



Edison Electric  
INSTITUTE

# Dividends

Q3 2019  
FINANCIAL UPDATE  
QUARTERLY REPORT  
OF THE U.S. INVESTOR-OWNED  
ELECTRIC UTILITY INDUSTRY

### About EEI

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

### About EEI's Quarterly Financial Updates

EEI's quarterly regulatory and financial updates present industry trend analyses and financial data covering 45 U.S. investor-owned electric utility companies. These 45 companies include 40 electric utility holding companies whose stocks are traded on major U.S. stock exchanges and five electric utilities who are subsidiaries of non-utility or foreign companies. Financial updates are published for the following topics:

- Stock Performance
- Dividends
- Credit Ratings
- Rate Review Summary

EEI Finance Department material can be found online at: [www.eei.org/QFU](http://www.eei.org/QFU).

### For EEI Member Companies

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

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

### We Welcome Your Feedback

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

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### Future EEI Finance Meetings

EEI Wall Street Briefing  
February 5, 2020  
University Club  
New York, New York

EEI Financial Officers' Meeting  
June 9-10, 2020  
JW Marriott Austin  
Austin, Texas

EEI Financial Conference  
November 8-10, 2020  
JW Marriott Desert Ridge Resort and Spa  
Phoenix, Arizona

For more information about future EEI Finance Meetings, please contact Devin James at (202) 508-5057 or [djames@eei.org](mailto:djames@eei.org), or Aaron Cope, Jr. at (202) 508-5128 or [acope@eei.org](mailto:acope@eei.org).

# The 45 U.S. Investor-Owned Electric Utilities

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

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

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

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

# Companies Listed by Category

## (Based on Business Segmentation Data as of 12/31/2018)

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

Given the diversity of utility holding company corporate strategies, no single company categorization approach will be useful for all EEI members and utility industry analysts. Nevertheless, we believe the following classification provides an informative framework for tracking financial trends and the capital markets' response to business strategies as companies depart from the traditional regulated utility model.

Regulated  
Mostly Regulated

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

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

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

### Regulated (35 of 45)

Alliant Energy Corporation  
Ameren Corporation  
American Electric Power Company, Inc.  
Avista Corporation  
Black Hills Corporation  
*Cleco Corporation*  
CMS Energy Corporation  
Consolidated Edison, Inc.  
Dominion Resources, Inc.  
*DPL Inc.*  
Duke Energy Corporation  
Edison International  
El Paso Electric Company  
Entergy Corporation  
Eversource Energy  
FirstEnergy Corp.  
IDACORP, Inc.

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

### Mostly Regulated (10 of 45)

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

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

# Q3 2019 Dividends

## HIGHLIGHTS

- The investor-owned electric utility industry continued its long-term trend of widespread dividend increases during the first nine months of 2019; 23 companies increased or reinstated their dividend compared to 25 in the same 2018 period.
- The percentage of companies that raised or reinstated their dividend in calendar year 2018 was 93%, a new record high. This exceeded 2017's 88% and the previous record of 91% in 2016.
- The average dividend increase during the first nine months of 2019 was 5.0%, with a range of 0.6% to 12.6% and a median increase of 4.7%.
- The industry's dividend payout ratio was 69.3% for the twelve months ended June 30, 2019, trailing only the Energy sector's 73.3% among all U.S. business sectors.
- The industry's average dividend yield was 2.9% on September 30, 2019, down from 3.4% at yearend 2018. The EEI Index gained more than 25% during the first nine months of 2019, offsetting the widespread dividend growth and resulting in a slightly lower yield.

## COMMENTARY

The investor-owned electric utility industry continued its long-term trend of widespread dividend increases during the first nine months of 2019. A total of 23 companies increased or reinstated their dividend compared to 25 during the same period of 2018. On a calendar year basis, 39 companies increased their dividend in 2018 compared to 38 in 2017, 40 in 2016, 39 in 2015, 38 in 2014 and 36 in both 2013 and 2012.

The percentage of companies that raised or reinstated their dividend in calendar year 2018 was 93%, a new record high. This exceeded 2017's 88% and the previous record of

## I. Sector Comparison, Dividend Payout Ratio

*Last Twelve Months*

Sector	Payout Ratio (%)
EEI Index Companies*	69.3%
Energy	73.3%
Utilities	63.8%
Consumer Staples	57.0%
Materials	40.7%
Industrial	35.4%
Consumer Discretionary	30.7%
Technology	30.2%
Health Care	27.9%
Financial	27.2%

\*For this table, EEI (1) sums dividends and (2) sums earnings of all index companies and then (3) divides to determine the comparable dividend payout ratio (DPR).

EEI Index Companies payout ratio based on LTM common dividends paid and income before nonrecurring and extraordinary items.

S&P sector payout ratios based on 2019E dividends and earnings per share (estimates as of 9/30/2019).

For more information on constituents of each S&P sector see [www.sectorspdr.com](http://www.sectorspdr.com).

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

## II. Sector Comparison, Dividend Yield

*at 12/31/2018*

Sector	Yield (%)
EEI Index Companies	2.9%
Energy	3.9%
Utilities	3.1%
Consumer Staples	2.8%
Financial	2.2%
Materials	2.1%
Industrial	2.0%
Health Care	1.8%
Consumer Discretionary	1.4%
Technology	1.4%

\*EEI Index Companies' yield based on last announced, annualized dividend rates (as of 9/30/2019); S&P sector yields based on 2019E cash dividends (estimates as of 9/30/2019).

For more information on constituents of each S&P sector see [www.sectorspdr.com](http://www.sectorspdr.com).

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

## III. Dividend Patterns 1994–2019

U.S. Investor-Owned Electric Utilities

	Raised	No Change	Lowered	Omitted	Reinstated	Not Paying	Total	Dividend Payout Ratio*		
1994	54	37	6	0	0	3	100	79.8%		
1995	52	40	3	0	0	3	98	75.3%		
1996	48	44	2	1	1	2	98	70.7%		
1997	40	45	6	2	0	3	96	84.2%		
1998	40	37	7	0	0	5	89	82.1%		
1999	29	45	4	0	3	2	83	74.9%		
2000	26	39	3	1	0	2	71	63.9%		
2001	21	40	3	2	0	3	69	64.1%		
2002	26	27	6	3	0	3	65	67.5%		
2003	26	24	7	2	1	5	65	63.7%		
2004	35	22	1	0	0	7	65	67.9%		
2005	34	22	1	1	2	5	65	66.5%		
2006	41	17	0	0	0	6	64	63.5%		
2007	40	15	0	0	3	3	61	62.1%		
2008	36	20	1	0	1	1	59	66.8%		
2009	31	23	3	0	0	1	58	69.6%		
2010	34	22	0	0	0	1	57	62.0%		
2011	31	22	0	1	1	0	55	62.8%		
2012	36	14	0	0	1	0	51	64.2%		
2013	36	12	1	0	0	0	49	61.5%		
2014	38	9	1	0	0	0	48	60.4%		
2015	39	7	0	0	0	0	46	67.0%		
2016	40	4	0	0	0	0	44	62.9%		
2017	38	4	0	1	0	0	43	64.0%		
2018	39	1	1	0	0	1	42	63.9%		
2019 Q1	17	22	0	0	0	1	40	65.6%		
2019 Q2	3	36	0	0	0	1	40	68.8%		
2019 Q2	3	36	0	0	0	1	40	68.7%		

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Q1	2019 Q2	2019 Q3
Avg. Increase	18.7%	8.4%	9.2%	7.4%	9.4%	7.2%	8.2%	6.8%	7.2%	5.3%	5.7%	5.8%	5.6%	5.6%	5.7%	5.0%	5.5%	4.2%
Avg. Decrease	47.4%	40.0%	NA	NA	45.7%	46.4%	NA	100%	NA	41.0%	34.5%	NA	NA	NA	79.8%	NA	NA	NA

Note: Prior to 2000: Total industry dividends/total industry earnings. Starting in 2000: Average of all companies paying dividend. Only one action per company per year is counted. If a company raised its dividend twice, this counts as one in the Raised column. / \* Current year figures reflect dividend changes (raised, lowered, etc.) through 9/30/2019 and earnings and dividends through 6/30/2019 (payout ratio). / Source: AltaVista Research, S&P Global Market Intelligence, EEI Finance Department

## IV. Category Comparison, Dividend Payout Ratio

Last Twelve Months

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
EEI Index	62.0	62.8	64.2	61.5	60.4	67.0	62.9	64.0	63.9	68.7
Regulated	64.1	63.4	62.1	60.5	59.4	68.7	61.1	68.7	60.1	69.1
Mostly Reg.	60.7	63.1	69.7	64.7	63.8	62.6	68.0	53.3	72.8	67.2
Diversified	49.7	54.7	53.4	44.7	56.4	64.9	64.6	--	--	--

Regulated: 80% or more of total assets are regulated

Mostly Regulated: Less than 80% of total assets are regulated

Diversified: Prior to 2017, less than 50% of total assets are regulated

\*2019 figures reflect earnings and dividends through 6/30/2019.

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

91% in 2016, the next two highest historical results. Both totals followed results of 85% in 2015 and a range of 73% to 79% going back to 2012. By comparison, in 2003 (just prior to the passage of legislation that reduced dividend tax rates) only 27 of the 65 utilities tracked by EEI increased their dividend. (Note: M&A activity reduced the number of utilities tracked by EEI from 65 in 2003 to 42 at year end 2018). The 2018 record high is based on data beginning in 1988.

## V. Category Comparison, Dividend Yield

at 9/30/2019

Category	Dividend Yield (%)
EEI Index	2.9
Regulated	2.9
Mostly Regulated	3.0

Regulated: 80% or more of total assets are regulated

Mostly Regulated: Less than 80% of total assets are regulated

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

As shown in Table III – Dividend Patterns, 39 of the 40 publicly traded utilities in the EEI Index were paying a common stock dividend as of September 30. Each company is limited to one action per year in the table; if a company raised its dividend twice in a year, that counts as one in the Raised column. Companies generally use the same quarter each year for dividend changes, with the first quarter being the most common for electric utilities.

VI. Dividend Summary

U.S. Investor-Owned Electric Utilities (at 9/30/2019)

Company (Stock Symbol)	Company Category	Annualized Dividend	Payout Ratio (%)	Yield (%)	Last Action	To	From	Date Announced
ALLETE, Inc. (ALE)	MR	\$2.35	67.3%	2.7%	Raised	\$2.35	\$2.24	2019 Q1
Alliant Energy Corporation (LNT)	R	\$1.42	62.5%	2.6%	Raised	\$1.42	\$1.34	2019 Q1
Ameren Corporation (AEE)	R	\$1.90	57.6%	2.4%	Raised	\$1.90	\$1.83	2018 Q4
American Electric Power Co., Inc. (AEP)	R	\$2.68	63.9%	2.9%	Raised	\$2.68	\$2.48	2018 Q4
AVANGRID, Inc. (AGR)	MR	\$1.76	94.8%	3.4%	Raised	\$1.76	\$1.73	2018 Q3
Avista Corporation (AVA)	R	\$1.55	86.6%	3.2%	Raised	\$1.55	\$1.49	2019 Q1
Black Hills Corporation (BKH)	R	\$2.02	48.9%	2.6%	Raised	\$2.02	\$1.90	2018 Q4
CenterPoint Energy, Inc (CNP)	MR	\$1.15	68.6%	3.8%	Raised	\$1.15	\$1.11	2018 Q4
CMS Energy Corporation (CMS)	R	\$1.53	70.0%	2.4%	Raised	\$1.53	\$1.43	2019 Q1
Consolidated Edison, Inc. (ED)	R	\$2.96	69.7%	3.1%	Raised	\$2.96	\$2.86	2019 Q1
Dominion Energy, Inc. (D)	R	\$3.67	130.2%	4.5%	Raised	\$3.67	\$3.34	2018 Q4
DTE Energy Company (DTE)	MR	\$3.78	56.6%	2.8%	Raised	\$3.78	\$3.53	2018 Q4
Duke Energy Corporation (DUK)	R	\$3.78	65.8%	3.9%	Raised	\$3.78	\$3.71	2019 Q3
Edison International (EIX)	R	\$2.45	29.6%	3.2%	Raised	\$2.45	\$2.42	2018 Q4
EI Paso Electric Company (EE)	R	\$1.54	62.2%	2.3%	Raised	\$1.54	\$1.44	2019 Q2
Entergy Corporation (ETR)	R	\$3.64	46.1%	3.1%	Raised	\$3.64	\$3.56	2018 Q4
Evergy, Inc. (EVERG)	R	\$1.90	73.4%	2.9%	Raised	\$1.90	\$1.84	2018 Q4
Eversource Energy (ES)	R	\$2.14	58.1%	2.5%	Raised	\$2.14	\$2.02	2019 Q1
Exelon Corporation (EXC)	MR	\$1.45	57.5%	3.0%	Raised	\$1.45	\$1.38	2019 Q1
FirstEnergy Corp. (FE)	R	\$1.52	60.9%	3.2%	Raised	\$1.52	\$1.44	2018 Q4
Hawaiian Electric Industries, Inc. (HE)	MR	\$1.28	66.8%	2.8%	Raised	\$1.28	\$1.24	2019 Q1
IDACORP, Inc. (IDA)	R	\$2.52	55.8%	2.2%	Raised	\$2.52	\$2.36	2018 Q3
MDU Resources Group, Inc. (MDU)	MR	\$0.81	54.6%	2.9%	Raised	\$0.81	\$0.79	2018 Q4
MGE Energy, Inc. (MGEE)	R	\$1.41	54.8%	1.8%	Raised	\$1.41	\$1.35	2019 Q3
NextEra Energy, Inc. (NEE)	MR	\$5.00	87.1%	2.1%	Raised	\$5.00	\$4.44	2019 Q1
NiSource Inc. (NI)	R	\$0.80	145.9%	2.7%	Raised	\$0.80	\$0.78	2019 Q1
NorthWestern Corporation (NWE)	R	\$2.30	52.3%	3.1%	Raised	\$2.30	\$2.20	2019 Q1
OGE Energy Corp. (OGE)	R	\$1.55	70.7%	3.4%	Raised	\$1.55	\$1.46	2019 Q3
Otter Tail Corporation (OTTR)	R	\$1.40	68.8%	2.6%	Raised	\$1.40	\$1.34	2019 Q1
PG&E Corporation (PCG)	R	\$0.00	0.0%	0.0%	Lowered	\$0.00	\$2.12	2017 Q4
Pinnacle West Capital Corporation (PNW)	R	\$2.95	61.0%	3.0%	Raised	\$2.95	\$2.78	2018 Q4
PNM Resources, Inc. (PNM)	R	\$1.16	43.4%	2.2%	Raised	\$1.16	\$1.06	2018 Q4
Portland General Electric Company (POR)	R	\$1.54	64.5%	2.7%	Raised	\$1.54	\$1.45	2019 Q2
PPL Corporation (PPL)	R	\$1.65	66.2%	5.2%	Raised	\$1.65	\$1.64	2019 Q1
Public Service Enterprise Group Inc. (PEG)	MR	\$1.88	51.5%	3.0%	Raised	\$1.88	\$1.80	2019 Q1
Sempra Energy (SRE)	R	\$3.87	66.3%	2.6%	Raised	\$3.87	\$3.58	2019 Q1
Southern Company (SO)	R	\$2.48	141.2%	4.0%	Raised	\$2.48	\$2.40	2019 Q2
Unitil Corporation (UTL)	R	\$1.48	70.9%	2.3%	Raised	\$1.48	\$1.46	2019 Q1
WEC Energy Group, Inc. (WEC)	R	\$2.36	65.8%	2.5%	Raised	\$2.36	\$2.21	2018 Q4
Xcel Energy Inc. (XEL)	R	\$1.62	60.3%	2.5%	Raised	\$1.62	\$1.52	2019 Q1
<b>Industry Average</b>			<b>68.7%</b>	<b>2.9%</b>				

Categories – R = Regulated (80% or more of total assets are regulated), MR = Mostly Regulated (Less than 80% of total assets are regulated); based on assets at 12/31/2018.  
 Dividend Per Share – Per share amounts are annualized declared figures as of 9/30/2019.  
 Dividend Payout Ratio – Dividends paid for 12 months ended 6/30/2019 divided by net income before nonrecurring and extraordinary items for 12 months ended 6/30/2019.  
 Dividend Yield – Annualized Dividends Per Share at 9/30/2019 divided by stock price at market close on 9/30/2019.  
 NM applies to companies with negative earnings or payout ratios greater than 200%.

While net income is after-tax, nonrecurring and extraordinary items are pre-tax, as there is no consistent method of gathering these items on a tax adjusted basis under current reporting guidelines. On an individual company basis, the Payout Ratio in the table could differ slightly from what is reported directly by the company.

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

## VII. Free Cash Flow

U.S. Investor-Owned Electric Utilities

(\$ Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Cash Provided by Oper. Activities	82.9	77.7	84.4	84.0	87.1	89.0	101.6	98.3	101.2	100.0
— Capital Expenditures	(77.6)	(74.2)	(78.6)	(90.3)	(90.3)	(96.1)	(104.0)	(112.5)	(113.1)	(119.5)
— Div. Paid to Common Shareholders	(17.1)	(18.0)	(19.3)	(20.5)	(20.8)	(21.1)	(22.5)	(23.8)	(25.5)	(25.6)
Free Cash Flow	(11.8)	(14.4)	(13.5)	(26.8)	(24.0)	(28.2)	(24.8)	(38.0)	(37.5)	(37.5)

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

### 2019 Increases Average 5.0%

The average dividend increase during the first nine months of 2019 was 5.0%, with a range of 0.6% to 12.6% and a median increase of 4.7%. NextEra Energy (+12.6% in Q1), Sempra Energy (+8.1% in Q1) and CMS Energy (+7.0% in Q1) posted the largest percentage increases.

NextEra Energy, headquartered in Juno Beach, Florida, raised its quarterly dividend from \$1.11 to \$1.25 per share in Q1. The increase was consistent with the company's plan, announced in 2018, to target 12% to 14% annual per-share dividend growth through at least 2020. NextEra recorded the industry's second-highest percentage increase in 2018 (+13.0%), and the highest in both 2017 (+12.9%) and 2016 (+13.0%, along with Edison International and DTE Energy).

Sempra Energy, based in San Diego, California, announced in Q1 a quarterly increase from \$0.895 to \$0.9675 per share. This marks the ninth consecutive year that Sempra has increased its common stock dividend, which has grown by more than 47 percent since 2014.

CMS Energy, headquartered in Jackson, Michigan, increased its quarterly dividend from \$0.3575 to \$0.3825 per share during Q1.

### Payout Ratio and Dividend Yield

The industry's dividend payout ratio was 69.3% for the twelve months ended June 30, 2019, trailing only the Energy sector's 73.3% among U.S. business sectors. The industry's payout ratio was 68.7% when measured as an unweighted average of individual company ratios; 69.3% represents an aggregate figure. From 2000 through 2018, the industry's annual payout ratio ranged from 60.4% to 69.6%.

While the industry's net income has fluctuated from year to year, its payout ratio has remained relatively consistent after eliminating non-recurring and extraordinary items from earnings. We use the following approach when calculating the industry's dividend payout ratio:

1. Non-recurring and extraordinary items are eliminated from earnings.
2. Companies with negative adjusted earnings are eliminated.

3. Companies with a payout ratio in excess of 200% are eliminated.

The industry's average dividend yield was 2.9% on September 30, 2019, trailing only the Energy sector's 3.7% and the broader Utilities sector's 3.5%. The industry's 2018 year-end yield was a slightly higher 3.4% (for a third consecutive year). The market cap-weighted EEI Index increased by more than 25% during the first nine months of 2019, offsetting the period's dividend growth and resulting in the slightly lower yield.

We calculate the industry's aggregate dividend yield using an unweighted average of the yields of EEI Index companies that are paying a dividend. The strong yields prevalent among most electric utilities have supported their share prices over the past decade, especially given the period's historically low interest rates. The Tax Cuts and Jobs Act signed into law in December 2017 maintained pre-existing tax rates for dividends and capital gains. This is crucial to avoid a capital raising disadvantage for high-dividend companies.

### Business Category Comparison

The Regulated company category had a dividend payout ratio of 69.1% for the 12 months ended June 30, 2019 compared to 67.2% for the Mostly Regulated group. The Regulated category produced the highest annual payout ratio in 2017, 2015, 2011 and 2010 and in each year from 2003 through 2008. It was exceeded by the Mostly Regulated category in 2018, 2016, 2014, 2013, 2012 and 2009. It's likely that the weaker earnings from the competitive power business contributed to the higher payout ratio among Mostly Regulated companies in those years.

The Regulated and Mostly Regulated groups had average dividend yields of 2.9% and 3.0%, respectively, as of September 30, 2019. Both groups had a 3.4% average dividend yield at year-end 2018, mirroring their yields at year-end 2017. The yields for the Regulated and Mostly Regulated categories were 3.4% and 3.5%, respectively, on December 31, 2016. ■