

US Electric Utilities & IPPs

Breaking down the New FERC ROE Methodology [Updated]

Equities

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FERC ROE MtM drives 6.74-13.16% 'zone of reasonableness'; 11.56% ROE

We have prepared a mark-to-market replica of FERC's two-step DCF methodology (using consensus forecasts for short term growth rates and 2014 dividend yields) and see up to 100bp of upside to 11.56% from 10.57% as calculated previously. The high-end zone of reasonableness increases to 13.16% (Portland General Electric, POR) from 11.74% (UIL Holdings) driven by POR's 12.11% five-year growth forecast. While POR is not considered an outlier by FERC's definition (five-year growth forecast of 12.1% is below the 13.3% limit), applying a 10% growth rate (FactSet '13-'16) would lower POR's ROE to 11.75%, in-line with the original FERC study high-end. The true 75th percentile actually would decline from to ~9.50% from ~9.75% still significantly below the FERC 'high-midpoint average' methodology.

More room for incentives with a higher top-end

The high-end is critical as this represents the cap on total incentives, disproportionately impacting ITC Holdings. Our MtM high-end of 13.16% is 'only' ~70bp below ITC's highest earnings subsidiary (ITC Transmission) and could present 140bps of upside (13.16% less 11.74%). Every 100bp improvement for ITC's ROE is worth ~\$0.25/sh, implying ~\$4/sh of upside in our valuation. We would expect a host of companies including Ameren and Xcel to request ROE incentive adders. Wisconsin Energy has not pursued the +50bp adder for ROE participation in the past but has not ruled it out.

Upside to ROE should benefit those with pending ROE cases, but primarily ITC

The underlying assumptions in the MtM can change but we view the potential for a higher ROE cap as a clear positive for ITC in particular (NU's rate has largely been established through the latest order). At the very least, even in the adjusted scenario the high-end of the range would be unchanged which should provide investors with confidence that another leg down is unlikely. ITC has rebounded from its lows and is up 800bps from its trough, partially on increased REIT confidence. NU has perennially underperformed YTD with a drop around earnings following the nominal guidance reduction (essentially a guidance increase when normalizing for the FERC ROE charge).

Figure 1: FERC ROE Analysis Summary

ROE Analysis Summary	Low	Midpoint	High	FERC 75th %	"True" 75th %
Zone of Reasonableness (Original)	7.03	9.39	11.74	10.57	9.77
Zone of Reasonableness (UBSe MTM)	6.74	9.95	13.16	11.56	9.48
Zone of Reasonableness (Adj. MTM)	6.74	9.24	11.75	10.49	9.48

Source: Company Filings, FactSet, Yahoo! Finance (I/B/E/S), UBS

This note updates and replaces a prior version to correct commentary on Page 1 about Wisconsin Energy and ROE incentives and a calculation on the adjusted MTM row from Figure 1.

The Power Line on the FERC ROE Mark-to-Market:

We see 100bp of upside to the FERC's recently established ROE methodology upon applying a 'mark-to-market' of underlying assumptions, and another 140bp of improvement over the high-end of the zone of reasonableness, key to enabling ITC to maintain its current full ROE. We see this as a clear positive for transmission focused names including the Buy rated ITC, as the review of its ROE remains pending before FERC via the pending complaint against all MISO transmission companies. We suspect updated data will necessarily need to be reflected into the case (although exact timing remains unclear), likely providing yet another source of upside to Street estimates on ITC (beyond our expectation for ITC to simply ask to review).

In the most optimistic case for ITC (and other MISO transmission developers like AEE), If the high-mark of Portland General Electric is challenged (as we would expect following the scrutiny on UIL Holdings - the original high ROE), the ROE could be left essentially unchanged.

We ultimately caution that the FERC emphasized with its final decision in New England that it was allowing the current methodology to reflect the exceptional nature of the capital markets (ie – low interest rates), suggesting there is no hard evidence to suggest the commission will stay the course on its latest approach. As such, we see our latest 'marking-to-market' as indicative of the trend rather than necessarily being applied in exactly the same manner in subsequent cases.

Updated assumptions for ROE yield 1% improvement to mid-11% from 10.57% in New England case (for NU)

We suspect a better decision could be forthcoming in the ROE complaint against MISO (and ITC)

Small cap growth utilities drive the top end of the band

Circularity to the ROE methodology? Small caps drive ROE sensitivity

Among the broader concerns implicit to the latest methodology is the linear relationship between projected growth rates (using the IBES 5-year forecasted rate) and authorized ROE. In particular, we emphasize the approach relies upon meaningful sensitivity of a select group of small-cap utilities - and their above-average growth rates. Ironically, ITC is the second-fastest growing utility, on the back of both its ROE as well as capitalization. Portland General Electric (POR) is a distribution-focused utility with 'only' \$417Mn of gross asset as of 12/31/13.

Consolidation of fast-growing small/mid utilities could impact ROE negatively

We also suspect the low interest rate environment could yet drive continued consolidation, as larger utilities seek to potentially acquire smaller capital deficient utilities in their quests to continue to grow. This could remove top-tier growth utilities from the list, with the FERC removing any company even pending a transaction from its peer set. We see this as a potentially broader concern for some at the top of the list (we don't view ITC as much of a potential takeover target). In the previous study only four companies were excluded (including the failed ETR-ITC proposed transaction) for M&A purposes and that number more than doubles in our FERC methodology replica mark-to-market analysis to nine.

ROEs could be negatively impacted by acquisition of fast-growing utilities, by their cash-rich, larger peers

But slowing capital investment – and EPS growth – drives down ROEs

However, with ITC and other smid cap utilities likely to see a slowing EPS growth profile through the decade on the back of slowing demand growth, we see a valid argument to seeing the high end of the ROE band to compress. While rising rates, and improving GDP growth should prove offsets to declining growth prospects in the sector, we estimate ~60% of the underlying ROE building block is premised on the company's ability to grow in the upper band of the range. It's important to appreciate that the fastest growing utilities in the smid sector are projected to grow in the 12% range, significantly above the 4-6% range the 'average' utility expects through the forecast period (IBES average is 5.3% for this exercise).

What about the California utilities? Continue to benefit somewhat

The other big potential beneficiary from new ROE methodology remains the California IOUs, emphasizing the potential upside to EIX. We calculate the MtM uplift as yielding an ROE of 9.48% (vs. 9.77% under the original calculation) using the 'median' methodology (75% percentile) applied to single companies seeking new rates (rather than generic ROEs across entire regions). The rate was last set in a Nov 2013 settlement that granted a 9.30% base plus 50 bps for CAISO participation and another 65 bps weighted average for project incentives. Our estimates embed a few extra pennies to account for the likelihood that FERC transmission ROEs will increase in July 2015 after the moratorium on ROE is lifted.

Meanwhile, this would in theory apply to the PJM transmission names as well, but without meaningful complaints across many of the larger TOs (aside Maryland), we see little impact.

What does this mean for ITC? Positive estimate impact

Applying our new ROE methodology would allow ITC to maintain its existing ROE under a best case assumption, **an \$0.25 EPS improvement – and a corresponding \$4/sh improvement in our valuation (with 14x peer group and 2x turn premium).**

Slowing capex needs could weigh on long-term authorized ROE trend

Slight upside on ROE for EIX

PCG's latest black box settlement yields an effective ROE in mid-10% range

We read the more constructive ROE outlook as supportive of other transmission-oriented stories, such as AEP and NU. The decision on the MISO 206 would benefit WEC and AEE

Presenting our Peer Group Analysis

Please ask us for a working Excel model version of the note model below.

Figure 2: Updated FERC Methodology Replica ROE Analysis (February 1-August 1 2014; Prepared 8/15)

Company	Tickers	I/B/E/S 5Yr	LT GDP Growth	Composite	6 Mo. Avg Adj. Div. Yield	ROE	ROE Rank	Excluded	Excluded Previously	S&P Rating	Moody's Rating
Portland General Ele.	POR	12.11	4.39	9.54	3.63	13.16	100%			BBB	Baa2
PEPCO Holdings	POM	10.00	4.39	8.13	4.66	12.79		M&A		BBB+	Baa3
Ameren	AEE	8.90	4.39	7.40	4.24	11.63		M&A	Low ROE	BBB+	WR
ITC Holdings	ITC	11.48	4.39	9.12	1.77	10.89	97%		M&A	A-	Baa2
Hawaiian Electric	HE	4.00	4.39	4.13	6.57	10.70	95%			BBB-	WR
UNS Energy Group	UNS	8.00	4.39	6.80	3.29	10.09		M&A	Credit	N/A	Baa1
TECO Energy	TE	5.08	4.39	4.85	5.22	10.07		M&A		BBB+	Baa3
UIL Holdings	UIL	5.58	4.39	5.18	4.80	9.98	92%		Credit	BBB	Baa2
PG&E	PCG	6.44	4.39	5.76	4.19	9.94	89%			BBB	Baa1
PNM Resources	PNM	8.32	4.39	7.01	2.80	9.81	86%		Credit	BBB	Baa3
CMS Energy	CMS	6.80	4.39	6.00	3.79	9.79	84%			BBB	Baa2
Otter Tail	OTTR	6.00	4.39	5.46	4.24	9.70	81%			BBB	Baa2
NorthWestern	NWE	7.00	4.39	6.13	3.46	9.59	78%			BBB	Baa1
ALLETE	ALE	6.00	4.39	5.46	4.02	9.48	76%			BBB+	Baa1
Cleco	CNL	7.00	4.39	6.13	3.13	9.26	73%			BBB+	Baa1
El Paso Electric	EE	7.00	4.39	6.13	3.12	9.25	70%			BBB	Baa1
Northeast Utilities	NU	6.31	4.39	5.67	3.57	9.24	68%			A-	Baa1
DTE Energy	DTE	5.87	4.39	5.38	3.74	9.11	65%			BBB+	A3
Dominion Resources	D	6.02	4.39	5.48	3.53	9.00	62%			A-	Baa2
Black Hills Corp	BKH	7.00	4.39	6.13	2.82	8.95	59%			BBB	Baa1
NextEra Energy	NEE	6.48	4.39	5.78	3.09	8.87	57%			A-	Baa1
Avista	AVA	4.80	4.39	4.66	4.19	8.86		M&A		BBB	Baa3
Sempra	SRE	6.88	4.39	6.05	2.76	8.81	54%			BBB+	Baa1
Duke Energy	DUK	4.19	4.39	4.26	4.52	8.77	51%			BBB+	A3
OGE Energy	OGE	7.05	4.39	6.16	2.55	8.71	49%			A-	A3
SCANA	SCG	4.60	4.39	4.53	4.18	8.71	46%			BBB+	Baa3
American Electric Po.	AEP	4.79	4.39	4.66	4.02	8.67	43%			BBB	Baa1
Great Plains Energy	GXP	5.17	4.39	4.91	3.65	8.56	41%			BBB	Baa2
Southern Company	SO	3.35	4.39	3.70	4.85	8.55	38%			A	Baa1
Wisconsin Energy	WEC	5.24	4.39	4.96	3.52	8.47		M&A		A-	A2
Xcel Energy	XEL	4.49	4.39	4.46	3.96	8.41	35%			A-	A3
Alliant Energy	LNT	4.90	4.39	4.73	3.66	8.39	32%			A-	A3
Integrus Energy Group	TEG	3.50	4.39	3.80	4.58	8.38		M&A		A-	Baa1
Vectren	VVC	4.50	4.39	4.46	3.78	8.24	30%			A-	N/A
Pinnacle West Capital	PNW	3.75	4.39	3.96	4.28	8.24	27%			A-	Baa3
CenterPoint Energy	CNP	3.87	4.39	4.04	4.02	8.06	24%			A-	Baa1
Consolidated Edison	ED	2.72	4.39	3.28	4.59	7.87	22%			A-	WR
Empire District Elec.	EDE	3.00	4.39	3.46	4.33	7.80	19%			BBB	Baa1
Westar Energy	WR	2.90	4.39	3.40	4.01	7.40	16%			BBB	Baa3
IDACORP	IDA	4.00	4.39	4.13	3.19	7.32	14%			BBB	Baa2
PPL Corp	PPL	1.55	4.39	2.50	4.55	7.05		M&A		BBB	Baa3
Entergy	ETR	1.33	4.39	2.35	4.69	7.04	11%		M&A	BBB	Baa3
MGE Energy	MGEE	4.00	4.39	4.13	2.89	7.02	8%		Credit	AA-	N/A
PSE&G	PEG	2.00	4.39	2.80	3.99	6.79	5%		Low ROE	BBB+	Baa2
Edison International	EIX	3.87	4.39	4.04	2.69	6.74	3%		Low ROE	BBB-	A3
Exelon	EXC	1.37	4.39	2.38	3.75	6.12		M&A	Div Cut	BBB	Baa2
FirstEnergy	FE	-0.37	4.39	1.22	4.47	5.68		Div & ROE		BBB-	Baa3
CH Energy Group	N/A	N/A	4.39	N/A	N/A	N/A		M&A	No Est.	N/A	N/A
NV Energy	N/A	N/A	4.39	N/A	N/A	N/A		M&A	Credit	N/A	N/A

Source: Company Filings, FactSet, Yahoo! Finance (I/B/E/S), UBS. Green cells highlight the High, 75th percentile, and Low figures corresponding to Fig 1.

As discussed above, ITC has almost fully recovered from the FERC decision due at least partially to the potential for a REIT conversion but Northeast Utilities continues to underperform. Notably, management has shifted from stating it has not filed for a Private Letter Ruling (PLR) from the IRS for REIT status, to providing no comment on the issue. The credibility of such a structure was similarly enhanced when telecomm towers company, Windstream (WIN) filed for a similar

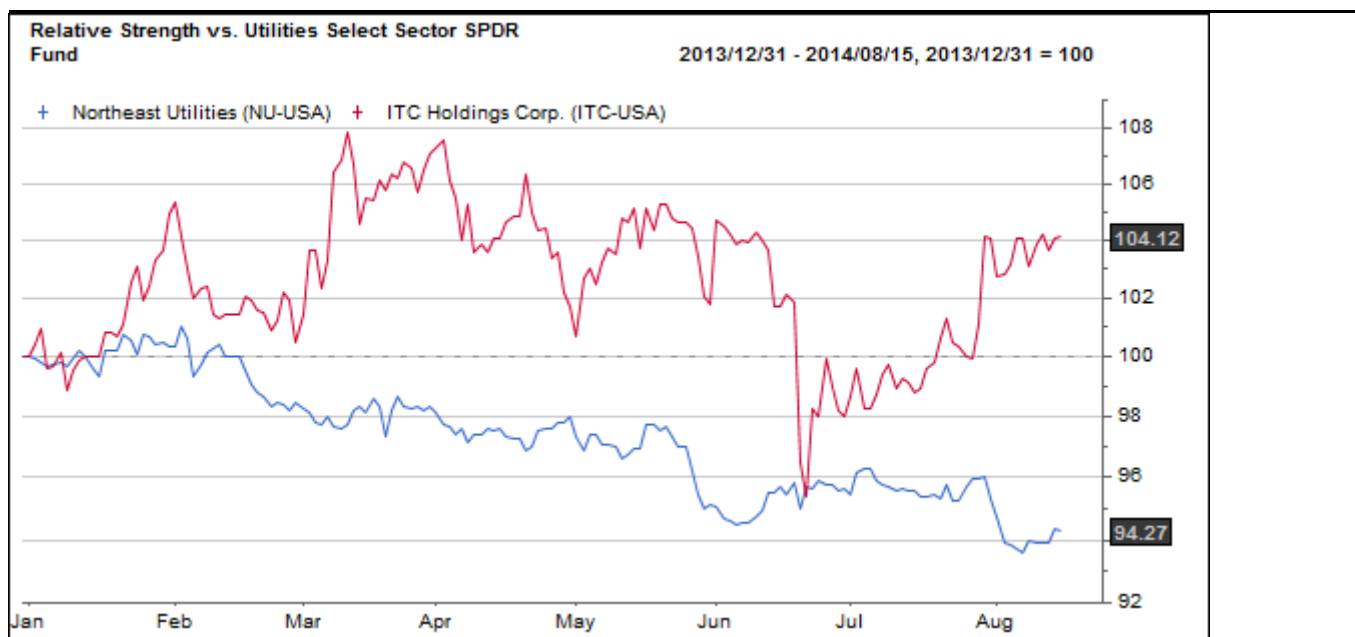
Clarity on other issues at ITC help too:

- 1) REIT potential remains
- 2) Permanent CFO put in place
- 3) Lake Erie merchant project

REIT structure. We emphasize ROE clarity before FERC remains a gating item before the company would likely file for such a status (but expect shares to trade as a function of such likelihood).

We expect this outperformance to continue with greater clarity on a potential new strategy following the appointment of a permanent CFO by the board last week – and expanded capital expenditure opportunities, emphasizing its latest Lake Erie project as a clear example of a merchant project previously identified by PJM to deal with ATSI related congestion (although the contemplated project proposed by PJM would not have interconnected from Canada, but rather from elsewhere in the PJM system, and was part of its proposed 'upgrade' costs to Dynegy's proposed expansion of exports from MISO into the PJM footprint).

Figure 3: ITC and NU Relative Performance YTD



Source: FactSet

Reconstructing FERC Two-Step DCF Methodology:

While all parties may not agree on the methodology and underlying components, we have relied upon the precise methodology to ensure comparability (Docket EL11-66-001). We suspect a similar methodology will yet be adopted in the final decision for the pending MISO 206 case (Docket EL14-12-000).

Methodology: Composite Growth Component + Adjusted Dividend Yield = ROE

$$= (2/3) * IBES \text{ Growth Rate} + (1/3) * GDP \text{ Growth Rate} + (\text{Six-Month Dividend Yield} * (1 + .5g))$$

Growth Component: Two-thirds short-term and one-third long-term weighting

- (1) **Short-Term (2/3) I/B/E/S Five-Year Growth Forecast:** The original FERC analysis uses IBES "Next 5 Years" consensus growth rate from Yahoo! Finance (finance.yahoo.com)
- (2) **Long-Term (1/3) GDP Growth Forecast:** The annual long-term GDP forecast of 4.39% from 2017-2040+ was based upon studies from the past

two years. We consulted the latest available data from EIA and the Social Security Administration noting insignificant changes hence continue to utilize 4.39%.

Dividend Yield Component: Six-Month Average Adjusted Dividend Yield

The expected dividend is applied against the average share price over the last six month period (we utilize February 1 – August 1, 2014). An adjustment is applied to the dividend yield to indicate expected growth of ½ the composite growth rate.

What utilities make the cut?

The FERC utilizes a national proxy group with the following exclusions based upon low credit ratings, dividend cuts, significant M&A activity, and/or growth rate outliers.

(1) Credit Rating: Within S&P (A to BBB-) and Moody's (A1 to Baa3) ranges

(a) Excluded by UBS: None

(b) Excluded Previously: MGE, NV Energy, PNM Resources, and Unisource

(2) Dividend Cuts: No dividend cuts in last six months

(a) Excluded by UBS: FirstEnergy (reduced dividend from \$0.55/sh to \$0.36/share in 1Q14).

(b) Excluded Previously: Exelon

(3) M&A Activity: No Significant M&A in the last six months

(a) Excluded by UBS: PEPCO, Ameren, UNS Energy, TECO, Avista, Wisconsin Energy, Integrys Energy, PPL, Exelon, CH Energy Group, and NV Energy

(b) Excluded Previously: Entergy and ITC Holdings

(4) Growth Rate Outliers:

(a) High-End: Cost of equity (17.7%) or Growth rate (13.3%)

The closest to hitting this metric are ITC Holdings with 11.5% forecasted growth (11-13% "with potential upside" 2014-2018 EPS CAGR guidance) and Portland General Electric at 12.11% (10% ratebase growth forecast; long-term EPS forecast not disclosed).

i. Excluded Currently and Previously: None

(b) Low-End: ROE +100bp is below the Moody's average six-month bond yield

i. Excluded Currently (ROE Below ~5.69%): FirstEnergy

FE is the only company presented with a negative five-year earnings growth forecast which drives an ROE 1bp below the threshold. FE also fails the dividend cut test above.

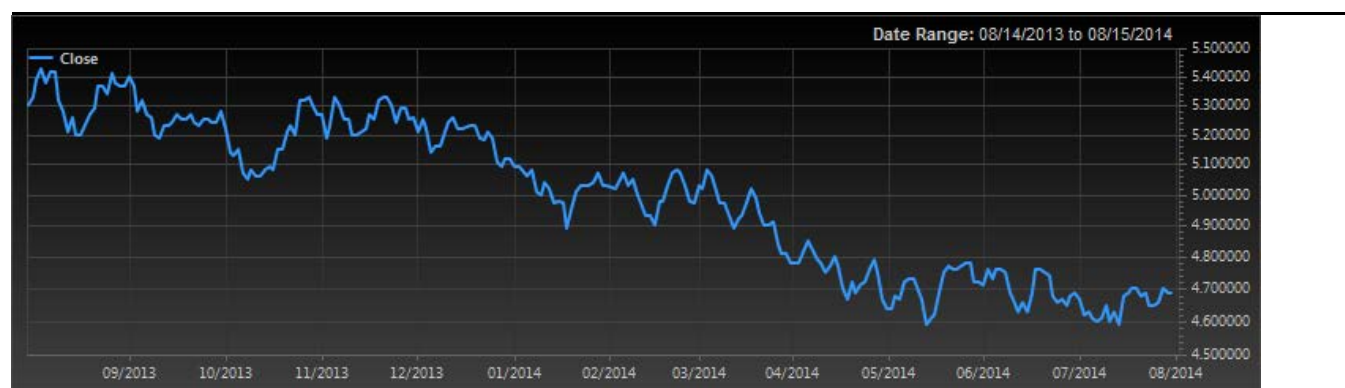
ii. Excluded Previously (ROE Below ~5.61%): Edison International, Ameren, and PSE&G

(c) No Consensus Growth Rate Available: (Also failed M&A Test)

i. Excluded Currently: CH Energy Group and NV Energy

ii. **Excluded Previously: CH Energy Group (also failed the M&A test)**

Figure 4: Moody's BAA Utilities Bond Yield



Source: FactSet

The Commission also ended its practice of 'marking-to-market' for movements in US Treasury bonds after utilizing a two-step DCF methodology and commented that "Treasury bond yields are not necessarily a reliable one-for-one indicator of changes in investor-required returns."

Figure 5: 30 Year US Treasury Rate



Source: FactSet

Figure 6: 10 Year US Treasury Rate



Source: FactSet

For further details on the FERC ROE proceedings, please refer to our note on ITC following the decision, '[Putting a Cap on Returns](#)'.

Below we present the results of the original FERC calculation.

Figure 7: FERC DCF Analysis: Natural Gas Model Using Data for the Six-Month Period Beginning October 2012 and Ending March 2013

Company Name	6 Mo. Avg Div. Yield	I/B/E/S	GDP	Composite	Adj. Div. Yield	DCF Result	Rank
UIL	4.72	8.1	4.39	6.86	4.88	11.74	100%
D	4.22	7.27	4.39	6.31	4.36	10.67	97%
NU	3.67	8.04	4.39	6.82	3.79	10.62	95%
PNW	4.1	7.3	4.39	6.33	4.23	10.56	92%
TEG	5.01	5.67	4.39	5.24	5.15	10.39	89%
WR	4.42	6.5	4.39	5.8	4.55	10.34	87%
CNL	3.2	8	4.39	6.8	3.3	10.1	84%
GXP	4.04	6.55	4.39	5.83	4.16	9.99	82%
ALE	4.37	6	4.39	5.46	4.49	9.95	79%
FE	5.26	4.6	4.39	4.53	5.38	9.91	76%
75th Percentile						9.77	75%
LNT	4.14	5.87	4.39	5.38	4.25	9.63	74%
CMS	4.09	5.9	4.39	5.4	4.2	9.6	68%
BKH	4	6	4.39	5.46	4.11	9.57	66%
VVC	4.64	5	4.39	4.8	4.75	9.55	63%
OTTR	4.6	5	4.39	4.8	4.71	9.51	61%
POM	5.46	3.63	4.39	3.88	5.57	9.45	58%
NEE	3.72	6.2	4.39	5.6	3.82	9.42	55%
SO	4.4	4.8	4.39	4.66	4.5	9.16	53%
POR	3.86	5.58	4.39	5.18	3.96	9.14	50%
NWE	4.18	5	4.39	4.8	4.28	9.08	47%
AVA	4.84	4	4.39	4.13	4.94	9.07	45%
DUK	4.62	4.2	4.39	4.26	4.72	8.98	42%
CNP	3.99	5	4.39	4.8	4.09	8.89	39%
XEL	3.9	5.12	4.39	4.88	3.99	8.87	37%
SRE	3.5	5.65	4.39	5.23	3.59	8.82	34%
SCG	4.26	4.43	4.39	4.42	4.36	8.77	32%
WEC	3.51	5.37	4.39	5.04	3.6	8.64	29%
TE	5.09	2.9	4.39	3.4	5.18	8.58	26%
HE	4.75	3.3	4.39	3.66	4.83	8.5	24%
DTE	3.97	4.42	4.39	4.41	4.05	8.46	21%
PPL	4.96	2.7	4.39	3.26	5.04	8.31	18%
EDE	4.73	3	4.39	3.46	4.81	8.28	16%
AEP	4.22	3.6	4.39	3.86	4.31	8.17	13%
PCG	4.34	3.1	4.39	3.53	4.41	7.94	11%
IDA	3.39	4	4.39	4.13	3.46	7.59	8%
OGE	2.87	4.55	4.39	4.5	2.93	7.43	5%
ED	4.26	2	4.39	2.8	4.32	7.12	3%
EE	3.04	3.7	4.39	3.93	3.1	7.03	0%
AEE	4.99	-1.8	4.39	0.26	4.99		Low-end Outlier
EIX	2.91	-1.9	4.39	0.2	2.91		Low-end Outlier
PEG	4.59	-0.68	4.39	1.01	4.61		Low-end Outlier

Source: FERC

Statement of Risk

Risks for Utilities and Independent Power Producers (IPPs) primarily relate to volatile commodity prices for power, natural gas, and coal. Risks to IPPs also stem from load variability, and operational risk in running these facilities. Rising coal and, to a certain extent, uranium prices could pressure margins as the fuel hedges roll off Competitive Integrations. Further, IPPs face declining revenues as in the money power and gas hedges roll off. Other non-regulated risks include weather and for some, foreign currency risk, which again must be diligently accounted in the company's risk management operations. Major external factors, which affect our valuation, are environmental risks. Environmental capex could escalate if stricter emission standards are implemented. We believe a nuclear accident or a change in the Nuclear Regulatory Commission/Environment Protection Agency regulations could have a negative impact on our estimates. Risks for regulated utilities include the uncertainty around the composition of state regulatory Commissions, adverse regulatory changes, unfavorable weather conditions, variance from normal population growth, and changes in customer mix. Changes in macroeconomic factors will affect customer additions/subtractions and usage patterns..

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UBS Investment Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage ¹	IB Services ²
Buy	FSR is > 6% above the MRA.	48%	33%
Neutral	FSR is between -6% and 6% of the MRA.	41%	30%
Sell	FSR is > 6% below the MRA.	11%	23%
Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%

Source: UBS. Rating allocations are as of 30 June 2014.

1:Percentage of companies under coverage globally within the 12-month rating category. 2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category. 4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

KEY DEFINITIONS: **Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Short-Term Ratings** reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case. **Equity Price Targets** have an investment horizon of 12 months.

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UBS Securities LLC: Julien Dumoulin-Smith; Michael Weinstein; Paul Zimbardo.

Company Disclosures

Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
Ameren Corp. ^{6a, 16}	AEE.N	Neutral	N/A	US\$38.93	18 Aug 2014
American Electric Power, Inc. ^{4, 6b, 7, 16}	AEP.N	Neutral	N/A	US\$51.47	18 Aug 2014
Dynegy, Inc. ^{5, 16}	DYN.N	Buy	N/A	US\$28.70	18 Aug 2014
Edison International ^{6a, 16}	EIX.N	Buy	N/A	US\$57.54	18 Aug 2014
Entergy Corp. ¹⁶	ETR.N	Neutral	N/A	US\$72.75	18 Aug 2014
FirstEnergy Corp. ¹⁶	FE.N	Sell	N/A	US\$32.84	18 Aug 2014
ITC Holdings Corp ¹⁶	ITC.N	Buy	N/A	US\$36.70	18 Aug 2014
Northeast Utilities ^{6a, 13, 16}	NU.N	Buy	N/A	US\$44.18	18 Aug 2014
PG&E Corporation ^{6a, 16}	PCG.N	Neutral	N/A	US\$44.99	18 Aug 2014
Wisconsin Energy Corp. ¹⁶	WEC.N	Neutral	N/A	US\$43.28	18 Aug 2014
Xcel Energy Inc. ^{6a, 16}	XEL.N	Neutral	N/A	US\$30.89	18 Aug 2014

Source: UBS. All prices as of local market close.

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