

**PUGET SOUND ENERGY****DCF GROWTH RATES****ELECTRIC UTILITIES**

<u>COMPANY</u>	<u>br</u>	+	<u>sv=g*(1-(1/(M/B)))</u>	=	<u>g</u>
SO	4.25%	+	1.50% ( 1 - (1/ 2.06 )))	=	5.02%
ALE	4.50%	+	3.00% ( 1 - (1/ 1.55 )))	=	5.57%
LNT	4.50%	+	0.50% ( 1 - (1/ 1.73 )))	=	4.71%
AEP	4.00%	+	1.50% ( 1 - (1/ 1.44 )))	=	4.46%
CNL	6.00%	+	0.25% ( 1 - (1/ 1.78 )))	=	6.11%
ETR	4.00%	+	0.00% ( 1 - (1/ 1.29 )))	=	4.00%
WR	4.50%	+	2.00% ( 1 - (1/ 1.29 )))	=	4.94%
WEC	5.25%	+	0.00% ( 1 - (1/ 2.23 )))	=	5.25%
EIX	6.00%	+	0.00% ( 1 - (1/ 1.53 )))	=	6.00%
IDA	4.40%	+	0.75% ( 1 - (1/ 1.32 )))	=	4.58%
NWE	4.00%	+	1.00% ( 1 - (1/ 1.56 )))	=	4.36%
PCG	3.50%	+	2.50% ( 1 - (1/ 1.46 )))	=	4.28%
PNW	4.00%	+	1.50% ( 1 - (1/ 1.57 )))	=	4.54%
POR	3.75%	+	1.00% ( 1 - (1/ 1.32 )))	=	3.99%
XEL	4.75%	+	1.25% ( 1 - (1/ 1.53 )))	=	5.18%

Average Market-to-Book Ratio = 1.58

SO	=	Southern Company
ALE	=	ALLETE
LNT	=	Alliant Energy
AEP	=	American Electric Power
CNL	=	Cleco Corporation
ETR	=	Entergy Corp.
WR	=	Westar Energy
WEC	=	Wisconsin Energy
EIX	=	Edison International
IDA	=	IDACORP
NWE	=	Northwestern Corp.
PCG	=	PG&E Corp.
PNW	=	Pinnacle West Capital
POR	=	Portland General

g\*= expected growth in number of shares outstanding

**PUGET SOUND ENERGY**

**GROWTH RATE COMPARISON  
 ELECTRIC UTILITIES**

COMPANY	DCF Growth	Value Line Projected			IBES EPS	Value Line Historic			IBES & VL AVGS.	5-yr Compound Hist.		
		EPS	DPS	BVPS		EPS	DPS	BVPS		EPS	DPS	BVPS
SO	5.02%	4.50%	4.00%	4.50%	4.84%	3.00%	4.00%	5.50%	4.33%	4.10%	4.00%	4.95%
ALE	5.57%	7.00%	3.50%	4.00%	6.00%	-2.50%	4.50%	5.50%	4.00%	-0.50%	2.01%	4.49%
LNT	4.71%	5.00%	4.50%	4.00%	5.87%	4.00%	8.00%	3.50%	4.98%	5.37%	6.07%	2.56%
AEP	4.46%	4.50%	4.00%	4.00%	3.64%	1.00%	4.00%	4.50%	3.66%	0.73%	3.42%	4.33%
CNL	6.11%	5.50%	10.00%	5.00%	8.00%	13.00%	4.50%	9.00%	7.86%	8.02%	9.70%	7.93%
ETR	4.00%	-3.50%	0.50%	3.00%	0.00%	5.50%	7.50%	5.00%	2.57%	-5.19%	2.05%	4.77%
WR	4.94%	6.00%	3.00%	5.00%	4.80%	1.50%	5.00%	4.50%	4.26%	11.42%	3.23%	4.38%
WEC	5.25%	5.50%	12.00%	3.50%	5.55%	10.00%	17.00%	7.00%	8.65%	9.57%	20.29%	5.56%
EIX	6.00%	2.50%	5.50%	4.50%	-1.89%	2.50%	3.00%	5.50%	3.09%	-1.00%	2.03%	1.23%
IDA	4.58%	2.00%	7.00%	4.50%	4.00%	10.00%	1.00%	5.50%	4.86%	8.65%	5.39%	5.66%
NWE	4.36%	3.00%	4.00%	4.50%	5.00%	9.00%	4.00%	2.50%	4.57%	6.72%	2.86%	4.44%
PCG	4.28%	4.00%	2.50%	3.00%	3.12%	-0.50%	6.50%	6.00%	3.52%	-9.54%	3.13%	3.80%
PNW	4.54%	5.00%	2.00%	3.50%	7.25%	2.50%	2.50%	0.00%	3.25%	10.55%	0.75%	1.75%
POR	3.99%	3.50%	3.50%	3.50%	4.77%	4.00%	14.50%	2.00%	5.11%	6.45%	2.73%	1.75%
XEL	<u>5.18%</u>	<u>4.50%</u>	<u>4.50%</u>	<u>4.50%</u>	<u>5.11%</u>	<u>5.50%</u>	<u>3.00%</u>	<u>4.50%</u>	<u>4.52%</u>	<u>5.41%</u>	<u>3.38%</u>	<u>4.58%</u>
		3.93%	4.70%	4.07%		4.57%	5.93%	4.70%		4.05%	4.74%	4.14%
AVERAGES	4.87%	4.23%			4.40%	5.07%			4.61%	4.31%		

Zack's growth rates: SO-4.76%, ALE-6.5%, LNT-5.68%, AEP-3.38%, CNL-8.0%, ETR, n/a, WR-5.1%, WEC-5.2%, EIX-4.58%, IDA-4.0%, NWE-5.0%, PCG-1.35%, PNW-4.13%, POR-6.53%, and XEL-4.88%. Zack's average earnings growth = 4.94%.