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Recap of Street Recommendations

Comparative Price Performance

	4/14	Year-to-date %	12 Months %
Dow Industrials	11,138	4	8
Philadelphia Electric Index	406	(5)	2

Electric energy shares have come under pressure with much of the concern centered on the big companies and their ability to raise prices following the final stage to deregulation -- Constellation Energy (Rated-Hold) and Exelon Corporation (Rated Hold). Another possibility, given the uncertainty, is that investors are taking the opportunity to lock in substantial profits. In early 2004, Exelon Corporation (\$52-hold) was trading at \$32 a share, TXU Corp (\$45-hold), \$12 a share, Constellation (\$53-hold), \$39 a share and Duke Energy (\$28-hold), \$20 a share. Year-to-date market performers (Table 4, page 4) reflect the absence of interest, not attraction to a particular company. Aquila Corp (not rated) and Avista Corp. (not rated) led the pack with 13% year-to-date gains and have a combined capitalization of only \$2.5 billion. Rounding out the top five are Alliant Energy, +12% (not rated, capitalization \$3.5 billion), IDACORP, +11% (not rated, capitalization \$1.4 billion) and Central Vermont P.S., +9% (not rated, capitalization \$200 million).

The 20-largest Electric Companies in Table 1 have an equity market capitalization of \$324 billion, roughly 83% of the \$390 billion capitalization of the 49 companies listed in Table 4. Capitalizations are pro forma for the consolidation of Duke Energy/CINergy (market perform), Exelon /Public Service Enterprises, and FPL /Constellation. We list the recommendations from Bloomberg Financial Service. The most widely followed companies are Duke Energy (22 recommendations), Dominion Resources (22, market perform), TXU Corp. (21), FPL Group (19, not rated), Exelon Corp. (19), Southern Co. (18, market perform) and Progress Energy (18, market perform).

Analysts are reluctant to recommend sell. For some, a change in a rating from accumulate to hold or the equivalent can be interpreted as "run for the hills." The average company has 15 total recommendations, with 7 buys (43% of total) and 1 sell (3%). Only 6 companies have the equivalent of sell ratings, Dominion Resources (1), TXU Corp (1), American Electric Power (2, not rated), Progress Energy (2), Consolidated Edison (3, market perform) and NiSource (1, not rated).

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Table 1
20-Largest Electric Companies
Sorted by Equity Market Capitalization

Company	Sym	Price 4/14	Ytd %	12mos.		Market		Recommendations			Div PS	Yield %		
				Rnk	%	Rnk	\$ Bil	Rnk	Total	Buy			Hold	Sell
Exelon (peg)	Exc	52	(3)	6	13	4	49.5	1	19	11	8	0	1.60	3.1
Duke Energy (cin)	Duk	28	4	3	2	10	35.4	2	22	9	13	0	1.20	4.2
FPL Group (ceg)	Fpl	39	(6)	11	(2)	15	24.9	3	19	11	8	0	1.50	3.9
Dominion Res.	D	71	(8)	14	(4)	17	24.6	4	22	10	11	1	2.80	4.0
Southern Co.	So	31	(9)	15	(2)	14	23.3	5	18	3	15	0	1.50	4.8
TXU Corp.	Txu	45	(10)	17	11	5	21.2	6	21	12	8	1	1.70	3.8
First Energy	Fe	49	(0)	4	19	2	16.1	7	13	7	6	0	1.80	3.7
Entergy	Etr	68	(1)	5	(3)	16	14.0	8	15	12	3	0	2.20	3.3
PG&E Corp.	Pcg	39	4	2	13	3	13.2	9	13	7	6	0	1.30	3.4
Amer. Elect	Aep	33	(12)	19	(4)	18	12.9	10	17	4	11	2	1.50	4.6
Edison Intl	Eix	39	(11)	18	10	6	12.7	11	10	7	3	0	1.10	2.8
PPL Corp.	Ppl	29	(3)	7	9	7	10.9	12	11	7	4	0	1.10	3.9
Progress Erg.	Pgn	42	(5)	10	2	11	10.5	13	18	2	14	2	2.40	5.7
ConEd.	Ed	42	(10)	16	(1)	12	10.3	14	13	3	7	3	2.30	5.5
Ameren	Aee	49	(3)	9	(1)	13	10.1	15	13	6	7	0	2.50	5.1
Constellation	Ceg	53	(7)	12	3	9	9.5	16	10	4	6	0	1.50	2.8
Xcel Energy	Xel	18	(3)	8	6	8	7.2	17	13	4	9	0	0.90	5.0
DTE Energy	Dte	40	(8)	13	(12)	20	7.1	18	10	2	8	0	2.10	5.3
Alleg. Energy	Aye	34	6	1	56	1	5.5	19	7	6	1	0	0.00	0.0
NiSource	Ni	20	(4)	20	(10)	19	5.4	20	15	3	11	1	0.90	4.5
Average		41	(5)		3		16.2		15	7	8	1	1.60	3.9
Total Market	324													

If recommendations are a key to future performance, Allegheny (not rated), the best performer on both year-to-date and 12-months trailing should continue to do well. Table 2 calculates a positive bias by dividing buy recommendations by total. Allegheny Energy's bias of 86% (6 buys with a total of 7 recommendations) ranks first, followed by Entergy (not rated) at 80%. Edison International (not rated) is not too bad at 70%.

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Table 2
Positive Bias
Highest Percentage Buy Recommendations to Total

Company	Total	Buys	Positive	Rank
Alleg. Energy	7	6	86%	1
Entergy	15	12	80%	2
Edison Intl	10	7	70%	3
PPL Corp.	11	7	64%	4
Exelon (peg)	19	11	58%	5
FPL Group (ceg)	19	11	58%	6
TXU Corp.	21	12	57%	7
First Energy	13	7	54%	8
PG&E Corp.	13	7	54%	9

If we work on the assumption that one analyst's hold rating is another one's sell, the least recommended company is Progress Energy with only 2 buys out of a total of 18 recommendations, followed by Southern Company, NiSource, DTE Energy (not rated) and Consolidated Edison.

Table 3
Lowest Percentage of Buy Recommendations to Total

Company	Total	Buys	Positive
Progress Erg.	18	2	11%
Southern Co.	18	3	17%
NiSource	15	3	20%
DTE Energy	10	2	20%
ConEd.	13	3	23%

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Table 4
Electric Companies
Sorted by Year-to Date Market Performance

Company	sym	Price	Ytd	12mos.		EPS	EPS	P/e	P/e	Recommendations			Div	Yield		
		4/14	%	Rnk	%	Rnk	2006	2007	2006	2007	Total	Buy	Hold	Sell	PS	%
Aquila	ila	4	13	1	20	5	(0.10)	0.00	(40.8)		5	1	3	1	0.00	0.0
Avista	ava	20	13	2	18	8	1.38	1.58	14.5	12.7	3	1	2	0	0.60	3.0
Alliant	lnt	31	12	3	19	6	2.19	2.35	14.3	13.4	4	2	2	0	1.20	3.8
IDACORP	ida	33	11	4	22	4	1.98	2.17	16.5	15.0	5	0	4	1	1.20	3.7
Central Vt.	cv	20	9	5	(11)	48	0.00	0.00			1	0	0	1	0.90	4.6
Reliant Energy	rri	11	8	6	2	24	(0.40)	0.31	(27.9)	35.9	13	4	8	1	0.00	0.0
Emp.District	ede	22	8	7	(4)	39	1.03	1.48	21.3	14.8	5	1	4	0	1.30	5.9
MDU Res.	mdu	35	7	8	31	2	2.41	2.56	14.5	13.6	9	7	2	0	0.80	2.3
OGE Energy	oge	28	6	9	8	16	1.85	2.05	15.4	13.9	3	1	2	0	1.30	4.6
Alleg. Energy	aye	34	6	10	56	1	1.65	2.05	20.4	16.39	7	6	1	0	0.00	0.0
PG&E Corp.	pcg	39	4	11	13	10	2.46	2.68	15.7	14.4	13	7	6	0	1.30	3.4
Duke Energy	duk	28	4	12	2	25	1.84	1.98	15.5	14.4	22	9	13	0	1.20	4.2
Cleco	cnl	22	3	13	5	18	1.27	1.39	17.0	15.6	6	4	1	1	0.90	4.2
Energy East	eas	24	3	14	(7)	44	1.89	1.76	12.5	13.4	8	1	7	0	1.20	5.1
Sierra Pacific	srp	13	2	15	30	3	0.72	0.86	18.5	15.5	4	1	3	0	0.00	0.0
Hawaiian Elect.	he	26	2	16	4	21	1.72	1.86	15.3	14.2	7	1	5	1	1.20	4.6
Great Plains	gxp	28	0	17	(6)	42	1.91	1.93	14.7	14.5	5	1	3	1	1.70	6.1
Duquesne	dqe	16	0	18	(6)	43	1.03	1.46	15.8	11.2	6	1	4	1	1.00	6.1
Puget Energy	psd	20	0	19	(3)	34	1.45	1.60	14.1	12.8	7	2	5	0	1.00	4.9
PNM Res.	pnm	24	(0)	20	(8)	45	1.70	2.02	14.4	12.1	9	4	5	0	0.90	3.7
First Energy	fe	49	(0)	21	19	7	3.57	3.92	13.7	12.5	13	7	6	0	1.80	3.7
Wisconsin Erg.	wec	39	(1)	22	10	13	2.54	2.62	15.2	14.7	13	6	7	0	0.90	2.3
Entergy	etr	68	(1)	23	(3)	36	4.66	5.52	14.5	12.3	15	12	3	0	2.20	3.3
Noeast Util.	nu	19	(2)	24	5	19	1.15	1.35	16.8	14.3	10	5	4	1	0.70	3.6
Scana	scg	38	(2)	25	3	22	2.91	3.02	13.2	12.7	8	5	3	0	1.70	4.4
Exelon	exc	52	(3)	26	13	11	3.32	4.36	15.6	11.9	19	11	8	0	1.60	3.1
PPL Corp.	ppl	29	(3)	27	9	15	2.23	2.36	12.8	12.1	11	7	4	0	1.10	3.9
Xcel Energy	xel	18	(3)	28	6	17	1.31	1.40	13.7	12.8	13	4	9	0	0.90	5.0
Ameren	aee	49	(3)	29	(1)	30	3.20	3.81	15.4	13.0	13	6	7	0	2.50	5.1
Westar	wr	21	(4)	30	(6)	41	1.62	1.67	12.8	12.4	5	1	4	0	1.00	4.8
NiSource	ni	20	(4)	31	(10)	47	1.49	1.59	13.4	12.6	15	3	11	1	0.90	4.5
Progress Erg.	pgn	42	(5)	32	2	27	3.03	3.13	13.8	13.4	18	2	14	2	2.40	5.7
Pinnacle West	pnw	39	(5)	33	(8)	46	3.03	3.33	13.0	11.8	12	3	9	0	2.00	5.1
Black Hills	bkh	33	(5)	34	(2)	32	2.17	2.45	15.1	13.4	3	1	2	0	1.30	4.0
PS Enterprises	peg	61	(5)	35	14	9	3.70	4.76	16.6	12.9	10	3	7	0	2.30	3.7
Nstar	nst	27	(6)	36	0	28	1.95	2.08	13.8	13.0	9	5	4	0	1.20	4.4
Teco Energy	te	16	(6)	37	2	26	1.24	1.33	13.0	12.1	16	2	12	2	0.80	5.0
FPL Group	fpl	39	(6)	38	(2)	33	2.83	3.24	13.8	12.0	19	11	8	0	1.50	3.9
Constellation	ceg	53	(7)	39	3	23	3.82	4.78	14.0	11.2	10	4	6	0	1.50	2.8
DTE Energy	dte	40	(8)	40	(12)	49	3.72	3.82	10.7	10.4	10	2	8	0	2.10	5.3
Dominion Res.	d	71	(8)	41	(4)	37	5.21	6.22	13.6	11.4	22	10	11	1	2.80	4.0
Southern Co.	so	31	(9)	42	(2)	31	2.18	2.28	14.4	13.8	18	3	15	0	1.50	4.8
ConEd.	ed	42	(10)	43	(1)	29	3.01	3.14	13.9	13.3	13	3	7	3	2.30	5.5
CMS Energy	cms	13	(10)	44	4	20	1.04	1.17	12.6	11.2	12	6	5	1	0.00	0.0
TXU Corp.	txu	45	(10)	45	11	12	5.58	5.47	8.1	8.3	21	12	8	1	1.70	3.8
Edison Intl	eix	39	(11)	46	10	14	3.04	3.31	12.8	11.7	10	7	3	0	1.10	2.8
WPS Res	wps	49	(11)	47	(5)	40	3.71	4.10	13.3	12.0	7	3	4	0	2.30	4.7
Amer. Elect	aep	33	(12)	48	(4)	38	2.62	2.70	12.5	12.1	17	4	11	2	1.50	4.6
El Paso Elect.	ee	18	(13)	49	(3)	35	1.26	1.53	14.5	11.9	7	5	2	0	0.00	0.0
Average		32	(3)		3		2.23	2.50	14.4	12.8	10	4	6	0	1.25	3.9

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Range of Formal Recommendations 15 total 1-buy-13-holds-1 sell

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Market Perform & Hold Total return is expected to equal the average total return of the analyst's industry coverage universe over the next 12 months.

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Sell Total return is expected to significantly under perform (15% plus) the total return of the industry coverage universe over the next 12 months.

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