

**PUGET SOUND ENERGY**  
**DCF GROWTH RATE PARAMETERS**  
ELECTRIC UTILITIES

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
SO	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.2622	13.1%	3.44%	17.08	777.19	
2009	0.2543	12.4%	3.15%	18.15	819.65	
2010	0.2373	12.2%	2.89%	19.21	843.34	
2011	0.2667	12.5%	3.33%	20.32	865.13	
2012	0.2761	13.0%	<u>3.59%</u>	<u>20.95</u>	<u>868.00</u>	
AVERAGE GROWTH			3.28%	5.50%		2.80%
2013	0.2655	13.0%	3.45%		870.00	0.23%
2014	0.2632	13.0%	3.42%		872.00	0.23%
2016-2018	0.2769	12.5%	3.46%	4.50%	905.00	0.84%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
ALE	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.3901	10.0%	3.90%	25.37	32.60	
2009	0.0688	06.6%	0.45%	26.41	35.20	
2010	0.1963	07.7%	1.51%	27.26	35.80	
2011	0.3283	08.7%	2.86%	28.78	37.50	
2012	0.2868	08.1%	<u>2.32%</u>	<u>30.48</u>	<u>39.40</u>	
AVERAGE GROWTH			2.21%	5.50%		4.85%
2013	0.3091	08.0%	2.47%		41.50	5.33%
2014	0.3356	08.5%	2.85%		43.50	5.07%
2016-2018	0.4133	09.5%	3.93%	4.00%	45.00	2.69%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
LNT	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.4488	09.3%	4.17%	25.56	110.45	
2009	0.2063	06.8%	1.40%	25.07	110.66	
2010	0.4255	09.9%	4.21%	26.09	110.89	
2011	0.3818	09.5%	3.63%	27.14	111.02	
2012	0.4098	10.3%	<u>4.22%</u>	<u>28.25</u>	<u>110.99</u>	
AVERAGE GROWTH			3.53%	3.50%		0.12%
2013	0.4303	11.5%	4.95%		112.00	0.91%
2014	0.4235	11.5%	4.87%		113.00	0.90%
2016-2018	0.4211	11.0%	4.63%	4.00%	116.00	0.89%

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<b>AEP</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.4515	11.3%	5.10%	26.33	406.07	
2009	0.4478	10.4%	4.66%	27.49	478.05	
2010	0.3423	09.1%	3.12%	28.33	480.81	
2011	0.4089	10.3%	4.21%	30.33	483.42	
2012	0.3691	09.5%	<u>3.51%</u>	<u>31.37</u>	<u>485.67</u>	
AVERAGE GROWTH			4.12%	4.50%		4.58%
2013	0.3742	09.5%	3.55%		489.00	0.69%
2014	0.3818	10.0%	3.82%		492.00	0.65%
2016-2018	0.3867	10.0%	3.87%	4.00%	505.00	0.78%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>CNL</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.4706	09.6%	4.52%	17.65	60.04	
2009	0.4886	09.5%	4.64%	18.50	60.26	
2010	0.5721	10.6%	6.06%	21.76	60.53	
2011	0.5676	11.1%	6.30%	23.55	60.29	
2012	0.5185	10.9%	<u>5.65%</u>	<u>24.84</u>	<u>60.36</u>	
AVERAGE GROWTH			5.44%	9.00%		0.13%
2013	0.4280	09.5%	4.07%		60.50	0.23%
2014	0.4456	10.5%	4.68%		60.50	0.12%
2016-2018	0.4286	11.0%	4.71%	5.00%	60.50	0.05%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>ETR</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.5161	15.3%	7.90%	42.07	189.36	
2009	0.5238	14.3%	7.49%	45.54	189.12	
2010	0.5135	14.7%	7.55%	47.53	178.75	
2011	0.5603	15.0%	8.40%	50.81	176.36	
2012	0.4485	11.6%	<u>5.20%</u>	<u>51.73</u>	<u>177.80</u>	
AVERAGE GROWTH			7.31%	5.00%		-1.56%
2013	0.3011	09.0%	2.71%		178.00	0.11%
2014	0.3011	09.0%	2.71%		178.00	0.06%
2016-2018	0.3818	09.5%	3.63%	3.00%	172.00	-0.66%

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<b>WR</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.1145	06.2%	0.71%	20.18	108.31	
2009	0.0625	06.3%	0.39%	20.59	109.07	
2010	0.3111	08.5%	2.64%	21.25	112.13	
2011	0.2849	07.7%	2.19%	22.03	125.70	
2012	0.3860	09.4%	<u>3.63%</u>	<u>22.89</u>	<u>126.50</u>	
AVERAGE GROWTH			1.91%	4.50%		3.96%
2013	0.3956	09.0%	3.56%		128.00	1.19%
2014	0.4043	09.0%	3.64%		130.00	1.37%
2016-2018	0.4473	09.5%	4.25%	5.00%	135.00	1.31%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>WEC</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.6447	10.7%	6.90%	14.27	233.84	
2009	0.5750	10.6%	6.10%	15.26	233.82	
2010	0.5833	12.0%	7.00%	16.26	233.77	
2011	0.5229	12.9%	6.75%	17.20	230.49	
2012	0.4894	13.2%	<u>6.46%</u>	<u>18.05</u>	<u>229.04</u>	
AVERAGE GROWTH			6.64%	7.00%		-0.52%
2013	0.4333	13.0%	5.63%		228.50	-0.24%
2014	0.3920	13.0%	5.10%		228.50	-0.12%
2016-2018	0.3333	14.0%	4.67%	3.50%	228.50	-0.05%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>EIX</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.6658	12.8%	8.52%	29.21	325.81	
2009	0.6142	10.8%	6.63%	30.2	325.81	
2010	0.6209	10.4%	6.46%	32.44	325.81	
2011	0.6006	10.5%	6.31%	30.86	325.81	
2012	0.7121	15.9%	<u>11.32%</u>	<u>28.95</u>	<u>325.81</u>	
AVERAGE GROWTH			7.85%	5.50%		0.00%
2013	0.6114	11.5%	7.03%		325.81	0.00%
2014	0.6054	11.5%	6.96%		325.81	0.00%
2016-2018	0.5765	11.0%	6.34%	4.50%	325.81	0.00%

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<b>IDA</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.4495	07.6%	3.42%	27.76	46.92	
2009	0.5455	08.9%	4.85%	29.17	47.90	
2010	0.5932	09.3%	5.52%	31.01	49.41	
2011	0.6429	10.1%	6.49%	33.19	49.95	
2012	0.5935	09.6%	<u>5.70%</u>	<u>35.07</u>	<u>50.16</u>	
AVERAGE GROWTH			5.20%	5.50%		1.68%
2013	0.5273	09.0%	4.75%		50.50	0.68%
2014	0.5059	08.5%	4.30%		50.50	0.34%
2016-2018	0.4795	08.5%	4.08%	4.50%	51.00	0.33%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>NWE</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.2542	08.9%	2.26%	21.25	35.93	
2009	0.3366	09.3%	3.13%	21.86	36.00	
2010	0.3645	09.4%	3.43%	22.64	36.23	
2011	0.4308	10.8%	4.65%	23.68	36.28	
2012	0.3451	09.0%	<u>3.11%</u>	<u>25.09</u>	<u>37.22</u>	
AVERAGE GROWTH			3.32%	2.50%		0.89%
2013	0.3796	09.5%	3.61%		38.10	2.36%
2014	0.3882	09.5%	3.69%		39.00	2.36%
2016-2018	0.3455	09.5%	3.28%	4.50%	39.00	0.94%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>PCG</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.5155	12.6%	6.50%	25.97	361.06	
2009	0.4455	11.2%	4.99%	27.88	370.60	
2010	0.3546	09.7%	3.44%	28.55	395.23	
2011	0.3453	09.2%	3.18%	29.35	412.26	
2012	0.1208	06.7%	<u>0.81%</u>	<u>30.35</u>	<u>430.72</u>	
AVERAGE GROWTH			3.78%	6.00%		4.51%
2013	0.0667	06.0%	0.40%		455.00	5.64%
2014	0.2417	07.5%	1.81%		460.00	3.34%
2016-2018	0.3538	09.0%	3.18%	3.00%	475.00	1.98%

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<b>PNW</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.0094	06.2%	0.06%	34.16	100.89	
2009	0.0708	06.9%	0.49%	32.69	101.43	
2010	0.3182	09.0%	2.86%	33.86	108.77	
2011	0.2977	08.6%	2.56%	34.98	109.25	
2012	0.3943	09.8%	<u>3.86%</u>	<u>36.20</u>	<u>109.74</u>	
AVERAGE GROWTH			1.97%	0.00%		2.12%
2013	0.3771	09.5%	3.58%		111.00	1.15%
2014	0.3753	09.5%	3.57%		112.00	1.02%
2016-2018	0.3882	10.0%	3.88%	3.50%	115.00	0.94%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>POR</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.3022	06.4%	1.93%	21.64	62.58	
2009	0.2290	06.2%	1.42%	20.50	75.21	
2010	0.3735	07.9%	2.95%	21.14	75.32	
2011	0.4564	08.8%	4.02%	22.07	75.36	
2012	0.4225	08.2%	<u>3.46%</u>	<u>22.87</u>	<u>75.56</u>	
AVERAGE GROWTH			2.76%	2.00%		4.82%
2013	0.4158	08.0%	3.33%		75.75	0.25%
2014	0.4250	08.0%	3.40%		76.00	0.29%
2016-2018	0.4222	08.0%	3.38%	3.50%	76.75	0.31%

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
<b>XEL</b>	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST (MILLIONS)	SHARE GROWTH
2008	0.3562	09.2%	3.28%	15.35	453.79	
2009	0.3490	09.4%	3.28%	15.92	457.51	
2010	0.3590	08.9%	3.19%	16.76	482.33	
2011	0.4012	09.9%	3.97%	17.44	486.49	
2012	0.4216	10.2%	<u>4.30%</u>	<u>18.19</u>	<u>487.96</u>	
AVERAGE GROWTH			3.60%	4.50%		1.83%
2013	0.4158	10.0%	4.16%		497.00	1.85%
2014	0.4103	09.5%	3.90%		506.50	1.88%
2016-2018	0.4000	10.0%	4.00%	4.50%	514.00	1.05%

Data from Value Line Ratings and Reports, May 3, May 24, and June 21, 2013.