RATIO 1.45 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 3 Lowered 2/1/02
SAFETY 2 Raised 6/11/95
TECHNICAL 3 Lowered 4/25/03
BETA .70 (1.00 = Market)

High:	5.3	6.6	6.3	6.9	9.5	14.2	19.2	19.2	20.0	24.6	25.0	22.7	
Low:	4.4	5.0	5.5	5.6	6.6	7.3	12.1	12.6	10.6	15.7	16.0	19.7	

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 2.00 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 7/96
4-for-3 split 1/98
5-for-4 split 12/00
5-for-4 split 12/01
Options: Yes
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+60%)	14%
Low	25	(+15%)	6%

Insider Decisions

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

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	68	99	78
to Sell	52	37	55
Hld's(000)	16078	24196	23378

% TOT. RETURN 3/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.1	-25.3
3 yr.	65.4	-10.0
5 yr.	48.8	-1.8

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
4.60	5.57	5.67	3.37	3.57	3.04	2.84	3.03	3.06	3.11	3.36	3.49	4.02	4.11	4.49	4.74	4.95	5.10	Revenues per sh	6.00
.75	.83	.81	.72	.74	.65	.70	.70	.78	.84	.93	1.02	1.20	1.26	1.44	1.57	1.75	1.90	"Cash Flow" per sh	2.45
.36	.37	.34	.41	.41	.39	.41	.43	.49	.50	.57	.66	.70	.78	.85	.90	1.00	1.10	Earnings per sh A	1.45
.30	.30	.30	.32	.32	.33	.34	.35	.36	.38	.40	.43	.45	.47	.50	.54	.57	.60	Div'd Decl'd per sh B■	.70
.92	1.10	1.44	1.26	.90	1.00	.78	.76	.87	.80	.96	1.36	1.50	1.93	1.81	2.00	2.15	2.30	Cap'l Spending per sh	2.85
3.52	3.60	3.65	3.50	3.45	3.48	3.81	4.01	4.10	4.48	4.73	5.34	5.71	6.42	6.91	7.26	7.55	8.00	Book Value per sh	9.90
22.59	22.62	23.56	24.39	24.85	30.72	35.64	36.87	38.25	39.45	40.48	43.32	64.08	67.10	68.39	67.92	68.00	70.50	Common Shs Outst'g C	75.00
14.0	12.3	12.9	10.2	10.8	12.5	14.4	13.5	12.0	15.6	17.8	22.5	21.2	18.2	23.6	23.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	21.0
.94	1.02	.98	.76	.69	.76	.85	.89	.80	.98	1.03	1.17	1.21	1.18	1.21	1.29			Relative P/E Ratio	1.40
6.0%	6.5%	6.9%	7.7%	7.2%	6.8%	5.9%	6.0%	6.2%	4.9%	3.9%	2.9%	3.0%	3.3%	2.5%	2.5%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 12/31/02
Total Debt $732.3 mill. Due in 5 Yrs $260.0 mill.
LT Debt $582.9 mill. LT Interest $35.0 mill.
(Total interest coverage: 3.5x)

Pension Assets-12/02 $94.4 mill. Oblig. $131.1 mill.

Pfd Stock $.2 mill. Pfd Div'd $.1 mill.

Common Stock 68,034,808 shares as of 3/3/03

MARKET CAP: $1.5 billion (Mid Cap)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		06-08
101.2	108.6	117.0	122.5	136.2	151.0	257.3	275.5	307.3	322.0	340	360	Revenues ($mill)	450
14.7	15.6	19.0	19.8	23.2	28.8	45.0	50.7	58.5	62.7	70.0	77.5	Net Profit ($mill)	110
41.5%	42.5%	40.4%	41.4%	40.6%	40.5%	38.4%	38.9%	39.3%	38.5%	39.0%	39.0%	Income Tax Rate	39.0%
5.5%	.8%	1.6%	--	--	--	1.5%	4.2%	--	--	Nil	1.0%	AFUDC % to Net Profit	2.0%
49.9%	50.2%	51.9%	54.1%	54.4%	52.7%	52.9%	52.0%	52.2%	54.2%	55.0%	55.0%	Long-Term Debt Ratio	52.0%
46.7%	47.4%	46.4%	44.0%	44.8%	46.6%	46.7%	47.8%	47.7%	45.8%	45.0%	45.0%	Common Equity Ratio	48.0%
291.2	303.1	338.0	401.7	427.2	496.6	782.7	901.1	990.4	1076.2	1160	1250	Total Capital ($mill)	1550
366.2	385.7	436.9	502.9	534.5	609.8	1135.4	1251.4	1368.1	1490.8	1600	1720	Net Plant ($mill)	2100
7.1%	7.0%	7.7%	6.8%	7.4%	7.6%	7.6%	7.4%	7.8%	7.6%	7.5%	8.0%	Return on Total Cap'l	9.0%
10.1%	10.4%	11.7%	10.7%	11.9%	12.3%	12.2%	11.7%	12.3%	12.7%	13.5%	14.0%	Return on Shr. Equity	15.0%
10.2%	10.3%	11.7%	11.2%	12.0%	12.4%	12.3%	11.7%	12.4%	12.7%	13.5%	14.0%	Return on Com Equity	15.0%
1.6%	2.1%	3.5%	2.8%	3.6%	4.5%	4.3%	4.7%	5.1%	5.2%	6.0%	6.5%	Retained to Com Eq D	8.0%
85%	81%	71%	75%	70%	64%	65%	60%	59%	59%	58%	55%	All Div'ds to Net Prof	48%

CURRENT POSITION ($MILL.)	2000	2001	12/31/02
Cash Assets	8.0	20.8	49.7
Receivables	51.2	56.3	57.7
Inventory (AvgCst)	4.4	4.4	4.6
Other	7.1	8.1	2.7
Current Assets	70.7	89.6	114.7
Accts Payable	20.6	27.7	31.1
Debt Due	104.9	124.6	149.4
Other	47.7	50.3	46.0
Current Liab.	173.2	202.6	226.5
Fix. Chg. Cov.	289%	335%	347%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	3.0%	7.0%	5.0%
"Cash Flow"	7.5%	11.0%	9.5%
Earnings	7.5%	10.0%	10.0%
Dividends	4.5%	6.0%	5.5%
Book Value	7.0%	9.0%	6.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	64.5	68.5	73.3	69.2	275.5
2001	70.2	77.3	84.7	75.1	307.3
2002	71.7	76.6	91.9	81.8	322.0
2003	77.0	81.0	96.0	86.0	340
2004	82.0	88.0	100	90.0	360

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.16	.19	.24	.19	.78
2001	.17	.22	.28	.18	.85
2002	.17	.20	.31	.22	.90
2003	.19	.22	.33	.26	1.00
2004	.22	.25	.35	.28	1.10

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.109	.109	.115	.115	.45
2000	.115	.115	.115	.124	.47
2001	.124	.124	.124	.132	.50
2002	.132	.132	.132	.14	.54
2003	.14				

BUSINESS: Philadelphia Suburban Corp., parent of Philadelphia Suburban Water Co. (PSWC), a regulated utility, provides water to approximately 2.0 million residents in Pennsylvania, Ohio, New Jersey, Illinois, Maine and North Carolina. Sold three of four non-water businesses in '91; sold telemarketing group in '93. Acquired Consumers Water 4/99. Water supply revenues '02: residential, 61%; commercial, 17%; industrial & other, 22%. Has about 970 employees, 21,600 stockholders. Officers and directors own 1.6% of the common stock (4/03 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-527-8000. Internet: www.suburbanwater.com.

Philadelphia Suburban has decided not to acquire Pennichuck Corporation, a private water utility serving roughly 30,000 customers throughout southern New Hampshire, in a stock transaction valued at more than $100 million (including the assumption of $27 million of Pennichuck debt). This move came about after a referendum authorized the City of Nashua to pursue the acquisition. We estimate that Pennichuck would have added a penny to Philadelphia's earnings per share in the first year, with additional sums thereafter.

But the much larger AquaSource purchase looks on track to close during the second half of this year, as regulatory approvals have been granted by eight of the 10 states required. The acquisition (expected to cost roughly $200 million) would bring around 130,000 customer accounts, and 40,000 more customers through operating contracts, across 11 states. What's more, AquaSource should add several cents to share net in the first year and be increasingly accretive to the bottom line thereafter. Note that our figures will not include the transaction until it is completed.

Acquisitions should continue to play an important role in the company's growth story, but numerous uncertainties prevent us from including future purchases in our presentation. The costs of maintaining infrastructure in the water industry had increased at a steady rate in prior years, and it appears that this trend will persist. A major factor behind this is environmental regulations calling for increased water-purification standards. As such, a number of smaller water companies have had a difficult time financially. But Philadelphia Suburban and other larger players have been benefiting considerably from this business environment. Still . . .

The equity's long-term capital appreciation potential is substantially below the *Value Line* median, as it seems that the current quotation accounts for much of the solid annual earnings increases we anticipate over the 2006-2008 timeframe. Furthermore, these shares do not stand out for year-ahead relative price performance (Timeliness 3: Average).

Frederick L. Harris, III *May 2, 2003*

(A) Based on avg. shares outstanding. Excl. nonrec. gains (losses): '90, (47¢); '91, (43¢); '92, (47¢); '99, (14¢); '00, 3¢; '01, 2¢; '02, 6¢. Excl. gain from disc. operations: '96, 3¢. Next earnings report due late July. (B) Next dividend meeting early May. Goes ex mid-May. Div'd. payment dates: early March, June, Sept. & Dec. ■ Div'd. reinvestment plan available. (C) In millions, adjusted for stock splits. (D) Return on common equity allowed by PA PUC in '91 rate adjustment: 12.0%. Return on avg. common equity in '02, 13.9%.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	100

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P.S. ENTERPRISE GP. NYSE-PEG

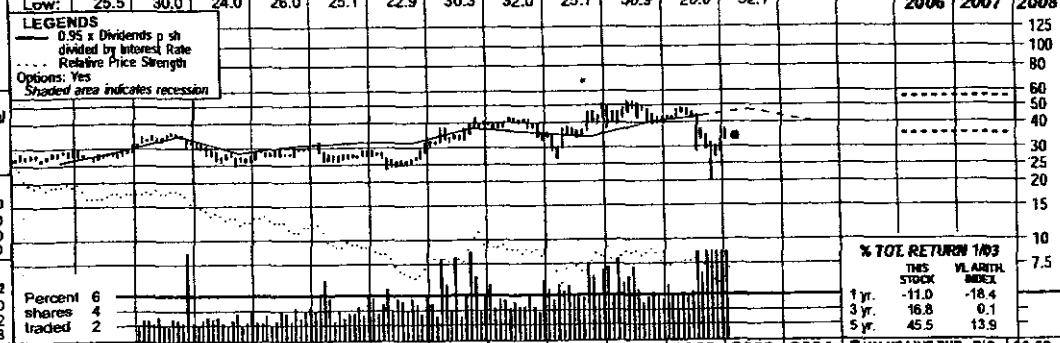
RECENT PRICE 34.50 | P/E RATIO 8.8 (Trailing: 9.2 Median: 12.0) | RELATIVE P/E RATIO 0.62 | DIV'D YLD 6.3% | VALUE LINE

TIMELINESS 3 Raised 2/7/03
SAFETY 3 Lowered 3/1/03
TECHNICAL 3 Raised 1/17/03
BETA .70 (1.00 = Market)

High:	31.4	36.1	32.0	30.6	32.1	31.8	42.8	42.6	50.0	51.6	47.3	37.0
Low:	25.5	30.0	24.0	26.0	25.1	22.9	30.3	32.0	25.7	36.9	20.0	32.1

Target Price Range 2006 | 2007 | 2008

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



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+60%)	17%
Low	35	(Nil)	6%

Insider Decisions

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

Institutional Decisions

	1Q2002	2Q2002	3Q2002
to Buy	144	126	140
to Sell	125	121	132
Hld's(000)	87899	86621	88448

Percent shares traded 6 4 2

% TOT. RETURN 1/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.0	-18.4
3 yr.	16.8	0.1
5 yr.	45.5	13.9

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
20.51	21.40	22.76	21.97	22.47	22.76	23.41	24.18	25.19	25.88	27.46	25.57	30.02	45.67	47.68	38.15	38.75	39.70	Revenues per sh	42.45
4.96	5.30	5.10	5.05	5.10	4.68	5.14	5.35	5.46	5.16	5.13	5.66	5.65	5.41	6.28	6.05	6.50	6.85	"Cash Flow" per sh	8.05
2.55	2.57	2.62	2.56	2.43	1.97	2.71	2.78	2.71	2.46	2.41	2.79	3.12	3.55	3.70	3.76	3.80	4.00	Earnings per sh A	4.60
1.99	2.01	2.05	2.09	2.13	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.16	Div'd Decl'd per sh B ■	2.32
3.28	3.50	4.87	5.58	4.38	3.40	3.54	3.47	3.18	2.51	2.34	2.31	2.69	4.61	9.97	9.95	4.70	5.20	Cap'l Spending per sh	2.60
18.54	19.11	19.85	20.44	21.01	20.32	21.07	21.71	22.25	22.33	22.47	21.98	18.46	19.21	20.10	20.05	21.80	23.70	Book Value per sh C	32.50
205.35	205.35	211.10	218.47	226.70	235.40	243.69	244.70	244.70	233.47	231.96	231.96	216.42	207.97	205.84	220.00	222.40	224.80	Common Shs Outst'g E	231.40
10.0	9.3	9.9	10.1	11.2	14.1	12.3	9.9	10.4	11.2	10.9	12.7	12.5	10.3	12.0	10.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	10.0
.67	.77	.75	.75	.72	.86	.73	.65	.70	.70	.63	.66	.71	.67	.61	.53			Relative P/E Ratio	.65
7.8%	8.4%	7.9%	8.1%	7.8%	7.8%	6.5%	7.9%	7.6%	7.6%	8.2%	6.1%	5.5%	5.9%	4.9%	5.7%			Avg Ann'l Div'd Yield	5.1%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $13041.0 mill. Due in 5 Yrs $6598.0 mill.
LT Debt $10642.0 mill. LT Interest $692.1 mill.
(LT interest earned: 1.7x)
Pension Liability $447.7 mill. in '01, vs. $118.0 mill. in '00
Pfd Stock $1220.0 mill. Pfd Div'd $52.0 mill.
795,234 shs. 4.08% to 6.92%, cum. $100 par, call. from $102.75 to $103.00 a sh.; 2,400,000 shs. 8.00% $25 par; 3,800,000 shs. 8.125% to 8.165%; 15,150,000 shs. 7.25% to 7.44%.
Common Stock 207,313,548 shs.
MARKET CAP: $7.1 billion (Large Cap)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		06-08
5705.6	5915.8	6164.2	6041.3	6370.0	5931.0	6497.0	9498.0	9815.0	8390.0	8620	8920	Revenues ($mill)	9820
689.6	721.2	712.2	648.0	616.0	724.0	780.0	858.0	842.0	861.8	915	970	Net Profit ($mill)	1110
31.3%	30.2%	33.2%	30.9%	34.8%	36.7%	41.9%	36.4%	30.7%	31.0%	31.0%	31.0%	Income Tax Rate	31.0%
4.8%	6.5%	6.0%	2.8%	3.2%	1.8%	--	--	--	4.0%	4.0%	3.0%	AFUDC % to Net Profit	2.0%
48.2%	46.6%	46.1%	43.7%	45.5%	43.3%	46.8%	50.4%	67.8%	65.5%	63.5%	62.0%	Long-Term Debt Ratio	56.0%
46.6%	47.3%	47.9%	49.8%	48.2%	45.8%	40.9%	38.1%	27.2%	27.0%	29.0%	31.0%	Common Equity Ratio	40.0%
11023	11231	11373	10475	10819	11119	9779.0	10501	15198	16270	16715	17210	Total Capital ($mill)	18925
10804	11098	11187	11179	11050	10876	7078.0	7702.0	10064	11700	12140	12655	Net Plant ($mill)	12350
8.4%	8.5%	8.2%	8.0%	7.3%	8.2%	9.5%	9.8%	7.4%	7.5%	7.5%	7.5%	Return on Total Cap'l	7.5%
12.1%	12.0%	11.6%	11.0%	10.5%	11.5%	15.0%	16.5%	17.2%	15.5%	15.0%	15.0%	Return on Shr. Equity	13.5%
12.7%	12.8%	12.2%	11.5%	10.7%	12.6%	17.2%	19.1%	18.6%	18.0%	17.5%	16.5%	Return on Com Equity D	14.0%
2.5%	2.8%	2.5%	1.4%	1.1%	2.8%	5.3%	7.5%	7.8%	7.5%	7.5%	7.5%	Retained to Com Eq	7.0%
81%	79%	81%	89%	90%	80%	73%	65%	62%	61%	60%	58%	All Div'ds to Net Prof	53%

ELECTRIC OPERATING STATISTICS

	1999	2000	2001
% Change Retail Sales (KWH)	+1.0	+.8	+2.1
Avg. Indust. Use (MWH)	919	NA	NA
Avg. Indust. Revs. per KWH(¢)	7.38	6.59	7.05
Capacity at Peak (Mw)	9796	11167	11487
Peak Load, Summer (Mw)	9369	9369	10060
Annual Load Factor (%)	50.5	NA	NA
% Change Customers (yr-end)	+.7	+.3	+.8
Fixed Charge Cov. (%)	265	248	224

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	6.5%	10.5%	.5%
"Cash Flow"	1.5%	1.5%	5.0%
Earnings	3.0%	5.5%	4.0%
Dividends	.5%	--	1.0%
Book Value	-.5%	-2.5%	7.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	2483	2155	2207	2653	9498.0
2001	2814	2176	2401	2424	9815.0
2002	2110	1659	1921	2700	8390.0
2003	2180	1740	2000	2700	8620
2004	2250	1810	2060	2780	8920

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	1.25	.66	.66	.98	3.55
2001	1.25	.68	.82	.95	3.70
2002	1.02	.57	1.01	1.16	3.76
2003	1.25	.60	.90	1.05	3.80
2004	1.30	.65	.95	1.10	4.00

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.54	.54	.54	.54	2.16
2000	.54	.54	.54	.54	2.16
2001	.54	.54	.54	.54	2.16
2002	.54	.54	.54	.54	2.16
2003					

BUSINESS: Public Service Enterprise Group, Inc., parent of Public Service Electric and Gas Company, sells electricity (42% of revenues) and gas (23%) in New Jersey; nonutility including investments abroad (35%). Electric revenue mix: residential, 32%; commercial, 46%; industrial, 15%; other, 7%. Principal electric industrial customers: chemical and allied products, petroleum refining. Fuels (2001): coal, 24%; nuclear, 60%; natural gas, 9%; oil, 1%; other, 6%. Power costs: 42% of revenues; labor costs, 12%. 2001 deprec. rate: 3.3%. Estimated plant age: 9 years. Has 13,391 employees, 119,944 common shareholders. Chrmn., Pres. & CEO: E.J. Ferland. Incorp.: New Jersey. Address: 80 Park Plaza, Newark, New Jersey 07101. Tel.: 973-430-6564. Internet: www.pseg.com.

Public Service Enterprise Group keeps adding generating capacity domestically. In late 2002, its PSEG Power subsidiary bought a 1,019-megawatt (mw) plant in Connecticut and completed a 540-mw plant in New Jersey. Plans call for construction of another 1,770 mw locally in the next two years. That will allow the company to retire 1,100 mw of old, more expensive power. In the Midwest, it expects to place an 821-mw facility on line in Ohio in the upcoming quarter and is building an 1,100 unit in Indiana. Too, it has permits for a 763-mw plant in Albany, New York, to replace a 400-mw steam generator. The building program is targeted for completion by the end of 2005. Expansion thereafter will be largely by acquisition rather than by construction. The output of these facilities will be sold in the wholesale market, free of regulatory oversight. PSEG Power is currently generating between 50% and 55% of total company profits. We think it will continue to be a major force behind earnings growth for some time to come.

The company awaits an order on its electric rate filing. It asked for a $250 million increase in distribution revenues, based on an 11.75% allowed return, down from the current 12.00%. The application seeks recovery of a $1.7 billion investment in infrastructure since the last rate case, as well as recoupment of losses incurred from buying power wholesale and selling at lower prices. A regulatory decision on the request is likely in the upcoming quarter. It will take effect on August 1st.

Earnings may only mark time this year. On the plus side is a likely 2% increase in kilowatt-hour sales and a probable rate increase in the second half. But a common stock offering to help pay for the building program will offset these positives. All told, we estimate 2003 earnings of $3.80 a share. After this year, we look for mid-single-digit annual earnings gains to 2006-2008.

The payout is more than a full percentage point above the industry norm. But we don't expect a dividend hike for a while because of the need to save cash to finance PSEG Power's growth. On balance, we rate the company an average utility holding.

Arthur H. Medalie *March 7, 2003*

(A) EPS basic. Excl. nonrecur. gains (losses): '92, 20¢; '93, (21¢); '95, 9¢; '96, 6¢; '99, net, ($3.49); '02, ($2.59). Next earnings report due late Apr. (B) Next div'd meeting mid-Apr. Goes ex early June. Div'd payment dates about: March 31, June 29, Sept. 30, Dec. 30. ■ Div'd reinvest. plan available. (C) Incl. intangibles. In '01: $28.10/sh. (D) Rate base: net original cost. Rate allowed on com. eq. in '93: 12.0%; earned on '01 avg. com. eq.: 18.9%. Regul. Clim.: Average. (E) In mill., adj. for stock split.

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

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SOUTHERN CO. NYSE-SO

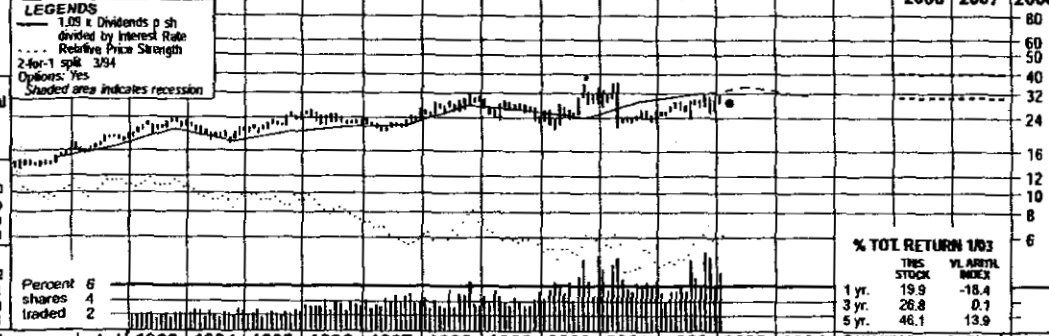
RECENT PRICE 28.18 | P/E RATIO 15.2 (Trailing: 15.2 Median: 14.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD 5.0% | VALUE LINE

TIMELINESS — 6
SAFETY 2 Lowered 12/08/00
TECHNICAL — 6
BETA NMF (1.00 = Market)

High:	19.5	23.6	22.1	25.0	25.9	26.3	31.6	29.6	35.0	35.7	31.1	30.9	
Low:	15.2	18.5	17.3	19.4	21.1	19.9	23.9	22.1	20.4	20.9	23.2	27.0	

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.09 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 3/94
Options: Yes
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+40%)	13%
Low	30	(+5%)	7%

Insider Decisions

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

Institutional Decisions

	1Q2002	2Q2002	3Q2002
to Buy	220	243	251
to Sell	162	176	188
Hld's(000)	240809	244219	246821

% TOT. RETURN 1/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	19.9	-18.4
3 yr.	26.8	0.1
5 yr.	46.1	13.9

In September 2000, Southern conducted an initial public offering in its global independent power marketing and trading subsidiary, called Mirant. Issuing 66.7 million shares, the company and Mirant shared $1.8 billion in gross proceeds. In April 2001, management spun off the remaining 80.3% stake in Mirant to Southern investors; 0.4 of a common share in the subsidiary was distributed for each common share in the parent held. A full-page report on Mirant Corp. can be found in Issue 6.

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
13.21	12.63	13.70	15.30	18.41	16.32	17.39	14.76	14.53	14.70	15.30	15.85	Revenues per sh A	18.25
3.13	3.22	3.52	3.64	3.90	4.25	4.17	3.89	3.54	3.45	3.50	3.65	"Cash Flow" per sh	4.20
1.57	1.52	1.66	1.68	1.58	1.73	1.83	2.01	1.61	1.86	1.85	1.95	Earnings per sh B	2.30
1.14	1.18	1.22	1.26	1.30	1.34	1.34	1.34	1.34	1.36	1.39	1.43	Div'd Decl'd per sh C■	1.61
2.24	2.34	2.09	1.82	2.71	2.67	3.84	3.26	3.74	3.65	2.90	3.35	Cap'l Spending per sh	2.85
11.96	12.46	13.09	13.61	14.08	14.02	13.82	15.67	11.42	12.05	12.60	13.20	Book Value per sh D	15.15
642.66	657.00	670.00	677.00	685.00	698.63	666.00	682.00	699.00	717.00	720.00	725.00	Common Shs Outst'g E	740.00
13.5	12.9	13.2	13.8	14.0	15.7	14.3	13.2	14.6	14.6	Bold figures are		Avg Ann'l P/E Ratio	15.0
.80	.85	.88	.86	.81	.82	.82	.86	.75	.77	Value Line		Relative P/E Ratio	1.00
5.4%	6.0%	5.6%	5.5%	5.9%	4.9%	5.1%	5.0%	5.7%	5.0%	estimates		Avg Ann'l Div'd Yield	4.7%
8489.0	8297.0	9180.0	10358	12611	11403	11585	10066	10155	10549	11000	11500	Revenues ($mill) A	13500
1095.0	1076.0	1191.0	1234.0	1245.0	1372.0	1457.0	1501.0	1306.0	1555	1525	1560	Net Profit ($mill)	1850
36.2%	36.9%	39.2%	37.8%	36.9%	24.1%	25.6%	31.0%	29.9%	28.5%	29.0%	30.0%	Income Tax Rate	32.0%
2.0%	2.7%	2.1%	1.9%	1.6%	1.8%	1.9%	--	--	2.0%	2.0%	2.0%	AFUDC % to Net Profit	1.5%
45.1%	44.1%	44.9%	42.8%	46.4%	45.9%	48.2%	37.1%	43.8%	43.0%	43.0%	43.5%	Long-Term Debt Ratio	44.5%
46.8%	47.6%	47.4%	49.7%	43.5%	42.9%	37.8%	50.6%	42.2%	44.0%	44.5%	44.5%	Common Equity Ratio	45.0%
16429	17211	18510	18553	22158	22817	24372	21147	18925	19750	20500	21550	Total Capital ($mill)	25000
20013	21117	23026	23269	23652	24124	24544	21622	23084	24550	25835	27325	Net Plant ($mill)	31575
8.5%	7.9%	7.9%	8.1%	7.1%	7.6%	7.8%	8.4%	8.1%	9.5%	9.0%	8.5%	Return on Total Cap'l	9.0%
12.1%	11.2%	11.7%	11.6%	10.5%	11.1%	11.5%	11.3%	12.3%	14.0%	13.0%	13.0%	Return on Shr. Equity	13.5%
13.0%	12.1%	12.6%	12.2%	11.2%	12.2%	13.6%	12.3%	14.0%	15.0%	14.5%	15.0%	Return on Com Equity F	15.0%
3.6%	2.7%	3.3%	3.0%	2.0%	2.7%	3.6%	4.1%	2.5%	4.0%	3.5%	4.0%	Retained to Com Eq	4.5%
75%	79%	75%	77%	84%	81%	77%	71%	85%	78%	78%	76%	All Div'ds to Net Prof	72%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $11,073 mill. Due in 5 Yrs $5,400 mill.
LT Debt $8,826 mill. LT Interest $660 mill.
(LT interest earned: 4.1x)
Pfd Stock $2,600 mill. Pfd Div'd $196 mill.
Incl. 980,000 shs 4.2%-7.0%, $100 par; 8 mill. shs. 5.2%-5.83%, $25 par; $70 mill. 3.10%-3.56% auction, all cum. pfd. Incl. $435 mill. 6.85%-7.00%; $767 mill. 7.13%-7.38%; $415 mill. 7.60%-7.63%; $649 mill. 7.75%; $400 mill. 8.14%-9.00%; $50 mill. auct. rate, $25 liq. val. pfd., all mand. redeem.
Common Stock 713,478,436 shs. as of 10/31/02
MARKET CAP: $20.1 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	1999	2000	2001
% Change Retail Sales (KWH)	+1.7	+4.3	-3.2
Avg. Indust. Use (MWH)	3747	4053	3776
Avg. Indust. Revs. per KWH (¢)	3.98	4.03	4.05
Capacity at Peak (Mw)	31425	32807	34579
Peak Load, Summer (Mw)	30578	31359	29700
Annual Load Factor (%)	59.2	60.2	62.0
% Change Customers (yr-end)	+2.0	+1.9	+1.4
Fixed Charge Cov. (%)	213	232	257

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '00-'02 to '06-'08
Revenues	2.5%	2.5%	4.0%
"Cash Flow"	3.0%	2.0%	3.0%
Earnings	3.5%	2.5%	6.0%
Dividends	2.5%	2.0%	3.0%
Book Value	2.5%	1.0%	5.0%

Cal-endar	QUARTERLY REVENUES (mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	2052	2522	3198	2294	A10066
2001	2269	2562	3165	2159	10155
2002	2213	2631	3248	2457	10549
2003	2325	2725	3375	2575	11000
2004	2450	2850	3500	2700	11500

Cal-endar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.38	.52	.95	.16	2.01
2001	.26	.40	.79	.16	1.61
2002	.32	.47	.83	.24	1.86
2003	.33	.46	.83	.23	1.85
2004	.35	.48	.86	.26	1.95

Cal-endar	QUARTERLY DIVIDENDS PAID ■ C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.335	.335	.335	.335	1.34
2000	.335	.335	.335	.335	1.34
2001	.335	.335	.335	.335	1.34
2002	.335	.335	.343	.343	1.36
2003	.343				

BUSINESS: The Southern Company's five operating subsidiaries supply electricity to about 122,000 square miles of Georgia (50% of 2001 revenues); Alabama (35%); Florida (7%); and Mississippi (8%). Revenue distrib. ('01): residential, 39%; industrial, 25%; commercial, 35%; other, 1%. Textile, chemical, and paper companies are largest customer groups, accounting for the bulk of industrial revenues. Fuel sources ('01): coal, 68%; nuclear, 15%; hydro, 3%; oil and gas, 8%; purch. pwr, 6%. Fuel & Purchased Power costs: 33% of '02 electricity revs. Has 26,120 employees, 150,240 shareholders of record. '01 deprec. rate: 3.6%. Chrmn, Pres., and CEO: A. Franklin. Inc.: Del. Addr.: 270 Peachtree St. N.W., Atlanta, GA 30303. Tel.: 404-506-5000. Internet: www.southernco.com.

Southern Co.'s 2002 results surpassed our expectations. Full-year revenues rose nearly 4%, to $10.55 billion, versus our call for a total of $10.3 billion. Colder-than-normal weather in the Southeast during the fourth quarter, which boosted electricity demand, was largely responsible for this difference. Actual share net of $1.86 was above our estimate of $1.78 and the year-earlier achievement of $1.61. Again, cold weather, along with strong customer growth and favorable tax treatment, pushed net income over our expectations. On a "normalized" basis, excluding the benefits of extreme temperatures and tax credits, share net was $1.75 in 2002.

This year, share earnings should be about flat against the reported 2002 number, but up 5%-6%, normalized. Our bottom-line assessment for 2003 of $1.85 is in line with management's target ($1.84). This figure assumes no appreciable strengthening of the regional economy, temperatures around the historical averages, steady customer growth, rising power sales to the competitive wholesale market, earnings from newly acquired Georgia gas operations, and reduced pension income. We look for 2004 share earnings to increase at a similar rate, to $1.95, with a likely additional boost from a recovering domestic economy.

To 2006-2008, average annual share-net growth may well match management's 5% goal. In the years ahead, customer rolls and demand should advance at a pace of about 2% and 3%, respectively. The southeast service territory, thanks to a low-cost business climate, should realize better economic growth than the nation, as a whole, while business activity revives. SO continues to enlarge its competitive generation base to take full advantage of such a scenario. (Note: The company secures long-term supply contracts before undertaking new plant construction.) Furthermore, retail energy services operations are expanding and lending more support to the bottom line. By 2006-2008, share net likely will be close to the $2.30 mark.

This good-quality stock is an appealing selection for income investors. Stable, regulated core utility operations, alone, should support an attractive yield and good dividend growth to late decade.

David M. Reimer *March 7, 2003*

(A) '00 Restated to reflect Mirant spinoff.
(B) Includes Mirant earnings in '00 of 49¢. Next earnings report due mid-Apr. (C) Next dividend meeting and ex dates in late Apr. Div'd pmnt dates: the 6th of Mar., June, Sep., and Dec. ■ Div'd reinvest. plan avail. (D) Incl. def'd chgs. In '01, $1.32/sh. (E) In mill., adj. for split. (F) Rate base: AL, MS, fair val.; FL, GA, orig. cost. All'd return on com. eq.: 10.0%-14.5%. Earn. on avg. com. eq., '01: 13.51%. Reg. Clim.: AL, GA, MS-Avg.; FL-Above Avg. (G) Ranks suspended due to 4/2/01 Mirant spinoff.

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

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TECO ENERGY, INC. NYSE-TE

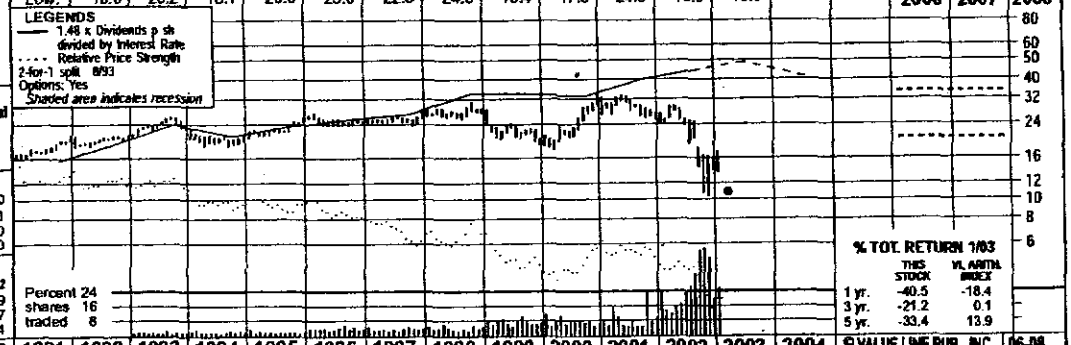
RECENT PRICE 10.74 | P/E RATIO 6.0 (Trailing: 5.2 Median: 15.0) | RELATIVE P/E RATIO 0.42 | DIV'D YLD 13.2% | VALUE LINE

TIMELINESS 4 Lowered 1/31/03
SAFETY 3 Lowered 3/7/03
TECHNICAL 5 Lowered 2/14/03
BETA .75 (1.00 = Market)

High:	21.1	25.9	22.6	25.8	27.0	28.2	30.6	28.2	33.2	33.0	29.0	17.0					
Low:	18.0	20.2	18.1	20.0	23.0	22.8	24.8	18.4	17.3	24.8	10.0	10.6					

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.48 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/93
Options: Yes
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+225%)	40%
Low	20	(+85%)	24%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	5	7	1
Options	6	1	0	0	0	0	0	0	0
to Sell	9	1	0	0	0	0	0	0	0

Institutional Decisions

	1Q2002	2Q2002	3Q2002
to Buy	187	218	179
to Sell	131	109	167
Hld's(000)	64898	68786	69404

Percent shares traded 24 16 8

% TOT. RETURN 1/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	-40.5	-18.4
3 yr.	-21.2	0.1
5 yr.	-33.4	13.9

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
8.56	9.11	9.33	9.65	10.10	10.29	11.10	11.55	11.90	12.53	14.23	14.83	15.01	16.17	18.97	17.45	16.30	17.43	Revenues per sh	22.85
1.87	2.00	2.16	2.29	2.43	2.54	2.70	2.80	3.08	3.28	3.34	3.25	3.28	4.11	4.31	3.75	3.65	3.75	"Cash Flow" per sh	5.25
.98	1.07	1.18	1.23	1.28	1.30	1.30	1.32	1.60	1.71	1.61	1.52	1.53	1.97	2.24	2.15	1.95	2.05	Earnings per sh A	2.50
.66	.70	.75	.80	.85	.90	.95	1.00	1.05	1.11	1.17	1.23	1.29	1.33	1.37	1.41	1.42	1.42	Div'd Decl'd per sh B■	1.50
1.19	1.20	1.38	2.22	3.59	2.22	2.34	2.64	3.70	2.28	1.62	2.24	3.23	5.45	6.92	7.50	5.00	6.50	Cap'l Spending per sh	5.00
6.99	7.29	7.73	7.30	7.80	8.31	8.89	9.27	9.98	10.73	11.04	11.42	10.73	11.93	14.12	13.50	12.80	13.30	Book Value per sh C	15.00
113.34	113.50	113.58	113.70	114.22	114.97	115.62	116.92	116.96	117.60	130.90	132.00	132.10	126.30	139.60	153.30	175.00	175.00	Common Shs Outst'g D	175.00
11.6	10.9	10.7	11.9	13.9	15.1	17.9	15.0	13.8	14.3	15.4	17.8	14.2	11.9	12.9	9.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.0
.78	.90	.81	.88	.89	.92	1.06	.98	.92	.90	.89	.93	.81	.77	.66	.66			Relative P/E Ratio	.75
5.8%	6.0%	6.0%	5.5%	4.8%	4.6%	4.1%	5.0%	4.7%	4.5%	4.7%	4.5%	5.9%	5.7%	4.8%	6.6%			Avg Ann'l Div'd Yield	5.5%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $3270.2 mill. Due in 5 Yrs $1660 mill.
LT Debt $1842.5 mill. LT Interest $142.0 mill.

(LT interest earned: 3.4x)

Pension Liability None

Pfd Stock $649.1 mill.

Common Stock 153,300,000 shs.
MARKET CAP: $1.6 billion (Mid Cap)

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004		06-08
1283.9	1350.9	1392.3	1473.0	1862.3	1958.1	1983.0	2295.1	2648.6	2675.8	2850	3050	Revenues ($mill)	4000
150.3	156.7	189.7	202.5	211.9	200.4	200.9	250.9	303.7	324.9	340	360	Net Profit ($mill)	450
26.8%	22.6%	23.8%	26.1%	30.9%	28.8%	30.2%	6.9%	6.9%	31.0%	31.0%	31.0%	Income Tax Rate	31.0%
1.4%	3.6%	10.2%	11.3%	.1%	--	.9%	.9%	3.0%	4.0%	4.5%	4.5%	AFUDC % to Net Profit	5.0%
49.1%	47.3%	44.9%	43.7%	42.8%	45.9%	46.0%	47.7%	48.3%	44.0%	44.5%	44.5%	Long-Term Debt Ratio	46.0%
48.3%	50.1%	52.6%	55.4%	57.2%	54.1%	54.0%	52.3%	51.7%	52.0%	52.5%	52.5%	Common Equity Ratio	50.0%
2125.8	2163.1	2216.6	2276.4	2524.9	2787.4	2625.6	2881.5	3814.1	3850	3950	4050	Total Capital ($mill)	4550
2483.0	2620.3	2874.3	2956.6	3236.5	3307.6	3627.8	3970.1	4838.3	4975	5120	5180	Net Plant ($mill)	5350
8.7%	8.9%	10.1%	10.5%	10.2%	9.0%	9.8%	10.7%	9.7%	8.5%	7.5%	8.0%	Return on Total Cap'l	11.0%
13.9%	13.8%	15.5%	15.8%	14.7%	13.3%	14.2%	16.7%	15.4%	14.5%	13.5%	13.5%	Return on Shr. Equity	15.5%
14.3%	14.1%	16.0%	15.9%	14.6%	13.3%	14.2%	16.7%	15.4%	14.5%	13.5%	13.5%	Return on Com Equity E	15.5%
4.0%	3.8%	5.8%	5.8%	4.5%	2.6%	2.3%	5.5%	6.1%	5.5%	4.5%	5.0%	Retained to Com Eq	8.0%
73%	74%	64%	64%	70%	81%	84%	67%	61%	66%	73%	69%	All Div'ds to Net Prof	60%

ELECTRIC OPERATING STATISTICS

	1999	2000	2001
% Change Retail Sales (KWH)	-1.3	+5.2	+2.0
Avg. Indust'l Use (Mw)	3580	3600	3610
Avg. Indust'l Revs. per KWH (¢)	4.52	4.52	4.54
Capacity at Peak (Mw)	3608	3960	3991
Peak Load, Summer (Mw)	3372	3504	2899
Annual Load Factor (%)	N.A.	N.A.	N.A.
% Change Customers (yr-end)	+2.8	+3.0	+2.7
Fixed Charge Cov. (%)	341	247	254

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	6.0%	7.5%	4.0%
"Cash Flow"	5.5%	5.0%	4.5%
Earnings	4.5%	4.5%	4.0%
Dividends	5.0%	5.0%	1.5%
Book Value	5.0%	4.0%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	524.4	559.6	614.7	596.4	2295.1
2001	670.2	641.8	678.8	657.8	2648.6
2002	648.3	728.0	639.0	660.5	2675.8
2003	650	750	700	750	2850
2004	700	800	750	800	3050

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	.42	.46	.65	.44	1.97
2001	.53	.53	.71	.47	2.24
2002	.55	.59	.72	.29	2.15
2003	.48	.50	.52	.45	1.95
2004	.50	.52	.55	.48	2.05

Cal-endar	QUARTERLY DIVIDENDS PAID■ B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.31	.325	.325	.325	1.29
2000	.325	.335	.335	.335	1.33
2001	.335	.345	.345	.345	1.37
2002	.345	.355	.355	.355	1.41
2003	.355				

BUSINESS: TECO Energy, Inc. is a holding company for Tampa Electric, serving nearly half a million customers in central west Florida. Megawatt-hours sold: residential, 45%; industrial, 14%; commercial, 33%; other, 8%. Over 99% of Tampa Electric's electric generation is from coal-fired plants. TECO also mines coal, develops unregulated power projects, is involved in coal-bed methane-gas production, and owns real estate. Acq. Lykes Energy, 6/97. 2001 depreciation rate: 4.0%. TECO has 6,315 empls.; Tampa Electric, 2,823. 23,029 common stkhldrs. Officers & directors own 2.2% of common stock (3/02 proxy). Chmn., Pres. & CEO: Robert D. Fagan. Inc.: Florida. Addr.: 702 N. Franklin St., Tampa, FL 33602. Tel.: 813-228-4111. Internet: www.tecoenergy.com.

TECO Energy has reaffirmed its dividend for now. Despite analyst predictions to the contrary, the company's chief financial officer, Gordon Gillette, recently stated that TECO had no intention of cutting its dividend. In February, TE completed the sale of its coalbed methane properties for $140 million. The utility will record a gain of $18 million, or $0.10 a share, (included in our estimates) in the first quarter of 2003. The coalbed divestiture is part of TECO's plan to raise up to $900 million by the middle of 2003. The company issued an additional 19.4 million common shares in October. This is on top of the 15.5-million stock offering last June. All told, the utility raised $550 million from the two stock offerings, increasing its current shares outstanding to roughly 175 million. In late 2002, TECO sold $380 million in five-year notes, bearing an interest rate of 10.5% per year. The utility's earnings declined by 4% in 2002, and will likely fall by around 10% this year, given the poor performance of its nonregulated energy projects and the new capital. These projects should benefit somewhat from the recent rise in gas and power prices.

The company's stock price has plummeted due to concerns about its ability to sell electricity on the open market. The utility had aggressively built up its nonregulated power assets, but overcapacity in the power markets has limited its options to sell electricity from two power plants scheduled to go online in 2003. Although the company continues to sign new contracts, it will likely have difficulty selling the total capacity of its 2,300-megawatt Gila River Power Station plant in Arizona and its 2,200-megawatt Union Power Station facility in Arkansas. These two plants are 50-50 joint ventures between TECO and Panda Energy and are the two largest independent power projects in the U.S.

We have lowered the stock's Safety ranking to a 3 (Average) given the increased uncertainty of its nonregulated power projects. These shares are also not timely for the year ahead. Income-oriented accounts may be tempted by the stock's high dividend yield, but most investors would be wise to sit on the sidelines for now.

Perry H. Roth *March 7, 2003*

(A) Diluted earnings. Excl. nonrecurring gains (losses): '88, (6¢); '93, 10¢; '97, (6¢); '99, (11¢). Next earnings report due late April. (B) Next dividend meeting mid-April. Next ex date late April. Dividend payment dates: 15th of Feb., May, Aug., Nov. ■ Div'd reinvestment plan avail. (C) Incl. deferred charges. In '01, $558.8 mill., $4.00/sh. (D) In mill., adjusted for split. (E) Rate base: net original cost. Allowed return on common equity in '95: 12.75%. Earned on '01 avg. common equity: 17.5%. Regulatory Climate: Above Average.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	20
Earnings Predictability	85

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WPS RESOURCES NYSE-WPS

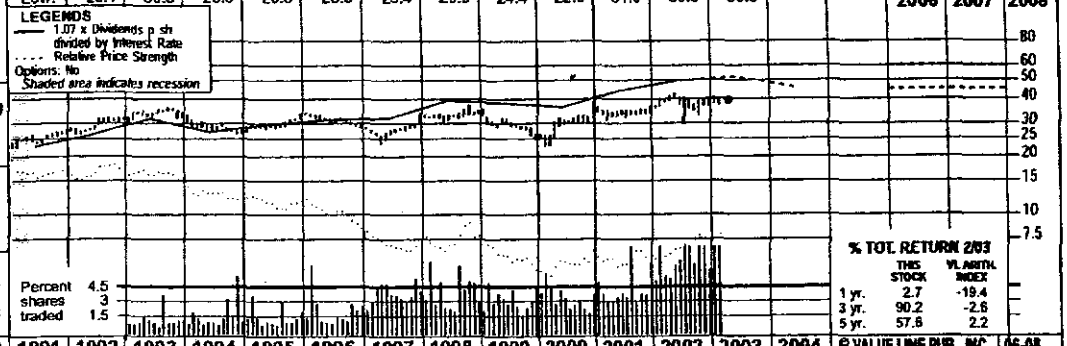
RECENT PRICE 39.29 | P/E RATIO 13.7 (Trailing: 14.3 Median: 13.0) | RELATIVE P/E RATIO 0.93 | DIV'D YLD 5.5% | VALUE LINE

TIMELINESS 3 Raised 11/8/02
SAFETY 2 Lowered 4/4/03
TECHNICAL 2 Raised 3/28/03
BETA .65 (1.00 = Market)

High:	32.3	36.5	33.6	34.3	34.4	34.3	37.5	35.8	39.0	36.8	42.7	41.2	
Low:	26.1	30.3	26.3	26.8	28.3	23.4	29.9	24.4	22.6	31.0	30.5	36.8	

Target Price Range 2006 | 2007 | 2008

LEGENDS
— 1.07 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: No
Shaded area indicates recession



2006-08 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+55%)	15%
Low	45	(+15%)	9%

Insider Decisions

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

Institutional Decisions

	2Q2002	3Q2002	4Q2002
to Buy	70	70	54
to Sell	47	45	56
Hld's(000)	11008	11638	11078

Percent shares traded 4.5 / 3 / 1.5

% TOT. RETURN 2/03

	THIS STOCK	VL ARITH. INDEX
1 yr.	2.7	-19.4
3 yr.	90.2	-2.6
5 yr.	57.8	2.2

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	© VALUE LINE PUB., INC.	06-08
25.02	26.05	25.59	25.73	27.24	26.62	28.48	28.20	30.12	35.91	36.76	40.06	40.91	72.68	85.80	83.80	81.15	85.00	Revenues per sh	96.15
4.96	5.03	4.79	4.80	5.03	5.09	5.00	4.56	5.06	4.71	5.37	5.01	5.34	6.11	5.27	5.55	5.45	5.75	"Cash Flow" per sh	6.55
2.11	2.28	1.98	2.00	2.23	2.35	2.47	2.21	2.32	2.00	2.13	1.76	2.24	2.43	2.74	2.74	2.85	2.95	Earnings per sh A	3.40
1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.80	1.84	1.88	1.92	1.96	2.00	2.04	2.08	2.12	2.16	2.20	Div'd Decl'd per sh B■	2.32
2.70	2.83	3.17	2.68	2.84	3.99	2.87	2.87	3.35	3.55	2.44	3.57	4.93	5.94	7.98	6.25	5.70	5.65	Cap'l Spending per sh	4.85
15.52	16.00	16.30	16.26	16.13	17.33	18.18	18.69	19.39	19.56	20.00	19.48	19.97	20.21	22.96	23.95	25.75	26.75	Book Value per sh C	29.70
23.20	23.20	22.89	22.89	22.89	23.85	23.90	23.90	23.90	23.90	23.90	26.55	26.85	26.85	31.18	32.00	35.00	35.30	Common Shs Outst'g D	36.20
11.0	9.6	11.4	11.0	11.3	12.6	13.7	13.0	12.8	15.7	13.1	18.9	13.2	12.2	12.5	14.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.5
.74	.80	.86	.82	.72	.76	.81	.85	.86	.98	.76	.98	.75	.79	.64	.76			Relative P/E Ratio	1.05
6.5%	7.1%	7.1%	7.4%	6.6%	5.8%	5.2%	6.2%	6.2%	6.0%	6.9%	5.9%	6.7%	6.9%	6.1%	5.5%			Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 9/30/02
Total Debt $854.6 mill. Due in 5 Yrs $226.4 mill.
LT Debt $658.5 mill. LT Interest $45.1 mill.
(LT interest earned: 3.9x)
Pension Liability None
Pfd Stock $101.1 mill. Pfd Div'd $6.5 mill.
512,000 shs. 5.00% to 6.88%, callable $101 to $107.50; sinking fund began 11/1/79. All cumulative, $100 par.
Incl. $50 mill. in 7% trust pfd. sec's. ('38), redeemable after 7/30/03. $25 par.
Common Stock 31,884,949 shs. as of 10/31/02

MARKET CAP: $1.3 billion (Mid Cap)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
680.6	673.8	719.8	858.3	878.3	1063.7	1098.5	1951.6	2675.5	2674.9	2840	3000		Revenues ($mill) 3480
62.2	55.8	58.5	50.5	54.0	49.6	62.7	67.4	80.7	93.4	100	110		Net Profit ($mill) 130
34.7%	34.6%	34.5%	32.5%	34.0%	32.3%	32.2%	6.7%	5.6%	32.0%	32.0%	32.0%		Income Tax Rate 32.0%
.8%	.4%	.4%	.5%	.4%	--	--	--	--	1.0%	1.0%	1.0%		AFUDC % to Net Profit 1.0%
39.3%	38.4%	37.3%	37.1%	36.5%	35.7%	47.8%	50.6%	47.1%	49.0%	48.0%	47.0%		Long-Term Debt Ratio 46.5%
54.3%	55.3%	56.4%	56.7%	57.4%	53.8%	43.9%	41.6%	46.3%	45.0%	47.0%	48.0%		Common Equity Ratio 49.0%
799.9	807.7	821.2	824.5	833.0	961.4	1222.0	1303.9	1544.8	1695	1935	1975		Total Capital ($mill) 2205
843.9	863.8	870.1	892.9	886.4	820.1	863.7	905.1	1463.6	1575	1680	1780		Net Plant ($mill) 1975
9.3%	8.4%	8.5%	7.4%	7.8%	6.4%	6.2%	6.8%	6.8%	7.0%	7.0%	7.0%		Return on Total Cap'l 7.5%
12.8%	11.2%	11.4%	9.7%	10.2%	8.0%	9.8%	10.5%	9.9%	11.0%	10.0%	10.5%		Return on Shr. Equity 11.0%
13.5%	11.8%	11.9%	10.1%	10.6%	9.0%	11.1%	11.9%	10.8%	11.5%	10.5%	11.0%		Return on Com Equity D 11.5%
3.9%	2.2%	2.5%	.5%	1.0%	NMF	1.2%	1.9%	2.7%	2.5%	2.5%	3.0%		Retained to Com Eq 3.5%
73%	83%	81%	95%	91%	102%	85%	80%	76%	79%	77%	78%		All Div'ds to Net Prof 70%

ELECTRIC OPERATING STATISTICS

	1999	2000	2001
% Change Retail Sales (KWH)	+3.4	+4.1	+1.6
Avg. Indust. Use (KWH)	17,275	18302	17727
Avg. Indust. Revs. per KWH (¢)	3.13	3.26	3.10
Capacity at Peak (Mw)	1994	1957	1978
Peak Load, Summer (Mw)	1751	1793	2173
Annual Load Factor (%)	77.7	80.1	90.6
% Change Customers (yr-end)	+1.9	+1.7	+1.5
Fixed Charge Cov. (%)	307	198	173

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '99-'01 to '06-'08
Revenues	10.0%	16.0%	5.5%
"Cash Flow"	1.5%	3.0%	2.5%
Earnings	2.0%	2.5%	4.5%
Dividends	2.0%	2.0%	2.0%
Book Value	2.5%	2.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	398.9	374.7	458.6	719.4	1951.6
2001	997.4	577.2	517.1	583.8	2675.5
2002	671.3	579.4	609.6	814.6	2674.9
2003	710	700	720	710	2840
2004	750	740	760	750	3000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2000	1.10	.33	.49	.51	2.43
2001	.89	.41	.76	.70	2.74
2002	.89	.36	.77	.72	2.74
2003	.95	.40	.80	.70	2.85
2004	.98	.42	.82	.73	2.95

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1999	.495	.495	.505	.505	2.00
2000	.505	.505	.515	.515	2.04
2001	.515	.515	.525	.525	2.08
2002	.525	.525	.535	.535	2.12
2003	.535				

BUSINESS: WPS Resources Corporation is a holding company for subsidiaries that provide products and services in both regulated and nonregulated energy markets. Acq'd Upper Peninsula Energy 9/98. 2001 revenues: electric, 26%; gas, 10%; nonregulated energy and other, 64%. Electric revenue breakdown, '01: residential, 35%; commercial and industrial, 51%; other, 14%. Generating sources, '01: coal, 61%; nuclear, 11%; hydro, 2%; other and purchased, 26%. Fuel costs: 62% of revenues. '01 deprec. rate: 3.2%. Est'd plant age: 13 years. Has 2,380 employees, 23,478 common stockholders. Chairman, President & CEO: Larry L. Weyers. Incorporated: WI. Address: 700 N. Adams Street, Green Bay, WI 54307. Telephone: 800-236-1551. Internet: www.wpsr.com.

WPS Resources' unregulated businesses are performing well. The Power Development (PD) subsidiary owns and operates nonregulated electric generation facilities. It owns 932 megawatts (mw) of plant and plans to increase the capacity of the Stoneman coal-fired unit from 53 mw to 250 mw. PD also has an interest in synthetic fuel facilities that produce coal briquettes and generate federal tax credits. Since WPS couldn't take all of these credits, it sold a large portion of its investment for a substantial profit in 2002. PD's remaining interest in synthetic fuels should produce pretax earnings of $7 million annually through 2007. The Energy Services unit supplies electricity and natural gas and offers consulting services to wholesale customers in the northeastern United States and adjacent parts of Canada. And it continues to expand. These noncore activities will likely provide 15%-20% of company net over the next few years.

Two rate orders have been published; one is pending. In January, the company's Michigan utility received an electric rate hike of $5 million, to cover the cost of hydro relicensing and increased security outlays. Last month, the Wisconsin Public Service utility was granted higher electric and gas rates totaling $20.2 million for the cost of refueling the Kewaunee nuclear plant and for infrastructure improvements. These increases should help lift 2003 earnings. A Wisconsin filing for higher electric and gas rates of $34.5 million for 2004 is outstanding. Based on previous favorable commission decisions, we expect an award of a major portion of the request.

We look for a modest earnings gain in 2003. The aforementioned rate orders, a likely increase in retail energy sales, and a modest gain in unregulated operations are pluses. But the company faces increased employee benefit costs and the loss of tax credits resulting from the sale of some synthetic fuel assets. In all, we estimate a 4% rise in 2003 earnings, to $2.85 a share, and a further advance next year.

The yield is fractionally above the industry norm. And based on our forecast of steady earnings gains to 2006-2008, dividend growth prospects over the same period exceed those of the group. The stock might interest income-oriented investors.

Arthur H. Medalie *April 4, 2003*

(A) Diluted EPS. Excl. nlr gains: '97, 12¢; '00, 10¢; '02, 72¢. Next egs. report due mid-Apr. '01 egs. don't add due to chg. no. shs. (B) Next div'd meeting mid-Apr. Next ex date late May. Div'd pmnt. dates: about Mar. 20, June 20, Sept. 20, Dec. 20. ■ Div'd reinvestment plan available. (C) Incl. intangibles. In '01, $91.0 mill., $2.92/sh. (D) Rate base determination: Net orig. cost. Rate allowed in Wisc. on com. equity in '03: 12.0%; earned on avg. com. equity, '01: 13.3%. Reg. Climate: Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	75

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