

# US Weekly IPP Power Points

## Dimming Capacity Auction Prospects

### Equities

Americas  
Electric Utilities

#### FERC pushes back on some of PJM's reform in part, likely disappointing

FERC issued two orders late on Friday as part of PJM's reforms in looking at the RPM market. Importantly, it rejected PJM's wider ask around buying back capacity, setting the broader issue for a technical conference and review (likely by ~year end), FERC Docket ER14-1461. Meanwhile, in a split vote, it largely approved reforms geared towards increasing Demand Response operational flexibility, with a dissenting vote from Norris, FERC Docket ER14-822. While all the reforms approved thus far (including the transmission proposal approved a few weeks back) have a positive effect on the RPM auction, we estimate the cumulative impact should prove quite modest (+\$10-15/MW-day). EnerNOC stated last week on its 1Q call it did not intend to scale back its operations in PJM, seemingly despite the reforms, holding at steady at ~4-5GW of cleared capacity YoY. The less onerous reforms are likely to only reiterate the belief mgmt. can continue to achieve this target. Furthermore, the rejection on implementing buying back restrictions, etc. will likely enable a further year of meaningful capacity additions. The PJM RPM auction is set to begin this week today, Monday, 5/12th and run through Thursday, May 16th. Our price expectations remain at ~\$80/MW-day for RTO and MAAC together, with a bias to the downside, as low as ~\$50/MW-day. With the Street fixated on these reforms as the savior to pricing in the auction (and a uniform caucus of expectations that they would be approved), we see the latest datapoint as the first (smaller) negative in coming weeks around the auction (with the results themselves proving the bigger disappointing vs. expectations of \$80-100/MW-day).

#### Will FE's ATSI region receive higher capacity pricing? Mostly in FERC hands

A third last issue remains pending (FERC Docket EL14-36) from FirstEnergy filed on April 7th around how its energy-offset to its unit specific (whether the tariff requires the use of lower of cost or price-based bids in determining marginal cost, or requires just cost based); this decision could very well impact whether or not the ATSI region clears separately. Why is this the case? Because in order for ATSI to continue separately, FE must be able to bid its entire portfolio at a relatively high price; without the ability to bid in its full cost (presumably its price-based offers are crafted to clear the energy market, rather than embedding the full marginal cost of operating), it's not as clear that the units can set pricing. This is particularly true in operating its nuclear plants in the ATSI zone, where they operate mostly as price takers, but ultimately have significant fixed costs they need to amortize. Even with this reform approved, it remains unclear if ATSI will be separate. Without it, it appears ATSI is unlikely to clear separately in our view. Lastly, we believe these rule changes could yet impact the bidding practices of Exelon's nuclear portfolio, adding to the ACRs allowed by their portfolio as well in the ComEd zone; a positive decision here too from FERC would bolster expectations this region would breakout separately too.

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Please refer to Page 8 for a one-page recap of our publications this week.

## AEP's second Ohio energy auction nearly clears at \$10/MWh

Below we present our analysis of AEP's second auction where we estimate implied margin of \$9.38/MWh, up significantly from \$8.53/MWh for the first AEP energy-only auction earlier this year reflecting the strong appreciation in AD Hub Pricing (+17%) in just the last few months. This result is yet another construction outcome in a trend of robust wholesale margins as of late. Both auctions are notably higher than previous retail auctions in 2013.

Strength in AD Hub drives substantial margin benefit for AEP.

**Figure 1: AEP Energy Auction Results – Continued Robust Margins Seen**

May 6th, 2014 Auction - AEP Auction		
Delivery Period: Production from November 2014-May 2015		
	2014	2015
Tranche Target		
# of Tranches Procured		25
		1-Year
Actual Clearing Price (\$/MWh)		50.00
Power Calendar Forwards		1-Year
AD Hub Price (\$/MWh), Annual		39.87
AD Hub Price (\$/MWh), Calendarized		39.87
AEP Basis to AD Hub		(\$1.75)
AEP Hub Estimated Pricing		38.12
Non-Energy Margin		11.88
Margin Ex-Energy/Capacity		11.88
Ancillary Services		\$0.00
Realized Margin, pre-Shaping/Migration Risk (\$/MWh)		11.88
Supply Mgmt Risk Adjustment (~5%)		\$2.50
Implied Margin post Shaping Risk (\$/MWh)		9.38

Source: Company Filings, PUCO, and UBS Estimates

## Florida Supreme Court case regarding NEE rate settlement bears watching

Earlier this week we spoke with Commissioner Ron Brise' of the Florida Public Service Commission (FPSC). In the next few weeks, we reiterate our Buy rating for NEE but want to highlight a small risk that the Florida Supreme Court could invalidate NEE's 2012 4-year settlement, effectively eliminating the \$610M Generation Rate Base Adjustment (GBRA) with no method to restore it short of a new rate case filing during the 4-year stay-out. To be sure, we feel the risk of this happening is small and reiterate our Buy rating, but given the potentially large consequences, we think the outcome is worth monitoring. This case began when the Office of Public Counsel (OPC) sued the FPSC after the settlement agreement was approved by the FPSC without OPC onboard. Commissioner Brise' felt confident of a FPSC victory that would leave the settlement in place but also made it clear that regardless of outcome, TECO's settlement and GBRA would remain unaffected. Decisions are usually released on Thursday mornings at 11 AM at <http://www.floridasupremecourt.org/decisions/opinions.shtml>. The case # is SC14-147.

Simplified, OPC essentially argues that since they were established by an act of the legislature, they have peer-like status with the FPSC and an effective veto over the approval of any settlement agreement arrived at outside the established record and procedure of a fully litigated rate case. Commissioner Brise' believes that in order to invalidate a FPSC order, the Court would have to find that the Commissioners were unqualified to execute their authority, a high hurdle to clear that makes an OPC victory very unlikely. Nevertheless, should the Supreme Court side with OPC, he believes that the FPSC would be likely to try and approve an amended settlement first. Failing that, they would be likely to go back to the established record of the case and simply issue a final order as if it were litigated (within only a matter of weeks once they set a date for a vote). However, since the official record never included the GBRA, it could not be part of any litigated final order unless a new rate case was filed altogether. The FPSC docket for the rate case is 120015. The GBRA provides rate a total of \$610M of rate increases over the next few years as three generation projects go in-service: Cape Canaveral (April 2013), Riviera Beach (Expected COD 2Q 2014) and Port Everglades (Expected COD Mid-2016).

The Commissioner also noted that with Commissioners Balbis' and Brown's terms expiring at the end of this year, the next Governor (whomever that may be) will probably have tremendous influence whomever Governor Scott chooses to appoint in their places between now and the November election cycle. Even if Governor Scott were able to complete the appointment process by November (a tight call), the need for Senate confirmation could easily extend the process into the 2015, giving the next Governor plenty of opportunity to move the appointments in an alternative direction. While existing settlements would be virtually impossible to reopen, the possible election of former Governor Crist could have a major negative influence on utility regulation in the state, despite the remaining three "Scott" commissioners having terms extending through 2016-2018.

On other issues, the FPSC is currently considering the establishment of a "voluntary" \$9 monthly surcharge that customers can choose to pay if they want to support distributed solar generation. Florida currently has net metering but not much distributed solar penetration yet. Commissioner Brise' acknowledged that it will be a "challenge" to support the grid under existing volumetric tariffs with the increasing use of distributed generation.

#### E&P ownership clearly top of mind; see this as big positive for NEE

On ratebasing E&P reserves, the commissioner confirmed high interest in this at the FPSC. He noted that Florida is the largest single user of natural gas in the country with 70% of generation from nat gas. "If we can look at projects that hedge price stability, we should consider it and look at favorably. I think this would be the general consensus."

## Polar vortex earnings season: 83% of companies beat

Sole guidance disappointments include FirstEnergy with their guidance reduction and AES which pointed towards the low-end of its 2014 range due to weak hydrology expectations.

Figure 2: 1Q14 Earnings Center: UBS Estimates Vs. Consensus (Full Earnings)

Company	Ticker	Actual	Consensus	UB Se	Actual v. Consensus
Dynegy	DYN	\$152.00	\$ 61.00	\$ 159.00	149%
Entergy	ETR	\$ 2.29	\$ 1.15	\$ 1.38	99.1%
NRG Energy	NRG	\$816.00	\$ 570.00	\$ 570.00	43%
Empire District	EDE	\$0.48	\$0.36	\$0.43	33%
Ameren Corporation	AEE	\$ 0.40	\$ 0.31	\$ 0.38	29%
Southern Company	SO	\$ 0.66	\$ 0.52	\$ 0.58	27%
American Electric Power, Inc.	AEP	\$ 1.15	\$ 0.93	\$ 0.93	23.7%
PPL Corporation	PPL	\$ 0.80	\$ 0.65	\$ 0.70	23%
Calpine (EBITDA)	CPN	\$446.00	\$ 368.00	\$ 364.00	21%
DTE Energy Co.	DTE	\$ 1.69	\$ 1.41	\$ 1.44	20%
SCANA Corp.	SCG	\$ 1.37	\$ 1.15	\$ 1.12	19%
Westar Energy	WR	\$ 0.52	\$ 0.45	\$ 0.50	16%
Consolidated Edison	ED	\$1.17	\$1.02	\$1.05	15%
Edison International	EIX	\$ 0.90	\$ 0.82	\$ 0.88	10%
Sempra Energy	SRE	\$ 1.03	\$ 0.95	\$ 0.94	8%
Wisconsin Energy	WEC	\$ 0.91	\$ 0.84	\$ 0.88	8%
Dominion	D	\$ 1.04	\$ 0.96	\$ 0.97	8%
Duke Corporation	DUK	\$ 1.17	\$ 1.08	\$ 1.09	8%
Pinnacle West Capital Co.	PNW	\$ 0.14	\$ 0.13	\$ 0.12	8%
Public Service Enterprise Group	PEG	\$ 1.01	\$ 0.97	\$ 0.97	4%
Xcel Energy	XEL	\$ 0.52	\$ 0.50	\$ 0.52	4%
ITC Holdings Corp	ITC	\$ 0.44	\$ 0.43	\$ 0.43	2%
Northeast Utilities	NU	\$ 0.74	\$ 0.73	\$ 0.74	1%
Avista Corporation	AVA	\$ 0.81	\$ 0.83	\$ 0.79	-2%
TECO Energy Inc.	TE	\$ 0.22	\$ 0.23	\$ 0.20	-4%
First Energy	FE	\$ 0.39	\$ 0.41	\$ 0.35	-5%
NRG Yield	NYLD	\$60	\$66	\$69	-9%
Exelon Corporation	EXC	\$ 0.60	\$ 0.67	\$ 0.66	-10%
AES Corporation	AES	\$ 0.24	\$ 0.27	\$ 0.24	-11%

Source: FactSet and UBS Estimates

**Figure 3: Calendar of Upcoming UBS Events**

<b>Date</b>	<b>Event Name</b>
Monday, May 12	NYC Lunch: Clean Line Energy Partners' team
Tuesday, May 13	NYC Lunch: Apex Energy
Tuesday, May 13	Conf Call: Brattle Group's view on competitive transmission
Friday, May 16	NYC Lunch: Bechtel Group's Outlook for Transmission Development
May 18-19	Miami: American Gas Association (AGA) Financial Power Forum – UBS Sponsored Meetings
Tuesday, May 20	Chicago Lunch: Power & Utilities Group Meeting
Wednesday, May 21	Conf Call: Rail Disruptions to Coal Plants
Tuesday, May 27	Conf Call: PJM RPM Auction Results with Andrew Ott
Thursday, May 29	Meeting with Consolidated Edison Executive Team
Friday, June 6	Duke Energy Field Trip
Thursday, June 19	UBS Utilities Toronto Conference
Monday, June 23	Chicago Field Trip: Meeting Exelon's Executive Power Management team and key regulators
Thursday, June 26	Global Utilities Conference, London, UK

Source: UBS

# **Utility Events in the Week Ahead:**

## **Monday (5/12):**

- (1) **UBS Access:** CleanLine Transmission Lunch in NYC

## **Tuesday (5/13):**

- (2) **UBS Access:** Apex Energy Luncheon on Wind//Renewables Outlook in NYC
- (3) **UBS Access:** Conf Call on Competitive Transmission Structures with Brattle Group

## **Thursday (5/15):**

- (4) **Dominion:** Potential for Draft EIS on Cove Point.
- (5) **EIX:** Hearings on SONGS Settlement

## **Friday 5/16:**

- (6) **UBS Access:** Transmission Roundtable Luncheon (E&C vs. Utility view)

## **Also:**

- Competitor conferences all week in various geographies
- Potential details on renewable framework as well as first look at NEE YieldCo structure potentially disclosed by SEC

## The Power Download: Recap of our research

Note titles below are all  
hyperlinks to our full notes

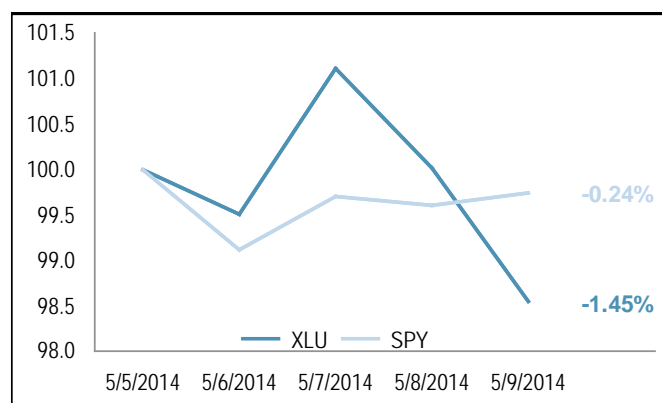
- **ED: Steamy Winter in the City (May 9)**
  - 1Q14 beat estimates; New NY paradigm – radical changes to future?
  - [Increased PT \\$2](#) to \$55 and lifted 2014+ estimates
- **WR: Firming Up the Growth Profile (May 9)**
  - WR raises 2014 and gives initial long-term EPS growth guidance
  - [Increased PT \\$1](#) to \$39 and increased 2014+ estimates
- **DUK: Emerging Out of the Coal Ashes (May 9)**
  - Dan River now clean; first-round bids for Midwest gen coming in
  - [Increased PT \\$1](#) to \$80 and estimates largely unchanged
- **CSAPR Regs: More Unexpected Twists (May 9)**
  - Latest call suggests battle is far from over, with TX caught in the middle
- **AEE: Back to the Regulatory Drawing Board (May 9)**
  - Ameren is committed to its uphill battle in Missouri legislature
  - Maintain PT and increased 2014+ estimates; dearth of ST catalysts
- **WEC: It's Had a Good Run (May 9)**
  - After a good run of speculative outperformance, it's time to take pause
  - [Reduce to Sell](#) and PT \$2 to \$44; high quality mgmt. but prem. is rich
- **FE: Retail – Abort, Retry...Reprice? (May 8)**
  - Retail strategy obfuscates upside on latest power market rally
  - [Increased PT \\$2](#) to \$35 weaker '14E offset by higher commodity deck
- **DYN: Up, Up, and Away (May 8)**
  - Raising estimates and target to reflect rally in commodity
  - [Increased PT \\$10 to \\$41](#) on the back of continued power rally
- **AVA: Ecova – Let's Make a Deal (May 8)**
  - Ecova net proceeds will drive a decision – could be as high as \$460Mn
  - Maintain PT and lifted 2014+ estimates
- **Sector: Fueling an Economic Recovery (May 7)**
  - 1.2% Weather-norm. avg. load growth in 1Q14 – is a trend starting?
  - Improved load growth is leading indicator for future capacity prices
- **SRE: Unleashing the Rex (May 7)**
  - Monstrous improvement for the REX project too adds to credibility
  - Maintain PT and increased 2015/2016 estimates
- **NU: In Pursuit of the Northern Passage (May 6)**
  - NU/peers appear poised to step-up to the plate and invest in gas pipelines
  - [Increase PT \\$4 to \\$51](#) on higher peer multiple; estimates unchanged
- **Sector: GenCo Commitment Issues (May 6)**
  - OH remains committed to restructured markets; we continue to suspect AEP, AES, and DUK will pursue the sale of at least a portion
- **SO: Kemper Tantrums; Reducing to Sell (May 5)**
  - [Reducing to Sell](#) on continued delays for the Kemper IGCC project
  - Maintain \$40 PT; Kemper delays may eventually lead to more equity needs
- **CPN: Buying Back Half of the Company? (May 5)**
  - Awaiting details of further buy backs with Southeast sale close in 2Q
  - [Increased PT \\$2](#) to \$25; now reflect an asset value approach to SouthEast
- **PNW: Weathering the Solar Vortex (May 5)**
  - Net metering workshops getting underway soon; possible delayed ratecase
  - [Reducing PT \\$2](#) to \$61; estimates unchanged
- **XEL: An Ambitious Agenda (May 5)**
  - Guidance for '14 maintained, but 2014/5 regulatory risk is the primary focus
  - [Increased PT \\$1](#) to \$32 on higher peer multiple; estimates unchanged

**Figure 4: Weekly Utilities Performance**

BENCHMARKS		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
S&P500		SPY	-0.1%	1.8%	55.1	N/A
Utilities Select SPDR		XLU	-0.6%	11.3%	50.1	N/A
COMPETITIVE INTEGRATED		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
American Electric Power, Inc.		AEP	-1.0%	11.9%	54.5	New High
Dominion Resources		D	-1.4%	8.0%	45.1	New High
Entergy Corp.		ETR	3.3%	17.9%	75.3	New High
Exelon Corp.		EXC	1.0%	32.2%	52.5	N/A
FirstEnergy Corp.		FE	0.5%	1.6%	50.3	N/A
NextEra Energy		NEE	-1.1%	13.2%	51.1	New High
PPL Corporation		PPL	-0.5%	11.8%	58.3	New High
Public Service Enterprise Group		PEG	-1.3%	19.8%	43.0	New High
Semptra Energy		SRE	0.3%	9.6%	58.1	New High
Average			0.0%	14.0%	54.2	
REGULATED INTEGRATED UTILITIES		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
Ameren Corp.		AEE	-2.2%	8.7%	37.2	N/A
Alliant Energy Corp.		LNT	-0.4%	11.4%	50.3	New High
Avista Corp		AVA	2.5%	14.6%	66.4	New High
CMS Energy		CMS	-0.5%	9.9%	46.5	New High
DTE Energy Co.		DTE	-0.5%	15.4%	52.3	New High
Duke Energy		DUK	-1.2%	4.3%	47.2	N/A
Edison International		EIX	-0.1%	19.4%	41.6	New High
Empire District Electric Company		EDE	0.0%	4.7%	37.0	New High
Great Plains Energy		GXP	-1.7%	8.0%	42.3	New High
Hawaiian Electric Industries		HE	1.2%	-9.6%	31.3	New Low
PG&E Corporation		PCG	-2.1%	8.2%	40.0	N/A
Pinnacle West Capital Co.		PNW	2.3%	4.4%	46.2	N/A
PNM Resources Inc.		PNM	6.5%	18.3%	61.5	New High
SCANA Corp.		SCG	-0.3%	10.4%	44.5	N/A
Southern Company		SO	-1.2%	6.2%	38.4	N/A
TECO Energy Inc.		TE	-2.6%	0.6%	36.7	N/A
Westar Energy, Inc.		WR	0.6%	10.0%	48.7	New High
Wisconsin Energy Corp.		WEC	-3.0%	12.1%	41.9	New High
Xcel Energy Inc.		XEL	-1.4%	10.1%	41.4	New High
Average			-0.2%	8.8%	44.8	
REGULATED T&D UTILITIES		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
Consolidated Edison		ED	-1.1%	1.7%	44.5	N/A
ITC Holdings Corp		ITC	0.2%	15.2%	39.8	N/A
Northeast Utilities		NU	-0.5%	8.0%	50.5	New High
PEPCO Holdings Inc.		POM	2.2%	44.1%	94.3	New High
Average			0.2%	17.2%	57.3	
INDEPENDENT POWER PRODUCERS		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
AES Corporation		AES	-2.0%	-3.2%	47.7	N/A
Calpine Corporation		CPN	0.3%	16.7%	56.9	New High
Dynegy, Inc.		DYN	7.6%	48.2%	96.5	New High
NRG Energy Inc.		NRG	1.6%	18.8%	69.3	New High
Average			1.9%	20.1%	67.6	
YELDCOs		Ticker	5 Day Return	YTD Return	RSI (14Day)	New High/Low?
Pattern Energy Group A		PEGI	11.3%	-5.1%	55.8	N/A
Transalta Renewables		RNW-CA	1.2%	3.6%	55.6	N/A
NRG Yield Inc.		NYLD	3.2%	N/A	59.7	N/A
Average			5.2%	-0.8%	57.0	

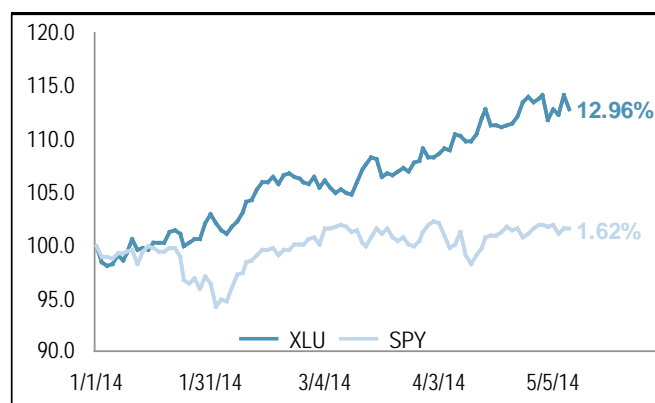
Source: FactSet

**Figure 5: Utilities Performance (Past Five Days)**



Source: FactSet

**Figure 6: Utilities Performance (2014 YTD)**



Source: FactSet

## 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 Integrateds. 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.

## Required Disclosures

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UBS 12-Month Rating	Definition	Coverage <sup>1</sup>	IB Services <sup>2</sup>
<b>Buy</b>	FSR is > 6% above the MRA.	47%	33%
<b>Neutral</b>	FSR is between -6% and 6% of the MRA.	42%	34%
<b>Sell</b>	FSR is > 6% below the MRA.	11%	23%
UBS Short-Term Rating	Definition	Coverage <sup>3</sup>	IB Services <sup>4</sup>
<b>Buy</b>	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%
<b>Sell</b>	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 31 March 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
<b>AES Corporation</b> <sup>2, 4, 6a, 16</sup>	AES.N	Neutral	N/A	US\$14.04	09 May 2014
<b>Ameren Corp.</b> <sup>6a, 16</sup>	AEE.N	Neutral	N/A	US\$39.31	09 May 2014
<b>Avista Corp</b> <sup>1, 3a, 4, 5, 6a, 6b, 6c, 7, 16</sup>	AVA.N	Neutral	N/A	US\$32.30	09 May 2014
<b>Duke Energy</b> <sup>2, 4, 5, 6a, 16</sup>	DUK.N	Buy	N/A	US\$71.98	09 May 2014
<b>Dynegy, Inc.</b> <sup>2, 4, 5, 6a, 16</sup>	DYN.N	Buy	N/A	US\$31.89	09 May 2014
<b>Exelon Corp.</b> <sup>2, 4, 5, 6a, 6b, 6c, 7, 16, 22</sup>	EXC.N	Neutral	N/A	US\$36.20	09 May 2014
<b>FirstEnergy Corp.</b> <sup>4, 6a, 16, 22</sup>	FE.N	Neutral	N/A	US\$33.51	09 May 2014
<b>NextEra Energy</b> <sup>4, 6a, 16</sup>	NEE.N	Buy	N/A	US\$96.92	09 May 2014
<b>NRG Energy Inc.</b> <sup>16</sup>	NRG.N	Buy	N/A	US\$34.11	09 May 2014
<b>NRG Yield</b> <sup>16</sup>	NYLD.N	Neutral	N/A	US\$43.71	09 May 2014
<b>PPL Corporation</b> <sup>2, 3b, 4, 5, 6a, 6c, 7, 16</sup>	PPL.N	Neutral	N/A	US\$33.63	09 May 2014
<b>Public Service Enterprise Group</b> <sup>6b, 6c, 7, 16</sup>	PEG.N	Neutral	N/A	US\$38.37	09 May 2014
<b>Westar Energy, Inc.</b> <sup>2, 4, 6a, 16</sup>	WR.N	Buy	N/A	US\$35.38	09 May 2014

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

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

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Additional Prices: Calpine Corporation, US\$22.77 (09 May 2014); Entergy Corp., US\$74.61 (09 May 2014); Dominion Resources, US\$69.86 (09 May 2014); Consolidated Edison, US\$56.20 (09 May 2014); American Electric Power, Inc., US\$52.32 (09 May 2014); Southern Company, US\$43.67 (09 May 2014); TECO Energy Inc., US\$17.34 (09 May 2014); Xcel Energy Inc., US\$30.75 (09 May 2014); Northeast Utilities, US\$45.77 (09 May 2014); Empire District Electric Company, US\$23.75 (09 May 2014); DTE Energy Co., US\$76.63 (09 May 2014); PG&E Corporation, US\$43.59 (09 May 2014); Wisconsin Energy Corp., US\$46.33 (09 May 2014); ITC Holdings Corp, US\$36.80 (09 May 2014); Edison International, US\$55.29 (09 May 2014); SCANA Corp., US\$51.83 (09 May 2014); Sempra Energy, US\$98.35 (09 May 2014); Pinnacle West Capital Co., US\$55.27 (09 May 2014); Source: UBS. All prices as of local market close.

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