

Exhibit No. __ (DCG-5)
Docket UE-121373
Witness: David C. Gomez

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Petition of

DOCKET UE-121373

PUGET SOUND ENERGY, INC.

**for Approval of a Power Purchase
Agreement for Acquisition of Coal
Transition Power, as Defined in RCW
80.80.010, and the Recovery of Related
Acquisition Costs**

EXHIBIT TO TESTIMONY OF

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Equity Return Calculation for Coal Transition PPA - Staff

November 2, 2012

Equity Return Calculation for Coal Transition PPA - Staff

Assumptions Used to Find an Equity Return on an Equivalent Plant

280	Capacity of an Equivalent Plant (MW)	
\$84	Capital Cost Equivalent Plant \$MM	
31-Dec-14	Start Date	
31-Dec-25	Stop date	
133	PPA Term months	11.08 Yrs.
7.80%	WACC and Discount Rate	
9.80%	Equity Cost	
48.0%	Equity Ratio	
7.24%	Weighted Pre-tax Equity Return (Revenue Required)	

Summary of Pre-Tax Equity Return Results

A	\$33.69	Nominal Total \$MM		
B	\$26.08	PV Total \$MM @7.8%		
C	\$0.29	Levelized \$MM Monthly		
D	\$3.46	Levelized \$MM Annual		
E	280	MW		
F	\$1.03	Levelized Monthly \$/kW		
			Actual Power MWH based on correct days of the month	Actual Equity Return Calculation
G	\$12.35	Levelized Annual \$/kW		
H	\$1.41	Levelized \$/MWh	33,595,680	\$1.003