

# Intrinsic Value Weekly

Volume 2, No. 36

Published Weekly by Intrinsic Value Associates, LLC

September 7, 1999

## "Watch the Market Drivers"

### ECONOMIC SECTOR VALUATION

<u>SECTORS</u>	<u>S&amp;P 500</u>	<u>S&amp;P MIDCAP</u>	<u>S&amp;P SMALL CAP</u>
BASIC INDUSTRY	23.8%	(22.3%)	(3.2%)
CONSUMER CYCLICALS	(15.2%)	(14.8%)	(11.5%)
CONSUMER STAPLES	(2.1%)	(10.3%)	(0.1%)
HEALTH	<b>(24.6%)</b>	<b>(6.6%)</b>	<b>(24.2%)</b>
ENERGY	15.9%	44.2%	17.0%
FINANCIAL	(9.5%)	(23.6%)	(25.4%)
CAPITAL GOODS	21.3%	(1.1%)	(1.1%)
TECHNOLOGY	13.1%	12.8%	20.7%
COMMUNICATIONS	9.6%	13.0% *	19.0% *
UTILITY	(12.0%)	(20.4%)	2.6%
TRANSPORTATION	0.0%	<b>(23.3%)</b>	<b>(18.9%)</b>
<b>Weighted Total:</b>	<b>1.7%</b>	<b>(5.0%)</b>	<b>(4.1%)</b>

RED - Overvalued

BLUE - (Undervalued)

Bold - outperformed the relevant index

### WEEKLY PRICE CHANGE

<u>SECTORS</u>	<u>S&amp;P 500</u>		<u>S&amp;P MIDCAP</u>		<u>S&amp;P SMALL CAP</u>	
	Weight	Price	Weight	Price	Weight	Price
prices as of 9/3/1999	% of Total	% Change	% of Total	% Change	% of Total	% Change
BASIC INDUSTRY	3.2%	(2.0%)	5.1%	(1.4%)	4.4%	3.3%
CONSUMER CYCLICALS	8.6%	(1.0%)	15.2%	0.0%	18.9%	0.7%
CONSUMER STAPLES	12.5%	(0.4%)	8.6%	0.2%	9.7%	0.3%
HEALTH	<b>10.9%</b>	<b>1.9%</b>	<b>10.8%</b>	<b>3.4%</b>	<b>9.7%</b>	<b>2.2%</b>
ENERGY	6.3%	0.5%	5.1%	(6.8%)	3.3%	2.5%
FINANCIAL	13.7%	(1.0%)	11.8%	(1.4%)	13.8%	(0.1%)
CAPITAL GOODS	8.5%	0.1%	8.3%	1.3%	<b>12.5%</b>	<b>1.8%</b>
TECHNOLOGY	<b>24.3%</b>	<b>3.7%</b>	<b>22.6%</b>	<b>4.0%</b>	<b>19.6%</b>	<b>4.9%</b>
COMMUNICATIONS	8.3%	(0.9%)	1.0%	0.7% *	<b>0.5%</b>	<b>7.6% *</b>
UTILITY	2.9%	(0.6%)	10.0%	0.6%	4.6%	0.3%
TRANSPORTATION	0.8%	(1.2%)	<b>1.5%</b>	<b>2.4%</b>	3.0%	(1.2%)
<b>Index Total:</b>		0.7%		1.7%		1.5%

\* Sector contains only 3 companies

Weekly price changes may not match prior issues due to changes in composition of sectors.

**Sector Comments** If you examine the weekly price changes closely, you'll find little pattern except in Health and Technology. Prices in these sectors are sensitive to expectations for interest rates. They're also sensitive to expectations of growth. Both are now priced at a level that assumes pretty high growth and fairly low inflation, thus low interest rates. While conditions of high growth/low interest rates have not been the norm since the mid-twentieth century (the fifties and sixties), the existence and the persistence of these conditions depends on the policies currently being pursued. We believe that a monetary policy that concentrates solely on maintaining stable prices, relatively low tax rates and stable exchange rates contribute greatly to these ideal conditions. Any threat to the ingredients making this delicious stew could sour its taste and begin a bear market. Bear markets (for those who haven't experienced one) are just the process that investors use to adjust prices to a new set of policy conditions and they don't happen by accident. They are not psychological; they are purely rational events. Watch the elements that give us good conditions: interest rates, gold prices, the exchange rate of the dollar, and tax rates on income and capital gains. These are the market drivers.

Large and Mid-Cap Utilities are under-priced currently and worth a look. Pay attention to companies that have good revenue growth and large Free Cash Flow Annuity Per Share.

(\$millions)	<u>Large Capitalization</u>	<u>Mid-Cap Capitalization</u>	<u>Small-Cap Capitalization</u>
\$	11,084,370	90.1%	\$875,233
			7.1%
\$	343,331	2.8%	

# Intrinsic Value Weekly

**Notes on Intrinsic Value Portfolio** The net gains so far this year are still intact, but last week didn't help much. You should note that the average valuation is now barely under-priced. But that statistic contains a lot of variation. We think that great as **INTC** is, the valuation is out of line for the moment ( just as we thought it was out of line on the low side months ago ) and **SLB** and **HD** are also priced at levels that over-estimate their fundamental positions.

The opportunity in **DAL** is problematic. Fundamentals are pretty good; the company's financial policy is excellent; but labor relations could be better and the Congress may change the competitive landscape versus new entrant airlines. Long-term, this lityny creates a high expected return at the current price. The achievement of that return awaits the resolution of current problems.

Herman Miller (**MLHR**) has stalled in its price recovery while we wait for some clarity in the outlook for business spending and more to the point furniture spending. Others in the industry are crying the blues, but **MLHR** so far seems on track for an improved sales growth.

**NYT** continues to move toward intrinsic value. The company's intention to spin off part of its web operation may create excitement, but not additional intrinsic value. Any move which distracts the company from accelerating sales growth should be regarded with caution.

Finally, note that **PFE** is closing in on intrinsic value. This is not a sell signal. This company grows intrinsic value.

## Intrinsic Value Portfolio

Companies that create Intrinsic Value

Symbol	Name	Updated Valuation	Price 9/3/1999	Intrinsic Value	Over/ (Under) Priced	Q Ratio	Weekly Price Change
ALD	AlliedSignal Inc.	4/29/1999	\$ 63.813	\$64.60	(1.2%)	2.7	(0.7%)
CTL	Century Telephone Ent.	3/1/1999	\$ 39.563	\$42.51	(6.9%)	1.9	0.0%
DAL	Delta Air Lines, Inc.	3/1/1999	\$ 52.688	\$66.79	(21.1%)	1.0	(2.7%)
G	Gillette Company	6/23/1999	\$ 45.313	\$48.52	(6.6%)	5.1	(3.3%)
HD	Home Depot	3/1/1999	\$ 63.563	\$53.65	18.5%	6.5	(0.7%)
<b>INTC</b>	<b>Intel Corporation</b>	<b>7/23/1999</b>	<b>\$ 89.313</b>	<b>\$62.52</b>	<b>42.8%</b>	<b>8.9</b>	<b>7.6%</b>
LOW	Lowe's Companies	3/1/1999	\$ 47.125	\$52.28	(9.9%)	4.0	(0.8%)
MLHR	Herman Miller, Inc.	7/5/1999	\$ 24.438	\$46.47	(47.4%)	3.6	(4.4%)
<b>NYT</b>	<b>New York Times Co.</b>	<b>3/1/1999</b>	<b>\$ 40.125</b>	<b>\$48.21</b>	<b>(16.8%)</b>	<b>2.7</b>	<b>3.5%</b>
NUE	Nucor Corporation	3/1/1999	\$ 47.375	\$57.99	(18.3%)	1.7	(1.9%)
<b>PFE</b>	<b>Pfizer, Inc.</b>	<b>6/23/1999</b>	<b>\$ 39.250</b>	<b>\$42.73</b>	<b>(8.2%)</b>	<b>10.2</b>	<b>1.6%</b>
SLB	Schlumberger Limited	3/1/1999	\$ 64.750	\$51.09	26.7%	2.6	(1.1%)
WEN	Wendy's International	3/1/1999	\$ 28.688	\$29.86	(3.9%)	2.2	0.2%
<b>Average:</b>					<b>(4.0%)</b>	<b>Average:</b>	<b>(0.2%)</b>
<b>S&amp;P 500</b>							<b>0.7%</b>

**Bold** - Outperformed the S&P 500 for the week

## Value Drivers

## Standard Market Statistics

Symbol	Sales Growth		ROC	Quarterly Sales Y/Y	Yield	PE Last 12M	Price/Book	Price/Sales
	Last 12M	EBIT Margin %						
ALD	-0.4%	13.0%	11.5%	-1.3%	1.1%	25.4	6.8	2.4
CTL	31.6%	30.4%	10.9%	7.3%	0.5%	26.6	3.9	3.6
DAL	4.1%	12.0%	11.0%	5.2%	0.2%	7.8	2.2	0.6
G	-1.5%	23.1%	18.5%	3.8%	1.3%	48.5	10.2	4.8
HD	26.2%	8.8%	13.0%	28.1%	0.3%	47.6	10.8	2.7
<b>INTC</b>	<b>14.7%</b>	<b>32.5%</b>	<b>25.8%</b>	<b>13.8%</b>	<b>0.1%</b>	<b>31.2</b>	<b>9.7</b>	<b>8.2</b>
LOW	22.8%	6.8%	11.0%	29.5%	0.3%	33.8	5.9	1.3
MLHR	2.8%	12.7%	23.8%	-7.1%	0.6%	15.5	10.0	1.2
<b>NYT</b>	<b>2.0%</b>	<b>17.5%</b>	<b>11.9%</b>	<b>4.0%</b>	<b>1.0%</b>	<b>25.2</b>	<b>4.7</b>	<b>2.5</b>
NUE	-14.3%	9.9%	12.6%	-11.6%	1.1%	20.7	2.0	1.1
<b>PFE</b>	<b>22.5%</b>	<b>27.0%</b>	<b>20.8%</b>	<b>14.1%</b>	<b>0.7%</b>	<b>54.3</b>	<b>14.9</b>	<b>8.6</b>
SLB	-16.7%	14.7%	11.9%	-29.5%	1.2%	71.2	4.1	3.2
WEN	-2.8%	12.6%	9.7%	-0.3%	0.8%	26.9	3.4	1.9

# Intrinsic Value Weekly

Utility Stocks are cheap, but note the Free Cash Flow Annuity values

Page 3

Company Name	Ticker	Market Value - Equity	Quarterly Sales Growth	Current Price	Free Cash Flow Annuity	NOPAT Margin	PE Ratio	Price/Book Ratio	Price/Cash Flow per sh.	Return on Capital	Dividend Yield
AES CORP	AES	\$12,325	13.3%	61.6	(127.20)	30.0	47.6	6.0	22.1	7.70	0.0%
AGL RESOURCES INC	ATG	\$1,046	-24.6%	18.4	21.67	12.5	18.7	1.7	6.6	9.56	5.9%
ALLEGHENY ENERGY INC	AYE	\$3,950	2.5%	33.9	20.42	23.6	14.0	2.0	7.6	9.48	5.1%
ALLIANT CORP	LNT	\$2,309	-1.0%	29.4	(493.18)	13.3	14.2	1.4	6.0	8.64	6.8%
<b>AMEREN CORP</b>	<b>AEE</b>	<b>\$5,532</b>	<b>4.6%</b>	<b>40.3</b>	<b>113.13</b>	<b>25.3</b>	<b>13.3</b>	<b>1.8</b>	<b>7.4</b>	<b>9.89</b>	<b>6.3%</b>
AMERICAN ELECTRIC POWER	AEP	\$7,140	5.5%	36.9	(69.33)	20.6	13.4	1.4	6.3	7.82	6.5%
AMERICAN STATES WATER CC AWR		\$315	20.3%	35.1	(0.22)	23.8	15.6	1.7	11.6	7.97	3.6%
AMERICAN WATER WORKS INC	AWK	\$2,865	5.9%	29.7	(50.05)	24.0	20.8	2.0	9.6	5.47	2.9%
<b>AQUARION CO</b>	<b>WTR</b>	<b>\$409</b>	<b>2.7%</b>	<b>35.9</b>	<b>60.65</b>	<b>37.9</b>	<b>18.9</b>	<b>2.7</b>	<b>12.0</b>	<b>10.08</b>	<b>3.1%</b>
ATMOS ENERGY CORP	ATO	\$788	-20.2%	25.4	23.92	13.9	21.7	2.0	7.5	11.84	4.3%
<b>BANGOR HYDRO-ELEC CO</b>	<b>BGR</b>	<b>\$121</b>	<b>1.5%</b>	<b>16.4</b>	<b>44.49</b>	<b>21.1</b>	<b>9.2</b>	<b>1.0</b>	<b>5.7</b>	<b>7.08</b>	<b>3.7%</b>
<b>BLACK HILLS CORP</b>	<b>BKH</b>	<b>\$537</b>	<b>15.4%</b>	<b>25.1</b>	<b>42.36</b>	<b>7.7</b>	<b>20.4</b>	<b>2.6</b>	<b>10.8</b>	<b>11.39</b>	<b>4.1%</b>
CALPINE CORP	CPN	\$2,402	32.3%	91.4	(300.97)	26.4	26.8	5.3	15.3	8.71	0.0%
<b>CAROLINA POWER &amp; LIGHT</b>	<b>CPL</b>	<b>\$5,581</b>	<b>1.9%</b>	<b>36.9</b>	<b>111.11</b>	<b>29.0</b>	<b>14.8</b>	<b>2.1</b>	<b>6.3</b>	<b>11.81</b>	<b>5.4%</b>
<b>CASCADE NATURAL GAS CORP</b>	<b>CGC</b>	<b>\$197</b>	<b>15.9%</b>	<b>17.9</b>	<b>40.87</b>	<b>13.2</b>	<b>14.9</b>	<b>1.8</b>	<b>8.6</b>	<b>8.45</b>	<b>5.4%</b>
CENTRAL & SOUTH WEST COF	CSR	\$4,784	-1.9%	22.5	73.08	19.5	10.8	1.3	4.9	8.55	7.7%
CENTRAL HUDSON GAS & ELEI	CNH	\$723	4.4%	42.9	43.66	20.1	14.5	1.5	7.4	7.42	5.0%
<b>CENTRAL VERMONT PUB SERI</b>	<b>CV</b>	<b>\$155</b>	<b>40.3%</b>	<b>13.6</b>	<b>23.55</b>	<b>3.6</b>	<b>14.2</b>	<b>0.9</b>	<b>7.5</b>	<b>2.15</b>	<b>6.5%</b>
CILCORP INC	CER	\$878	-1.2%	64.5	144.61	16.4	26.6	2.6	8.2	7.92	3.8%
<b>CINERGY CORP</b>	<b>CIN</b>	<b>\$4,866</b>	<b>9.2%</b>	<b>30.6</b>	<b>59.27</b>	<b>10.5</b>	<b>13.0</b>	<b>1.9</b>	<b>8.3</b>	<b>7.40</b>	<b>5.9%</b>
CLECO CORP	CNL	\$755	73.4%	33.5	42.07	20.8	13.8	1.7	7.4	8.46	5.0%
CMP GROUP INC	CTP	@NA	7.6%	26.7	76.37	13.2	11.7	1.7	7.6	5.89	3.4%
CMS ENERGY CORP	CMS	\$4,715	19.5%	39.9	(66.23)	15.1	13.9	2.0	6.2	8.22	3.7%
COASTAL CORP	CGP	\$9,043	-1.0%	42.4	(25.23)	11.9	17.2	2.4	9.7	7.78	0.6%
<b>COLUMBIA ENERGY GROUP</b>	<b>CG</b>	<b>\$4,803</b>	<b>27.9%</b>	<b>59.7</b>	<b>80.81</b>	<b>8.5</b>	<b>18.0</b>	<b>2.5</b>	<b>9.9</b>	<b>10.54</b>	<b>1.5%</b>
COMMONWEALTH ENERGY SY	CES	\$942	-4.3%	43.8	2.22	11.9	17.0	2.1	8.2	8.80	3.8%
CONECTIV INC	CIV	\$2,018	17.3%	21.6	(351.33)	12.6	12.4	1.3	5.6	9.20	4.1%
CONNECTICUT ENERGY CORP	CNE	\$391	-6.9%	37.6	(4.39)	15.0	19.0	2.2	10.8	8.85	3.6%
CONSOLIDATED EDISON INC	ED	\$9,914	-5.3%	44.4	112.81	20.8	13.9	1.7	8.3	11.15	4.8%
CONSOLIDATED NATURAL GAS	CNG	\$6,093	6.8%	63.5	60.83	18.1	36.8	2.5	9.8	8.80	3.1%
CONSTELLATION ENERGY COF	CEG	\$4,516	6.8%	30.2	7.12	22.2	13.4	1.5	6.4	8.63	5.6%
DOMINION RESOURCES INC	D	\$8,843	-17.0%	46.1	322.69	17.5	11.6	1.6	6.9	6.18	5.6%
DPL INC	DPL	\$3,104	-5.6%	19.6	16.78	30.7	15.1	2.2	9.9	12.40	4.8%
DTE ENERGY CO	DTE	\$5,747	8.1%	39.6	47.42	22.2	12.4	1.5	5.2	8.46	5.2%
DUKE ENERGY CORP	DUK	\$21,353	16.9%	58.5	35.05	13.3	15.7	2.4	9.8	10.75	3.8%
EASTERN ENTERPRISES	EFU	\$1,019	-9.5%	45.0	44.06	7.1	19.3	1.6	8.0	4.60	3.7%
<b>EASTERN UTILITIES ASSOC</b>	<b>EUA</b>	<b>\$612</b>	<b>2.6%</b>	<b>29.9</b>	<b>55.56</b>	<b>16.5</b>	<b>41.4</b>	<b>1.6</b>	<b>6.9</b>	<b>7.40</b>	<b>5.5%</b>
<b>EDISON INTERNATIONAL</b>	<b>EIX</b>	<b>\$8,919</b>	<b>9.1%</b>	<b>25.7</b>	<b>150.82</b>	<b>17.0</b>	<b>13.7</b>	<b>1.7</b>	<b>3.8</b>	<b>7.67</b>	<b>4.2%</b>
EL PASO ENERGY CORP/DE	EPG	\$4,333	36.4%	36.8	(43.07)	8.8	22.2	2.1	8.5	5.52	2.2%
ENERGEN CORP	EGN	\$590	7.8%	19.9	17.77	12.2	14.0	1.7	5.0	7.39	3.2%
ENERGY EAST CORP	NEG	\$2,896	-7.4%	25.3	96.79	19.0	13.5	1.9	8.1	9.65	3.3%
ENRON CORP	ENE	\$29,624	47.5%	41.5	(86.21)	3.8	36.7	4.1	17.9	5.24	1.2%
ENTERGY CORP	ETR	\$7,420	-7.7%	30.1	352.38	13.2	10.0	1.0	4.2	6.50	4.0%
<b>FIRSTENERGY CORP</b>	<b>FE</b>	<b>\$6,742</b>	<b>4.1%</b>	<b>28.8</b>	<b>99.73</b>	<b>23.4</b>	<b>12.6</b>	<b>1.5</b>	<b>5.5</b>	<b>8.11</b>	<b>5.2%</b>
<b>FLORIDA PROGRESS CORP</b>	<b>FPC</b>	<b>\$4,548</b>	<b>8.1%</b>	<b>46.3</b>	<b>75.15</b>	<b>16.6</b>	<b>13.4</b>	<b>2.1</b>	<b>7.2</b>	<b>11.02</b>	<b>4.7%</b>
FPL GROUP INC	FPL	\$9,858	-4.7%	55.0	236.60	18.8	13.9	1.9	5.1	10.44	3.8%
GPU INC	GPU	\$4,454	-11.6%	35.5	(307.89)	22.7	7.4	1.4	5.1	7.07	6.0%

**FOR INFORMATIONAL PURPOSES ONLY** The information contained in this publication has been obtained from a variety of sources. We cannot vouch for their reliability. However, through our analysis we attempt to provide reliable information. We do not guarantee accuracy or completeness. Intrinsic Value Weekly is published solely for informational purposes and should not be construed as a solicitation to buy or sell any security. All opinions and estimates included in this report represent our judgment as of this date and are subject to change without notice. Delivery of this publication shall not, under any circumstances, create any implication that there has been no change in the information provided herein from the date of this report which is September 7, 1999. Intrinsic Value Associates, LLC or its affiliates may maintain ownership positions in any of the companies mentioned in this report

@AF - Annual Figure

@NA - Not available

@CF - Combined Figure

@SF - SemiAnnual Figure

**Bold Blue - Favorable Drivers**

Source: Standard & Poors Corporation Compustat PC Plus®, Intrinsic Value Associates, LLC

Copyright © 1999 Intrinsic Value Associates, LLC All rights reserved.  
http://www.intrinsicvalue.com

Phone: 973-635-5335 Fax: 973-635-8307  
Email: gbollman@intrinsicvalue.com

# Intrinsic Value Weekly

**Utility Stocks are cheap, but note the Free Cash Flow Annuity values**

Page 4

Company Name	Ticker	Market Value - Equity	Quarterly Sales Growth	Current Price	Free Cash Flow Annuity	NOPAT Margin	PE Ratio	Price/Book Ratio	Price/Capital	Return on Capital	Dividend Yield
<b>GREEN MOUNTAIN POWER CO</b>	<b>GMP</b>	<b>\$68</b>	<b>36.1%</b>	<b>12.8</b>	<b>75.32</b>	<b>2.2</b>	<b>150.0</b>	<b>0.7</b>	<b>5.2</b>	<b>1.38</b>	<b>4.3%</b>
HAWAIIAN ELECTRIC INDS	HE	\$1,161	2.5%	36.1	(115.27)	29.7	12.4	1.4	5.4	11.22	6.9%
IDACORP INC	IDA	\$1,185	-1.2%	31.5	61.25	17.0	12.7	1.6	7.0	8.49	5.9%
ILLINOVA CORP	ILN	\$2,229	-12.4%	31.9	(770.38)	(93.8)	(1.7)	2.0	(1.9)	(38.68)	3.9%
INDIANA ENERGY INC	IEI	\$639	2.4%	21.4	37.36	16.3	15.4	2.1	8.3	12.42	4.3%
IPALCO ENTERPRISES INC	IPL	\$1,838	-1.8%	21.4	61.53	31.6	14.2	3.3	8.1	13.07	2.8%
K N ENERGY INC	KNE	\$1,443	14.0%	20.4	(1,656.98)	7.5	54.2	1.1	5.5	6.02	3.9%
KANSAS CITY POWER & LIGHT	KLT	\$1,494	-9.4%	24.1	100.88	28.0	15.1	1.7	6.3	9.11	6.9%
KEYSPAN CORP	KSE	\$4,212	-5.3%	30.1	(541.46)	(1.1)	(60.3)	1.2	30.6	(0.40)	5.9%
LG&E ENERGY CORP	LGE	\$2,893	32.1%	22.3	(149.22)	19.4	13.6	2.3	8.0	10.50	5.5%
MCN ENERGY GROUP INC	MCN	\$1,542	20.3%	18.0	(70.61)	3.2	(11.3)	2.1	16.8	1.57	5.7%
MIDAMERICAN ENERGY HOLDI	MEC	\$1,766	69.9%	28.9	(336.05)	18.1	11.7	2.5	3.7	6.44	0.0%
MINNESOTA POWER & LIGHT	MPL	\$1,316	-0.3%	18.0	(56.29)	(26.1)	18.5	1.7	8.0	(8.41)	5.9%
MONTANA POWER CO	MTP	\$3,767	19.4%	34.2	38.71	24.3	22.9	3.4	13.5	11.65	2.3%
NATIONAL FUEL GAS CO	NFG	\$1,829	2.3%	47.2	(133.91)	8.5	16.8	2.0	12.0	4.40	3.9%
NEW CENTURY ENERGIES INC	NCE	\$4,178	-3.6%	36.3	57.73	19.0	11.3	1.5	6.7	9.77	6.4%
NEW ENGLAND ELECTRIC SYS	NES	\$3,089	4.1%	52.3	221.53	17.9	18.2	2.0	7.8	9.02	4.5%
NEW JERSEY RESOURCES	NJR	\$700	40.6%	39.3	9.94	11.8	15.8	2.4	9.8	10.37	4.3%
NIAGARA MOHAWK HOLDINGS	NMK	\$2,916	-3.2%	15.6	(365.15)	4.4	393.8	0.9	12.4	1.40	0.0%
NICOR INC	GAS	\$1,868	0.2%	39.6	115.95	14.2	15.7	2.4	7.4	9.63	3.9%
NISOURCE INC	NI	\$3,071	4.3%	24.6	61.84	14.4	15.5	2.7	6.3	9.17	4.2%
NORTHEAST UTILITIES	NU	\$2,358	18.7%	17.9	22.69	8.5	(21.1)	1.3	11.6	3.32	0.0%
NORTHERN STATES POWER/M	NSP	\$3,710	3.3%	24.1	49.92	20.9	13.7	1.4	5.9	8.71	6.0%
NORTHWEST NATURAL GAS C	NWNG	\$675	17.1%	27.0	14.14	19.1	20.3	1.6	8.1	7.35	4.5%
NORTHWESTERN CORP	NOR	\$582	155.6%	25.2	(394.69)	6.2	16.8	2.0	8.3	5.56	4.1%
<b>OGE ENERGY CORP</b>	<b>OGE</b>	<b>\$1,823</b>	<b>9.3%</b>	<b>23.4</b>	<b>49.06</b>	<b>21.2</b>	<b>11.2</b>	<b>1.8</b>	<b>6.0</b>	<b>13.02</b>	<b>5.7%</b>
ONEOK INC	OKE	\$964	-5.8%	30.5	(453.50)	11.1	18.1	0.9	4.7	12.02	4.1%
PACIFICORP	PPW	\$6,226	-21.5%	20.9	75.67	12.0	31.5	1.4	11.1	5.09	5.2%
PECO ENERGY CO	PE	\$7,732	-1.7%	41.4	122.91	24.6	18.6	3.1	7.9	9.81	2.4%
PENNSYLVANIA ENTERPRISES	PNT	\$341	30.0%	31.4	(32.37)	10.7	30.1	2.4	17.1	5.77	3.8%
<b>PEOPLES ENERGY CORP</b>	<b>PGL</b>	<b>\$1,315</b>	<b>10.3%</b>	<b>37.1</b>	<b>49.99</b>	<b>14.3</b>	<b>15.3</b>	<b>1.8</b>	<b>8.4</b>	<b>10.06</b>	<b>5.3%</b>
PG&E CORP	PCG	\$11,854	0.7%	30.9	1.55	10.1	16.1	1.5	5.0	6.52	3.9%
PHILADELPHIA SUBURBAN COI	PSC	\$994	77.2%	24.3	(8.97)	45.0	26.6	2.7	15.3	10.66	2.8%
PIEDMONT NATURAL GAS CO	PNY	\$1,031	-6.1%	33.2	53.20	16.8	18.5	2.3	10.0	12.89	4.2%
<b>PINNACLE WEST CAPITAL</b>	<b>PNW</b>	<b>\$3,223</b>	<b>15.6%</b>	<b>38.0</b>	<b>150.03</b>	<b>26.6</b>	<b>12.9</b>	<b>1.6</b>	<b>5.1</b>	<b>8.02</b>	<b>3.4%</b>
POTOMAC ELECTRIC POWER	POM	\$3,245	3.0%	27.4	75.38	23.5	13.8	1.8	7.0	7.62	6.1%
PP&L RESOURCES INC	PPL	\$4,455	19.7%	28.3	(110.28)	21.8	11.4	2.5	6.0	8.70	3.5%
PUBLIC SERVICE CO OF N C	PGS	\$630	-0.9%	30.6	13.77	16.4	28.0	2.7	12.4	10.00	3.2%
PUBLIC SERVICE CO OF N MEX	PNM	\$787	13.4%	19.3	(52.36)	16.2	8.8	1.0	4.5	6.97	4.1%
<b>PUBLIC SERVICE ENTRP</b>	<b>PEG</b>	<b>\$9,115</b>	<b>5.4%</b>	<b>41.6</b>	<b>114.28</b>	<b>27.1</b>	<b>13.0</b>	<b>1.8</b>	<b>7.1</b>	<b>9.32</b>	<b>5.2%</b>
<b>PUGET SOUND ENERGY INC</b>	<b>PSD</b>	<b>\$2,003</b>	<b>17.6%</b>	<b>23.7</b>	<b>46.29</b>	<b>21.3</b>	<b>11.4</b>	<b>1.5</b>	<b>6.0</b>	<b>9.32</b>	<b>7.8%</b>
QUESTAR CORP	STR	\$1,566	-0.7%	18.9	12.70	18.7	18.1	1.8	7.7	9.35	3.5%
<b>RELIANT ENERGY INC</b>	<b>REI</b>	<b>\$8,496</b>	<b>33.7%</b>	<b>28.6</b>	<b>49.54</b>	<b>12.9</b>	<b>(27.0)</b>	<b>1.9</b>	<b>11.8</b>	<b>8.75</b>	<b>5.2%</b>

**FOR INFORMATIONAL PURPOSES ONLY** The information contained in this publication has been obtained from a variety of sources. We cannot vouch for their reliability. However, through our analysis we attempt to provide reliable information. We do not guarantee accuracy or completeness. Intrinsic Value Weekly is published solely for informational purposes and should not be construed as a solicitation to buy or sell any security. All opinions and estimates included in this report represent our judgment as of this date and are subject to change without notice. Delivery of this publication shall not, under any circumstances, create any implication that there has been no change in the information provided herein from the date of this report which is September 7, 1999. Intrinsic Value Associates, LLC or its affiliates may maintain ownership positions in any of the companies mentioned in this report

@AF - Annual Figure

@NA - Not available

@CF - Combined Figure

@SF - SemiAnnual Figure

**Bold Blue - Favorable Drivers**

Source: Standard & Poors Corporation Compustat PC Plus®, Intrinsic Value Associates, LLC

# Intrinsic Value Weekly

Utility Stocks are cheap, but note the Free Cash Flow Annuity values

Page 5

Company Name	Ticker	Market Value - Equity	Quarterly Sales Growth	Current Price	Free Cash Flow Annuity	NOPAT Margin	PE Ratio	Price/Book Ratio	Price/Capital	Return on Capital	Dividend Yield
SCANA CORP	SCG	\$2,596	-3.4%	25.1	35.32	29.5	14.2	1.5	6.9	10.09	6.1%
SEMPRA ENERGY	SRE	\$5,423	24.2%	22.6	(275.64)	11.1	14.8	1.9	4.4	7.88	6.9%
SIERRA PACIFIC RESOURCES	SRP	\$1,246	19.6%	24.3	(19.01)	21.8	16.1	1.5	7.9	8.17	4.1%
SONAT INC	SNT	\$3,928	-8.2%	35.7	85.78	9.3	(9.2)	2.9	(21.7)	10.16	3.0%
SOUTHERN CO	SO	\$19,048	-4.2%	27.6	43.58	22.8	18.4	1.9	7.6	7.81	4.9%
SOUTHWEST GAS CORP	SWX	\$855	3.8%	27.9	71.54	16.8	22.3	1.8	6.0	9.46	2.9%
SOUTHWESTERN ENERGY CO	SWN	\$223	-0.5%	8.9	45.58	(10.9)	20.8	1.1	13.7	(4.68)	2.7%
TECO ENERGY INC	TE	\$2,840	0.2%	21.5	40.59	20.2	12.7	1.8	6.6	10.47	6.0%
TEXAS UTILITIES CO	TXU	\$11,305	15.2%	40.3	(580.27)	17.7	14.8	1.5	6.0	9.00	5.7%
TNP ENTERPRISES INC	TNP	\$514	1.4%	38.3	110.90	17.1	13.9	1.6	7.3	10.47	3.0%
UNICOM CORP	UCM	\$8,542	-5.3%	39.3	(91.20)	18.7	14.4	1.9	5.9	5.74	4.1%
UNITED ILLUMINATING CO	UIL	\$721	3.0%	50.3	124.37	22.5	12.2	1.4	5.6	8.94	5.7%
UNITED WATER RESOURCES	UWR	\$1,302	6.5%	33.6	(28.24)	23.0	19.0	1.9	14.4	4.79	2.9%
UTILICORP UNITED INC	UCU	\$2,176	54.8%	23.4	(107.80)	2.8	14.4	1.5	7.6	8.27	5.1%
WASHINGTON GAS LIGHT CO	WGL	\$1,304	-3.6%	28.1	8.61	13.5	19.4	2.0	10.0	9.67	4.3%
WICOR INC	WIC	\$1,104	2.5%	29.4	41.25	9.0	22.0	2.7	13.7	9.43	3.0%
WILLIAMS COS INC	WMB	\$18,310	11.9%	42.2	(150.43)	9.7	233.7	4.3	22.8	5.13	1.4%
WISCONSIN ENERGY CORP	WEC	\$2,893	13.3%	24.7	27.10	20.2	13.7	1.5	6.6	8.18	6.3%

**FOR INFORMATIONAL PURPOSES ONLY** The information contained in this publication has been obtained from a variety of sources. We cannot vouch for their reliability. However, through our analysis we attempt to provide reliable information. We do not guarantee accuracy or completeness. Intrinsic Value Weekly is published solely for informational purposes and should not be construed as a solicitation to buy or sell any security. All opinions and estimates included in this report represent our judgment as of this date and are subject to change without notice. Delivery of this publication shall not, under any circumstances, create any implication that there has been no change in the information provided herein from the date of this report which is September 7, 1999. Intrinsic Value Associates, LLC or its affiliates may maintain ownership positions in any of the companies mentioned in this report

@AF - Annual Figure

@NA - Not available

@CF - Combined Figure

@SF - SemiAnnual Figure

**Bold Blue - Favorable Drivers**

Source: Standard & Poors Corporation Compustat PC Plus®, Intrinsic Value Associates, LLC

Copyright © 1999 Intrinsic Value Associates, LLC All rights reserved.  
http://www.intrinsicvalue.com

Phone: 973-635-5335 Fax: 973-635-8307  
Email: gbollman@intrinsicvalue.com