

PUGET SOUND ENERGY
DCF GROWTH RATE PARAMETERS

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
CV	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2003	0.3759	08.1%	3.04%	17.89	11.81	
2004	0.2640	06.8%	1.80%	18.49	12.19	
2005	-10.5000	00.5%	-5.25%	17.70	12.28	
2006	0.4356	10.1%	4.40%	17.70	10.13	
2007	0.3429	10.1%	<u>3.46%</u>	<u>18.40</u>	<u>10.30</u>	
AVERAGE GROWTH			1.49%	2.00%		-3.36%
2008	0.3867	08.0%	3.09%		10.40	0.97%
2009	0.4065	08.0%	3.25%		10.50	-0.50%
2011-2013	0.4424	07.5%	3.32%	3.00%	10.60	0.58%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
FE	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2003	-0.0204	05.4%	-0.11%	25.13	329.84	
2004	0.3105	16.0%	4.97%	26.04	329.84	
2005	0.3979	10.2%	4.06%	27.86	329.84	
2006	0.5157	13.9%	7.17%	28.30	319.21	
2007	0.5176	15.0%	<u>7.76%</u>	<u>28.90</u>	<u>304.80</u>	
AVERAGE GROWTH			4.77%	4.50%		-1.95%
2008	0.4767	14.0%	6.67%		304.80	0.00%
2009	0.4731	14.0%	6.62%		304.80	0.00%
2011-2013	0.4545	14.0%	6.36%	5.50%	304.80	0.00%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
NU	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2003	0.5323	06.9%	3.67%	17.73	127.70	
2004	0.3077	05.1%	1.57%	17.80	129.03	
2005	0.3061	05.1%	1.56%	18.46	131.59	
2006	0.1098	04.3%	0.47%	18.14	154.23	
2007	0.5063	08.0%	<u>4.05%</u>	<u>19.05</u>	<u>156.20</u>	
AVERAGE GROWTH			2.27%	3.00%		5.17%
2008	0.5389	09.0%	4.85%		158.20	1.28%
2009	0.5487	08.5%	4.66%		178.00	6.75%
2011-2013	0.5708	08.5%	4.85%	5.50%	200.00	5.07%

PUGET SOUND ENERGY
 DCF GROWTH RATE PARAMETERS

COMPANY	INTERNAL GROWTH				EXTERNAL GROWTH	
	AEE	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	0.0451	09.9%	0.45%	24.93	154.10	
2003	0.1911	11.6%	2.22%	26.73	162.90	
2004	0.0993	09.1%	0.90%	29.71	195.20	
2005	0.1885	09.7%	1.83%	31.09	204.70	
2006	0.0451	81.0%	<u>3.65%</u>	<u>31.86</u>	<u>206.00</u>	
AVERAGE GROWTH			1.81%	5.50%		7.53%
2007	0.2185	10.0%	2.18%		208.80	1.36%
2008	0.2303	10.0%	2.30%		210.80	1.16%
2010-2012	0.2529	09.0%	2.28%	3.00%	216.80	1.03%

COMPANY	INTERNAL GROWTH				EXTERNAL GROWTH	
	AEP	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	0.1608	13.7%	2.20%	20.85	338.84	
2003	0.3478	12.4%	4.31%	19.93	395.02	
2004	0.4636	12.2%	5.66%	21.32	395.86	
2005	0.4621	11.3%	5.22%	23.08	393.72	
2006	0.4755	12.0%	<u>5.71%</u>	<u>23.73</u>	<u>369.67</u>	
AVERAGE GROWTH			4.62%	-2.50%		2.20%
2007	0.4357	11.0%	4.79%		400.50	8.34%
2008	0.4698	12.0%	5.64%		404.00	4.54%
2010-2012	0.4500	12.5%	5.63%	6.00%	413.00	2.24%

COMPANY	INTERNAL GROWTH				EXTERNAL GROWTH	
	CNL	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	0.4079	13.1%	5.34%	11.77	47.04	
2003	0.2857	12.5%	3.57%	10.09	47.18	
2004	0.3182	11.9%	3.79%	10.83	49.62	
2005	0.3662	10.7%	3.92%	13.69	49.99	
2006	0.3382	08.3%	<u>2.81%</u>	<u>15.22</u>	<u>57.75</u>	
AVERAGE GROWTH			3.89%	5.50%		5.26%
2007	0.3077	08.0%	2.46%		60.00	3.90%
2008	0.4000	09.0%	3.60%		61.00	2.78%
2010-2012	0.3500	10.5%	3.68%	6.50%	64.00	2.08%

PUGET SOUND ENERGY
DCF GROWTH RATE PARAMETERS

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
	EDE	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	-0.0756	07.8%	-0.59%	14.59	22.57	
2003	0.0078	07.8%	0.06%	15.17	24.98	
2004	-0.4884	05.8%	-2.83%	14.76	25.70	
2005	-0.3913	06.0%	-2.35%	15.08	26.08	
2006	0.0922	08.5%	<u>0.78%</u>	<u>15.49</u>	<u>30.25</u>	
AVERAGE GROWTH			-0.99%	2.00%		7.60%
2007	-0.0240	07.0%	-0.17%		34.25	13.22%
2008	0.1172	08.5%	1.00%		35.80	8.79%
2010-2012	0.2286	10.5%	2.40%	3.00%	36.00	3.54%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
	ETR	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	0.6359	10.9%	6.93%	35.24	222.42	
2003	0.5664	09.8%	5.55%	38.02	228.90	
2004	0.5191	11.0%	5.71%	38.26	216.83	
2005	0.5091	11.9%	6.06%	35.71	216.83	
2006	0.5970	13.5%	<u>8.06%</u>	<u>40.45</u>	<u>202.67</u>	
AVERAGE GROWTH			6.46%	4.00%		-2.30%
2007	0.5393	14.0%	7.55%		194.00	-4.28%
2008	0.5303	14.5%	7.69%		188.00	-3.69%
2010-2012	0.5256	14.0%	7.36%	6.50%	194.00	-0.87%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
	HE	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)
2002	0.2346	11.3%	2.65%	14.21	73.62	
2003	0.2152	10.8%	2.32%	14.36	75.84	
2004	0.0882	08.9%	0.79%	15.01	80.69	
2005	0.1507	09.7%	1.46%	15.02	80.98	
2006	0.0677	09.9%	<u>0.67%</u>	<u>13.44</u>	<u>81.46</u>	
AVERAGE GROWTH			1.58%	2.00%		2.56%
2007	-0.3778	06.5%	-2.46%		83.50	2.50%
2008	0.0080	09.0%	0.07%		85.50	2.45%
2010-2012	0.1733	11.0%	1.91%	-0.50%	87.00	1.32%

PUGET SOUND ENERGY
DCF GROWTH RATE PARAMETERS

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
PNM	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2002	0.4673	06.5%	3.04%	16.60	58.68	
2003	0.4696	06.3%	2.96%	17.84	60.39	
2004	0.5594	08.0%	4.48%	18.19	60.46	
2005	0.5031	08.2%	4.13%	19.70	68.79	
2006	0.5000	07.2%	<u>3.60%</u>	<u>22.09</u>	<u>76.65</u>	
AVERAGE GROWTH			3.64%	4.50%		6.91%
2007	0.3111	05.5%	1.71%		77.00	0.46%
2008	0.4121	07.0%	2.88%		80.00	2.16%
2010-2012	0.4108	07.0%	2.88%	4.50%	80.00	0.86%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
PNW	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2002	0.3557	08.0%	2.85%	29.44	91.26	
2003	0.3135	08.1%	2.54%	31.00	91.29	
2004	0.2907	08.0%	2.33%	32.14	91.79	
2005	0.1384	06.5%	0.90%	34.57	99.08	
2006	0.3596	09.2%	<u>3.31%</u>	<u>34.47</u>	<u>99.96</u>	
AVERAGE GROWTH			2.38%	4.00%		2.30%
2007	0.2857	08.5%	2.43%		100.40	0.44%
2008	0.1686	07.0%	1.18%		100.50	0.27%
2010-2012	0.2271	08.0%	1.82%	2.00%	100.80	0.17%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
PSD	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
2002	0.1935	07.2%	1.39%	16.27	93.64	
2003	0.1803	07.0%	1.26%	16.71	99.07	
2004	0.2424	08.1%	1.96%	16.24	99.87	
2005	0.2958	07.2%	2.13%	17.52	115.70	
2006	0.3056	07.9%	<u>2.41%</u>	<u>18.15</u>	<u>116.58</u>	
AVERAGE GROWTH			1.83%	1.50%		5.63%
2007	0.3750	07.5%	2.81%		130.00	11.51%
2008	0.3750	08.0%	3.00%		131.00	6.00%
2010-2012	0.4000	09.0%	3.60%	4.00%	134.00	2.82%

PUGET SOUND ENERGY
 DCF GROWTH RATE PARAMETERS

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
UNS						
2002	0.4845	07.6%	3.68%	13.05	33.58	
2003	0.5385	08.4%	4.52%	15.97	33.79	
2004	0.5115	07.9%	4.04%	16.95	34.26	
2005	0.4154	07.5%	3.12%	17.68	34.87	
2006	0.5459	10.6%	<u>5.79%</u>	<u>18.59</u>	<u>35.19</u>	
AVERAGE GROWTH			4.23%	9.50%		1.18%
2007	0.4375	08.0%	3.50%		35.70	1.45%
2008	0.4514	08.5%	3.84%		36.20	1.42%
2010-2012	0.4000	08.5%	3.40%	4.00%	37.70	1.39%

COMPANY	INTERNALGROWTH				EXTERNAL GROWTH	
	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTST. (MILLIONS)	SHARE GROWTH
XEL						
2002	-1.6905	03.7%	-6.25%	11.70	398.71	
2003	0.3902	09.8%	3.82%	12.95	398.96	
2004	0.3622	10.0%	3.62%	12.99	400.46	
2005	0.2917	09.2%	2.68%	13.37	403.39	
2006	0.3481	09.7%	<u>3.38%</u>	<u>14.28</u>	<u>407.30</u>	
AVERAGE GROWTH			1.45%	-4.50%		0.53%
2007	0.3259	09.0%	2.93%		427.00	4.84%
2008	0.3667	10.0%	3.67%		429.00	2.63%
2010-2012	0.3714	10.0%	3.71%	4.00%	435.00	1.32%

Data from Value Line Ratings & Reports Dec. 28, 2007, Feb. 8 and Feb. 29, 2008.