

**PUGET SOUND ENERGY**

**DCF GROWTH RATES**

<u>COMPANY</u>	<u>br</u>	+	<u>sv=g*(1-(1/(M/B)))</u>			=	<u>g</u>
CV	4.75%	+	0.25%	( 1 - (1/ 1.42	)))	=	4.82%
FE	6.50%	+	0.00%	( 1 - (1/2.27	)))	=	6.50%
NU	5.50%	+	3.00%	( 1 - (1/ 1.33	)))	=	6.24%
AEE	3.50%	+	2.00%	( 1 - (1/ 1.34	)))	=	4.00%
AEP	5.50%	+	1.75%	( 1 - (1/ 1.71	)))	=	6.23%
CNL	5.50%	+	2.50%	( 1 - (1/ 1.50	)))	=	6.33%
EDE	3.50%	+	4.00%	( 1 - (1/ 1.33	)))	=	4.50%
ETR	8.00%	+	-1.00%	( 1 - (1/2.61	)))	=	7.38%
HE	3.00%	+	1.50%	( 1 - (1/ 1.67	)))	=	3.60%
PNM	4.75%	+	3.00%	( 1 - (1/0.64	)))	=	3.10%
PNW	3.50%	+	0.50%	( 1 - (1/ 1.04	)))	=	3.52%
PSD	4.50%	+	3.00%	( 1 - (1/ 1.38	)))	=	5.33%
UNS	4.50%	+	1.25%	( 1 - (1/ 1.38	)))	=	4.84%
XEL	4.25%	+	1.00%	( 1 - (1/ 1.39	)))	=	4.53%

Average Market-to-Book Ratio = 1.51

CV	=	Central Vermont P. S.
FE	=	FirstEnergy Corp.
NU	=	Northeast Utilities
AEE	=	Ameren
AEP	=	American Electric Power
CNL	=	Cleco Corporation
EDE	=	Empire District Electric
ETR	=	Entergy
HE	=	Hawaiian Electric
PNM	=	PNM Resources
PNW	=	Pinnacle West Capital
PSD	=	Puget Energy, Inc.
UNS	=	Unisource Energy
XEL	=	Xcel Energy, Inc.

**PUGET SOUND ENERGY**  
**GROWTH RATE COMPARISON**

COMPANY	DCF Growth	Value Line Projected			Reuters EPS	Value Line Historic			Reuters & VL AVGS.	5-yr Compound Hist.		
		EPS	DPS	BVPS		EPS	DPS	BVPS		EPS	DPS	BVPS
CV	4.82%	7.50%	0.00%	3.00%	n/a	-2.50%	1.00%	2.00%	1.83%	nmf	0.89%	1.21%
FE	6.50%	8.50%	7.50%	5.50%	11.25%	3.50%	4.00%	4.50%	6.39%	23.95%	8.45%	4.25%
NU	6.24%	15.00%	6.00%	5.50%	8.24%	nmf	16.50%	3.00%	9.04%	7.74%	7.43%	2.59%
AEE	4.00%	3.00%	0.00%	3.00%	7.00%	-2.00%	0.00%	5.50%	2.36%	4.09%	0.00%	5.58%
AEP	6.23%	6.50%	7.50%	6.00%	5.78%	3.00%	-9.50%	-2.50%	2.40%	-0.42%	-8.02%	3.61%
CNL	6.33%	6.50%	6.50%	6.50%	15.50%	0.00%	1.00%	5.50%	5.93%	-3.08%	0.00%	6.66%
EDE	4.50%	8.50%	1.00%	3.00%	6.00%	1.00%	0.00%	2.00%	3.07%	0.99%	0.00%	1.99%
ETR	7.38%	9.50%	10.00%	6.50%	9.88%	10.50%	11.00%	4.00%	8.77%	8.76%	14.00%	2.92%
HE	3.60%	1.50%	0.00%	-0.50%	3.60%	-1.00%	0.00%	2.00%	0.80%	-11.09%	0.00%	-0.87%
PNM	3.10%	2.50%	6.00%	4.50%	12.25%	-2.50%	7.50%	4.50%	4.96%	4.76%	10.29%	6.22%
PNW	3.52%	1.50%	3.00%	2.00%	5.58%	-5.00%	6.00%	4.00%	2.44%	3.05%	5.20%	3.70%
PSD	5.33%	6.00%	3.00%	4.00%	5.67%	-4.50%	-11.50%	1.50%	0.60%	5.23%	0.00%	3.31%
UNS	4.84%	4.00%	7.00%	4.00%	n/a	1.50%	nmf	9.50%	5.20%	10.53%	12.47%	8.42%
XEL	4.53%	<u>5.50%</u>	<u>4.50%</u>	<u>4.00%</u>	<u>6.12%</u>	<u>-6.50%</u>	<u>-10.50%</u>	<u>-4.50%</u>	<u>-0.20%</u>	<u>26.30%</u>	<u>-4.24%</u>	<u>4.67%</u>
		6.14%	4.43%	4.07%		-0.35%	1.19%	2.93%		6.22%	3.32%	3.88%
AVERAGES	5.07%		4.88%		8.07%		1.26%		3.83%		4.47%	

Zack's growth rates: CV-n/a, FE-6.5%, NU-10%, AEE-5.0%, AEP-5.4%, CNL-9.5%, EDE-n/a, ETR-13.3%, HE-4.5%, PNM-5.8%, PNW-6.7%, PSD-5.5%, UNS-n/a, XEL-5.2%.  
Zack's average earnings growth = 7.0%.