

Utility Report Card

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Aegion Corp (NSDQ: AEGN)	Buy<20	17.23	N/A	-36.16	-30.02	N/A	0	C	N/A	N/A	N/A	40.6	Utility Technology
Stock slides well under buy target as insiders buy. Cuts interest expense by -2.3, operating expenses reduced -6.4% as cost cutting efforts underscore resiliency for water services company. Shares under pressure as all 5 investment banks now rate it hold, though at higher prices. Product and service line still has huge potential market and lower valuation (12.8 times forward earnings) reduces risk. Quality Grade C (No Change).													
AES Corp (NYSE: AES)	Buy<16	15.53	3.35	51.09	19.52	0.13	43.3	B	10/31/2018	11/15/2018	9.1	77.8	Wholesale Power
Shares benefit from expectations of improvement in Brazilian regulatory environment though country is now far less important to overall company earnings. Will provide 270 megawatts of renewable energy to Chilean mine under 13 year deal, swaps out fossil fuel-fired facility, part of plan to cut carbon intensity by 70% by 2030, while cutting costs. Cuts interest expense by -14.1%, G&A expenses lower by -17.3%. Quality Grade B (No Change).													
AGL Energy (OTC: AGLNY, ASX: AGL)	Buy<18	13.99	6.2	N/A	-0.07	0.45	75	B	8/21/2018	9/28/2018	N/A	25.3	Intl Energy
Next semi-annual earnings Feb 8. Focus on renewable energy buildout would benefit from Labor Party energy policies if National/Liberal coalition government is defeated in Australian national elections next year as now expected. Company offers -10% discount on power sold to highest tariff customers, applies to 4% of customers at cost to company of AUD15 mil, should take the regulatory heat off in short term. Will also cut tariffs in Victoria, New South Wales, South Australia and Queensland. Still faces regulatory uncertainty until after election but stock is priced for it. Cut interest costs by -5.9% for year ended June 30, operating expenses cut -11.4%. Quality Grade B (no change).													
Alaska Communications Systems (NSDQ: ALSK)	Hold	1.51	N/A	-29.6	-19.25	N/A	0	C	11/1/2012	N/A	N/A	54.6	Communications
Company says earthquake and aftershocks near Anchorage, Alaska has minimal network impacts. Cuts interest expense by -8.1% last 12 months. Selling, general and administrative costs reduced by -1.3% over last 12 months. Quality Grade C (no change).													
Algonquin Power & Utilities (NYSE: AQN, TSX: AQN)	Buy<11	10.86	4.72	2.91	6.24	0.13	50.8	A	12/28/2018	1/15/2019	10	47.8	Intl Energy
Will acquire New Brunswick natural gas distribution assets of Enbridge Inc for CAD331 mil in first regulated utility purchase in Canada, close expected in first half of 2019. Management expects major opportunity to convert residents to natural gas heating. Completes acquisition of additional 16.5% stake in Atlantica Yield, now owns 41.5% and will likely take it up to 50% longer term. Interest expense is higher by 4.1% and operating expenses by 6.1% from a year ago, but modest in comparison with capital growth. Quality Grade A (no change).													
Allite (NYSE: ALE)	Hold	81.03	2.77	5.23	7.97	0.56	66.9	B	11/14/2018	12/1/2018	3.5	42.1	Regulated Electric

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Allete Clean Energy unit wins new 5-year power sales agreement for southern Minnesota wind facilities with Xcel Energy, 12 megawatts capacity. Q3 interest expense is up 6% from a year ago. Operating and maintenance costs are cut by 1%. Price of nearly 30 times trailing 12 months earnings is a likely impediment to takeover offer though utility is a good fit with several neighboring companies including Xcel. Quality Grade B (No Change).													
Alliant Energy Corp (NYSE: LNT)	Hold	45.84	2.92	6.01	6.76	0.34	65.4	A	10/30/2018	11/15/2018	6.8	54.2	Regulated Elec/Gas
Stock trading at more than 20 times forward earnings less attractive as a takeover target for larger players now though ultimately is likely to merge, WEC Energy is potential eventual suitor. Interest expense is higher by 17.4% from last year, operating and maintenance costs excluding fuel are cut by -9.7% on effective capital spending. Quality Grade A (No Change).													
Altagas Ltd (TSX: ALA, OTC: ATGFF)	Hold	10.6256	15.61	-48.55524	-39.20359	0.1825	138.5	B	11/23/2018	12/17/2018	4.7179260253906	44.182688837019	Gas Dist/Midstream
Company's new CEO Randy Crawford will host 2019 Financial and Operational Outlook call on December 13 at 9 am eastern time, likely to include dividend cut of 25% to 40%. New CEO is former regulator and executive of EQT Resources, familiar with both US market for energy and several projects Altagas is partnered with EQM Midstream in, including Mountain Valley Pipeline under construction and facing regulatory delays. Q3 operating and administrative costs are up nearly 4-fold on business expansion, interest costs are up 183.8%. Biggest challenge for company is inability to issue equity capital now on economic terms and need to pay off debt with asset sales. Quality Grade C (no change).													
Altice USA (NYSE: ATUS)	Buy<18	18.24	N/A	10.51	1.5	2.04	0	B	6/7/2018	6/6/2018	N/A	78.2	Telecom
Company trades at sharp discount to other leading cable/pay television players as management has work to do to bring down debt. Shareholder suits filed for alleged mismanagement of split from parent Altice SA. Consolidates credit lines for units. Q3 interest expense increased 2.8% over last 12 months, operating expense excluding programming costs cut by -0.1%, programming expense increases 4.7% and likely to continue moving higher as main drag to ability to bring down debt. Quality Grade C (no change).													
Ameren Corp (NYSE: AEE)	Hold	70.42	2.7	15.9	8.53	0.48	55.9	A	12/11/2018	12/31/2018	3.4	53.5	Regulated Elec/Gas
Deploys drone technology to monitor integrity of transmission system across Illinois, promises cost cuts and better information for operators. S&P cuts outlook to stable from positive. Missouri unit is phasing out coal under plan that should boost rate base while cutting operating costs and keeping a lid on customer rates. Q3 interest expense is higher by 4.1% over last year, operating costs excluding fuel increased by 3.9%. Quality Grade A (No Change).													
America Movil (NYSE: AMX, MM: AMXL)	Buy<18	13.84	2.27	-16.53	-13.75	0.16	72.1	B	11/8/2018	11/19/2018	-21.4	72.8	Intl Communications
USD value of stock has been under pressure with Mexican Peso, concerns about future regulation under new Presidente Lopez Obrador. Chile telecom regulator also wants to cut access tariffs but company is large and prepared to remain profitable, especially with 5-G systems preparing to roll out. Cuts net interest expense by -25.1% in Q3 from year earlier, reduces selling, general and administrative costs by -11.2% as company keeps downward pressure on costs even while expanding. Quality Grade B (No Change).													
American Electric Power (NYSE: AEP)	Buy<65	79.32	3.38	7.41	10.12	0.67	68.2	A	11/8/2018	12/10/2018	5.6	55.5	Regulated Elec/Gas

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Sells \$1 bil in 3-year and 10-year debt at better than guidance coupon interest rates. Management plan is to support 5-7% annual earnings growth with regulated utility capital spending with downward pressure on costs. Managing phase out of coal easier under Trump Administration but could face acceleration if politics change. Q3 interest expense is 15% higher than last year, operating and maintenance costs excluding fuel are up 25.1%. Quality Grade A (No Change).													
American States Water (NYSE: AWR)	SELL	66.27	1.66	19.59	8.8	0.28	58.2	A	11/14/2018	12/3/2018	6.6	41.8	Regulated Water
Reaches deal in California to set water rates, allowed investment and regulated returns through 2022, will need full California Public Utility Commission approval but expected by early next year. Allowed ROE is solid 9.6%, applies to beginning of year and adds 3 cents per share to year to date profits. Interest expense rises 3% over last 12 months, operating expenses rise by 5% including water supply costs. Quality Rating A (no change).													
American Tower Corp (NYSE: AMT)	SELL	166.43	2.02	17.99	14.19	0.84	42.7	A	12/26/2018	1/14/2019	21	71.8	Communications
Dividend increase is likely later this month. India is key focus outside the US with acquisitions the primary fuel. Q3 interest expense increased by 10.8% from last year, selling, general and administrative costs up 20.2% and cost of operations is higher by 6.2%, reflecting growth of the business. Company has low cost of capital with stock at 24.6 times funds from operations but depends on that for growth and is expensive. Quality Grade A (No Change).													
American Water Works (NYSE: AWK)	Hold	97.8	1.86	9.65	11.43	0.46	55.2	A	2/6/2019	3/1/2019	10.2	58.9	Regulated Water
Buys 2,400 customer municipally owned water utility in Pennsylvania, needs regulators' OK and expected to close in Q3 2019. Will grow rate base by investing in system. Interest expense is flat year over year, operating and maintenance cost move higher 21.1% on special costs and system expansion. Stock is very pricey at 30 times trailing 12 months earnings, ripe for partial profit taking for heavily loaded accounts. Quality Grade A (no change).													
AmeriGas Partners LP (NYSE: APU)	Hold	32.47	11.72	-20.97	-15.41	0.95	89.8	B	11/8/2018	11/19/2018	1.4	83.1	Propane Distribution
Management says it is reviewing incentive distribution rights structure for partnership, likely to cut them by end of calendar Q1, also says balance sheet is high priority. EBITDA improves 10% for FY2018 (end September 30), misses guidance on soft seasonally weak FYQ4 on mild weather (-4.2% drop in retail gallons sold) but still roughly covered sum of capital spending and distributions. Acquisitions build presence in motor fuels business, coupled with National Accounts growth (11%), cylinder exchange increase (4%) further reduces exposure to demand volatility related to weather. Sets EBITDA target of \$610 to \$650 mil, assuming 15-year average weather. Interest expense increased 1.8% last 12 months, operating and maintenance expenses 0.9%. Quality Grade A (No Change).													
APA Group (OTC: APAJF, ASX: APA)	Buy<7.50	6.5	5.22	-1.28	-4.55	0.28	51.2	A	6/28/2018	9/12/2018	4.4	70	Intl Energy

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Dividend increase later this month. Next semi-annual earnings expected Feb 21, 2019. Takeover by CK Infrastructure for AUD11 per share in cash is rejected by Australian government controversially on "national security" grounds. Pipeline company reaffirms guidance in wake of deal failure, may also attract a bid from in country. Cuts interest expense by -0.8%, asset operation and management expense is higher by 3.3% reflecting portfolio expansion. Quality Grade A (No Change).													
Aqua America (NYSE: WTR)	Buy<35	35.39	2.48	-4.13	-4.72	0.22	62.1	A	11/15/2018	12/1/2018	7.3	52.3	Regulated Water
Insiders buy stock on dip following announcement of merger with privately held natural gas distribution utility in Pennsylvania. Interest expense in Q3 rises 13.2% from last year, reflecting investment activity and acquisitions. Operations and maintenance expenses higher by 2.8%. Peoples Gas acquisition appears to be moving along smoothly so far. Quality Grade A (no change).													
Artesian Resources Corp (NSDQ: ARTNA)	Buy<32	37.49	2.59	-1.58	0.85	0.24	57.8	A	11/13/2018	11/21/2018	3	44.3	Regulated Water
First nine months net income per share up 9.9% as cost cutting offsets lower revenue due to impact of corporate tax cuts. Wastewater customer growth a plus. Q3 interest expense increases by 1%, utility operating expenses higher by 2.6%. Stock is at discounted price for water/wastewater utility, perpetual takeover candidate with market capitalization of less than \$350 mil and access to reliable and growing markets. Quality Grade A (No Change).													
AT&T (NYSE: T)	Buy<38	30.14	6.64	-11.73	-4.76	0.5	58.7	A	10/9/2018	11/1/2018	2.1	53.6	Communications
Management guides to low single digit earnings growth, \$26 bil in free cash flow for 2019, low single digit dividend boost on tap later this month. Company planning 5-G phone with Samsung for 2019. Media arm refocuses and cuts costs, management guides to more losses of traditional video customers as company rolls back promotions to improve profitability. Plans asset sales to bring down debt with goal of 2.5 times EBITDA by end of 2019. Q3 interest expense is 21.6% higher than a year ago on acquisition costs. Selling, general and administrative expense is up 11% for same reason. Bringing down costs will be key to hitting free cash flow goals. Quality Grade A (No Change).													
Atlantic Power Corp (NYSE: AT, TSX: ATP)	Buy<2.50	2.16	N/A	-13.6	2.86	N/A	0	D	2/9/2016	N/A	N/A	80.7	Wholesale Power
State Street divests entire position in company (1.9%), stock is now less exposed to passive strategies. Insiders hold 3.11% of company and increase share by 12.9% last six months. Interest expense in Q3 is higher by 5.8%, administrative expenses up 3.6%, project level expenses are reduced by -28% due to combination of better efficiencies and asset sales. Quality Grade D (No Change).													
Atlantica Yield (NSDQ: AY)	Buy<24	19.79	7.28	-3.28	-1.2	0.36	84.3	B	11/29/2018	12/14/2018	-2.4	76.3	Wholesale Power
Algonquin completes purchase of 41.5% stake in company, management says is likely to take it up to 50%. Company pulls \$300 mil bond offering in weak market, EUR8 mil in maturities this year can be handled with cash, 7% bond maturing November 2019 (\$255 mil) is next refinancing target but management has time to make offering/raise cash. Interest expense is higher by 0.8% in Q3 from a year ago, net financial expense is lower by -8.7%. Operating profit margin rises to 57.3% of revenue from 52.6% a year ago. Quality Grade B (No Change).													
Atmos Energy Corp (NYSE: ATO)	Hold	98.79	2.13	10.32	6.09	0.53	52.5	A	11/23/2018	12/10/2018	7.6	43.3	Regulated Elec/Gas

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Sells 7.01 mil shares at \$92.75, stock rebounds quickly after sale. Management updates 5-year plan to rate base expansion from current \$8 bil to guidance of \$14.5 to \$15.5 bil in fiscal 2023, 85% of \$9 to \$10 bil investment is automatically recovered in rates. Annual rate base growth of 13-14% to product 6-8% earnings and dividend growth. FYQ4 (end Sept 30) interest expense is cut by -11.3%, operations and maintenance expense rises by 9.7%. Quality Grade A (No Change).													
AusNet Services (ASX: AST, OTC: SAUNF)	Buy<1.25	1.22	5.78	N/A	N/A	0.056931	62.3	A	11/19/2018	12/20/2018	3.8342356681824	68.024745753568	Australian grid
Raises semi-annual dividend for payment this month by 5% over year ago level. First half fiscal 2019 (end September 30) EBITDA is -2.4% lower than last year, cash flow from operations is lower by -10%, net profit after tax is down -10.8%. Key catalyst was rate change partly offset by customer growth. Selling, general and administrative costs are cut by -22.7%, interest expense -3.3%. Quality Grade A (no change).													
Avangrid (NYSE: AGR)	Buy<48	52.08	3.38	3.48	4.64	0.44	79.3	A	12/10/2018	1/2/2019	N/A	29	Regulated Elec/Gas, Renewables
New Maine governor is likely to push more renewable energy including ending moratorium on new wind development, company should get share of business. Q3 interest expense is up 5.6% from a year ago, operations and maintenance costs are up 8.1%, business expansion is key reason for both trends as revenue rises 15.3%. Quality Grade A (No Change).													
Avista Corp (NYSE: AVA)	Hold	43.89	3.39	-12.35	-14.23	0.37	74.5	B	11/29/2018	12/14/2018	4.1	52.7	Regulated Elec/Gas
Washington regulators unexpectedly reject acquisition of company by Hydro One of Canada, cites political risks in Ontario since election of Ontario Premier Doug Ford, commission apparently doesn't consider ring fencing deals reached in state as well as Idaho and Oregon to provide sufficient protection. Stock plunges in response and now back to a more reasonable valuation. Q3 interest expense is up 1.4%. Operating expenses are higher by 3.3% excluding fuel costs. Quality Grade B (no change).													
BCE (NYSE: BCE, TSX: BCE)	Buy<50	42.8	5.27	-6.38	8.2	0.76	86.3	A	12/13/2018	1/15/2019	3.7	54.6	Intl Communications
Partners with Warner Brothers in movie release as increases content business to leverage network. Q3 interest expense increases 5.4%, operating expenses up 3.9% from a year ago. Stock breaks higher on solid operating results. Quality Grade A (No Change).													
Black Hills Corp (NYSE: BKH)	Hold	67.34	3	18.11	14.33	0.51	59	B	11/16/2018	12/1/2018	6	64.6	Regulated Elec/Gas
Wyoming regulators approve 35-mile natural gas pipeline at distribution utility connecting service territory to Powder River Basin, in service late 2019. Q3 interest expense increased 3.4%, operations and maintenance cost up 5.7%. Stock looks expensive at 20 times forward earnings. Quality Grade B (No Change).													
Blackrock Utilities, Infrastructure & Power Opportunities (NYSE: BUI)	Hold	20	7.26	0.46	-2.83	0.12	178.9	B	12/14/2018	12/31/2018	0	N/A	Closed-End Fund

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Fund price and net asset value recover, total return year-to-date is back close to break even. NextEra Energy was biggest holding at 11% of the portfolio as of the end of Q3, top three holdings are heavy on renewable energy buildout. Closed end fund trades at 2.2% premium to NAV, slightly higher than 52-week average (0.25%). Quality Grade B, no change.													
Boralex (TSX: BLX, OTC: BRLXF)	Buy<20	13.35	3.72	-25.85	N/A	0.17	64	A	11/29/2018	12/17/2018	6.3	79.2	Wholesale Power
Hires Messier Maris & Associates to advise in refinancing EUR800 mil debt load behind French wind farm portfolio, low rate environment is favorable for cost savings. Q3 interest expense rises 10.3% on funding business expansion. Operating costs are higher by 4%. Quality Grade A (No change).													
BP (NYSE: BP, LSE: BP)	Hold	39.51	6.18	6.38	-4.59	0.62	84.4	C	11/8/2018	12/21/2018	0.3	38.6	Oil/Gas Production
CEO says no projects stopped because of decline in oil price, guidance and capital spending plans are calibrated at \$50 to \$60 per barrel oil. Venezuela rejects proposal to buy Total SA stake in natural gas project but company has other places to invest, including \$1 bil lift in South Africa. Interest expense is up 36.6% from last year, production and manufacturing expenses are higher by 7.8%. Quality Grade C (no change).													
Brookfield Renewable Energy Partners (NYSE: BEP, TSX: BEP-U)	Buy<35	27.62	7.1	-2.91	11.28	0.3	40	A	11/29/2018	12/31/2018	5.7	45.2	Wholesale Power
Mid-single digit dividend increase on tap for early next year. Company pays dividends in US dollars reflecting revenue mix but share price on home Toronto market is in Canadian dollars, hurt by currency declines. Interest expense in Q3 increased 11.4% on cost of portfolio expansion, operating expenses up 5.8% for the same reason. Quality Grade A (No Change).													
BT Group (NYSE: BT, LSE: BT)	SELL	16.18	3.4	-28.56	-17.43	0.75	75	D	12/27/2018	2/11/2019	1.6	58.1	Intl Communications
Court won't let company cut inflation adjustment at pension plan as costs rise. Offers 5 and 10-year bonds at coupon rates slightly worse than guidance. Unions opposing company push to cut costs with layoffs, reductions of benefits. Plans to put 5-G at 1,500 sites in 2019. Q3 operating expenses are higher by 2.9% despite company efforts to cut them, interest expenses is -2.2% lower due to fewer specific items this year. Quality Grade C (no change).													
Buckeye Partners LP (NYSE: BPL)	SELL	29.65	10.12	-28.56	-17.43	0.75	74.1	C	11/9/2018	11/20/2018	-0.6	50.2	Energy Pipelines
New Jersey terminal is exporting Bakken crude oil. Distribution cut and asset sale reduce pressure on credit rating, though Moody's still rates outlook for Baa3 rating negative. Still uncertainty about how much asset sales will reduce recurring cash flow. Q3 interest expense rises 6.7% as partnership relies more heavily on debt to fund modest capital spending plans, operating costs up 1.3%. Unit price may be finding a bottom in 20s but with a lack of upside catalyts. Quality Grade C (No Change).													
California Water Service (NYSE: CWT)	SELL	45.91	1.63	6.78	10.43	0.19	59.5	B	11/8/2018	11/23/2018	3.8	53.8	Regulated Water

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Low to mid single digit dividend increase is likely in January. Washington state unit gets \$1.1 mil rate hike to pay for system improvement under settlement reached with customers. Provides water service to communities hit by Camp Fire in northern California this year. Q3 interest expense is higher by 17.1%, operating expenses are up 2.5% including water production costs (up 4.7%). Depends on regulators' good graces to recover continually rising costs. Quality Grade B (no change).													
Canadian Utilities (TSX: CU, OTC: CDUAF)	Buy<25	24.4548	4.91	-15.22996	3.459241	0.3933	59.9	B	11/8/2018	12/1/2018	9.3778572082519	60.55908203125	Canada utility
Issues 30-year bonds at slightly better than guidance coupon interest rate. Salaries, wages and benefits costs are lower by -3.7%. Interest expense is up 12% on business expansion. Balance sheet looks strong with credit lines largely undrawn and maturities backloaded. Quality Grade B (no change).													
CEMIG (NYSE: CIG, BZ: CMIG4)	Hold	3.08	4.21	61.71	74.01	0.15	NEG	D	5/2/2018	N/A	-0.2	50.1	Intl Energy
Minas Gerais governor-elect supports sale of state's ownership stake in company to the public. Q3 consolidated energy sales up 1% from a year ago, tariff review is a plus as regulatory environment seems to improve. Operating expenses move higher by 7% from a year ago, interest costs up 268.1% from a year ago. Debt reduction a high priority with management. Quality Grade D (No Change).													
CenterPoint Energy (NYSE: CNP)	Hold	28.38	3.91	2.48	0.55	0.28	71.6	B	11/14/2018	12/13/2018	3.9	65.3	Regulated Elec/Gas
Company likely to be unable to sell down its general partner and limited partner interest in Enable Midstream, but unit is a driver this year as SCOOP/STACK output surges. CFO plans to retire. Permanently financing takeover of Vectren would be challenging if capital markets become more challenging. Interest expense is up 8.2% in Q3 from a year ago, including cost of securitized debt. Operating and maintenance costs up 13.2%. Quality Grade B (No Change).													
Centrica (LSE: CNA, OTC: CPYYY)	SELL	7.08	4.93	-1.7	-5.1	0.18	198.5	D	10/11/2018	12/3/2018	-5.9	64.3	UK Energy Retailer
Next full earnings February 21. Energy price cap is expected to hit earnings in 2019, leave little margin for error for rest of dividend. Company plans to divest its 20% stake in UK nuclear plants owned and operated by Electricite de France. Profit warning could be prelude to dividend cut. Lays off 9% of energy marketing group workforce in downsizing effort. Controllable operating costs up 4% year-over-year, interest expense is up 69%. Quality Grade D (no change).													
CenturyLink (NYSE: CTL)	Buy<22	17.47	12.36	39	-17.97	0.54	50.1	C	11/23/2018	12/7/2018	0	61.6	Communications
Has realized 90% of synergy targets from Level 3 merger after one year, well ahead of expectations and says will hit the full \$850 mil in Q4. Still has opportunity to save \$300 mil more on network expenses, scaling back copper network and investing in fiber. Management says it's comfortable with the dividend payout ratio. Interest expense up 53.9% on Level 3 merger, selling, general and administrative costs increase 36.2%. Quality Grade C (No Change).													
Charter Communications (NSDQ: CHTR)	Hold	315.7	N/A	-2.93	3.44	N/A	0	A	N/A	N/A	N/A	59.6	Telecom

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CEO says company is looking for more acquisitions. Company competes with AT&T in 55% of its customer footprint, says competitive advantage is network quality and looks for video to integrate with wireline and new wireless offerings. Considerable synergies achievable by integrating diverse operating systems. Q3 interest expense is higher by 14.3%, operating costs up 4.6%. Quality Grade A (No change).													
Chesapeake Utilities Corp (NYSE: CPK)	Hold	89.07	1.67	10.1	2.04	0.37	38.8	B	12/13/2018	1/7/2019	7.6	48.5	Regulated Elec/Gas
Aspire Energy business continues to grow with conservative approach to midstream business. Service area was hit by hurricanes this year, company will attempt to recover an estimated \$50 mil in repair costs through rates in Florida. Q3 interest expense rises 33.4% on expansion costs, operating expenses up 14.2%. Company is exposed to interest rate volatility through reliance on revolver loan maturing in 2020 and at rate of 100 basis points plus ICE LIBOR. Quality Grade B (no change).													
Chevron Corp (NYSE: CVX)	Buy<125	115.49	3.88	0.23	1.74	1.12	49	B	11/15/2018	12/10/2018	1.5	20.6	Oil/Gas Production
Plans to sell Azerbaijan oil assets to focus growth funding on US shale. Deepwater Gulf of Mexico project yields first oil, ramp up will boost 2019 output. Q3 interest expense increased by 420% but likely to begin declining as free cash flow reduces leverage, operating expense relatively flat up 2.8% year over year. Quality Grade B (No Change).													
China Gas Holdings (OTC: CGHLY, Hong Kong: 384)	Buy<80	88.54	0.51	14.58	15.14	0.26	28.5	B	1/9/2019	2/15/2019	N/A	49.7	China Gas
Semi-annual dividend declared for payment in January is same as a year ago, though company will likely raise payment to be announced in June at double-digit rate. Coal-to-gas heating conversions take on new urgency as winter haze in air takes on dark red color in Beijing and Northern China. Reports year-over-year 32.9% lift in sales volume with residential up 21%, industrial up 38.4%, commercial up 24.1%, CNG and LNG stations up 4.8% (transport). Connections are up 18.3%. Rate structure improves margins as well, now covers 125 mil customers with 59.8% penetration rate. Revenue is up 45%, gross profit up 18.9%, though foreign exchange creates loss, earnings up 21.8% excluding items. Last 12 months selling, general and administrative expenses are up 5.8%, interest expenses is higher by 14.9% on business growth. Low risk way to bet on sure trend in China. Quality Grade B (no change).													
China Mobile (NYSE: CHL, HK: 941)	Buy<52	49.28	4.26	4.93	2.84	1.17	47.6	B	9/6/2018	10/9/2018	5.1	0	Intl Communications
State owned wireless and wireline phone leader in China rolls out global expansion with 3-G phone sales in South Africa. Company beats rivals in wireless phone adds this autumn, continuing favorable long-term trends. Turns to stepped pricing model to head off more severe rate cuts. EBITDA margins rise to 37.7% from 37.1% a year ago on successful cost controls. Interest expense is flat over past year. Quality Grade B (No Change).													
China Unicom (NYSE: CHU, HK: 762)	Hold	11.19	0.66	-17.6	-5.57	0.08	29.4	C	5/15/2018	6/22/2018	-37	19.1	Intl Communications
Company continues to lose local phone customers, 4-G wireless additions were a third less in October than in September and the lowest so far this year. Results on track for sizeable improvement for full year 2018 over 2017. Finance costs cut -69.4% in first nine months of 2018, network, operation and support expenses increase 4.3% from a year ago. Quality Grade C (No Change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Chunghwa Telecom (NYSE: CHT, TT: 2412)	Hold	34.78	3.48	4.44	-0.11	1.56	95.7	B	7/20/2018	8/31/2018	1.3	0.4	Intl Communications
Taiwan's National Communications Commission renews license to operate fixed satellite communications service on condition company not use it for 5-G service. Q3 interest expense is -19.7% lower than a year ago, operating expenses are cut by -5.9% as management focuses on margins with competition and regulation eating into revenues. Quality Grade B (no change).													
Cincinnati Bell (NYSE: CBB)	Hold	11.54	N/A	-43.01	-14.52	N/A	0	C	8/4/1999	N/A	N/A	108.9	Communications
Brookfield Asset Management buys 4.8% of company, company has history of buying controlling stakes in firms. Interest expense increased by 17.9% over last 12 months, operating expenses up 55.3% on impact of acquisition of Hawaiian Telecom. Insiders increase shares marginally over last six months. Quality Grade C (No Change).													
Clearway Energy (NYSE: CWEN)	Buy<20	18.23	7.27	5.72	-6.26	0.33	15.5	B	11/30/2018	12/17/2018	26.3	73.2	Wholesale Power
Stock fluctuates on concerns about getting paid for power sales contracts with California electric utilities after this year's devastating fires, but effectively at little risk as no utility has ever defaulted on an IPP contract and state regulators are supporting companies' solvency. Yieldco also has relatively low proportional exposure to state. Total Q3 operating expenses and costs are higher by 3.7% but more than offset by positive impact of asset additions, interest expense is flat year-over-year despite asset growth. Quality Grade B (No Change).													
CLP Holdings (OTC: CLPHY, HK: 2)	Buy<10	11.28	2.21	16.26	-2.24	0.08	51.6	B	11/30/2018	12/21/2018	3.7	32.1	Intl Energy
Next semi-annual earnings expected February 26, 2019. Earnings streams in Australia and India continue to strengthen, opening door to possible partial initial public offerings to spur growth. Company plans more overseas expansion including China. Lower retail power tariffs in Australia likely after AGL's announcement but wholesale prices still expected to rise next year. Cuts first half 2018 interest costs by -8.8% over last year, operating expenses are higher by 3.9% with labor costs up 7.7%. Quality Grade B (No Change).													
CMS Energy Corp (NYSE: CMS)	Hold	52.93	2.7	10.07	6.45	0.36	61.6	A	11/1/2018	11/30/2018	7.2	70.1	Regulated Elec/Gas
Utility has been proactive with transition away from coal in Michigan, will benefit to extent new governor pushes adoption of renewable energy. Q3 interest expense rises by 2.7% and long-term debt costs are flat, maintenance and operating expenses increase 20.4% from a year ago. Stock trades at 22 times expected 12 months earnings now back to new all-time high. Quality Grade A (No change).													
Comcast Corp (NSDQ: CMCSA)	Buy<35	37.41	2.03	0.78	3.98	0.19	27.9	A	12/31/2018	1/23/2019	14.3	47.7	Communications
Management expects Sky investment to lead to new revenue sources in the US as well, says company is "taking share" in broadband market. CFO says now focused on deleveraging, settles Massachusetts investigation over cable television fees. Q3 interest expense increased by 8.4%, programming costs rise 10.9%, other administrative costs fall by -1.4%. Quality Grade A (No Change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Connecticut Water Service (NSDQ: CTWS)	SELL	67.42	1.85	17.13	-1.42	0.31	51.5	A	11/30/2018	12/17/2018	5.6	48.6	Regulated Water
Connecticut regulators vote to deny company's takeover by SJW for \$70 a share but grant companies more time to provide evidence a merger would be in the public interest. SJW raises equity capital to fund cash takeover offer and shareholders approve deal. Companies hope for Q1 close. EverSource may re-enter bid if parties can't win approval. Q3 operating revenue up 14% and earnings per share are higher by 47.7%. Quality Grade A (No Change).													
Consolidated Communications (NSDQ: CNSL)	Hold	11.72	13.23	9	1.26	0.39	69.9	C	1/14/2019	2/1/2019	0	80.3	Communications
Stock sells off with other high yielding fare in "risk off" move though nothing really new at company. Passive investing strategies led by Blackrock, Vanguard Group and State Street currently hold 29.2% of shares. Q3 interest expense cut -7.7% as company uses free cash flow to strengthen balance sheet after recent acquisitions. Cuts selling, general and administrative costs by -6.1% year over year, downsizing company to revenue declines. Quality Grade C (No Change).													
Consolidated Edison (NYSE: ED)	Hold	82.46	3.47	-3.32	3.9	0.72	67.3	A	11/13/2018	12/17/2018	3.2	51.8	Regulated Elec/Gas
Low single digit dividend increase ahead for next month. Company sells \$1.1 bil in 10 and 30-year debt at coupon yields well below guidance, sells 13.6 mil shares at \$77 per, demonstrating ability to access low cost capital in an increasingly uncertain market. Q3 interest expense is higher by 10.8%, operating and maintenance costs reduced by -1.7% as management keeps downward pressure on costs. Purchased power costs up 18.5%, a worrisome trend if continues as these are passed through to ratepayers. Quality Grade A (no change).													
Consolidated Water (NSDQ: CWCO)	Buy<14	12.86	2.65	1.45	-9.2	0.09	75.5	C	12/31/2018	1/31/2019	4.3	0.4	Intl water
Management holds dividend flat rather than increasing as last year, likely signals need to hold in capital as projects like Baja California enter next phase of development. Major desalination project is likely to remain supported by Mexican government. Q3 interest expense is up 145% from year ago period but is down -36.3% for first nine months of the year, which is likely the more significant figure. General and administrative expenses are higher by 0.9%. Quality Grade C (No change).													
Contact Energy Ltd (ASX: CEN, OTC: COENF)	Hold	N/A	5.55	N/A	N/A	0.263889	75	B	8/29/2018	9/18/2018	-25.291105270386	35.25641025641	New Zealand electric
Next semi-annual earnings expected February 12. New CFO has depth of experience. Company completes sale of Rockgas unit. Interest expense the last 12 months is lower by -10.3%, operating expenses are higher by 13.5%. Quality Grade B (no change).													
Covanta Holding Corp (NYSE: CVA)	Hold	15.62	6.4	11.58	-10.91	0.25	231.6	C	12/27/2018	1/4/2019	0	85.5	Wholesale Power
New facilities drive growth of underlying recurring revenue though commodity prices are key for power and recycled materials margins. Q3 interest expense increased 5.7%, general and administrative expense increased 12.5%, both figures related to facilities expansion. Quality Grade C (No change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
CPFL Energia (NYSE: CPL, BZ: CPFE3)	Acquired	13.54	0.93	19.93	18.88	0.15	23.8	C	4/30/2018	7/3/2018	N/A	64.3	Intl Energy
China's State Grid will pay BRL16.85 per share (USD1.06 bil approximately) to buy remaining capital stock in company it doesn't already own, bid is a significant premium to the BRL12.20 per share initially offered and is in response to decision by Brazil securities regulator. State Grid and affiliates will now control 99.94% of company. Will drop coverage next issue. Quality Grade C (no change).													
Crius Energy Trust (TSX: KWH-U, OTC: CRIUF)	SELL	3.5963	17.36	-40.27076	-20.30825	0.0697	147.3	C	12/28/2018	1/15/2019	5.3095488548279	30.547020770253	Retail marketer
Management continues to guide to CAD35 mil improvement in EBITDA from exit of the solar business. Q3 revenue is up 33.2%, gross margin is lower by -3.6%, EBITDA is down -16.9%, distributable cash flow is lower by -67% from a year ago, management says without solar business drag payout ratio would have been 86.7%. Has net customer attrition, exiting solar business means full dependence on volatile retail energy. Q3 interest expense is higher by 10.9% in worrisome sign, selling expenses are up 15% as company faces tough competition. General and administrative costs are cut by -4.9%. Quality Grade to D from C on worsening metrics, would earn upgrade if meets management guidance for retail business.													
Crown Castle International (NYSE: CCI)	Hold	115.76	3.89	9.67	3.38	1.13	100.8	B	12/13/2018	12/31/2018	8.6	56.7	Cell Towers
Company focus on small cells should spur growth as 5-G networks are adopted over the next couple years in the US, continues to build out fiber as well. Q3 interest expense increased 3.9%, selling, general and administrative expenses rise 45%, a worrisome trend if continues but appears in line with recent growth moves. Site rental costs are also up sharply (26.3%), though this is also due in large part to expansion. Quality Grade B, no change.													
Deutsche Telekom (OTC: DTEGY, GR: DTE)	Buy<17	17.13	4.31	-2.16	9.88	0.77	79.3	B	5/18/2018	5/29/2018	11.4	57.1	Intl Communications
European regulators' unconditional approval of merger of Netherlands unit with a competitor is a plus for margins in that country, raises hopes other pro-investment moves will pass muster on the continent though slowly. Company boosts technical capability of European systems, T-Mobile USA/Sprint merger appears now to have at least 50-50 odds of succeeding. Q3 interest expense is cut by -17.3%, operating expenses besides personnel costs (up 5.5%) drop -17.2%. Quality Grade B (No Change).													
Dish Network Corp (NSDQ: DISH)	SELL	31.93	N/A	-34.77	-9.52	1	0	D	12/12/2012	12/28/2012	N/A	68.9	Communications
S&P cuts key credit rating to B- from B, cites declining earnings and continuing subscriber losses, uncertainty of how company will fund wireless buildout with deadline approaching for forfeiting spectrum. Appeals court ruling of \$280 mil in telemarketing violations, also Federal Communications Commission decision that it owes \$3.3 bil in discounts for previous spectrum auction, final decision on second is likely make or break for debt burdened company. Q3 interest expense increased 23.9% from a year ago, reduction in operating costs (-9.6%) is mainly due to -41.4% cut in spending on acquiring/keeping customers. Quality Grade D (No Change).													
Dominion Energy (NYSE: D)	Buy<80	75.61	4.42	-5.3	6.99	0.84	83	A	12/6/2018	12/20/2018	8.8	65.8	Regulated Elec/Gas

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Dividend increase of roughly 10% ahead for January. Connecticut regulators approve above-market power contracts for company's Millstone nuclear plant as a zero carbon energy source. South Carolina Circuit Court judge approves company's settlement with ratepayers, final OK depends on Public Service Commission approving Dominion merger later this month, which appears increasingly likely. Reaches final deal to absorb Dominion Midstream (see below). Atlantic Coast Pipeline hits another snag as US Army Corps of Engineers must redo permits per court order. Q3 interest expense increased 23.9% on project expansion, operating and maintenance costs up 12.2%. Quality Grade A (No Change).													
Dominion Midstream Partners LP (NYSE: DM)	Buy<17	19.05	7.73	-35.88	15.81	0.37	93.5	A	11/2/2018	11/15/2018	25.1	9.6	Energy Pipelines
Reaches definitive merger agreement with Dominion Energy, final all-stock takeover offer is slightly higher than previous bid at 0.2492 shares. Deal includes a final distribution payment of 36.9 cents per unit for Q1. Close expected in early 2019 following unitholder vote, still some unitholder suits challenging price of deal but bid is probably final. Q3 interest expense increased 15.2%, operating expenses higher by 59.8% on asset expansion. Partnership's reliance on variable rate debt through credit lines (ICE LIBOR plus 137.5 basis points) is another reason for higher debt costs, will be much less important as part of Dominion Energy. Quality Grade A (No Change).													
DTE Energy (NYSE: DTE)	Buy<100	119.52	3.16	7.38	6.64	0.95	56	A	12/14/2018	1/15/2019	8	56.4	Regulated Elec/Gas
Raises dividend by 7.1%, in line with guidance. New Michigan governor's likely push to renewable energy transition is in line with management's long-term strategy. Q3 interest expense is reduced by 2.7% from a year ago, operating and maintenance costs increased 9.8%, reflect in large part non-utility asset expansion so not a pressure on rate payers. Quality Grade A (No Change).													
Duke Energy Corp (NYSE: DUK)	Buy<77	89.99	4.12	7.15	10.29	0.93	78.1	A	11/15/2018	12/17/2018	3.9	56.6	Regulated Elec/Gas
Opens 1,640 megawatt natural gas fired facility replacing 52-year old coal plant in Florida as energy shift continues. Renewable energy projects allow company to issue \$1 bil in low cost "green bonds." Files new rate plan in South Carolina for 10.3% increase to finance grid modernization, improve ability to absorb solar power. Q3 interest expense is higher by 3.8% from a year ago, operating and maintenance costs up 7.3%. Quality Grade A (No Change).													
E.ON (OTC: EONGY, GR: EOAN)	Buy<10	10.06	2.63	-10.14	-1.76	0.36	16.6	B	5/10/2018	5/21/2018	102	66	Intl Energy
Starts up 400 megawatts wind farm in UK, management says investment in digital technology to improve efficiency is expected to boost EBITDA by EUR2.5 bil and cut costs by EUR1.2 bil, says UK rate controls will make year challenging. First nine months 2018 net income is higher by 25%, management says company is "on track to reach the upper half of our 2018 guidance range" and 5-10% annual earnings growth going forward. Q3 personnel costs increase 1.2%, company cuts cost of materials and other operating expenses. Interest expense is cut -10.1% as company recovery continues. Quality Grade B (No Change).													
Edison International (NYSE: EIX)	Buy<65	58.51	4.19	-15.36	-11.43	0.61	51.9	B	12/28/2018	1/31/2019	13.2	51.1	Regulated Elec/Gas

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<p>Raises dividend by 1.2%, slower rate than past years due to wildfire cost uncertainty but still a vote of confidence by management. Moody's affirms credit ratings but shifts outlook to negative as potential liability from the Woolsey fire this year is added to the Thomas Fire last year. Offsetting risk is projected 9.7% annual rate base growth as company executes California target of 50% renewable energy by 2030, electric vehicle infrastructure roll-out. Support for utility CAPEX from regulators and state government remains essential to meeting state's energy goals, better solution to fire dangers is potential major upside catalyst for stock. Interest expense in first nine months of 2018 is higher by 12.8%, operating and maintenance costs rise 2.6% from last year. Quality Grade B (no change).</p>													
El Paso Electric (NYSE: EE)	Hold	53.99	2.67	-5.86	-12.47	0.36	66.2	B	12/13/2018	12/28/2018	6.5	54.5	Regulated Elec/Gas
<p>Board of directors elects not to proceed with process of trying to sell company, cites "soft" interest. Stock no longer pricey after plunging off highs, demonstrates danger of likely takeover targets in utility space once bid up by merger hunters. Company is otherwise solid. Q3 interest expense is higher by 7.6% on asset additions, operations and maintenance expense is up 11.6% from a year ago. Quality Grade B (No change).</p>													
Electricite de France (OTC: ECIFF, FP: EDF)	Hold	16.48	3.23	N/A	-0.12	0.15	51.6	C	12/6/2018	12/10/2018	-25.2	53.4	Intl Energy
<p>Next semi-annual earnings expected February 15, 2019. Semi-annual dividend is flat with payment made in December last year. French government says country's utility rates will be unchanged in 2019, CEO says bills ultimately have to reflect costs, a defacto warning of potential compressed margins next year in France as well as UK. S&P says France's long-term plan for energy to phase down nuclear power is no great threat long-term, Macron government won't order breakup of company. Interest expense fell in 2017 but full-year 2018 results likely to be higher along with operating expenses. Quality Grade C, no change.</p>													
Emera (OTC: EMRAF, TSX: EMA)	Buy<35	33.89	5.18	-5.34	8.77	0.59	115.2	A	N/A	11/15/2018	0.6	67.8	Intl Energy
<p>S&P revises credit outlook for company to negative due to higher capital spending at Florida power plant, impact on cash flow throughs from corporate tax cuts, move isn't likely to have much impact on company's cost of capital though. Selling 3 natural gas fired power plants in New England to Carlyle Group, close expected Q1, proceeds to address capital needs. Muskrat falls and attached power line project remain controversial in Nova Scotia, though not likely a threat to financial strength. Q3 interest expense is higher by 3.5% from last year, operating and maintenance expenses up 14.3%. Quality Grade A (no change).</p>													
Enbridge (NYSE: ENB, TSX: ENB)	Buy<33	31.93	6.35	-11.73	-4.67	0.67	62.4	B	11/14/2018	12/1/2018	12.4	48.3	Energy Pipelines
<p>Low double digit dividend increase on tap later this month. Closes takeover of Enbridge Income Fund (Canada). Takeovers of Enbridge Energy Partners and Spectra Energy Partners still look likely to close shortly after December 17 unitholders vote. Company will sell its New Brunswick natural gas distribution utility to Algonquin for CAD331 mil, deal to close in first half 2019. Minnesota regulators uphold approval of Line 3 expansion project segment in state, project is now 95% built and on track to operate in second half 2019, will provide huge lift to cash flow at company as well as for Alberta oil producers if completed as appears likely. Quality Grade B (No Change).</p>													
Enbridge Energy Partners LP (NYSE: EEP)	Hold	10.66	13.13	-14.61	-3.31	0.35	89.3	D	11/6/2018	11/14/2018	-15.3	50.5	Energy Pipelines

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Takeover by parent Enbridge is expected to close shortly after December 17 unitholder vote on deal. New takeover deal from parent Enbridge Inc is 0.335 ENB shares per EEP unit, carries -52% dividend cut to unitholders but is still only hope to be made whole as part of stronger whole. Q3 interest expense is reduced by -1.9%, operating expenses cut by -13.4% as management reduces controllable costs. Quality Grade D (no change).													
ENEL (OCT: ENLAY)	Buy<5.50	5.35	3.31	-13.42	6.47	0.16	63.8	B	1/18/2019	2/14/2019	23.2	50.1	Intl Energy
Changes in regulation in Italy under populist government could cost company EUR600 mil in investment incentives for geothermal development in loophole favoring wins and solar, though government is likely to change the rule following protests in Tuscany. Management plans EUR4 bil in Brazilian investment over 3 years, is likely winner from regulatory changes in country. Company expects investment in digital technology to improve efficiency to pay off big next few years in cost savings. Spain's 100% renewable energy goal by 2050 has big opportunity for energy storage. Overall company plans 11.6 gigawatts renewable energy investment through 2021. Interest expense is 1.1% higher than a year ago in first nine months of 2018, operating costs up 1.4%, remarkable low inflation in light of company's rapid renewable energy expansion. Quality Grade B (no change).													
Energen Corp (NYSE: EGN)	Acquired	72.12	N/A	N/A	N/A	N/A	0	C	2/19/2016	N/A	N/A	18.5	Oil/Gas Production
Acquisition by Diamondback Energy (NSDQ: FANG) closes on November 30. Shareholders should by now have received offer of 0.6442 FANG shares per EGN share. Suspending coverage next month. Quality Grade C (No Change).													
Energy Transfer LP (NYSE: ET)	Buy<16	N/A	10.53	N/A	N/A	0.57	57.8	C	8/3/2018	8/14/2018	9.6	49.2	Energy Pipelines
Partnership is result of roll-up merger of former Energy Transfer Partners with its general partner at ratio of 1.28 units of ET per unit of the former ETP. New pipeline startups in oil, natural gas liquids will spur cash flow gains in 2019 despite some delays in startups. Insiders buy shares after merger. CEO says "not finding any deals" for mergers but is likely to return to acquisition pace given history. Q3 interest expense is higher by 9.2%, operating expenses lower by -14.6%. Quality Grade C (No Change).													
Energis Americas (NYSE: ENIA)	Buy<12	8.69	1.54	-7.02	21.54	0.07	76.9	B	1/17/2019	N/A	-11.7	37.7	Intl Electricity
Management says it's targeting EBITDA growth of 68% in 2019-2021 timeframe, wants \$285 mil operating savings and 97% dividend growth over that time frame. Key drivers expected to be 4% customer growth, 9% boost in distributed energy, 62% boost in hydro generation, unregulated operations growth and -9% cut in debt. Q3 interest expense is higher by 9.6% from a year ago on asset expansion, cuts employee costs by -10.9%. Quality Grade B, no change.													
Energis Chile (NYSE: ENIC)	Buy<6	4.83	1.39	-2.03	2.33	0.03	38.1	B	1/17/2019	N/A	N/A	17	Intl Energy
Approves strategic plan for 2019-2021, CEO says "now is the time to develop all" that company has. Rolls out electric bus infrastructure in Santiago, largest such fleet outside of China. Chilean government wants five-fold boost in EVs on nation's roads by 2022 to curb pollution. Q3 interest expense is higher by 131.9%, reflecting asset expansion and restructuring and not a permanent trend despite robust capital spending plans. Employee costs are cut -1.1% as management targets more cost reduction. Quality Grade B, no change.													
Engie (OTC: ENGIY, FP: ENGI)	Hold	13.72	4.96	-17.26	0.3	0.43	132.1	C	10/10/2018	11/7/2018	-9.9	43.7	Intl Energy

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Next earnings expected March 7, 2019 along with likely dividend boost in low single digits. Buys energy services provider in South America, increasing regional presence. Unions protest energy transition plan in France, company supports roadmap as supportive to system investment, company looks for growth in Africa, Asia. Brazil investment likely to get boost from new government. Interest expense and operating expenses rose slightly in 2017 but both are likely to show higher increases for full year 2018. Quality Grade C (No Change).													
Eni (NYSE: E, IM: ENI)	Hold	31.75	4.4	2.06	-10.53	0.97	85.4	B	9/24/2018	10/11/2018	-3.6	33.9	Oil/Gas Production
Super major in talks to boost investment in Oman and United Arab Emirates, Cyprus, Algeria (renewable energy) as position in Libya remains tenuous. Zohr field in Egypt continues to ramp up. Company appears to avoid material damages from Nigeria corruption trial. Home country Italy would be less attractive for E&P under populist government's energy plans. First nine months interest expense is lower by -20.8% from a year ago, payroll and related costs increase 12.5%. Quality Grade B (No Change).													
Entergy Corp (NYSE: ETR)	Buy<90	88.46	4.11	10.53	5.54	0.91	52	A	11/7/2018	12/3/2018	2.3	67.1	Regulated Elec/Gas
New CEO of New Orleans division is former Global Power Technologies exec, signals new focus on investment in grid. Moody's affirms Baa2 credit rating and shifts outlook to stable from negative. Cites supportive regulation, shift in cash flow mix to 95% utilities, unregulated wholesale power now just 5%, also \$1 bil equity issue strengthening balance sheet. Q3 interest expense is up 9.5%, operating and maintenance costs higher by 10.2%. Asset expansion of utility is most likely source, rates likely to taper off in 2019. Quality Grade A (No Change).													
Enterprise Products Partners LP (NYSE: EPD)	Buy<33	26.2	6.6	12.88	-7.7	0.43	58.8	A	10/30/2018	11/8/2018	4.3	51.9	Energy Pipelines
Management affirms \$6 bil in capital projects in development with \$4.5 bil to come in 2019 and lift cash flow, focus on demand for infrastructure from producers as well as in petrochemical industry. Partnership is now connected to 95% of refinery capacity in US east of the Rockies says management, allowing unmatched market flexibility for outputs and inputs. Self funding metrics are up 30% from a year ago, management says "ahead of schedule" on two-year plan to build cash from slowdown of distribution growth rate, likely to ramp up growth in payout in 2019. Q3 interest expense is higher by 14.6% on asset expansion primarily, general and administrative costs rise 27.6%, an alarming trend if continued. Quality Grade A (No Change)													
Evergy Inc (NYSE: EVRG)	Hold	60.31	3.15	10.30035	4.278697	0.475	76	A	11/28/2018	12/20/2018	6.4091534614563	51.341131390541	Regulated Electric
Post merger share price is expensive at 21.7 times expected 12 months earnings, merged company is very solid but shares are unlikely to advantage appreciably in near term from already high valuation. Q3 operating and maintenance expense is higher by 135% on merger, interest expense is up 105.3% for the same reason. Quality Grade A (No change).													
Eversource Energy (NYSE: ES)	Buy<55	69.46	2.91	10.61	11.49	0.51	62.2	A	12/17/2018	12/31/2018	6.6	54.4	Regulated Elec/Gas
Connecticut regulators' rejection of SJW's bid for Connecticut Water could bring another opportunity to bid for company and expand water utility business but company earnings still on track to grow 5-7% a year into next decade on system spending. Q3 interest expense is higher by 15.2% from a year ago, operating and maintenance costs up 11.9%, asset expansion is primary reason for both increases. Quality Grade A (No Change).													
Exelon Corp (NYSE: EXC)	Buy<42	46.96	2.94	18.98	7.37	0.35	44.2	A	11/14/2018	12/10/2018	3.6	52.5	Wholesale Power

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Illinois regulators approve pass through of cost savings to ratepayers, recovery of cost of completing deployment of 4 mil smart meters in Chicago. Nuclear Regulatory Commission approves amendments to company nuclear power licenses for plants in Maryland and New York. Q3 interest expense rises 2.7%, operating and maintenance costs higher by 3.1%. Quality Grade A (no change).													
ExxonMobil Corp (NYSE: XOM)	Buy<80	77.64	4.22	-2.06	-4.16	0.82	48.6	A	11/9/2018	12/10/2018	3.9	17.9	Oil/Gas Production
Selling Azerbaijan properties to focus on expanding US shale portfolio, other higher growth projects such as Guyana discovery. CEO says he expects "long term" presence in Permian Basin. Q3 interest expense increased 80.2%, will moderate as free cash flow rises. Selling, general and administrative costs are higher by 9.9%. Quality Grade A (No Change).													
Ferrellgas Partners LP (NYSE: FGP)	SELL	1.06	N/A	-74.15	-62.68	N/A	47.6	D	12/7/2018	N/A	-47.1	191.1	Propane Distribution
Shares slip under \$1, will have to reverse split or recover to retain NYSE listing. FYQ1 (end October 31) sales volume is higher by 9%, retail customer growth is up 4% and tank exchange sale locations are increased by 12% over last year as management completes acquisitions in propane distribution business. EBITDA falls by -32%, fallout from huge losses taken from disastrous midstream investments now mostly divested. Bankruptcy still a real risk if management is unsuccessful renegotiating debt covenants. Q3 operating expenses are flat (-0.1%), interest expense moves up 7.5%. Quality Grade F (No Change).													
First Solar (NSDQ: FSLR)	SELL	42.59	N/A	-37.76	-12.2	N/A	0	F	N/A	N/A	N/A	7.2	Utility Technology
Robust market for global solar helps company maintain some support on Wall Street with 9 buys, 9 holds and no sells for stock, but continues to face massive competitive pressures from larger and better financed players. China could be a plus in 2019. Selling, general and administrative costs sharply reduced (-33.6%) in Q3 versus a year ago as total operating expenses are cut -16.7% in promising sign. Interest expense reduced by -22.9%. Cost declines don't keep up with -55.7% drop in revenue, however. Quality Grade D (No Change).													
FirstEnergy Corp (NYSE: FE)	Buy<38	39.23	3.87	24.98	5.59	0.38	56.5	B	2/6/2019	3/1/2019	0	85.1	Regulated Elec/Gas
Raises dividend for first time since the cut in March 2014, 2 cents per share per quarter or 5.6%. Now a pure utility, company is likely to maintain mid-single digit dividend growth for the foreseeable future. Future liability to First Energy Solutions legal proceedings should be limited by bankruptcy court deal. Elliott Management takes stake, could be prelude to pushing for sale of company. Q3 interest expense increased by 2.7%, operating expenses up 13.3% from year ago quarter excluding fuel and purchased power. Stock still trades at discounted valuation to other utilities despite shedding risk (14.6 times forward profits). Quality Grade B (no change).													
Fortis (NYSE: FTS, TSX: FTS)	Buy<33	34.96	3.84	-1.08	8.96	0.45	71.2	A	2/14/2019	3/1/2019	6.9	56.8	Regulated Elec/Gas
May sell natural gas storage facility and hydro plant in British Columbia to help fund \$13 bil capital spending plan through 2023, expected investment is in rate base reducing risk. Sells 30 year debt at Arizona utility at coupon yield slightly below guidance (4.85%). Q3 interest expense is higher by 8.9% from a year ago on asset expansion, operating expenses excluding energy costs are higher by 10.7%. Grade A (no change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Fortum (OTC: FOJCF, FH: FORTUM)	SELL	20.5	6.6	1.6	-16.33	1.1	112.8	C	3/29/2018	4/10/2018	-1.2	26.9	Intl Energy
Annual dividend is likely to be flat this year though potentially more pressured by cost of Uniper investment (47% owned but in hostile relationship with management). Lower Swedish energy taxes a likely plus next year, management continues to invest in renewable energy and electric vehicle infrastructure. Company may partly spin off wind and solar divisions to deal with debt taken on to buy Uniper stake (fossil fuel plants). Interest expense is flat in Q3 versus last year, employee benefits are 2.9%. Quality Grade C (No Change).													
Frontier Communications Corp (NSDQ: FTR)	SELL	3.2	N/A	-62.61	-40.74	N/A	0	F	3/13/2018	N/A	-54.2	88.6	Communications
Management maintains turnaround is still underway at analyst conference earlier this month. Key to plan is ever greater cuts in expenses, but there's been no real sign yet that loss of customer base is abating, especially with broadband churn still higher than legacy phone business. Hard to see recovery with better capitalized firms offering even faster 5-G networks the next couple years. Bankruptcy risk is reflected in company's bond prices, with April 2022s yielding 20.8% to maturity. Quality Grade F (No Change).													
FuelCell Energy (NSDQ: FCEL)	Hold	0.63	N/A	-68.5	-43.75	N/A	0	D	N/A	N/A	N/A	32.8	Utility Technology
Next earnings expected January 10, 2019. Stock is in danger of being delisted from NASDAQ as breaks under \$1 a share, share price decline comes despite bullish analyst consensus of 4 buys versus one hold and no sells, selloff is likely due to market's current "risk off" moves. Administrative and selling expenses are cut by -3.3% from year ago levels, interest expense is higher by 6.8% as cost of credit line rises (rate is ICE LIBOR plus 990 basis points). Bankruptcy is possible though company continues to enjoy support from state of Connecticut and others for its research. Quality Grade D (No Change).													
General Communications (NSDQ: GLIBA)	SELL	45.89	N/A	N/A	-3.59	N/A	0	C	N/A	N/A	N/A	96.9	Communications
Still no dividends paid. Leading Alaska telecom sees more than 8-fold increase in selling, general and administrative costs, mostly due to merger. Interest expense also increases to 17.9% of revenue in Q3. Stock has some Wall Street support at 5 buys versus 1 hold and no sells, but optimism appears based on expectation of turnaround that was not in evidence in Q3 numbers. Quality Grade C (No Change).													
Hannon Armstrong Infrastructure Capital (NYSE: HASI)	Buy<22	23.08	5.72	6.04	9.48	0.33	91.7	B	10/2/2018	10/11/2018	8.3	69	Business Development Company
Stock retains solid Wall Street support with 6 buys and 2 holds. Management doesn't appear likely to return to dividend growth this month as is keeping things conservative in current capital markets turmoil. Has two credit lines of \$599 mil drawn to roll over by July of next year, current rate is ICE LIBOR plus 250 basis points though company has pushed most debt to fixed rates over the past year. Quality Grade B, no change.													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Hawaiian Electric Industries (NYSE: HE)	Buy<35	39.16	3.17	8.05	10.1	0.31	68.1	C	11/20/2018	12/11/2018	0	48.3	Regulated Elec/Gas
Return to dividend growth is part of management's plan, though depends on continued success of regulator-supported energy transition to renewable energy in Hawaii, which must take place over several island systems. Management optimistic at Edison Electric conference last month. Q3 interest expense is higher by 17.1%, largely cost of ramped up capital investment. Electric utility expenses are higher by 20.2%, in large part due to higher fuel cost for remaining oil-fired power plants. Quality Grade C (No change).													
Huaneng Power International (NYSE: HNP, HK: 902)	Hold	25.32	2.09	4.69	0.88	0.61	88.1	C	5/8/2018	7/27/2018	-37.8	72.2	Intl Energy
Declining coal costs are a major plus for company's potential dividend decision next year. Fuel expenses comprise up to 75% of overall operating costs. Aggressive, government-sponsored programs to convert heating from coal to natural gas may continue to pressure fuel costs lower in 2019, though long term future of power companies in China is to wean off of coal. Q3 interest expense is higher by 11.8%, operating costs rise 11.3%, including fuel. Quality Grade C (No change).													
Hydro One (TSX: H, OTC: HRNNF)	SELL	15.21	4.51	-9.71	5.35	0.23	68	B	12/10/2018	12/31/2018	N/A	52.8	Intl Energy
Washington regulators reject company's merger offer for Avista Energy, cite regulatory risk in Ontario from government of Premier Doug Ford. Deal rejection foils company's attempt to diversify revenue base outside of home province. Still trying to name a new CEO that will have support of government, which is fixated on cutting customer rates immediately rather than facilitating system investment. Q3 interest expense increased 30.7% over a year ago, operating costs are lower by -2.2%. Quality Grade B, no change.													
Iberdrola (OTC: IBDRY, SM: IBE)	Buy<30	29.95	1.78	-0.91	4.12	0.68	74.4	A	1/9/2019	2/14/2019	8.5	46.2	Intl Energy
Revises terms of power plant sale in UK to Drax Group Plc on slightly worse terms following negative UK regulatory developments, deal still reduces risk. Spain's goal of 100% renewable energy by 2050 is opportunity to build generation and storage in company's home country. Q3 interest expense increased by 31.1% on asset expansion, personnel costs up 7.2% for the same reason. Quality Grade A (No change).													
IdaCorp (NYSE: IDA)	SELL	99.98	2.52	5.56	0.79	0.63	55.5	A	11/2/2018	11/30/2018	7.7	43.6	Regulated Elec/Gas
Stock is logical takeover target for Berkshire Hathaway with no nuclear exposure, growing customer base, opportunity to phase out coal plants, strong balance sheet and geographically contiguous network, but price of 22 times expected 2019 earnings is still too high. Q3 operating and maintenance costs are higher by 9.7% from a year ago in Q3, interest expense up 4.2%. Quality Grade A (No Change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Infraestructura Energetica Nova (Mexico: IENOV, OTC: IENVF)	Buy<5.50	3.73	3.67	-27.39	N/A	0.14	48.7	B	8/17/2018	8/21/2018	-2.4	30.6	Utility
Growth plans unchanged thus far as company continues to win new projects in Mexico, fuels terminals now seen operational by end of 2019. Focus on buildout of basic infrastructure is not likely to run afoul of regulators as energy development contracts could. Investor concerns about Lopez Obrador government following Venezuela's disastrous example appear greatly overblown. Q3 operating, administrative and other expenses increased by 29.2% on asset expansion, interest expense up 86% from last year for same reason. Quality Grade B (No Change).													
InfraREIT (NYSE: HIFR)	SELL	21.21	4.24	9.21	2.35	0.25	32.9	C	12/28/2018	1/17/2019	N/A	51.3	Texas Power Grid
Sempra Energy's Oncor unit offer of \$21 per share in cash for company takes a step forward as rival bid vanishes. Deal expected to win approval of Texas regulators, FERC, US anti-trust and committee on foreign investment in the US and close in the first half of 2019. Texas Public Utility Commission filing made in late November is most critical element of process, approval seems high likely but lack of upside to Oncor offer makes stock a sell. Q3 interest expense is cut by -2.3%, general and administrative expenses for owner of power lines rises by 1%. Quality Grade C, no change.													
Innergex Renewable Energy (TSX: INE, OTC: INGXF)	Buy<10	9.6063	5.28	-10.82073	-3.808684	0.17	88	A	12/28/2018	1/15/2019	1.8485449552536	87.845518215564	Wholesale Power
Half cent boost in quarterly dividend is likely for February. Q3 revenue is higher by 30%, EBITDA up 42% on a proportionate basis. Key catalysts are acquisitions and progress made on key hydro and wind projects, solar deals in Ohio and Hawaii. Output is 25% higher than a year ago, offset partly by hydro conditions (91% of long-term average production) and wins conditions (91% of LTA). Geothermal at 103% and solar 113% of LTA. Operating expenses are more than twice year earlier levels, general and administrative up 74.5%, interest costs up 26.9%, all on business expansion. Quality Grade A (no change).													
Itron (NSDQ: ITRI)	Buy<70	51.99	N/A	-25.62	-20.99	N/A	0	C	N/A	N/A	N/A	43.2	Utility Technology
Wins contract with city of Waco, Texas to provide "smart" water systems, wins deal in Costa Rica to upgrade power grid, wins Internet of Things contract to upgrade grid for Brazil utility as business continues to grow and evolve. General and administrative costs up 7% in Q3 from year earlier, interest expense up 308.9% on asset expansion but leverage is still modest. Quality Grade C (No Change).													
Just Energy (NYSE: JE, TSX: JE)	SELL	4.18	8.93	10.66	43.32	0.13	123	D	12/14/2018	12/31/2018	-1.4	70.2	Wholesale Power
Volatile prices for natural gas and in some regions power this year are a potential threat to cash flows and customer retention this winter, failure to manage will pressure dividend. Most recent quarter's administrative costs are higher by 25% from a year ago, selling and marketing are reduced -3.1% but may have impact on sales, interest costs are up 60.7% in very worrisome sign. Quality Grade D (No Change).													

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Kayne Anderson Energy Total Return (NYSE: KYN)	Hold	15.37	11.71	7.2	-13.02	0.15	100	D	12/19/2018	12/31/2018	0.9	N/A	Closed-End Fund
Closed end fund is down -9.5% year to date including distributions, lags -4.4% showing in Alerian MLP Index. Fund trades at -4.2% discount to NAV, slightly wider than a month ago. Portfolio quality has improved with Enterprise Products Partners now the largest holding at 21.5%, but heavy leverage (32.12% of assets) raises risks when MLP and midstream sector is weak as now. Quality Grade D (no change).													
Kinder Morgan (NYSE: KMI)	Buy<22	16.35	4.89	-1.74	-7.15	0.2	40.2	B	10/30/2018	11/15/2018	-27.8	51.2	Energy Pipelines
Management reports preliminary 2019 financial guidance, including \$5 bil in expected distributable cash flow, a 10% lift over expected full-year 2018. Sets dividend for full year at 25 cents per share, 25% lift over last year's 20 cents and right in line with previous target, debt-to-EBITDA expected at 4.5 times. Company targets \$3.1 bil in expansion projects in 2019, entirely self funded. CO2 division results based on oil price of \$60 per barrel West Texas Intermediate and \$3.15 per thousand cubic foot gas at Henry Hub, should be relatively conservative projections. General and administrative costs cut -8.3% in Q3 from a year ago, interest expense up 3.1% on asset expansion. Quality Grade B (No Change)													
Korea Electric Power Corp (NYSE: KEP, KS: 015760)	Hold	13.75	1.95	-21.09	3.23	0.37	NEG	B	12/28/2017	4/27/2018	18.6	43.1	Intl Energy
Korean regulators appear set to raise rates for power produced at fossil fuel and nuclear power plants, would provide a lift to 2019 results. Company pursuing foreign investments and ventures to lift growth. Moody's says company faces credit challenges on Korea's move to generate power from renewables, increase regulation of nuclear power plants on safety concerns. Q3 revenue is up 4.6% from power sales, overseas businesses generate 19.3% more sales and are roughly 5% of overall business. Fuel cost up 25.6% on higher fossil fuel prices, company records loss as doesn't recover increase in rates. Selling, general and administrative costs are up 1.1% from a year ago, interest expense rises 3% on asset expansion. Quality Grade B (No Change).													
Landmark Infrastructure Partners LP (NSDQ: LMRK)	Hold	13.52	10.87	-13.6	7.5	0.37	108.1	D	11/2/2018	11/14/2018	11.6	65.9	Utility Infrastructure
Insiders raise holdings by 23.6% over last six month with buying accelerating as share price has dipped. General and administrative costs cut nearly in half from a year ago in restructuring, overall expenses higher by 21.7%, interest expenses are up 44.6% over last 12 months as management is forced to rely on debt financing to fund drop downs. Pause in raising distributions and alternative financing arrangements should improve distribution coverage though still at risk to a cut. Quality Grade D (no change).													
Magellan Midstream Partners LP (NYSE: MMP)	Buy<75	59.18	6.61	-6.55	-11.69	0.98	74.3	A	11/6/2018	11/14/2018	9.2	68	Energy Pipelines
Management focus on transporting Permian Basin oil to coast for potential export underlies low risk asset and distribution growth plan (5-8% annually through 2020). Partnership is able to self fund a sizeable portion of capital spending plans as well. Q3 operating costs are 4.1% higher than a year ago, interest expense is up 6.2% on asset expansion. Cheap, high quality MLP in heavily discounted sector is ripe for purchase by anyone who doesn't have a position. Quality Grade A (No Change).													

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MDU Resources (NYSE: MDU)	Buy<27	26.01	3.11	-4.58	-5.48	0.2	58.5	B	12/12/2018	1/1/2019	2.7	41.4	Regulated Elec/Gas
Raises quarterly dividend by half a cent per share, same rate of growth as previous 8 years (2.5%). Management announces \$579 mil capital spending plan for 2019 not including potential acquisitions, raises lower end of 2018 earnings per share guidance from \$1.25 to \$1.30-\$1.45, sees 2019-2023 CAPE of \$2.6 bil. Large construction materials and services divisions would be prime beneficiaries of any step up in federal infrastructure spending. Q3 operating and maintenance costs rise 2.3%, interest expense up 0.2%, slight exposure to short-term rates through now largely undrawn credit lines. Quality Grade B (No Change).													
MGE Energy (NSDQ: MGEE)	SELL	65.97	2.05	5.03	-0.05	0.34	56.3	A	11/29/2018	12/15/2018	4.6	35.4	Regulated Elec/Gas
Q3 earnings per share increased by 10.4%, warmer summer weather is key catalyst says management. Operating and maintenance costs excluding fuel and purchased power are higher by 3.8%, interest expense increased 6.3% on asset expansion as \$150 mil credit line maturing in 2020 is now undrawn. Main risk to stock is high valuation of more than 27 times trailing 12 months earnings, also a deterrent to any takeover offer. Quality Grade A (No Change).													
Middlesex Water (NSDQ: MSEX)	SELL	52.43	1.83	24.08	12.92	0.24	62.3	A	11/14/2018	12/3/2018	5.5	42.9	Regulated Water
New wastewater treatment plant in Delaware should provide upside catalyst to earnings over next couple years, replaces old facility. Q3 operating and maintenance costs up 10.6%, as company replaces infrastructure in system and adds contract business. Interest expense higher by 15.4%. High valuation of 28.5 times trailing 12 months earnings is biggest risk to stock. Quality Grade A (No Change).													
National Fuel Gas (NYSE: NFG)	Buy<55	54.88	3.1	-1.92	0.49	0.43	50.7	B	12/28/2018	1/15/2019	2.5	52.4	Integrated NatGas
Opening of Atlantic Sunrise pipeline lifting results. New York State appeals court rules company doesn't have right to take land by eminent domain in western New York to replace Northern Access Gas Pipeline to move Marcellus shale gas from Pennsylvania to NY, New England, Canada and Midwest. Company asks Federal Energy Regulatory Commission to extend time to bring project online for 3 more years to allow for appeals, pipeline is fully subscribed under 15 year contract. FY2008 (end Sept 30) operations and maintenance costs are flat with a year ago (-0.1%), interest expense is lower by -4.7%. Quality Grade B (No Change).													
National Grid (NYSE: NGG, LSE: NG)	Hold	53.06	3.96	-5.98	3.29	1.06	45.9	C	11/21/2018	1/9/2019	-4.8	58.6	Intl Energy
Management launches new plan for UK grid to accommodate greater use of renewable power as well as distributed energy, reducing reliance on large power stations. Plan should meet approval of UK regulators, though there's still risk of nationalization if Labour wins control of government. Files rate hikes in Massachusetts and New York with eye on similar grid improvement goals. FY2018 (end Sept 30) operating expenses increased 14.1% from a year ago, interest expense increased 3.4%. Quality Grade C (No Change).													
New Jersey Resources Corp (NYSE: NJR)	Hold	49.72	2.35	17.23	7.03	0.29	41.9	A	12/13/2018	1/2/2019	6.7	50.6	Regulated Elec/Gas

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Sells wind portfolio for \$208.5 mil, 117 megawatts total capacity, proceeds to be used to self-fund more planned capital spending. FY2018 (end Sept 30) net financial earnings are higher by 61%, management sets guidance of \$1.95 to \$2.05 per share for FY2019. Energy services capitalizes on more volatile energy pricing. Regulated natural gas utility customer growth is robust at 1.8%. PennEast pipeline now expected to be operational in 2019, though regulatory delays remain a threat. FYQ4 operating and maintenance costs increased 27.9%, interest expense is slightly lower from a year ago (-1.1%). Quality Grade A (No Change).													
NextEra Energy (NYSE: NEE)	Hold	182.86	2.43	18.74	6.92	1.11	50.9	A	11/29/2018	12/17/2018	13	54.3	Regulated Elec/Gas
Completes acquisition of Southern Company's natural gas distribution utilities in Florida, expects to close purchase of electricity unit Gulf Power in Q1. Company builds new natural gas power plant for operation in 2022 with unique storm surge protection, elevated 11.5 feet. Buys underwater power transmission cable in California, will add to earnings and facilitate renewable energy projects in region. Q3 interest expense is more than cut in half versus a year ago (-56.2%), operating and maintenance cost excluding fuel are higher by 2.1%. Stock is in partial profit taking territory for those with overloaded positions, sells for nearly 26 times trailing 12 months earnings. Quality Grade A (No Change).													
NextEra Energy Partners LP (NYSE: NEP)	Buy<45	46.35	3.88	22.33	-2.15	0.45	25.7	A	11/5/2018	11/14/2018	23.7	66.2	Wholesale Power
Yieldco has numerous opportunities for low cost expansion as parent NextEra continues to grow. Q3 operations and maintenance costs are up 6.6% on asset expansion, interest expense for first nine months of the year is reduced by -39.6% from last year. Has \$750 mil credit line entirely untapped but also some variable rate debt that's exposed to rate volatility. Credit rating is a notch below investment grade at Ba1 though ultimate guarantor is NextEra Energy (Baa1). Quality Grade A (No Change).													
Nippon Telegraph & Telecom Corp (Tokyo: 9432, OTC: NTTY)	Buy<52	40.28	3.22	-19.4	-3.88	0.75	32.8	A	9/26/2018	12/12/2018	21.8	24.4	Intl Communications
Company has opportunity to boost revenue overseas, with expectation of 28% growth to fiscal 2023. Management targets overall earnings increase of 50% by FY2023, also fueled by aggressive cost reductions. Selling, general and administrative expenses are cut by -20.6% over the last 12 months, interest expense is lower by -14.8%. Stock has bounced a bit from previous month's selloff but still cheap at less than 10 times forward earnings. Quality Grade A (No Change).													
NiSource (NYSE: NI)	Buy<22	27.14	2.87	3.63	-0.02	0.2	60.5	A	10/30/2018	11/20/2018	-2	67.6	Regulated Elec/Gas
Sells more preferred stock at 6.5% interest rate. National Transportation Safety Board makes four "urgent" recommendations to company as result of September 13 explosions and fires in Massachusetts, includes new engineering and construction review processes companywide. NTSB assigns blame to company's work plans, effect on legal case against company unknown. Operating and maintenance cost increase 110.1%, interest expense cut -5.2%. Shares still look high priced at 20 times trailing 12 months earnings in light of legal risks. Quality Grade A (No Change).													
Northland Power Inc (TSX: NPI, OTC: NPIFF)	Buy<17	17.192	5.21	-2.541969	4.543547	0.1	83.3	B	12/28/2018	1/15/2019	2.8244416713715	83.525656519908	Wholesale Power

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Redeems convertible security maturing in November at cost of CAD77 mil. General and administrative costs for operations drop by -29.6%, G&A on development falls by -29.4% as company has completed several major offshore wind farms with more on the way. Interest costs are higher by 4.7%. Quality Grade B (no change).													
Northwest Holdings (NYSE: NWN)	SELL	66.98	2.84	2.21	1.67	0.48	85.9	B	10/30/2018	11/15/2018	0.5	52.9	Regulated Elec/Gas
Q3 operations and maintenance costs are up 9.6% on system expansion, interest expense is reduced by -2.2%. Stock is very high priced at nearly 27 times expected 2019 earnings, high valuation is biggest risk as operations appear to be running smoothly. Quality Grade B (No Change).													
NorthWestern Corp (NYSE: NWE)	Hold	64.28	3.42	5.85	7.41	0.55	64.7	C	12/13/2018	12/31/2018	5.7	54.3	Regulated Elec/Gas
Management affirms 2018 earnings guidance of \$3.35 to \$3.50 per share. Company reaches settlement in Montana rate case to pass through benefits of lower corporate tax rates, appears to be on favorable terms for company. Q3 operating, general and administrative costs are higher by 9% from a year ago, interest costs are reduced by -4.8%. Quality Grade C (No Change).													
NRG Energy (NYSE: NRG)	SELL	40.53	0.3	46.73	16.56	0.03	3.7	C	10/31/2018	11/15/2018	-40.9	88.9	Wholesale Power
Asset sales have transformed revenue mix but company still has considerable vulnerability to weakness in wholesale power prices. Q3 selling, general and administrative costs increase 11.6%, interest expense is reduced by -12.9% on proceeds from asset sales as management nears goal of \$3.2 bil in divestitures. Quality Grade C (no change).													
NTT Docomo (NYSE: DCM)	Hold	22.62	3.39	-8.18	-10.42	0.49	49	A	9/27/2018	12/3/2018	16.2	2.8	Intl Communications
Successfully demonstrates 28 GHz band for launching 5-G wireless networks, company has a lead in developing technology. Market reaction to company's wireless phone discount plans it well overdone, near-term profit pressure more than offset by long-term strategic advantage. Selling, general and administrative expenses are higher by 6.3% for most recent reporting period but should carry lower next year. Interest expense is flat. Quality Grade A (No Change).													
NuStar Energy LP (NYSE: NS)	Buy<25	24.6	9.76	-6.86	-8.31	0.6	72.5	B	11/7/2018	11/14/2018	-12.9	59.5	Energy Pipelines
Closes sale of European energy storage operations to Inter Pipeline Ltd of Canada for \$270 mil, proceeds will better focus operations and reduce debt. Q3 operating expenses are higher by 6.7%, general and administrative costs are up 11.3%, interest expense is lower by -1%. Quality Grade B (no change).													
OGE Energy Corp (NYSE: OGE)	Hold	40.46	3.61	21.53	10.33	0.37	70.5	B	1/9/2019	1/30/2019	10	45.1	Regulated Elec/Gas
Oklahoma Treasurer to join company as head of regulatory and state government affairs, promises to improve sometimes shaky regulatory relations. Operation and maintenance expenses rise 10.2% in Q3, interest expense is up 7.8% from a year ago. Stock now appears fully priced at around 20 times expected 2019 earnings. Quality Grade B (no change).													
Oi (Sao Paulo: OIBR4, OTC: OIBRQ)	SELL	0.35	N/A	-69.01	-48.03	0	0	F	7/20/2018	7/30/2018	N/A	133	Telecom

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Hires Nokia for fiber to the home buildout in Brazil, sign company is again able to spend on network after falling well behind to rivals though still facing some legal and regulatory challenges. Company revenue declines -8% in Q3 as company continues to lose customers, offsets with cost reductions. Management says loss rate is declining but company is still largely a carcass for larger and better capitalized rivals to feed off of in Brazil. Selling, general and administrative expenses lowered by -9.3% from a year ago, interest expense post bankruptcy is down by more than half though still a burden. Quality Grade F (No Change).													
ONE Gas (NYSE: OGS)	SELL	86.45	2.13	14.44	7.67	0.46	56.6	A	11/9/2018	12/3/2018	15.3	44.2	Regulated Elec/Gas
Dividend increase next month likely to be at upper single digit rate. Operations and maintenance costs are higher by 5.9%, interest expense is up 7.6% in Q3 from year earlier quarter. Biggest risk is valuation with stock at more than 26 times expected 12 months earnings and appears priced out of takeover range. Quality Grade A (No Change).													
ONEOK (NYSE: OKE)	Buy<65	59.99	5.7	20.53	-7.64	0.86	71.9	B	11/2/2018	11/14/2018	10.1	61.6	Energy Pipelines
New 3-year, \$1.5 bil loan agreement is just 112.5 basis points over LIBOR, stepped up from previous \$1.25 bil deal. Management affirms \$6 bil in capital growth projects under development, \$5 bil is devoted toward NGLs. Q3 operations and maintenance costs are higher by 14.8%, interest expense is cut by -3.7% from year earlier level. Robust midstream services provider back to good valuation. Quality Grade B (No change).													
Orange (NYSE: ORAN, FP: ORA)	Buy<16	16.6	3.18	1.58	7.67	0.34	86.7	C	11/30/2018	12/21/2018	7.1	49.7	Intl Communications
Semi-annual dividend to be declared this month is likely to be flat against year earlier payment. Banking unit continues to grow, management expects to add to earnings with scale in France and Spain by 2023. Fitch affirms BBB+ rating, CEO says market consolidation is possible in first half 2019. Q3 labor expenses are higher by 2.9% from a year ago, interest expense fell in 2017 but full-year 2018 figure likely to be up on asset growth. Quality Grade C (No change).													
Origin Energy (ASX: ORG, OTC: OGFGY)	Hold	4.87	N/A	-28.48752	-9.731235	0.07658	0	C	2/26/2016	4/14/2016	N/A	38.610058649504	Utility, producer
Next semi-annual earnings expected February 15. CEO says it's "challenging" to justify investment in Australia given dysfunctional regulatory environment as Liberal/National coalition government tries everything to bring down power prices ahead of next year's elections, company will bring down retail prices in line with AGL's earlier move. Operating expenses last 12 months are higher by 33.1% reflecting expansion in LNG business, interest expense is lower by -8.9%. Quality Grade B (no change).													
Ormat Technologies (NYSE: ORA)	Hold	53.76	0.74	-14.17	2.11	0.1	13.7	C	11/19/2018	12/4/2018	26.8	40.8	Wholesale Power
Volcanic eruption in Hawaii demonstrates need for geothermal facilities to be resilient, though fuel source's popularity remains high. Selling and administrative expenses in Q3 up 136%, general and administrative costs up 25.1%. Interest expenses are higher by 59.9% on asset growth. Stock still looks pricey at more than 25 times expected 2019 earnings. Quality Grade C (No Change).													
Otelco (NSDQ: OTEL)	SELL	16.2	N/A	24.14	-3.57	N/A	0	D	N/A	N/A	N/A	98.2	Communications

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Selling, general and administrative costs in Q3 are cut by -8%, interest expense is lowered by -43.1%, keeping that pace of reductions is key given customer and revenue declines (-4.1% revenue from a year ago). End game still looks like a sale as \$77 mil in maturing debt through end of 2022 is nearly 1.5 times market cap but company has made progress whittling down obligations over the past year. Quality Grade D (No change).													
Otter Tail Corp (NSDQ: OTTR)	SELL	48.9	2.74	6.73	0.71	0.34	65.4	C	11/14/2018	12/10/2018	2.9	46.4	Regulated Elec/Gas
Q3 interest charges are up by 2.1% from year ago levels. Operating and maintenance expenses at regulated utility operations are cut by-4.4%, non-electric expenses are higher by 18%. Company is comfortable with non-utility operations but high valuation of more than 24 times trailing 12 months earnings is likely reflecting takeover expectations that are unlikely to be met by diversified company, rather than pure regulated utility. Quality Grade C (No Change).													
Partner Communications (NSDQ: PTNR, IT: PTNR)	SELL	5.1	N/A	-15.28	13.33	0.26	0	F	8/27/2012	9/18/2012	N/A	57.3	Intl Communications
Q3 service revenues decline by -2%, equipment revenue is lower by -5% and operating expenses rise by 6%, EBITDA is lower by -16% as margins drop to 24% of revenue from 29% last year. Wireless customer base shrinks by -12% and average revenue per user falls -6%. Selling and marketing expenses are higher by 16.9%, interest expense is lower by roughly half. All except debt reduction are signs of continuing decline at company in face of regulation that favors competitors. Quality Grade F (No Change).													
Pattern Energy Group (TSX: PEG, NSDQ: PEG)	Buy<20	21.15	7.98	8.16	10.23	0.42	99.9	B	12/28/2018	1/31/2019	6.6	45.1	Wholesale Power
Buys 51% stake in Stillwater Wind facility in Montana from affiliate, power is under 25-year contract. Transaction is the first between company and Pattern Development, operating portfolio is now 4 gigawatts of operating capacity, will add immediately to distributable cash flow. PSP Investments as sponsor remains very supportive. General and administrative costs increase 2.6% with business expansion, interest expense up 1.2%, First Lien loan due 2022 is at rate of ICE LIBOR plus 162.5 basis points, with \$186 mil drawn and \$213 mil undrawn. Roughly two-thirds of debt are credit lines and revolvers but management is successfully controlling costs. Quality Grade B (No Change).													
Pembina Pipeline Corp (NYSE: PBA, TSX: PPL)	Buy<35	32.52	5.23	-2.42	-0.23	0.19	55.3	A	12/28/2018	1/15/2019	6.8	35.3	Energy Pipelines
Company remains well positioned to provide badly needed midstream infrastructure to landlocked Alberta oil and British Columbian natural gas and NGLs as projects remain on time and budget. Q3 general and administrative costs up 32.7% on asset expansion, interest expense up 33.3%. Soft Canadian dollar (73.8 US cents) has also compressed valuation to low level. Quality Grade A (No Change).													
PG&E Corp (NYSE: PCG)	Hold	25.79	N/A	-51.3	-43.67	N/A	0	C	12/28/2017	N/A	N/A	49.6	Regulated Elec/Gas

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Prospective liability from Camp Fire grows as company tower is cited for role in deadly Camp Fire. California Attorney General called by US District Judge to weigh in whether company operated powerlines "recklessly." California Public Utilities Commission opens proceeding to determine corporate governance, structure and operation of company. State role in business and ownership is possible, key to solution will be to maintain low enough cost of capital to upgrade grid to meet state's carbon reduction goals. Q3 operating and maintenance costs increase 21.7%, interest expense higher by 5.5%. Quality Grade C (no change).													
Pinnacle West Capital Corp (NYSE: PNW)	Buy<75	90.78	3.25	4.26	15.08	0.74	66.3	A	10/31/2018	12/3/2018	5.4	49.2	Regulated Elec/Gas
Arizona regulators remain supportive of company's plans in solar and rate design ensures financial strength as customers adopt rooftop systems. Q3 operating and maintenance expense increased 6.8%, interest expense up 10.7% on asset expansion, higher cost of credit lines. Quality Grade B (No Change).													
Plains All American Pipeline LP (NYSE: PAA)	Buy<25	22.22	5.4	18.71	-10.85	0.3	54.5	B	10/30/2018	11/14/2018	-24.2	47.5	Energy Pipelines
CEO says will spend \$1 bil on new projects in 2019, up from \$650 mil this year. Key focus in on Permian Basin, expects new pipeline built for ExxonMobil to start service in "early 2021," accelerated from mid-2021, says on track to reach debt to EBITDA target of 3.5 to 4 times next year, targets resumption of distribution growth in first half of 2019 with caveat of self funding much of CAPEX plans. General and administrative costs in Q3 increase 8.8%, interest expense cut by -17.9% as company uses increase in cash flow to reduce burden. Quality Grade B (no change).													
PLDT (NYSE: PHI, PM: TEL)	Hold	21.72	4.32	-23.94	-15.26	0.67	123.4	D	8/24/2018	9/21/2018	-30	60.8	Intl Communications
Acquires minority interest in Multisys software firm to increase capabilities of network. Makes \$175 mil investment in venture with Tencent Holdings, leading Internet services provider in China. Company is rolling out some 5-G infrastructure in Philippines. Q3 selling, general and administrative expenses increase 2.5% from year ago, interest expense cut -11.2%. Quality Grade D (No change).													
PNM Resources (NYSE: PNM)	Hold	43.75	2.65	0.39	11.95	0.29	54.9	C	1/31/2019	2/15/2019	9.8	60.7	Regulated Elec/Gas
Company solicits proposals for building large scale solar facility, new state government is likely to accelerate renewables deployment. Administrative and general costs in Q3 increase by 13.2% over year ago levels, interest expense cut by -5%. Stock looks priced for takeover at nearly 22 times expected 2019 earnings. Quality Grade B (no change).													
Portland General Electric (NYSE: POR)	Hold	49.84	2.91	5.88	6.8	0.36	62.4	B	12/24/2018	1/15/2019	6.6	50.1	Regulated Elec/Gas
Board of directors adds technology industry veteran, could be valuable attuning company to needs of growing customer base as well as needed grid upgrades. Administrative and other expenses cut by -22.2% over year ago period, interest expense is higher by 3.3%. Stock appears high priced at over 21 times expected 2019 earnings. Quality Grade B (No change).													
PPL Corp (NYSE: PPL)	Buy<32	31.09	5.28	-5.98	5.88	0.41	66.9	C	12/7/2018	1/2/2019	3.1	66.4	Regulated Elec/Gas

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Talen Energy private capital owners sue company in Montana, claims state's hydroelectric assets were "improperly distributed" in November spinoff and sale of unregulated generation assets, company counter sues. Collaborates with General Electric on distributed energy technology. Faces uncertainty over British regulation and Brexit consequences but has hedged pound exposure heavily going forward and distribution business in UK has strong upside to grid improvements to accommodate more renewable energy and electric vehicles. Operating and maintenance costs excluding fuel and purchase power increase by 9.4%, interest expense higher by 6.1%. Quality Grade C (no change).													
Public Service Enterprise Group (NYSE: PEG)	Hold	55.44	3.25	10.46	6.44	0.45	58.1	B	12/6/2018	12/31/2018	4.9	49.6	Regulated Elec/Gas
Expect increase in quarterly dividend of 2 cents per share in early 2019. Earnings increasingly weighted toward regulated utility distribution with 8-10% annual growth in utility rate base expected through 2023, merchant power now about a third of business. Q3 operation and maintenance cost increases 7.1%, interest expense up 27% from a year ago, a disturbing trend if it continues. Quality Grade B (No Change).													
Quebecor (OTC: QBCRF, TSX: QBR/B)	Hold	21.19	0.79	11.1	10.7	0.06	12.4	B	11/22/2018	12/18/2018	42.6	84.2	Intl Communications
Adds content business in music, comedy with partnerships and acquisitions. Now has minority stake in ComediHa!, leading French language comedy leader to distribute over network. Q3 employee costs are lower by -4.1%, interest expense rises 12.2%. Quality Grade B (No Change).													
Reaves Utility Income (NYSE: UTG)	Buy<25	31.41	6.49	7.18	3.67	0.17	162.5	B	12/17/2018	12/31/2018	5.4	N/A	Closed-End Fund
Closed end fund holding utilities and related stocks is now up 7% for the year, right in line with Dow Jones Utility Average. Still trades at 3.8% discount to NAV, versus 52-week average of -7.1%. Biggest holding at last count was DTE Energy at 5.7%, electric utilities at 37.2%. Average yield of top 10 holdings is still about 4%. New co-portfolio manager of the Fund is promoted from within. Quality Grade B (No Change).													
RGC Resources (NSDQ: RGCO)	Buy<25	26.54	2.49	2.23	-1.87	0.17	65.3	A	1/14/2019	2/1/2019	6.5	46.9	Regulated Elec/Gas
Raises quarterly dividend by a penny a share to 16.5 cents, up 6.5% year over year. FY2018 earnings per share (end Sept 30) increase 10.5%, management says it's the fourth consecutive year of record results. Key drivers are infrastructure replacement, customer growth and investment in Mountain Valley Pipeline, though project is delayed by court rulings delaying permitting. Q3 interest expense is higher by 22.3%, operating and maintenance costs are cut by -5.7%. Quality Grade A (No Change).													
Rogers Communications (NYSE: RCI, TSX: RCI/B)	Hold	53.53	2.7	7.87	4.66	0.48	57.8	B	12/10/2018	1/3/2019	-0.9	71.7	Intl Communications

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Sells personal finance website for cash, deal to sell magazines comes unraveled but non-core asset sales continue. Management raises guidance EBITDA growth to 7-9% after 8% list in fiscal year Q3. Service revenue growth is 5%, postpaid wireless churn improves 7 basis points to 1.09%, lowest rate in 9 years. Average revenue per user higher by 4%. Cable revenue up 1% on 8% Internet sales growth. Free cash flow up 5%. Q3 interest expense decreased -3.8%, operating costs up slightly (0.3%). Lack of dividend growth lessens attraction of stock but is not high priced at less than 16 times expected 12 months earnings. Quality Grade B (No Change).													
Royal Dutch Shell (NYSE: RDSA, LSE: RDSA)	Buy<65	59.31	5.39	-0.8	-4.97	0.94	72.6	B	11/15/2018	12/19/2018	0	30.2	Oil/Gas Production
Company links management pay to carbon emissions, announces carbon goals, focus on global LNG trade over oil is key. Sells stake in Corrib gas field off Irish coast for \$1.3 bil, substantially completing \$30 bil asset sales plan. Fitch revises outlook to stable from negative, cites success cutting debt to EBITDA ratio to 1.9 times. Q3 interest expense is reduced by -10.1%, selling, distribution and administrative expenses increase 2.9%. Quality Grade B (No Change).													
RWE (OTC: RWEQY, GR: RWE)	SELL	21.62	6.02	-1.47	-13.69	1.79	NEG	D	4/27/2018	5/14/2018	18.3	58.9	Intl Energy
Power producer has pre-hedged carbon exposure from lignite coal and natural gas fired power plants into mid-2020s, should help company close older facilities and build cleaner sources. UK suspension of capacity payments will hurt 2019 results. Management must be nimble in energy transition. Q3 profit slides by -24%, management affirms forecast for 2018. Q3 employee costs increase 4.8%, interest costs cut by -62.3% from year earlier quarter. Quality Grade D (No Change).													
SCANA Corp (NYSE: SCG)	Hold	46.86	1.06	9.86	28.37	0.12	NMF	.	12/7/2018	1/2/2019	-23.1	57.1	Regulated Elec/Gas
South Carolina regulators to deliberate Dominion Energy takeover offer on December 14, with decision slated by Dec 21. Judge has given OK for Summer nuclear plant rate settlement that should clear path to merger approval, as rate deal depends on it. All other regulatory approvals are in with North Carolina giving the OK last month. Deal failure is likely to send stock back to low 30s at a minimum. Q3 operating and maintenance costs aside from energy increase by 11.1%, interest expense rises 4.2%. Quality Grade D (no change).													
Sempra Energy (NYSE: SRE)	Buy<115	115.95	3.09	2.74	0.01	0.9	64.5	A	9/20/2018	10/15/2018	8.3	56.2	Regulated Elec/Gas
Management expects 3 trains to come on stream at Cameron LNG export facility in Louisiana in 2019, would be a major driver of earnings growth. Activist investors push for strategic review results in Q1. Oncor unit in Texas reaches deal to buy transmission system of InfraREIT. Q3 operating and maintenance costs increase s 7.9%, interest expense is higher by 40.6% on asset expansion, in particular merger with Oncor in Texas. Quality Grade A (No change).													
Severn Trent (OTC: STRNY, LN: SVT)	SELL	23.2	3.7	-15.57	-6.09	0.48	85	C	11/30/2018	1/14/2019	-3	84.9	Regulated Water
Interim dividend payable in January is set 7.9% higher than a year ago. FY2019 semi-annual results (end Sept 30) are in line with guidance, excluding favorable impact of property sale. Management says on track to meet FY2019 metrics (end March 31). Company also makes progress cutting average interest rate on debt to 3.8%, sticks to dividend growth policy of RPI (inflation) plus 4%. Stock still faces formidable risk from Brexit developments, potential nationalization under a Labour government. Net labor costs increase by 1.6% from a year ago, interest costs are reduced by -15.7% on debt refinancing efforts. Quality Grade C (No change).													

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Shaw Communications (NYSE: SJR, TSX: SJR/B)	Hold	18.98	4.66	-12.95	0.99	0.1	33.9	B	12/13/2018	12/28/2018	-0.2	42.2	Intl Communications
Company ramps up fiber network build in western Canada to compete with Telus and others. Operating, general and administrative costs are up 9.2% in most recent quarter on business expansion expenses, interest costs are reduced by -7.1%. Quality Grade B (No Change).													
Shenandoah Telecommunications (NSDQ: SHEN)	Hold	47.29	0.57	38.14	29.49	0.27	50	A	11/8/2018	11/30/2018	4	70.1	Communications
Q3 selling, general and administrative costs reduced by -34.9% over last 12 months on improved efficiencies as well as focus on profitability over adding customers at any cost. Interest expense reduced by -8.4% as rural telecom absorbs merger of former nTelos. Stock is priced for takeover after recent surge. Quality Grade A (No change).													
Singapore Telecommunications (OTC: SGAPY, SP: ST)	Buy<25	22.28	4.26	-16.15	-1.63	0.49	61.4	B	12/17/2018	N/A	6.1	26	Intl Communications
No change in semi-annual dividend payable in January from year ago level same rate paid since 2011. Leadership change in Singapore is expected to reduce regulation and cut taxes, both favorable for country's leading telecom. Reorganizes global cybersecurity. Management says sees "green shoots" in India telecom industry, promising for calendar year 2019. Selling, general and administrative expenses last 12 months are lower by -16% from a year ago, first real signs of company success in reducing expenditures. Interest costs are lowered by -3.5%. Quality Grade B (No Change).													
SJW Corp (NYSE: SJW)	Buy<55	54.21	2.07	-15.39	-6.38	0.28	44.4	B	11/2/2018	12/3/2018	12.8	49.6	Regulated Water
Connecticut regulators reject proposed acquisition of Connecticut Water but give companies time to make an appeal and/or come back with acceptable conditions. Sale of 6.75 mil shares last month at \$55 per for \$371.3 mil in proceeds should cover bulk of equity portion of deal financing and shareholders have approved, so close would follow quickly if regulators change their view. California Water waiting in the wings with possible offer as well with stock at much lower level than a few weeks ago. Quality Grade B (No Change).													
SK Telecom (NYSE: SKM, KS: 017670)	Hold	27.77	0.41	2.99	7.59	0.1	27.3	B	6/28/2018	8/27/2018	3.3	30.1	Intl Communications
Semi-annual dividend declared later this month for payment in April should be same as paid since 2004. Cyber unit expected to be key driver of growth this year as regulatory tariff change in Korea crimps results, e-commerce platform starts to reach scale. Company making big bet on 5-G. Selling, general and administrative expenses in last 12 months are reduced -1.5% as company keeps tight grip, interest expense is lower by -1.2%. Quality Grade B (No Change).													
South Jersey Industries (NYSE: SJI)	Buy<34	18.98	4.66	-12.95	0.99	0.1	81.5	A	12/13/2018	12/28/2018	-0.2	42.2	Regulated Elec/Gas

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Raises quarterly dividend by 0.75 cents per share, a 2.7% boost over last year and in line with past few years growth rate. Company sells solar assets for \$350 mil, sells retail gas assets to UGI, part of plan to unload unregulated assets and focus on natural gas distribution systems. Targets 6-8% earnings growth rate next five years fueled by \$2.5 to \$2.6 bil in capital spending on network. Asset sales help fund growth and reduce operating risk. Operating and maintenance expenditures roughly double over last year due to acquisition of Southern Company gas distribution utilities in state. Interest expense is up by 151% in Q3 for same reason. Quality Grade A (no change).													
Southern Company (NYSE: SO)	Buy<50	46.98	5.11	-3.54	7.33	0.6	80	A	11/16/2018	12/6/2018	3.4	66.3	Regulated Elec/Gas
Maintains 4-6% annual earnings growth target with commensurate dividend growth. Key focus of capital spending is to complete Vogtle nuclear plant, company likely has 4 years of execution risk to get both reactors producing energy. Asset sales and slower spending growth on contract renewables and interstate pipelines should fund needed expenditures. Startup of Chinese AP1000 reactors adds confidence project will get done. Q3 operating and maintenance costs excluding fuel and purchased power/gas are higher by 4.7% over last 12 months. Interest expense is higher by 12.5% on asset expansion. Quality Grade A (No Change).													
Southwest Gas Corp (NYSE: SWX)	Hold	80.76	2.58	0.38	1.1	0.52	48.4	B	2/14/2019	3/1/2019	9.2	52.9	Regulated Elec/Gas
Company sells 3.1 mil shares at \$75.50 per, shares rebound swiftly within a week. Equity raise will help finance \$299 mil purchase of 80% ownership interest in Linetec to boost construction services unit. Calendar Q3 operation and maintenance costs increase by 8.3% from a year ago, construction expenses are up 15.5% on business expansion. Interest expense is higher by 25.9%. Stock looks fairly priced at more than 20 times expected 12 months earnings, as potential breakup value justifies higher valuation. Quality Grade B (No Change).													
Spark New Zealand (NZ: SPK, OTC: NZTCY)	Hold	14.28	3.94	24.33	17.38	0.35	100	B	9/19/2018	10/15/2018	20	43.7	Intl Communications
Management lowers FY2019 earnings guidance (next report expected February 26, 2019), cites accounting charges from changes in disclosing long-term investments. Says dividend will remain unchanged. Company adds emerging technologies unit, New Zealand regulators block company proposal to use Huawei equipment to launch 5-G technology. Quality Grade B (No Change).													
Spectra Energy Partners LP (NYSE: SEP)	Hold	35.44	8.76	-5.67	-4.07	0.78	104.9	B	11/20/2018	11/29/2018	7.6	41.6	Energy Pipelines
Takeover by parent Enbridge Inc is expected to close shortly after December 17 vote. Offer of 1.111 ENB shares per SEP unit, implies -34.8% distribution cut from current rate but is only way forward for investors as only 16.89% of shares are now publicly traded. Q3 interest expense is higher by 13.3% on asset expansion costs, operating and maintenance costs are up 15.2% year over year for same reason. Quality Grade B (No Change).													
Spire Corp (NYSE: SR)	Hold	79.47	2.98	1.78	5.77	0.59	61.4	A	12/10/2018	1/3/2019	6.9	53.7	Regulated Elec/Gas
Raises quarterly dividend by 3 cents a share, payout up 5.3% over previous rate. FY2018 earnings (end Sept 30) per share excluding items are higher by 4.5% from last year, management affirms long-term growth target of 4-7%, sets FY2019 guidance range of \$3.70 to \$3.80 per share. Key driver is investment in natural gas distribution systems in Missouri and Alabama, mainly infrastructure replacement. Spire STL Pipeline project set to enter service in second half of calendar 2019. Fiscal 2018 operating and maintenance expenditures excluding fuel are up 12.5%, interest expense is higher by 10.4% on business expansion costs. Quality Grade A (No Change).													

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Sprint Corp (NYSE: S)	SELL	6.01	N/A	10.07	1.01	N/A	0	F	N/A	N/A	N/A	60.8	Communications
CFO says there are "no majoe headwinds" that could prevent merger with T-Mobile USA. Department of Justice says decision on deal will coincide with Federal Communications Commission. Company's odds of survival without merger are likely to diminish with \$36 bil plus in debt and 5-G communications networks rolling out faster than expected starting in 2019. Q3 selling, general and administrative expenses are reduced by -7.6%, reflect less aggressive marketing, cost of equipment sales increased 8.1%. Interest expense up 6.4% continuing rising trend, company also relies on variable rate debt at ICE LIBOR plus 300 basis points for loans due 2024. Quality Grade F (No Change).													
Suburban Propane Partners LP (NYSE: SPH)	Buy<24	21.76	11.03	1.48	-1.41	0.6	76.9	C	11/5/2018	11/13/2018	-12.1	71.8	Propane Distribution
Distribution holds at rate of 60 cents per quarter. EBITDA for fiscal year 2018 (end Sept 30) is higher by 16.5%, distribution coverage is solid at 1.3 times, debt to EBITDA ratio is cut to 4.36 times. Company is self-funding capital expenditures to improve productivity of fuels distribution system. Sells 4.6% more gallons of propane on 8% cooler weather than year earlier, manages 24.3% increase in cost of products sold. Operating and general and administrative expenses are higher by 1.4%, interest expense increased 2.8% on higher cost of variable rate debt but company pays down \$19 mil on revolver. Quality Grade to C from D on strong coverage of distribution and progress reducing leverage, cost controls.													
Suez (OTC: SZEVY, FP: SEV)	Buy<9.50	7.15	3.78	-18.5	1.92	0.38	40.4	B	5/18/2018	6/8/2018	1.7	56.5	Utility Technology
Activist investor Amber Capital takes stake in company, says will push management toward more shareholder value creation by investing in infrastructure, selling assets and de-leveraging. Expands water/wastewater system management business with acquisition of Idaho water company, now has 240,000 people in territory in state. Interest expense and operating expenses are likely to rise at same low single digit rate in calendar 2018 as they did in 2017. Quality Grade B (No Change).													
SunPower Corp (NSDQ: SPWR)	Hold	6.54	N/A	-19.26	2.67	N/A	0	D	N/A	N/A	N/A	86	Utility Technology
Joint venture with Hannon Armstrong Sustainable Infrastructure Capital has raised \$400 mil with solar asset backed securities, low cost financing for building residential lease portfolio. Company rooftop solar business model appears much most sustainable than in the past, though competition in manufacturing remains fierce. Ownership of 55.69% of company by Total SA is best guarantee of survival. Gross profit as percentage of sales is just 2.3%, was 4.4% in year ago quarter. Sales, general and administrative costs are higher by 11.3%, interest costs increase 17.8%. Quality Grade D (No Change).													
Superior Plus Corp (TSX: SPB, OTC: SUUIF)	Buy<9	7.59	7.08	N/A	N/A	0.06	38.9	C	12/28/2018	1/15/2019	-0.72409427165985	57.567804024497	Propane Distribution
No change in monthly dividend of 6 cents Canadian per share. Scale advantages gained by company in North American propane business are not reflected in share price. Q3 selling, distribution and administrative costs are higher by 39.5% over last 12 months on business expansion through acquisitions mainly, interest expense increased 77.2% on cost of financing deals. Quality Grade B (no change).													
T-Mobile US (NSDQ: TMUS)	SELL	65.69	N/A	6.09	2.02	8.1	0	D	5/1/2013	N/A	N/A	57.8	Communications

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Company remains Wall Street favorite of telecom sector with 19 buy recommendations and just 4 holds and no sells among investment banks/research houses. Completing Sprint deal and integrating its systems, reducing its debt is a tremendous challenge its arch rivals don't have. Q3 selling, general and administrative costs increase 7%, interest expense is cut by -24.3%, a very good sign if Sprint merger does close. Biggest risk is high expectations for subscriber growth and Sprint deal. Quality Grade C (no change).													
Telecom Italia (NYSE: TI, IM: TIT)	Hold	6.28	N/A	-28.06	1.62	0.26	0	D	4/22/2013	5/2/2013	N/A	56.5	Intl Communications
Board may schedule special shareholder meeting in January to appoint auditors, will be another opportunity for biggest shareholder Vivendi SA to win back control of company from activist shareholders led by Elliott Management Corp, who has appointed new CEO. Italian government may order merger of company's fiber network with rival Open Fiber led by major utility Enel SpA. Company continues to lose ground to rivals while leadership struggles rage on. Selling and marketing expenses last 12 months are -33.6% lower than a year ago, interest expense is cut by -4.1%. Quality Grade D (No change).													
Telefonica (NYSE: TEF, SM: TEF)	Buy<12	8.72	4.01	-9.06	11.51	0.23	59.7	C	12/18/2018	1/4/2019	-31.7	66.7	Intl Communications
Plans to expand rural broadband access in Mexico, despite rumors company plans to sell unit. Moves debt instruments listing from London to Dublin, Ireland in anticipation of Brexit disruption. Last 12 months operating expenses are cut by -10.2%, interest expense expected to decline at upper single digit rate this year as company continues to deleverage. Stock is great bet on potential capital shift to emerging markets, but steady enough to survive a continued downturn. Quality Grade C (No Change).													
Telefonica Brasil (NYSE: VIV, BZ: VIVT4)	Buy<16	11.95	3.21	-13.84	23.41	0.21	47.6	C	12/18/2018	N/A	-2.5	10.9	Intl Communications
Declares dividend for payment later this month that's in line with payout last year. Emergence of Oi SA from bankruptcy is no threat to dominance of much better capitalized company. Selling, general and administrative expenses the last 12 months are higher by 17.6% from a year ago as competition heats up, likely to moderate going forward. Interest expense is reduced by -0.6%. Quality Grade C (No Change).													
Telephone & Data Systems (NYSE: TDS)	Buy<30	34.8	1.84	34.53	19.1	0.16	45	B	12/13/2018	12/28/2018	4.5	33.4	Communications
Small telecom is holding its own on network and remains a likely takeover target. Q3 operating expenses are reduced by -16%, with wireless costs lower by -27% from a year ago. Interest expense is flat year over year. Stock is priced for a takeover. Quality Grade B (No Change).													
Telstra Corp (OTC: TLSYY, ASX: TLS)	Hold	10.99	6.87	-14.14	-1.21	0.4	73.4	D	8/28/2018	10/4/2018	-10.4	53	Intl Communications
Next semi-annual earnings expected February 15. Company is auctioning its data centers in Singapore, Hong Kong, Britain and Sydney, Australia, likely to fetch more than book value of AUD400 mil, part of planned AUD2 bil in asset sales to allow more self-funding of needed capital spending on 5-G. Management says guidance for fiscal 2019 unchanged from September update. Last 12 months operating expenses are higher by 1.2% over a year ago, interest expense is reduced by -7.6%. Quality Grade D (no change).													

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Telus Corp (NYSE: TU, TSX: T)	Buy<35	35.9	4.57	-0.76	-2.15	0.55	73	A	12/10/2018	1/2/2019	6.2	62.5	Intl Communications
Sells managed web services unit to Alithya to focus further on core network business. Last 12 months operating expenses excluding R&E and depreciation/amortization are higher by 17.3% on expansion of services, interest expense is up 12.4% as company expands territory and prepares to roll out 5-G service. Quality Grade A (No Change).													
TerraForm Power (NSDQ: TERP)	Buy<12.50	11.42	6.66	9.06	5.53	0.19	86.4	B	11/30/2018	12/17/2018	-16	59.7	Wholesale Power
First dividend increase under sponsor Brookfield Renewable Energy Partners in February. Cost containment initiatives are key to maintaining Q3 momentum, General Electric deal to service wind fleet should help improve efficiency. Management maintains annual dividend growth target of 5-8%. Q3 interest expense is higher by 3.1% on asset expansion, offset by reduced cost of capital under Brookfield. General and administrative expansions are lower by -1.5% as cost cutting initiatives start to take hold. Quality Grade B (no change).													
Tesla (NSDQ: TSLA)	SELL	357.97	N/A	15.01	35.98	N/A	0	F	N/A	N/A	N/A	64.5	Electric Cars, Wholesale Power
Stock is back near all-time high with enterprise value an astronomical 153 times EBITDA. Company has new chief counsel. Plan to build new plant in China is latest news to push stock higher, would likely benefit from US/China trade deal. Stock is extremely manipulated and best avoided by both longs and shorts. Q3 selling, general and administrative costs rise 11.8% over last year, interest expense continues to skyrocket, up 49.6% over last 12 months. Cost/revenue ratio on energy generation and storage is 82.8% in Q3, was 74.7% a year ago after 25.8% revenue gain, demonstrating continuing reverse economics of scale in that business. Quality Grade F (No Change).													
Tokyo Electric Power (Tokyo: 9501, OTC: TKECF)	Hold	5.97	N/A	49.25	22.09	N/A	0	D	3/27/2013	N/A	N/A	69.6	Electric Utility
Stock has been in recovery mode over the past month, key catalyst is solid recent earnings. Company is also benefitting from lower natural gas supply costs as nuclear plants remain offline, makes first power distribution deal in Vietnam. Operating expenses excluding depreciation reduced by -0.2% over last 12 months, interest expense is lower by -9.3% as management focuses on leverage even with Fukushima costs looming. Quality Grade C (No Change)													
Total (NYSE: TOT, FP: FP)	Buy<65	54.33	4.49	2.46	-8.68	0.73	61.5	A	12/14/2018	1/17/2019	1.9	31.1	Oil/Gas Production
French government plans to block January electricity price increase, could be a drag on unregulated retail energy operations in country. CEO says government needs to cut red tape for it to deploy 10 gigawatts of solar in France by 2030. Company expects a final investment decision end-2020 on ramping up LNG in Papua New Guinea by 2024 as continues to plan ahead for replacing and growing output and reserves. Quality Grade A (No change).													
TransAlta Corp (NYSE: TAC, TSX: TA)	Hold	5.3	2.27	-12.58	-4.83	0.04	12.1	C	11/30/2018	1/1/2019	-39.7	45.8	Wholesale Power

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Names new CFO, former project director for business transformation at Engie SA, led sale of LNG division to Total SA, could foreshadow further restructuring of power company. Brookfield Asset Management is now second largest shareholder in company at 9.8% after doubling stake last month, could be precursor to acquisition of battered power producer. Operations, maintenance and administration costs are flat year-over-year (up 0.8%) in Q3, interest expense is higher by 5.8%, asset expansion and cost of short term debt. Quality Grade C (No Change).													
TransAlta Renewables (TSX: RNW, OTC: TRSWF)	Buy<10	8.49	8.27	-9.51	-4.15	0.08	79.7	B	12/13/2018	12/31/2018	4.5	32.2	Wholesale Power
Dividend increase seems unlikely in Q1 due to attraction of self financing capital spending rather than issuing more equity or debt. Q3 operations, maintenance and administrative costs rise 21.1% as operations expand, interest expense is reduced by -42.9% as yieldco focuses on delevering. Quality Grade B (No Change).													
TransCanada Corp (NYSE: TRP, TSX: TRP)	Buy<50	40.26	5.12	-13.99	-3.36	0.69	44.2	A	12/28/2018	1/31/2019	8.4	61.8	Energy Pipelines
Management will likely boost dividend another 10% in February as strategy of bringing multitude of smaller midstream and power projects on stream is paying off. U.S. State Department launches new environmental review of Keystone XL pipeline per court order, will likely push back start of construction at least until second half of 2019 though management has not officially changed intent to start in February. Pipeline expansion in Mexico hurt by lack of clarity on local level. WB XPress gas pipeline starts service, a boost to cash flow in 2019. Plant operating costs and other expenses cut by -4.8% over last 12 months, interest expense is higher by 14.5% on asset expansion. Quality Grade A (No Change).													
Transmissione Elettrica Rete Nazionale (OTC: TEZNY, IM: TRN)	Buy<16	16.88	2.06	-4.91	6.12	0.27	64.2	A	11/23/2018	12/6/2018	6.1	71.9	Italian Power Grid
Upsizes backup credit line revolver to EUR1.15 bil from previous EUR900 mil in sign of strength that will aid system capital spending in core Italian market as well as in South America. Last 12 months operating expenses cut by -6.9% as management focuses on efficiency. Interest expense is likely to be slightly higher for full year on asset expansion. Quality Grade A (No Change).													
UGI Corp (NYSE: UGI)	Hold	58.96	1.76	21.28	9.37	0.26	37.8	A	12/13/2018	1/1/2019	4.6	52.8	Propane Distribution
Buys South Jersey Industries' unregulated retail natural gas portfolio, adds to fuel distribution line in US with customers in New Jersey, Ohio and Pennsylvania. Management issues earnings per share guidance of \$2.75 to \$2.95 for FY2019 (end Sept 30, 2019), key driver is acquisitions. FY2018 earnings per share are higher by 19.7%, solid contributions from all units. Interest expense is higher by 3.2%, operating and administrative expenses are up 7.5%. Quality Grade A (No Change).													
United Utilities (OTC: UUGRY, LSE: UU)	SELL	19.48	3.42	-6.8	4.93	0.35	75.3	C	12/20/2018	2/8/2019	-4.4	72.8	Regulated Water

Security (Exchange: Ticker)	Rating	Price	Yield	12-Mo. Total Return	3-Mo. Total Return	DVD / Share (CAD)	Payout Ratio	Quality Grade	Ex-DVD Date	DVD Payment Date	3-Year DVD Growth	Debt/ Capital	Industry
Semi-annual dividend for payment in February is increased by 3.9% over year earlier level. Management says bad debt is tracking to lowest level in history at 2.1% of regulated revenue, attributes to lower costs. Reported profit after tax is 7.6% higher than a year ago, management credits higher regulatory return and lower finance expense (-4.3%), operating expenses up 1.9%. Underlying earnings per share are higher by 23% for six months ended Sept 30. Company faces sizeable risk from Brexit and potential for a Labour government nationalization of utilities. Quality Grade C (No Change).													
Uniti Group (NSDQ: UNIT)	SELL	19.36	12.4	31.65	2.09	0.6	96.8	D	12/28/2018	1/15/2019	N/A	132.9	Telecom
Total liabilities look set to reach \$5.75 bil by end of year, including debt outstanding as company funds dividends and asset purchases by borrowing against credit line. Q3 interest expense is higher by 2.1% from a year ago. Operating expenses exclusive of depreciation/amortization are up 15.2% on acquisitions. Stock is a bet on Windstream Holdings to stay solvent. Quality Grade D (no change)													
Unitil Corp (NYSE: UTL)	Hold	51.41	2.84	4.4	-0.85	0.37	70.3	A	11/14/2018	11/29/2018	1.4	57.4	Regulated Elec/Gas
Next low single digit dividend increase in January. Sells more 30-year bonds at favorable interest rate to institutional buyers. Q3 operation and maintenance costs reduced by -3% from year ago quarter, interest expense is higher by 3.5%. Quality Grade A (No Change).													
Vectren Corp (NYSE: VVC)	SELL	71.84	2.67	7.07	1.01	0.48	63.2	B	11/14/2018	12/3/2018	5.9	53	Regulated Elec/Gas
Acquisition of company by Centerpoint Energy for \$72 per share in cash is still waiting on likely regulatory approvals in Ohio and Indiana, but with basically no upside to takeout price is not worth taking risk of holding on. Deal failure would likely send stock to 50s. Operating expenses outside of commodity costs are lower by -0.2% from year earlier, interest expense is higher by 10.8%. Quality Grade B (No Change).													
Veolia Environment (OTC: VEOEY, FP: VIE)	Buy<20	20.53	3.71	-14.91	0.64	0.99	98.8	B	5/14/2018	6/1/2018	7.2	62.3	Utility Technology
Issues EUR750 mil 11-year bonds at low rate of 1.94%, is also oversubscribed demonstrating ability of global company to access capital, rate also better than guidance. Operating expenses and interest expense likely to continue downward trend in full-year calendar 2018 results. Quality Grade B (No Change).													
Verizon Communications (NYSE: VZ)	Buy<55	57.68	4.18	19.82	7.99	0.6	59.1	A	1/9/2019	2/1/2019	2.3	72.4	Communications
Company says 5-G phone and services will be ready in 2019, Samsung will fill gap Apple not willing to at least initially. Cuts selling, general and administrative expense by -3.5%, reduces cost of service by -2.1% despite business expansion. Interest expense is up 4%. Stock retreats just shy of new all-time high when was still Bell Atlantic, low valuation of 12.3 times expected 12 months earnings. Quality Grade A (No Change).													
Vestas Wind Systems (OTC: VWSYF, DC: VWS)	Buy<60	75.7	2.01	24.95	12.36	9.23	28.3	C	4/4/2018	4/6/2018	39.8	13.8	Utility Technology

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Wins 106 megawatt order in Greece, 36 MW in Italy, 100 turbines for new offshore Scotland wind farm, names preferred supplier for 800 MW offshore Massachusetts facility, 52 MW wind park in Jordan as diverse backlog drives revenue and cash flow visibility for 2019. Selling, general and administrative costs flat versus a year ago (up 0.2%), interest expense cut sharply in 2017 and likely to be low for full year 2018 as company does solid job of keeping control of costs. Quality Grade C (No Change).													
Vistra Energy Corp (NYSE: VST)	Hold	23.95	N/A	34.78	6.44	2.32	0	C	12/15/2016	12/30/2016	N/A	41.1	Wholesale Power
Sells 12 mil shares at price of \$23.20, upsized from initial proposal of 7.5 mil shares. Stock price bounces back after issue in favorable sign for wholesale power producer. Q3 operating costs are higher by 59.6%, interest expense is up 102.6% on business expansion, matching growth in revenue. Cutting costs going forward is key as fossil fuel power plants age out. Quality Grade D, no change.													
Vocus Communications (OTC: VCMMF, ASX: VOC)	Hold	N/A	N/A	N/A	N/A	0.09	0	D	4/3/2017	4/21/2017	N/A	31	Intl Communications
Next semi-annual earnings expected February 20. No dividend likely as company right sizes business, deleverages from years of multiple acquisitions. Still work to do to cut costs, last 12 months selling general and administrative expense is up 10%, interest expense is flat from last year (up 0.2%). Quality Grade C (No Change).													
Vodafone (NYSE: VOD, LN: VOD)	Hold	20.48	5.18	-28.96	-1.85	0.55	91.2	B	11/21/2018	2/1/2019	0.5	36.8	Intl Communications
Semi-annual dividend declared for payment in February is same as paid a year ago, management says no increases so long as is dealing with debt leverage. Deal with Liberty Global a plus in Europe if regulators approve. Company also pushes ahead with merger of Australian operations with rival TPG. First half FY2019 revenue is higher by 0.5%, posts loss after writedown. First half interest expense is cut by -27.7%, selling, general and administrative costs are cut by -9.2% as management focuses on cutting costs. Quality Grade B (No Change).													
WEC Energy Group (NYSE: WEC)	Buy<60	73.77	3.2	11.05	8.44	0.59	66.6	A	2/13/2019	3/1/2019	18.7	53.8	Regulated Elec/Gas
Raises dividend by 3.75 cents per share, up from 3.25 cents a year ago, rate is 6.8% higher than previous. Management sets 2019 earnings per share guidance range of \$3.48 to \$3.52 per share. Company is unlikely to face severe regulatory risks despite pro-renewable energy shift in Wisconsin government. Operating and maintenance costs in Q3 increase 16.9% on facilities growth, interest expense is higher by 7.9%. Quality Grade A (No Change).													
Williams Companies (NYSE: WMB)	Buy<30	24.48	5.55	-10.77	-14.35	0.34	45.7	B	12/13/2018	12/31/2018	-17.8	56.4	Energy Pipelines
Sells some Gulf Coast pipeline assets for \$177 mil, management says 2019 capital spending plans are not affected but proceeds will fund equity portion on growth. Joint venture in Permian Basin will boost gathering and processing presence, company to swap Delaware Basin assets for 15% of venture with Brazos Midstream, another step to maximize profitability of asset base. Operating and maintenance costs in Q3 are cut by -3.5% from a year ago, interest expense is up 4% on asset expansion. Quality Grade B (no change).													
Windstream Holdings (NSDQ: WIN)	SELL	2.91	N/A	-69.37	-23.82	N/A	0	F	9/28/2017	N/A	N/A	113.9	Communications

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Company still battling with bondholders over alleged technical default but real threat is rapidly eroding revenue of core business and limited prospects to replace lost cash flows. Q3 selling, general and administrative costs reduced by -2.6%, interest expense increased 6.3%. Credit line maturing 2020 is now \$1.03 bil drawn with \$197 mil available, cost is ICE LIBOR plus 200 basis points and vulnerable to interest rate volatility with so much drawn on it. Bonds due August 2023 yield very distressed 27.7% to maturity as bankruptcy risk is very high. Quality Grade F (No Change).													
Xcel Energy (NYSE: XEL)	Buy<44	53.19	2.86	8.11	10.14	0.38	49.2	A	9/13/2018	10/20/2018	6	58	Regulated Elec/Gas
CEO says keeping nuclear power plants open in Minnesota is key to meeting state goal to cut carbon emissions by 80% by 2030 and 100% by 2050. Closes on common stock offering with forward component at price of \$49, settlement date of February 7, 2020. Q3 operating and maintenance costs up 10.6%, interest expense increased 5.4% on asset expansion. Stock is fully priced at 20.5 times expected 12 months earnings. Quality Grade A (No Change).													
York Water (NSDQ: YORW)	SELL	32.53	2.13	-4.1	6.63	0.17	63.7	A	12/28/2018	1/15/2019	3.7	43.3	Regulated Water
Dividend increased by 0.67 cents per quarter, up 4% from a year ago in line with expectations. Q3 operations and maintenance costs are lower by -3.5%, interest expense is up modestly (1.2%) on asset expansion. Only real risk to stock is valuation trading at nearly 32 times trailing 12 months earnings despite low single digit growth rate. Quality Grade A (No Change).													
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