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ELECTRIC UTILITIES

Relative Market Performance

Sell Side Report Card
Back Check
April 2007 – November 2007

Expectations vs. Performance

The past few years have been tough on contrarian investors. Maybe not so surprisingly, better performing electric stocks have been names favored by sell side analysts. After all, that's what they're supposedly paid for. This exercise compares how analysts' recommendations on 20 of the larger electric companies (Table 1) fared since our April 2007 report "Market Performance Snapshot." Recommendations are taken from Bloomberg Financial Service and are weighed based on the percentage of buy recommendations to total. Those percentages are then ranked from #1, the highest percentage, to #20, the lowest. Table 2 provides a similar exercise using 47 electric companies but results may be skewed for smaller companies with minimal or zero coverage. The tables as presented list the companies according to current rankings, indicating future relative growth performance.

Specifically, Table 1 column 3 lists the percentage price change since April 23, 2007; column 4 ranks performance from #1 - Allegheny Energy (AYE-NYSE-not rated) 8%, to #20 - PG&E (PCG-NYSE-not rated) -15%; column 5 is the forecasted ranking based on analyst opinions in April 2007; column 6 is estimated future rankings based on current recommendations.

The analysts did well. Of the top 6 performers (column 4), the April forecast picked 5: Allegheny Energy, PPL Corporation (PPL-NYSE-Hold), Exelon Corporation (EXC-NYSE-Hold), Edison International (EIX-NYSE-not rated), and Constellation Energy (CEG-NYSE-Hold). FPL Group (FPL-NYSE-not rated) ranked #3 versus a predicted #10, reflecting its growth prospects in renewable generation, particularly wind power. The major disappointment was PG&E Corp., which declined 15% to rank #20 versus a forecast of #9. The market action reacted to concerns over third-quarter results and earnings targets that may prove ambitious. Analyst current ratings indicate that PG&E should be among the top ten performers (#8) in coming months.

Column 6 is the estimated relative market performance based on current recommendations. The estimated top 5 relative performers are: Allegheny Energy, Exelon Corporation, PPL Corporation, First Energy (FE-NYSE-not rated) and Wisconsin Energy (WEC-NYSE-not rated).

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Table 1
20 Electric Companies
Recommendations vs. Performance
Actual & Estimated
(Presented based on Estimated Relative Performance)

Column		(1)	(2)	(3)	(4)	(5)	(6)
Company	Sym	Intraday			Actual Rank	23-Apr	13-Nov
		Price		%-Chg		Forecast	Estimated
		4/23	5/13		Rank	Rank	Rank
Alleg. Engy.	Aye	53	57	8	1	5	1
Exelon	Exc	74	78	5	4	4	2
PPL Corp	Ppl	45	48	8	2	2	3
First Energy	Fe	69	67	(3)	11	7	4
Wisc. Ergy	Wec	50	46	(7)	14	13	5
Constellation	Ceg	92	95	3	6	1	6
PS Ent.	Peg	90	90	0	9	12	7
PG&E Corp.	Pcg	52	44	(15)	20	9	8
Edison Intl.	Eix	53	55	3	5	3	9
FPL Group	Fpl	64	67	5	3	10	10
Entergy	Etr	115	116	1	8	6	11
Dominion	D	92	90	(2)	10	8	12
AEP	Aep	51	46	(11)	17	11	13
Ameren	Aee	51	52	2	7	15	14
Xcel	Xel	25	22	(12)	19	17	15
Duke	Duk	21	19	(8)	15	14	16
Prog Ergy	Pgn	52	47	(9)	16	19	17
Southern	So	38	36	(6)	13	20	18
DTE Ergy	Dte	50	48	(5)	12	18	19
Con. Ed.	Ed	52	46	(11)	18	16	20
Phil. El. Index	Uty	555	555	0			
Dow Industrials	Indu	12,961	13,301	3			

Table 2 lists and compares market performance with April forecasts and estimates of relative market expectations of 47 electric companies.

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Table 2
47 Electric Companies
Recommendations vs. Performance
Actual & Estimated

Column		(1)	(2)	(3)	(4)	(5)	(6)
Company	sym	4/23	Price 5/13	%-Chg	Actual Rank	23-Apr Forecast Rank	13-Nov Estimated Rank
Alleg Engy.	aye	53	57	8	1	6	1
Allete	ale	50	41	(17)	45	9	2
Exelon	exc	74	78	5	5	4	3
Cleco	cnl	28	27	(5)	17	18	4
PPL Corp	ppl	45	48	8	2	2	5
CMS	cms	19	16	(14)	40	7	6
First Energy	fe	69	67	(3)	14	12	7
MDU Res.	mdu	31	27	(14)	41	5	8
United Illum.	uil	35	35	1	10	47	9
Wisc Ergy	wec	50	46	(7)	22	25	10
Constellation	ceg	92	95	3	7	1	11
PS Ent.	peg	90	90	0	11	23	12
PG&E Corp.	pcg	52	44	(15)	42	19	13
Pepco	pom	30	26	(13)	39	17	14
Sierra Pac.	srp	18	17	(5)	16	24	15
Edison Intl.	eix	53	55	3	6	3	16
FPL Group	fpl	64	67	5	4	20	17
Alliant	Int	45	41	(10)	35	28	18
CH Ergy	chg	48	44	(9)	29	10	19
Empire Dist	ede	26	24	(8)	27	11	20
Entergy	etr	115	116	1	9	8	21
EI Paso El.	ee	27	25	(8)	23	22	22
Westar	wr	28	25	(9)	33	31	23
Dominion	d	92	90	(2)	13	15	24
AEP	aep	51	46	(11)	36	21	25
Ameren	aee	51	52	2	8	29	26
Integrus	teg	56	51	(8)	28	16	27
Xcel	xel	25	22	(12)	38	35	28
Great Plains	gxp	33	30	(10)	34	39	29
NISource	ni	25	18	(29)	46	43	30
NSTAR	nst	37	35	(6)	21	13	31
OGE Ergy	oge	39	35	(9)	31	14	32
Duke	duk	21	19	(8)	25	26	33
Northeast	nu	33	30	(8)	24	34	34
Prog Ergy	pgn	52	47	(9)	32	41	35
PinWest	pnw	50	42	(16)	43	44	36
Portland GE	por	29	26	(9)	30	37	37
Southern	so	38	36	(6)	19	42	38
Teco Ergy	te	18	17	(5)	18	30	39
PNM Res.	pnm	33	23	(31)	47	27	40
DTE Ergy	dte	50	48	(5)	15	38	41
Scana	scg	45	42	(8)	26	40	42
Con. Ed.	ed	52	46	(11)	37	32	43
Black Hills	bkh	39	41	6	3	33	44
Cent Vt.	cv	31	29	(6)	20	45	45
Hawaiian El.	he	26	22	(17)	44	46	46
IDACORP	ida	34	33	(2)	12	36	47
Average		45	42	(5)			

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Table 3 lists year-to-date and 12-months trailing market performances of 47 electric companies, consensus earnings for 2007 and 2008, equity capitalization, total recommendations, buy ratings and buy ratings as a percentage of totals.

Table 3
47 Electric Companies - Comparative Market Performance

COLUMN		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Company	Sym	11/13	Price %-ytd	%-yr	EPS-C 2007	EPS-C 2008	Div PS	Mkt Val \$-Bil	Total	Recom. Buys	Bias
AEP	aep	46	7	10	2.94	3.16	1.50	18	18	7	39
Alleg Enegy.	aye	57	25	30	2.22	2.57	0.00	9	12	10	83
Allete	ale	41	(11)	(10)	2.99	3.18	1.45	1	5	4	80
Alliant	lnt	41	7	3	2.52	2.70	1.15	5	4	2	50
Ameren	aee	52	(3)	(2)	3.34	3.58	2.54	11	13	5	38
Black Hills	bkh	41	11	17	2.51	2.52	1.32	1	6	0	0
Cent Vt.	cv	29	24	35	1.40	1.40	0.69	0	2	0	0
CH Ergy	chg	44	(17)	(16)	2.61	2.75	2.16	1	2	1	50
Cleco	cnl	27	5	4	1.31	1.77	0.90	2	8	6	75
CMS	cms	16	(2)	8	0.81	1.24	0.00	4	14	10	71
Con. Ed.	ed	46	(4)	(3)	3.19	3.28	2.30	12	15	2	13
Constellation	ceg	95	38	44	4.57	5.62	1.51	17	11	7	64
Dominion	d	90	7	11	5.32	6.20	2.76	31	20	8	40
DTE Ergy	dte	48	(2)	3	2.76	3.28	2.08	8	12	2	17
Duke	duk	19	0	5	1.22	1.26	1.26	24	21	6	29
Edison Intl.	eix	55	20	21	3.51	3.73	1.10	18	13	7	54
El Paso El.	ee	25	2	5	1.49	1.75	0.00	1	7	3	43
Empire Dist	ede	24	(3)	1	1.30	1.50	1.28	1	4	2	50
Entergy	etr	116	26	33	5.64	6.87	2.16	24	16	8	50
Exelon	exc	78	26	32	4.31	4.61	1.60	52	19	15	79
First Energy	fe	67	11	13	4.19	4.27	1.85	21	13	9	69
FPL Group	fpl	67	24	26	3.45	3.84	1.50	27	17	9	53
Great Plains	gxp	30	(6)	(8)	1.66	1.87	1.66	2	6	2	33
Hawaiian El.	he	22	(21)	(20)	1.07	1.48	1.24	2	5	0	0
IDACORP	ida	33	(14)	(15)	1.85	2.15	1.20	1	6	0	0
Integrus	teg	51	(5)	(4)	2.66	3.89	2.28	2	8	3	38
MDU Res.	mdu	27	4	3	1.75	1.98	0.52	5	12	8	67
NiSource	ni	18	(27)	(26)	1.41	1.40	0.92	5	12	4	33
Northeast	nu	30	8	16	1.48	1.79	0.73	5	11	3	27
NSTAR	nst	35	1	(2)	2.10	2.25	1.54	4	9	3	33
OGE Ergy	oge	35	(12)	(11)	2.40	2.45	1.34	3	3	1	33
PG&E Corp.	pcg	44	(6)	0	2.77	3.00	1.32	17	16	10	63
PinWest	pnw	42	(17)	(12)	2.76	2.74	2.03	4	12	3	25
Portland GE	por	26	(3)	(3)	2.15	1.88	0.68	2	8	2	25
Potomac	pom	26	1	3	1.61	1.98	1.04	5	10	6	60
PPL Corp	ppl	48	35	42	2.41	2.45	1.10	19	11	8	73
Prog Ergy	pgn	47	(4)	2	2.82	3.04	2.43	12	19	5	26
PS Ent.	peg	90	36	40	5.29	6.13	2.28	23	11	7	64
PS New Mex	pnm	23	(27)	(25)	1.34	1.76	0.88	2	11	2	18
Scana	scg	42	2	2	2.66	2.88	1.68	5	7	1	14
Sierra Pac.	srp	17	2	8	0.88	1.02	0.00	4	9	5	56
Southern	so	36	(3)	(0)	2.19	2.29	1.54	27	20	5	25
Teco Ergy	te	17	(1)	3	1.03	1.13	0.76	4	15	3	20
United Illum.	uil	35	(17)	(16)	1.85	2.15	1.73	1	3	2	67
Westar	wr	25	(2)	(2)	1.75	1.55	1.00	2	7	3	43
Wisc Ergy	wec	46	(2)	1	2.67	2.78	0.92	5	15	10	67
Xcel	xel	22	(5)	(2)	1.40	1.51	0.88	9	13	5	38
Average		42	5	8	2.46	2.74	1.34	10	11	5	44

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Hold	81%	0%
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