

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-19)

CAPM RETURN

December 7, 2011

Puget Sound Energy

CAPM Return

<u>Line</u>	<u>Description</u>	<u>Market Risk Premium</u>
1	Risk-Free Rate ¹	3.80%
2	Risk Premium ²	6.70%
3	Beta ³	0.75
4	CAPM	8.83%

Sources:

¹ *Blue Chip Financial Forecasts*; November 1, 2011, at 2.

² Morningstar, Inc. *Ibbotson S&P 500 2011 Classic Yearbook* at 86, and Morningstar, Inc. *Ibbotson S&P 500 2011 Valuation Yearbook* at 54 and 66.

³ *The Value Line Investment Survey*, September 23, November 4 and November 25, 2011.