

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )  
Complainant, )  
v. )  
PUGET SOUND ENERGY, INC., )  
Respondent. )  
\_\_\_\_\_ )

Docket Nos. UE-111048/UG-111049  
*(consolidated)*

**EXHIBIT NO.\_\_(MPG-10)**  
**SUSTAINABLE GROWTH**

December 7, 2011

# Puget Sound Energy

## Sustainable Growth Rates

Line	Company	3 to 5 Year Projections										Sustainable Growth Rate (11)
		Dividends Per Share (1)	Earnings Per Share (2)	Book Value Per Share (3)	Book Value Growth (4)	ROE (5)	Adjustment Factor (6)	Adjusted ROE (7)	Payout Ratio (8)	Retention Rate (9)	Internal Growth Rate (10)	
1	Alliant Energy	\$2.10	\$3.60	\$30.15	2.93%	11.94%	1.01	12.11%	58.33%	41.67%	5.05%	5.53%
2	CMS Energy	\$1.10	\$1.75	\$15.00	6.04%	11.67%	1.03	12.01%	62.86%	37.14%	4.46%	5.11%
3	Great Plains Energy	\$1.10	\$1.75	\$23.50	2.02%	7.45%	1.01	7.52%	62.86%	37.14%	2.79%	2.62%
4	NV Energy	\$0.75	\$1.50	\$17.25	3.91%	8.70%	1.02	8.86%	50.00%	50.00%	4.43%	4.49%
5	OGE Energy	\$1.80	\$4.00	\$33.75	7.54%	11.85%	1.04	12.28%	45.00%	55.00%	6.76%	7.30%
6	Pinnacle West Capital	\$2.30	\$3.50	\$39.25	3.00%	8.92%	1.01	9.05%	65.71%	34.29%	3.10%	3.86%
7	TECO Energy	\$1.05	\$1.75	\$13.25	5.58%	13.21%	1.03	13.57%	60.00%	40.00%	5.43%	5.79%
8	Westar Energy	\$1.44	\$2.40	\$23.45	1.99%	10.23%	1.01	10.34%	60.00%	40.00%	4.13%	4.79%
9	Wisconsin Energy	\$1.65	\$2.75	\$19.75	3.97%	13.92%	1.02	14.19%	60.00%	40.00%	5.68%	4.87%
10	<b>Average</b>	<b>\$1.48</b>	<b>\$2.56</b>	<b>\$23.93</b>	<b>4.11%</b>	<b>10.88%</b>	<b>1.02</b>	<b>11.10%</b>	<b>58.31%</b>	<b>41.69%</b>	<b>4.65%</b>	<b>4.93%</b>
11	<b>Median</b>											<b>4.87%</b>

**Sources and Notes:**

Cols. (1), (2) and (3): *The Value Line Investment Survey*, September 23, November 4 and November 25, 2011.  
 Col. (4): [ Col. (3) / Page 2 Col. (2) ] ^ (1/5) - 1.  
 Col. (5): Col. (2) / Col. (3).  
 Col. (6): [ 2 \* (1 + Col. (4)) ] / (2 + Col. (4)).  
 Col. (7): Col. (6) \* Col. (5).  
 Col. (8): Col. (1) / Col. (2).  
 Col. (9): 1 - Col. (8).  
 Col. (10): Col. (9) \* Col. (7).  
 Col. (11): Col. (10) + Page 2 Col. (9).

## Puget Sound Energy

### Sustainable Growth Rates

Line	Company	13-Week	2010	Market	Common Shares		Growth	S Factor <sup>3</sup>	V Factor <sup>4</sup>	S * V <sup>5</sup>
		Average Stock Price <sup>1</sup>	Book Value Per Share <sup>2</sup>	to Book Ratio	2010	3-5 Years				
		(1)	(2)	(3)	(4)	(5)				
1	Alliant Energy	\$39.90	\$26.09	1.53	110.89	116.00	0.91%	1.38%	34.61%	0.48%
2	CMS Energy	\$20.04	\$11.19	1.79	249.60	260.00	0.82%	1.47%	44.16%	0.65%
3	Great Plains Energy	\$19.87	\$21.26	0.93	135.71	155.00	2.69%	2.52%	-7.00%	-0.18%
4	NV Energy	\$14.94	\$14.24	1.05	235.32	250.00	1.22%	1.28%	4.68%	0.06%
5	OGE Energy	\$49.51	\$23.46	2.11	97.60	100.00	0.49%	1.03%	52.61%	0.54%
6	Pinnacle West Capital	\$44.18	\$33.86	1.30	108.77	123.00	2.49%	3.25%	23.35%	0.76%
7	TECO Energy	\$17.88	\$10.10	1.77	214.90	220.00	0.47%	0.83%	43.52%	0.36%
8	Westar Energy	\$26.45	\$21.25	1.24	112.13	128.00	2.68%	3.34%	19.67%	0.66%
9	Wisconsin Energy	\$31.69	\$16.26	1.95	233.77	224.00	-0.85%	-1.66%	48.69%	-0.81%
10	<b>Average</b>	<b>\$29.38</b>	<b>\$19.75</b>	<b>1.52</b>	<b>166.52</b>	<b>175.11</b>	<b>1.21%</b>	<b>1.49%</b>	<b>29.37%</b>	<b>0.28%</b>

Sources and Notes:

<sup>1</sup> <http://moneycentral.msn.com>, downloaded on November 23, 2011.

<sup>2</sup> The Value Line Investment Survey, September 23, November 4 and November 25, 2011.

<sup>3</sup> Expected Growth in the Number of Shares, Column (3) \* Column (6).

<sup>4</sup> Expected Profit of Stock Investment, [ 1 - 1 / Column (3) ].

<sup>5</sup> Column (7) \* Column (8).