

**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>
CV	3.75%	+	0.00% ( 1 - (1/ 0.92 )))	=	3.75%
FE	5.75%	+	-0.25% ( 1 - (1/ 1.61 )))	=	5.66%
NU	5.75%	+	4.00% ( 1 - (1/ 1.18 )))	=	6.36%
AEP	4.25%	+	2.00% ( 1 - (1/ 1.14 )))	=	4.49%
CNL	6.00%	+	1.50% ( 1 - (1/ 1.35 )))	=	6.39%
EDE	3.00%	+	3.50% ( 1 - (1/ 1.15 )))	=	3.46%
ETR	6.75%	+	-0.75% ( 1 - (1/ 1.87 )))	=	6.40%
WR	3.75%	+	2.00% ( 1 - (1/ 0.96 )))	=	3.67%
HE	3.25%	+	1.50% ( 1 - (1/ 1.16 )))	=	3.46%
IDA	4.25%	+	2.25% ( 1 - (1/ 0.98 )))	=	4.21%
PNW	3.50%	+	2.25% ( 1 - (1/ 0.99 )))	=	3.49%

Average Market-to-Book Ratio = 1.21

CV	=	Central Vermont P. S.
FE	=	FirstEnergy Corp.
NU	=	Northeast Utilities
AEP	=	American Electric Power
CNL	=	Cleco Corporation
EDE	=	Empire District Electric
ETR	=	Entergy Corp.
WR	=	Westar
HE	=	Hawaiian Electric
IDA	=	Idacorp
PNW	=	Pinnacle West Capital

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
CV	3.75%	3.00%	0.00%	6.50%	n/a	3.50%	1.00%	1.50%	2.58%	5.06%	0.00%	2.58%
FE	5.66%	4.00%	4.50%	4.50%	5.00%	12.50%	6.50%	3.00%	5.71%	5.67%	2.87%	1.89%
NU	6.36%	8.00%	6.50%	5.00%	8.50%	3.00%	8.50%	2.00%	5.93%	15.25%	8.56%	2.61%
AEP	4.49%	3.00%	3.00%	5.00%	3.75%	n/a	-6.00%	2.50%	1.88%	2.13%	3.22%	5.15%
CNL	6.39%	9.50%	10.00%	4.50%	12.50%	0.50%	0.50%	9.00%	6.64%	5.19%	0.00%	11.12%
EDE	3.46%	6.00%	1.50%	2.00%	6.00%	3.50%	0.00%	1.50%	2.93%	11.77%	0.00%	1.37%
ETR	6.40%	6.00%	5.50%	6.50%	8.53%	10.50%	13.00%	3.00%	7.58%	9.19%	9.68%	2.12%
WR	3.67%	4.50%	4.50%	6.00%	3.30%	21.50%	-0.50%	1.00%	5.76%	7.76%	8.27%	5.52%
HE	3.46%	7.00%	0.00%	2.00%	3.00%	-6.00%	0.00%	1.00%	1.00%	-3.30%	0.00%	0.32%
IDA	4.21%	4.50%	2.50%	5.00%	5.00%	1.50%	-8.00%	3.00%	1.93%	4.78%	0.00%	4.10%
PNW	3.49%	3.00%	1.00%	1.00%	5.50%	-1.00%	5.00%	3.00%	2.50%	-2.27%	2.79%	0.50%
		5.32%	3.55%	4.36%		4.95%	1.82%	2.77%		5.57%	3.22%	3.39%
AVERAGES	4.67%		4.41%		6.11%		3.18%		4.04%		4.06%	

Zack's growth rates: CV-n/a, FE-7.0%, NU-8.5%, AEP-3.3%, CNL-10.5%, EDE-0%, ETR-6.0%, WR-4.5%, HE-6.0%, IDA-5.0%, PNW-8.0%. Zack's average earnings growth = 5.9%.