

COMBINATION UTILITY GROUP

Exhibit No. ____
 Schedule WEA-3
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MULTI-STAGE DCF MODEL

Description	Puget Sound Energy						RGS Energy Group							
	Cash Flow	NPV	EPS	Grth	P/O	DPS	Cash Flow	NPV	EPS	Grth	P/O	DPS		
Recent Price (a)	(\$23.00)								(\$26.00)					
1999 (b)	\$0.92	\$0.89	\$0.95	--	96.8%	\$0.92	\$0.90	\$0.88	\$1.20	--	75.0%	\$0.90		
2000 (b)	\$1.84	\$1.65	\$1.95	--	94.4%	\$1.84	\$1.80	\$1.61	\$2.50	--	72.0%	\$1.80		
2001 (c)	\$1.84	\$1.47	\$2.00	2.5%	92.1%	\$1.84	\$1.80	\$1.45	\$2.50	0.0%	72.0%	\$1.80		
2002 (c)	\$1.84	\$1.32	\$2.05	2.5%	89.9%	\$1.84	\$1.80	\$1.30	\$2.50	0.0%	72.0%	\$1.80		
2003 (b)	\$1.84	\$1.18	\$2.10	--	87.6%	\$1.84	\$1.80	\$1.16	\$2.50	--	72.0%	\$1.80		
2004 (d)	\$1.78	\$1.02	\$2.17	3.4%	82.1%	\$1.78	\$1.76	\$1.02	\$2.53	1.4%	69.6%	\$1.76		
2005 (d)	\$1.73	\$0.89	\$2.26	4.3%	76.6%	\$1.73	\$1.75	\$0.91	\$2.61	2.8%	67.2%	\$1.75		
2006 (d)	\$1.69	\$0.78	\$2.38	5.2%	71.0%	\$1.69	\$1.76	\$0.82	\$2.71	4.2%	64.8%	\$1.76		
2007 (d)	\$1.65	\$0.68	\$2.53	6.1%	65.5%	\$1.65	\$1.79	\$0.75	\$2.86	5.6%	62.4%	\$1.79		
2008 (e)	\$1.62	\$0.60	\$2.70	7.0%	60.0%	\$1.62	\$1.84	\$0.69	\$3.06	7.0%	60.0%	\$1.84		
Price In 2008 (f)	\$36.00	\$12.52							\$43.32	\$15.41				
Implied Cost of Equity (g)	11.8%								11.5%					

Description	Sempra Energy						Sierra Pacific Resources							
	Cash Flow	NPV	EPS	Grth	P/O	DPS	Cash Flow	NPV	EPS	Grth	P/O	DPS		
Recent Price (a)	(\$22.00)								(\$25.00)					
1999 (b)	\$0.78	\$0.76	\$0.83	--	94.5%	\$0.78	\$0.50	\$0.49	\$0.93	--	54.1%	\$0.50		
2000 (b)	\$1.56	\$1.39	\$1.80	--	86.7%	\$1.56	\$1.10	\$0.98	\$2.15	--	51.2%	\$1.10		
2001 (c)	\$1.56	\$1.25	\$1.89	5.3%	82.5%	\$1.56	\$1.19	\$0.95	\$2.33	8.6%	51.1%	\$1.19		
2002 (c)	\$1.56	\$1.11	\$1.99	5.3%	78.4%	\$1.56	\$1.29	\$0.91	\$2.53	8.6%	51.0%	\$1.29		
2003 (b)	\$1.56	\$1.00	\$2.10	--	74.3%	\$1.56	\$1.40	\$0.88	\$2.75	--	50.9%	\$1.40		
2004 (d)	\$1.58	\$0.90	\$2.22	5.6%	71.4%	\$1.58	\$1.57	\$0.88	\$2.98	8.2%	52.7%	\$1.57		
2005 (d)	\$1.61	\$0.82	\$2.35	5.9%	68.6%	\$1.61	\$1.75	\$0.88	\$3.21	7.9%	54.5%	\$1.75		
2006 (d)	\$1.64	\$0.75	\$2.50	6.3%	65.7%	\$1.64	\$1.95	\$0.87	\$3.46	7.6%	56.4%	\$1.95		
2007 (d)	\$1.67	\$0.68	\$2.66	6.6%	62.9%	\$1.67	\$2.16	\$0.86	\$3.71	7.3%	58.2%	\$2.16		
2008 (e)	\$1.71	\$0.62	\$2.85	7.0%	60.0%	\$1.71	\$2.38	\$0.85	\$3.96	7.0%	60.0%	\$2.38		
Price In 2008 (f)	\$37.00	\$12.72							\$48.92	\$16.45				
Implied Cost of Equity (g)	11.9%								12.2%					

- (a) The Value Line Investment Survey (July 9, August 20, & September 10, 1999).
- (b) EPS and DPS from (a), above, with payout ratio calculated using these same projections.
- (c) Company-specific earnings growth based on 2000 and 2003 EPS. Payout ratio interpolated between 2000 and 2003.
- (d) Interpolated between (c) and (d).
- (e) Earnings growth based on equal weighting of 3.5% growth for electric utility industry and 10.4% growth for competitive sector from Standard & Poor's Earnings Guide (July 1999) and Value Line's Selection & Opinion (July 23, 1999).
- (f) Dividends in 2008 increased by (e), then capitalized at the difference between (g) and (e).
- (g) Discount rate equating cash flows to recent price.