

EXHIBIT NO. ___(CEO-9)
DOCKET NO. UE-11___/UG-11___
2011 PSE GENERAL RATE CASE
WITNESS: DR. CHARLES E. OLSON

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-11___
Docket No. UG-11___

**EIGHTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
DR. CHARLES E. OLSON
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JUNE 13, 2011

PUGET SOUND ENERGY, INC.

Value Line Large Stock
CAPM Study

Market (DCF) Return: ⁽¹⁾	
Dividend Yield	1.9%
Growth Rate	<u>10.7%</u>
Market Return	12.68 percent
Less:	
Forecasted Treasury Bond Rate ⁽²⁾	<u>5.75 percent</u>
Market Risk Premium	6.85 percent
Beta, Comparable Utilities ⁽³⁾	<u>0.74 percent</u>
Comparable Utilities Risk Premium	5.07 percent
Plus:	
Forecasted Treasury Bond Rate ⁽²⁾	<u>5.75 percent</u>
CAPM Equity Cost Estimate	10.82 percent

(1) Value Line, May 20, 2011, Part 1, page 1.

(2) Provided by Puget

(3) Schedule No. 5