



Edison Electric
INSTITUTE

Stock Performance

Q2 2022
FINANCIAL UPDATE

QUARTERLY REPORT
OF THE U.S. INVESTOR-OWNED
ELECTRIC UTILITY INDUSTRY

About EEI

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans, and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States. In addition to our U.S. members, EEI has more than 60 international electric companies, with operations in more than 90 countries, as International Members, and hundreds of industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

About EEI's Quarterly Financial Updates

EEI's quarterly financial updates present industry trend analyses and financial data covering 44 U.S. investor-owned electric utility companies. These 44 companies include 39 electric utility holding companies whose stocks are traded on major U.S. stock exchanges and five electric utilities who are subsidiaries of non-utility or foreign companies. Financial updates are published for the following topics:

- Stock Performance
- Dividends
- Credit Ratings
- Rate Review

EEI Finance Department material can be found online at: www.eei.org/QFU.

For EEI Member Companies

The EEI Finance and Accounting Division maintains current year and historical data sets that cover a wide range of industry financial and operating metrics. We look forward to serving as a resource for member companies who wish to produce customized industry financial data and trend analyses for use in:

- Investor relations studies and presentations
- Internal company presentations
- Performance benchmarking
- Peer group analyses
- Annual and quarterly reports to shareholders

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We Welcome Your Feedback

EEI is interested in ensuring that our publications and industry data sets best address the needs of member companies and the regulatory and financial communities. We welcome your comments, suggestions and inquiries.

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Future EEI Finance Meetings

EEI Financial Conference
November 13-15, 2022
Diplomat Resort & Spa
Hollywood, Florida

For more information about future EEI Finance Meetings, please contact Aaron Cope, Jr. at (202) 508-5128 or acope@eei.org

The 44 U.S. Investor-Owned Electric Utilities

The companies listed below all serve a regulated distribution territory. Other utilities, such as transmission provider ITC Holdings, are not shown below because they do not serve a regulated distribution territory. However, their financial information is included in relevant EEI data sets, such as transmission-related construction spending.

ALLETE, Inc. (ALE)
Alliant Energy Corporation (LNT)
Ameren Corporation (AEE)
American Electric Power Company, Inc. (AEP)
AVANGRID, Inc. (AGR)
Avista Corporation (AVA)
Berkshire Hathaway Energy
Black Hills Corporation (BKH)
CenterPoint Energy, Inc. (CNP)
Cleco Corporation
CMS Energy Corporation (CMS)
Consolidated Edison, Inc. (ED)
Dominion Energy, Inc. (D)
DPL, Inc.
DTE Energy Company (DTE)
Duke Energy Corporation (DUK)
Edison International (EIX)
Entergy Corporation (ETR)
Eversource Energy (ES)
Exelon Corporation (EXC)
FirstEnergy Corp. (FE)
Hawaiian Electric Industries, Inc. (HE)
IDACORP, Inc. (IDA)
IPALCO Enterprises, Inc.

MDU Resources Group, Inc. (MDU)
MGE Energy, Inc. (MGEE)
NextEra Energy, Inc. (NEE)
NiSource Inc. (NI)
NorthWestern Corporation (NWE)
OGE Energy Corp. (OGE)
Otter Tail Corporation (OTTR)
PG&E Corporation (PCG)
Pinnacle West Capital Corporation (PNW)
PNM Resources, Inc. (PNM)
Portland General Electric Company (POR)
PPL Corporation (PPL)
Public Service Enterprise Group Inc. (PEG)
Puget Energy, Inc.
Sempra Energy (SRE)
Southern Company (SO)
Unitil Corporation (UTL)
WEC Energy Group, Inc. (WEC)
Xcel Energy, Inc. (XEL)

Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.

Companies Listed by Category

(Based on Business Segmentation Data as of 12/31/2021)

Please refer to the Quarterly Financial Updates webpage for previous years' lists.

Given the diversity of utility holding company corporate strategies, no single company categorization approach will be useful for all EEI members and utility industry analysts. Nevertheless, we believe the following classification provides an informative framework for tracking financial trends.

Regulated
Mostly Regulated

80% or more of total assets are regulated
Less than 80% of total assets are regulated

Categorization is based on year-end business segmentation data presented in SEC 10-K filings, supplemented by discussions with and information provided by parent company IR departments.

The EEI Finance and Accounting Division continues to evaluate our approach to company categorization and business segmentation. In addition, we can produce customized categorization and peer group analyses in response to member company requests. We welcome comments, suggestions and feedback from EEI member companies and the financial community.

Regulated (36 of 44)

Alliant Energy Corporation
Ameren Corporation
American Electric Power Company, Inc.
Avista Corporation
Black Hills Corporation
CenterPoint Energy, Inc.
Cleco Corporation
CMS Energy Corporation
Consolidated Edison, Inc.
Dominion Energy, Inc.
DPL Inc.
DTE Energy Company
Duke Energy Corporation
Edison International
Entergy Corporation
Eversource Energy
FirstEnergy Corp.
IDACORP, Inc.
IPALCO Enterprises, Inc.
MGE Energy, Inc.

NiSource Inc.
NorthWestern Corporation
OGE Energy Corp.
Otter Tail Corporation
PG&E Corporation
Pinnacle West Capital Corporation
PNM Resources, Inc.
Portland General Electric Company
PPL Corporation
Puget Energy, Inc.
Sempra Energy
Southern Company
Unitil Corporation
WEC Energy Group, Inc.
Xcel Energy Inc.

Mostly Regulated (8 of 44)

ALLETE, Inc.
AVANGRID, Inc.
Berkshire Hathaway Energy
Exelon Corporation
Hawaiian Electric Industries, Inc.
MDU Resources Group, Inc.
NextEra Energy, Inc.
Public Service Enterprise Group
Incorporated

Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.

Stock Performance

HIGHLIGHTS

■ As in Q1, utilities offered safe harbor from market stress in Q2. The EEI Index returned -4.9%, notably outperforming the broad averages for a fourth straight quarter. The Dow Jones Industrials returned -10.9%, the S&P 500 -16.1% and the Nasdaq returned -23.0%.

■ Inflation climbed higher from levels reached in Q1. The monthly CPI rose 8.2% year-over-year in April, 8.5% in May and 9.0% in June, the highest readings since the early 1980s.

■ Utilities' earnings calls covering Q1 took place in April and May. These generally confirmed the industry's outlook for mid-single-digit earnings growth with possible upside given the clean energy capex needed to meet state mandates and carbon targets.

■ Wall Street sees inflation falling as monthly comparisons improve and supply-chain logjams work out. Utilities' strong fundamentals and solid earnings prospects seem to offer investors downside protection and upside possibility if Wall Street's inflation view proves correct.

COMMENTARY

U.S. economic data weakened in 2022's first half. The Russia-Ukraine conflict dragged on. High inflation remained sticky. And interest rates rose. With this backdrop, broad market averages fell for a second straight quarter. The Dow Jones Industrials returned -10.9%, the S&P 500 -16.1% and the Nasdaq returned -23.0%. As in Q1, utility stocks offered a safe harbor from market stress. The EEI Index returned -4.9%, notably outperforming the broad averages for a fourth straight quarter and producing a flat first half compared with sizeable losses for the major averages.

I. Index Comparison (% Return)

Index	2016	2017	2018	2019	2020	2021	2022*
EEI Index	17.4	11.7	3.7	25.8	-1.2	17.1	-0.4
Dow Jones Inds.	16.5	28.1	-3.5	25.3	9.7	21.0	-14.4
S&P 500	12.0	21.8	-4.4	31.5	18.4	28.7	-20.0
Nasdaq Comp. ^	7.5	28.2	-3.9	35.2	43.6	21.4	-29.9

Calendar year returns shown for all periods, except where noted.

*6 mo. through June 30.

^Price gain/loss only. Other indices show total return.

Source: EEI Finance Department, S&P Global Market Intelligence

II. Category Comparison (% Return)

U.S. Investor-Owned Electric Utilities

Index	2016	2017	2018	2019	2020	2021	2022*
All Companies	22.2	11.6	4.3	23.1	-8.1	17.6	1.2
Regulated	21.2	11.7	4.5	24.6	-9.0	16.7	2.6
Mostly Regulated	24.6	11.3	3.6	17.9	-4.9	21.1	-5.0
Diversified	25.6	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**

Calendar year returns shown for all periods except where noted.

Returns shown here are unweighted averages of constituent company returns.

The EEI Index return shown in Table I above is cap-weighted.

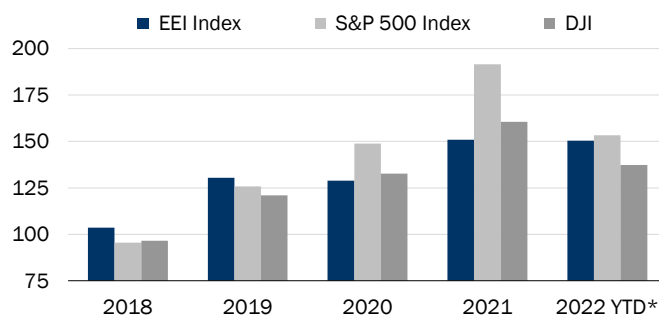
*6 mo. through June 30.

**Diversified category eliminated in 2017 due to lack of constituent companies.

Source: EEI Finance Department, S&P Global Market Intelligence and company reports

III. Total Return Comparison

Value of \$100 invested at close on 12/31/2017

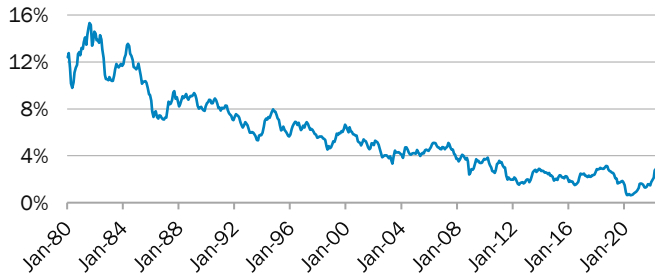


*6 mo. through June 30.

Source: EEI Finance Department, S&P Global Market Intelligence

IV. 10-Year Treasury Yield — Monthly

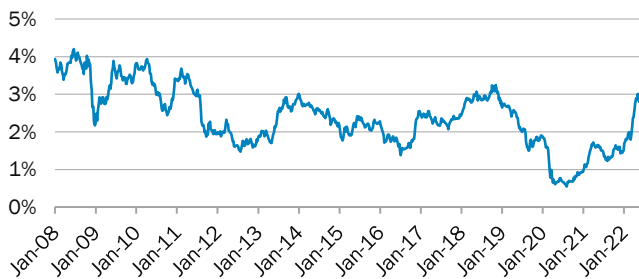
Average Monthly Yield, 1/1/1980 through 6/30/2022



Source: U.S. Federal Reserve

V. 10-Year Treasury Yield — Weekly

Weekly Yield, 1/1/2008 through 6/30/2022



Source: U.S. Federal Reserve

VI. Natural Gas Spot Prices

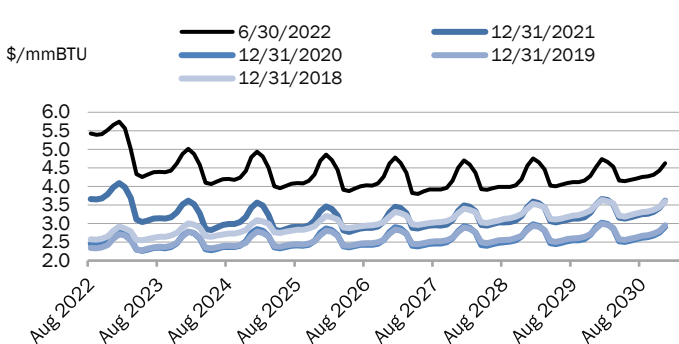
1/1/2012 through 6/30/2022, Henry Hub



Source: S&P Global Market Intelligence

VII. NYMEX Natural Gas Futures

8/2022 through 12/2030, Henry Hub



Source: S&P Global Market Intelligence

VIII. Returns by Quarter

U.S. Investor-Owned Electric Utilities

Index	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
EEl Index	8.2	0.4	-13.6	1.8	5.6	6.5	3.0	-0.7	1.4	12.9	4.8	-4.9
Dow Jones Industrials	1.8	6.7	-22.7	18.5	8.2	10.7	8.3	5.1	-1.5	7.9	-4.0	-10.9
S&P 500	1.7	9.1	-19.6	20.5	8.9	12.2	6.2	8.6	0.6	11.0	-4.6	-16.1
Nasdaq Comp. [^]	-0.1	12.2	-14.2	30.6	11.0	15.4	2.8	9.5	-0.4	8.3	-9.0	-23.0

Category*	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
All Companies	6.5	-0.4	-15.8	-1.0	1.3	8.8	6.0	0.3	-0.7	11.5	5.2	-3.8
Regulated	6.5	-0.1	-15.0	-1.3	-0.1	8.6	4.8	0.3	-0.7	11.9	6.4	-3.6
Mostly Regulated	6.6	-1.2	-18.3	0.2	6.2	9.3	10.6	0.3	-0.8	10.1	0.0	-5.0

[^]Price gain/(loss) only. Other indices show total return. / * Returns shown here are unweighted averages of constituent company returns. The EEl Index return shown above is cap-weighted. Source: EEl Finance Department, S&P Global Market Intelligence

IX. Sector Comparison, Trailing 3 mo. Total Return

For the three-month period ending 6/30/2022

Sector	Total Return
Telecommunications	6.7%
Oil & Gas	-3.8%
EEl Index	-4.9%
Healthcare	-6.2%
Utilities	-6.7%
Consumer Goods	-14.9%
Financials	-15.5%
Industrials	-16.7%
Basic Materials	-17.0%
Technology	-21.2%
Consumer Services	-24.3%

Note: Sector Comparison page based on the Dow Jones U.S. Indexes, which are market-capitalization-weighted indices. Source: EEl Finance Dept., Dow Jones & Company, Google Finance, Y Charts

X. Sector Comparison, Trailing 12 mo. Total Return

For the twelve-month period ending 6/30/2022

Sector	Total Return
Oil & Gas	42.5%
EEl Index	14.1%
Utilities	11.3%
Healthcare	-0.5%
Telecommunications	-3.2%
Basic Materials	-5.4%
Consumer Goods	-8.3%
Financials	-10.8%
Technology	-17.6%
Industrials	-19.9%
Consumer Services	-29.0%

Note: Sector Comparison page based on the Dow Jones U.S. Indexes, which are market-capitalization-weighted indices. Source: EEl Finance Dept., Dow Jones & Company, Google Finance, Y Charts

XI. Market Capitalization at June 30, 2022 (in \$ Millions)

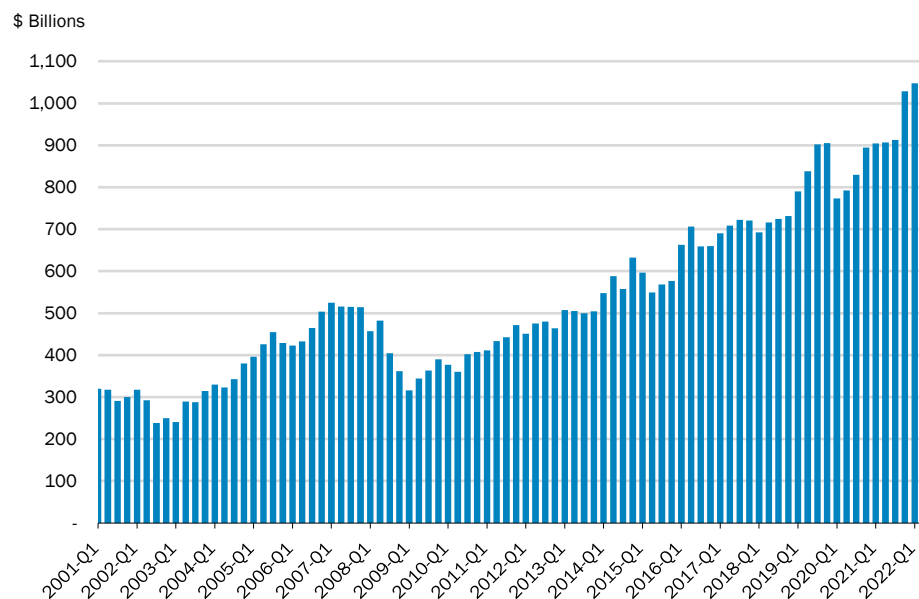
U.S. Investor-Owned Electric Utilities

Company	Stock Symbol	\$ Market Cap	% Total	Company	Stock Symbol	\$ Market Cap	% Total
NextEra Energy, Inc.	NEE	152,186	15.29%	CenterPoint Energy, Inc.	CNP	18,610	1.87%
Duke Energy Corporation	DUK	82,552	8.30%	AVANGRID, Inc.	AGR	17,835	1.79%
Southern Company	SO	75,803	7.62%	Eergy, Inc.	EVRG	14,994	1.51%
Dominion Energy, Inc.	D	64,694	6.50%	Alliant Energy Corporation	LNT	14,688	1.48%
American Electric Power Co., Inc.	AEP	48,550	4.88%	NiSource Inc.	NI	11,973	1.20%
Sempra Energy	SRE	47,538	4.78%	Pinnacle West Capital Corp.	PNW	8,270	0.83%
Exelon Corporation	EXC	44,459	4.47%	OGE Energy Corp.	OGE	7,720	0.78%
Xcel Energy Inc.	XEL	38,564	3.88%	MDU Resources Group, Inc.	MDU	5,488	0.55%
Consolidated Edison, Inc.	ED	33,675	3.38%	IDACORP, Inc.	IDA	5,363	0.54%
WEC Energy Group, Inc.	WEC	31,742	3.19%	Black Hills Corporation	BKH	4,698	0.47%
Public Service Enter. Group Inc.	PEG	31,703	3.19%	Hawaiian Electric Industries, Inc.	HE	4,473	0.45%
Eversource Energy	ES	29,155	2.93%	Portland General Electric Co.	POR	4,321	0.43%
DTE Energy Company	DTE	24,463	2.46%	PNM Resources, Inc.	PNM	4,113	0.41%
Edison International	EIX	24,094	2.42%	NorthWestern Corporation	NWE	3,188	0.32%
Ameren Corporation	AEE	23,304	2.34%	ALLETE, Inc.	ALE	3,133	0.31%
Entergy Corporation	ETR	22,860	2.30%	Avista Corporation	AVA	3,123	0.31%
FirstEnergy Corp.	FE	21,882	2.20%	MGE Energy, Inc.	MGEE	2,815	0.28%
PPL Corporation	PPL	19,954	2.01%	Otter Tail Corporation	OTTR	2,789	0.28%
PG&E Corporation	PCG	19,820	1.99%	Unitil Corporation	UTL	938	0.09%
CMS Energy Corporation	CMS	19,528	1.96%	Total Industry		995,058	100.00%

Source: EEI Finance Dept., S&P Global Market Intelligence

XII. EEI Index Market Capitalization (at Period End)

U.S. Investor-Owned Electric Utilities



Note: Change in EEI Index market capitalization reflects the impact of buyout and spin-off activity in addition to stock market performance.

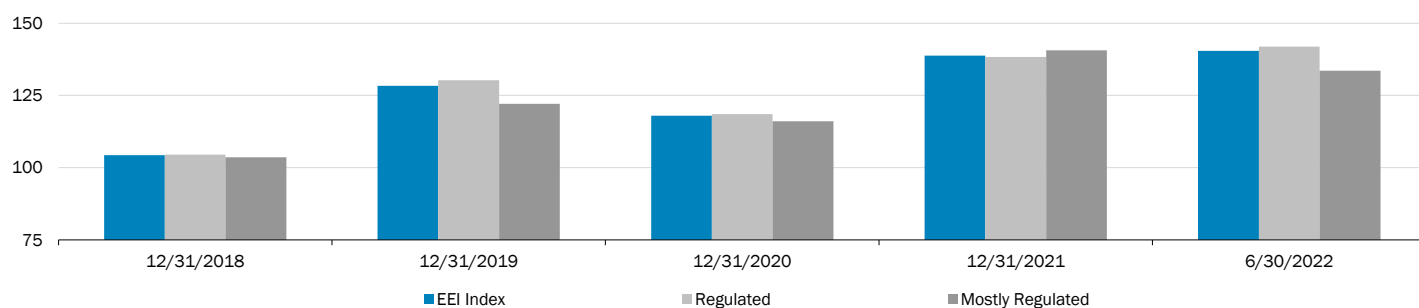
Source: EEI Finance Dept., S&P Global Market Intelligence

EEI Index Market Cap (in \$ Billions)

2006-Q3	464	2014-Q3	557
2006-Q4	504	2014-Q4	632
2007-Q1	525	2015-Q1	597
2007-Q2	516	2015-Q2	549
2007-Q3	515	2015-Q3	568
2007-Q4	514	2015-Q4	577
2008-Q1	457	2016-Q1	663
2008-Q2	482	2016-Q2	706
2008-Q3	404	2016-Q3	659
2008-Q4	362	2016-Q4	660
2009-Q1	316	2017-Q1	690
2009-Q2	344	2017-Q2	708
2009-Q3	363	2017-Q3	722
2009-Q4	390	2017-Q4	720
2010-Q1	377	2018-Q1	692
2010-Q2	360	2018-Q2	716
2010-Q3	402	2018-Q3	725
2010-Q4	407	2018-Q4	731
2011-Q1	411	2019-Q1	790
2011-Q2	433	2019-Q2	838
2011-Q3	442	2019-Q3	902
2011-Q4	472	2019-Q4	905
2012-Q1	451	2020-Q1	773
2012-Q2	475	2020-Q2	792
2012-Q3	480	2020-Q3	830
2012-Q4	464	2020-Q4	894
2013-Q1	507	2021-Q1	905
2013-Q2	505	2021-Q2	907
2013-Q3	500	2021-Q3	913
2013-Q4	504	2021-Q4	1,028
2014-Q1	548	2022-Q1	1,047
2014-Q2	588	2022-Q2	995

XIII. Comparative Category Total Annual Returns

U.S. Investor-Owned Electric Utilities, Value of \$100 invested at close on 12/31/2017



	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	6/30/2022
EEI Index Annual Return (%)		4.28	23.06	(8.07)	17.62	1.23
EEI Index Cumulative Return (\$)	100.00	104.28	128.32	117.96	138.74	140.45
Regulated EEI Index Annual Return		4.55	24.56	(9.01)	16.72	2.59
Regulated EEI Index Cumulative Return	100.00	104.55	130.22	118.49	138.30	141.87
Mostly Regulated EEI Index Annual Return		3.62	17.87	(4.95)	21.09	(4.97)
Mostly Regulated EEI Index Cumulative Return	100.00	103.62	122.14	116.09	140.58	133.59

Calendar year returns shown, except where noted.
Diversified category eliminated in 2017 due to lack of constituent companies.
Returns are unweighted averages of constituent company returns.

Inflation Persists Despite Weak GDP

In a seeming contradiction to strong employment data, U.S. real gross domestic product (GDP) fell 1.6% in Q1 and another 0.6% in Q2, yet inflation remained sticky at Q1's elevated level. The monthly CPI rose 8.2% year-over-year in April, 8.5% in May and 9.0% in June, the highest readings since the early 1980s.

The U.S. Federal Reserve in March finally lifted the Fed Funds rate off the zero floor, to a range of 0.25% to 0.50%, and hiked rates twice in Q2 — 50 basis points in May and 75 basis points in June. The 10-year Treasury yield climbed from 2.4% at the end of March to 3.5% in mid-June before finishing the quarter at 3.0%. The Moody's Baa Corporate bond index yield likewise rose from 4.2% in early April to 5.3% at quarter-end.

Utility share returns are often tracked against other equity market sectors. Investors' use of utilities for income makes a comparison with bond returns relevant too. In the face of rising interest rates, the Bloomberg Aggregate Bond Index, the leading benchmark for bond market performance, lost nearly 6% in Q1 and another 5% in Q2. This produced a first-half loss of slightly more than 11%, setting the stage for what may become one of the worst years ever for bond investors.

Financial markets offer enough volatility to illustrate almost any investment thesis with the right endpoints. Nevertheless, it seems fair to note utility stocks performed quite well compared to both broad equities and bonds in 2022's first half.

XIV. EEI Index Top Ten Performers

For the six-month period ending 6/30/2022

Company	% Return	Category
Unitil Corporation	29.5	R
Sempra Energy	15.2	R
Consolidated Edison, Inc.	13.3	R
Exelon Corporation	11.2	MR
American Electric Power Company, Inc.	9.6	R
NiSource Inc.	8.5	R
DTE Energy Company	7.5	R
CenterPoint Energy, Inc.	7.2	R
PNM Resources, Inc.	6.3	R
Xcel Energy Inc.	6.0	R

Note: Return figures include capital gains and dividends.
R = Regulated, MR = Mostly Regulated
Source: EEI Finance Department

Natural Gas Price Rise Continues

Natural gas prices have been rising since the middle of 2020 and jumped in 2022's first half to their highest levels since 2013. Spot natural gas broke above \$5/mm BTU in January and surged over \$9/mm BTU in May. Regulated utilities pass fuel costs through to rates under state regulation and have little near-term control over the fuel element of the utility bill.

Energy Information Administration's (EIA) data for the retail price of electricity nationwide captures some of this pricing pressure. While electricity rates in aggregate nation-

wide were mostly flat from 2008 through 2019, Q2 2022's 12.28 cents per kilowatt-hour average was 12.2% higher than last year and 16.3% above Q2 2020's level.

The current year is likely to be a busy one for rate reviews since many were delayed during the pandemic. Numerous integrated resource plans (IRPs) will also be submitted this year. Wall Street sees state regulation as broadly constructive for rising capex and supportive of utilities' role in the nation's transition to a clean energy future. Yet utility managements and Wall Street analysts are closely watching 2022 rate reviews and regulators' reactions to IRPs to see if cost pressures on utility bills spoil consumers' and/or regulators' support for the needed capex that ultimately drives earnings.

Electric Output Up 4.2% in Q2 2022

U.S. electric output rose 4.2% nationwide in Q2 with gains in most regions. The South Central (+12.1%) saw the strongest load growth while load in the Southeast (+4.7%) and Central Industrial (+3.3%) regions also increased. Cooling degree days in Q2 jumped more than 20% across the South Central region, but rose only 5% nationwide versus last year.

EIA data shows residential demand jumped 5.3% year-to-year in Q2 while demand from commercial and industrial customers gained 4.1% and 3.2%, respectively. Several utilities noted strong load growth and favorable economic trends in their service territories during Q1 earnings calls.

Earnings Calls Affirm Steady Outlook

All 39 utilities in the EEI Index conduct quarterly earnings calls with investors. Calls covering Q4 and full-year 2021 results, along with the 2022 outlook, took place from late

January through early March. Calls covering Q1 occurred in April and May. Company presentations and related transcripts largely confirmed prospects for mid-single-digit earnings growth, with possible upside given the scale of clean energy capex needed to meet state mandates and voluntary carbon targets. Analysts note the industry's aggregate earnings growth outlook has likely already bumped up from the 4% to 5% range a few years ago to the 5% to 7% range now. (Individual utilities may be higher or lower depending on their particular business strategy, load trend and support from regulators for capex.)

Inflation pressure in the supply chain was a frequent theme of conference call Q&A. At the time the calls took place, most managements viewed these pressures as manageable and not yet a threat to capex planning or workforce costs. Several noted automation of operations and maintenance (O&M) can still help control costs there. However, a 1970s style inflation over several years may change the discussion.

Macro Uncertainties

The gap between 8% inflation and 3% 10-year Treasury yields will have to close. Wall Street's bullish view sees inflation falling as monthly comparisons become favorable and supply-chain logjams work out. If inflation sticks and yields rise instead, then 2022's market weakness may persist. Some investors still recall the Nasdaq's 80% decline after the 1990s tech bubble and the S&P's 50% retracement. If similar moves occur this time due to much higher interest rates, utilities will probably feel pain too. But strong fundamentals and solid earnings prospects seem likely to offer downside protection and upside possibility if Wall Street's inflation view proves correct. ■