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[Investing in Utilities](#)

This interesting article addresses some of the key issues regarding Stock Market. A careful reading of this material could make a big difference in how you think about Stock Market.

There was a time in our recent history that investing in utility stocks was like opening up a pass book savings account. Today, the investor needs to be more cognizant of the companies compliance with various regulations and their current stance on applying new and efficient technology. The increase in demand and a need for power plants and distribution has placed a burden on the utilities sector.

Some utility companies employ a combination of energy producing resources. Some rely on coal, hydro electrical plants and the occasional nuclear plant. Many rely on their natural gas reserves and electricity contracts with their producers to provide power to their customers. In effect the utility is a reseller of power sources.

Investing in Public Utility Companies:

Some good work horse utility companies are on the stock market. In seeking out the security of a public utility stock you may be interested in dividends. For some investors the utility is a relatively secure method of investing for the long term and part of a retirement plan.

One example of a good utility stock is American Electric Power Company. It trades on the NYSE under the stock ticker AEP. This is a public utility holding company that transmits, generates and distributes power to a variety of utility companies. Some of these utility companies are cooperatives, municipal power companies and smaller utility companies.

How can you put a limit on learning more? The next section may contain that one little bit of wisdom that changes everything.

AEG is a 17.7 billion dollar market cap company. It has been a consistent performer for over 30 years and its major institutional investors read like a who's who on Wall Street. It is better than 93 percent of all stocks listed on the S & P 500. The stock is a consistent performer and sells in the range of \$40 to \$51 for the last year. In November, 2006 the price was in the high \$30 range, but has moved to the \$40 ranges in recent months. It consistently issues a small dividend. It currently sells for \$44.48 a share and should rise to its first target of \$49 with ease.

There are other holding companies that may be of interest to the investor with a desire to invest in utilities. Duke Power that trades under the stock ticker DUK is a multi billion dollar company. Another 100 year old company is Constellation Energy Group in Baltimore, Maryland. The significant aspect of investing in power companies is whether the company is in compliance with various regulations pertaining to clean air and water. The cost to update facilities is costly. Most of the major players in power have already commenced updating their facilities.

Investing in Diversified Utility Companies:

There are some very good diversified utility companies that are consistent performers. Wisconsin Power & Electric trades on the NYSE as WEP. This company is a consistent performer and recently provide a large credit to its customers. It has a 5.9 billion market capitalization. The company is owned by some of the biggest funds in the country. It sells for \$44 and has a mean target of \$50.

Two other good good diversified utility companies are Integrys Energy Group stock ticker TEG and Alliant Energy that trades under the ticker LNT. There is a price difference in the companies, but both utilities are multi-billion dollar companies. Both have a blue ribbon groups of institutional investors.

All of the utility companies listed require some analysis to determine if the company fits your investment portfolio. The utility sector has some pressure due to world wide considerations and the demand of end users. The key is if the company is poised for future growth by enhancing its infrastructure and distribution methods.

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