

EXHIBIT NO. ___(RAM-5)
DOCKET NO. UE-06 ___/UG-06 ___
2006 PSE GENERAL RATE CASE
WITNESS: DR. ROGER A. MORIN

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-06 ___
Docket No. UG-06 ___

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
DR. ROGER A. MORIN
ON BEHALF OF PUGET SOUND ENERGY, INC.**

FEBRUARY 15, 2006

**MOODY'S ELECTRIC UTILITY COMMON STOCKS
OVER LONG-TERM TREASURY BONDS
ANNUAL LONG-TERM RISK PREMIUM ANALYSIS**

Year	<u>Long-Term</u>	<u>20-Year</u>	<u>Gain/Los</u>	<u>Interest</u>	<u>Bond</u>	<u>Moody's</u>		<u>Capital</u>	<u>Yield</u>	<u>Stock</u>	<u>Equity</u>
	<u>Government</u>	<u>Maturity</u>				<u>Total</u>	<u>Utility</u>				
	<u>Bond Yield</u>	<u>Bond</u>	<u>s</u>		<u>Return</u>	<u>Stock</u>	<u>Dividend</u>	<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1931	4.07%	1,000.00				43.23					
1932	3.15%	1,135.75	135.75	40.70	17.64%	39.42	2.63	-8.81%	6.08%	-2.73%	-20.37%
1933	3.36%	969.60	-30.40	31.50	0.11%	28.73	1.95	-27.12%	4.95%	-22.17%	-22.28%
1934	2.93%	1,064.73	64.73	33.60	9.83%	21.06	1.60	-26.70%	5.57%	-21.13%	-30.96%
1935	2.76%	1,025.99	25.99	29.30	5.53%	36.06	1.32	71.23%	6.27%	77.49%	71.96%
1936	2.55%	1,032.74	32.74	27.60	6.03%	41.60	1.48	15.36%	4.10%	19.47%	13.43%
1937	2.73%	972.40	-27.60	25.50	-0.21%	24.24	1.74	-41.73%	4.18%	-37.55%	-37.34%
1938	2.52%	1,032.83	32.83	27.30	6.01%	27.55	1.50	13.66%	6.19%	19.84%	13.83%
1939	2.26%	1,041.65	41.65	25.20	6.68%	28.85	1.48	4.72%	5.37%	10.09%	3.41%
1940	1.94%	1,052.84	52.84	22.60	7.54%	22.22	1.54	-22.98%	5.34%	-17.64%	-25.19%
1941	2.04%	983.64	-16.36	19.40	0.30%	13.45	1.44	-39.47%	6.48%	-32.99%	-33.29%
1942	2.46%	933.97	-66.03	20.40	-4.56%	14.29	1.26	6.25%	9.37%	15.61%	20.18%
1943	2.48%	996.86	-3.14	24.60	2.15%	21.01	1.28	47.03%	8.96%	55.98%	53.84%
1944	2.46%	1,003.14	3.14	24.80	2.79%	21.09	1.31	0.38%	6.24%	6.62%	3.82%
1945	1.99%	1,077.23	77.23	24.60	10.18%	31.14	1.30	47.65%	6.16%	53.82%	43.63%
1946	2.12%	978.90	-21.10	19.90	-0.12%	32.71	1.43	5.04%	4.59%	9.63%	9.75%
1947	2.43%	951.13	-48.87	21.20	-2.77%	25.60	1.56	-21.74%	4.77%	-16.97%	-14.20%
1948	2.37%	1,009.51	9.51	24.30	3.38%	26.20	1.60	2.34%	6.25%	8.59%	5.21%
1949	2.09%	1,045.58	45.58	23.70	6.93%	30.57	1.66	16.68%	6.34%	23.02%	16.09%

**MOODY'S ELECTRIC UTILITY COMMON STOCKS
OVER LONG-TERM TREASURY BONDS
ANNUAL LONG-TERM RISK PREMIUM ANALYSIS**

Year	<u>Long-Term</u>	<u>20-Year</u>	<u>Gain/Los</u>	<u>Interest</u>	<u>Bond</u>	<u>Moody's</u>		<u>Capital</u>	<u>Yield</u>	<u>Stock</u>	<u>Equity</u>
	<u>Government</u>	<u>Maturity</u>				<u>Total</u>	<u>Utility</u>				
	<u>Bond Yield</u>	<u>Bond</u>	<u>s</u>		<u>Return</u>	<u>Stock</u>	<u>Dividend</u>	<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1950	2.24%	975.93	-24.07	20.90	-0.32%	30.81	1.76	0.79%	5.76%	6.54%	6.86%
1951	2.69%	930.75	-69.25	22.40	-4.69%	33.85	1.88	9.87%	6.10%	15.97%	20.65%
1952	2.79%	984.75	-15.25	26.90	1.17%	37.85	1.91	11.82%	5.64%	17.46%	16.29%
1953	2.74%	1,007.66	7.66	27.90	3.56%	39.61	2.01	4.65%	5.31%	9.96%	6.40%
1954	2.72%	1,003.07	3.07	27.40	3.05%	47.56	2.13	20.07%	5.38%	25.45%	22.40%
1955	2.95%	965.44	-34.56	27.20	-0.74%	49.35	2.21	3.76%	4.65%	8.41%	9.15%
1956	3.45%	928.19	-71.81	29.50	-4.23%	48.96	2.32	-0.79%	4.70%	3.91%	8.14%
1957	3.23%	1,032.23	32.23	34.50	6.67%	50.30	2.43	2.74%	4.96%	7.70%	1.03%
1958	3.82%	918.01	-81.99	32.30	-4.97%	66.37	2.50	31.95%	4.97%	36.92%	41.89%
1959	4.47%	914.65	-85.35	38.20	-4.71%	65.77	2.61	-0.90%	3.93%	3.03%	7.74%
1960	3.80%	1,093.27	93.27	44.70	13.80%	76.82	2.68	16.80%	4.07%	20.88%	7.08%
1961	4.15%	952.75	-47.25	38.00	-0.92%	99.32	2.81	29.29%	3.66%	32.95%	33.87%
1962	3.95%	1,027.48	27.48	41.50	6.90%	96.49	2.97	-2.85%	2.99%	0.14%	-6.76%
1963	4.17%	970.35	-29.65	39.50	0.99%	102.31	3.21	6.03%	3.33%	9.36%	8.37%
1964	4.23%	991.96	-8.04	41.70	3.37%	115.54	3.43	12.93%	3.35%	16.28%	12.92%
1965	4.50%	964.64	-35.36	42.30	0.69%	114.86	3.86	-0.59%	3.34%	2.75%	2.06%
1966	4.55%	993.48	-6.52	45.00	3.85%	105.99	4.11	-7.72%	3.58%	-4.14%	-7.99%
1967	5.56%	879.01	-120.99	45.50	-7.55%	98.19	4.34	-7.36%	4.09%	-3.26%	4.29%
1968	5.98%	951.38	-48.62	55.60	0.70%	104.04	4.50	5.96%	4.58%	10.54%	9.84%

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	<u>Government</u>	<u>Maturity</u>				<u>Total</u>	<u>Utility</u>				
	<u>Bond Yield</u>	<u>Bond</u>	<u>s</u>		<u>Return</u>	<u>Stock</u>	<u>Dividend</u>	<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1969	6.87%	904.00	-96.00	59.80	-3.62%	84.62	4.61	-18.67%	4.43%	-14.23%	-10.62%
1970	6.48%	1,043.38	43.38	68.70	11.21%	88.59	4.70	4.69%	5.55%	10.25%	-0.96%
1971	5.97%	1,059.09	59.09	64.80	12.39%	85.56	4.77	-3.42%	5.38%	1.96%	-10.42%
1972	5.99%	997.69	-2.31	59.70	5.74%	83.61	4.87	-2.28%	5.69%	3.41%	-2.33%
1973	7.26%	867.09	-132.91	59.90	-7.30%	60.87	5.01	-27.20%	5.99%	-21.21%	-13.90%
1974	7.60%	965.33	-34.67	72.60	3.79%	41.17	4.83	-32.36%	7.93%	-24.43%	-28.22%
1975	8.05%	955.63	-44.37	76.00	3.16%	55.66	4.97	35.20%	12.07%	47.27%	44.10%
1976	7.21%	1,088.25	88.25	80.50	16.87%	66.29	5.18	19.10%	9.31%	28.40%	11.53%
1977	8.03%	919.03	-80.97	72.10	-0.89%	68.19	5.54	2.87%	8.36%	11.22%	12.11%
1978	8.98%	912.47	-87.53	80.30	-0.72%	59.75	5.81	-12.38%	8.52%	-3.86%	-3.13%
1979	10.12%	902.99	-97.01	89.80	-0.72%	56.41	6.22	-5.59%	10.41%	4.82%	5.54%
1980	11.99%	859.23	-140.77	101.20	-3.96%	54.42	6.58	-3.53%	11.66%	8.14%	12.09%
1981	13.34%	906.45	-93.55	119.90	2.63%	57.20	6.99	5.11%	12.84%	17.95%	15.32%
1982	10.95%	1,192.38	192.38	133.40	32.58%	70.26	7.43	22.83%	12.99%	35.82%	3.24%
1983	11.97%	923.12	-76.88	109.50	3.26%	72.03	7.87	2.52%	11.20%	13.72%	10.46%
1984	11.70%	1,020.70	20.70	119.70	14.04%	80.16	8.26	11.29%	11.47%	22.75%	8.71%
1985	9.56%	1,189.27	189.27	117.00	30.63%	94.98	8.61	18.49%	10.74%	29.23%	-1.40%
1986	7.89%	1,166.63	166.63	95.60	26.22%	113.66	8.89	19.67%	9.36%	29.03%	2.80%
1987	9.20%	881.17	-118.83	78.90	-3.99%	94.24	9.12	-17.09%	8.02%	-9.06%	-5.07%

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	<u>Government</u>	<u>Maturity</u>				<u>Utility</u>	<u>Electric</u>				
	<u>Bond Yield</u>	<u>Bond Value</u>	<u>s</u>		<u>Return</u>	<u>Index</u>	<u>Dividend</u>	<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1988	9.18%	1,001.82	1.82	92.00	9.38%	100.94	8.87	7.11%	9.41%	16.52%	7.14%
1989	8.16%	1,099.75	99.75	91.80	19.16%	122.52	8.82	21.38%	8.74%	30.12%	10.96%
1990	8.44%	973.17	-26.83	81.60	5.48%	117.77	8.79	-3.88%	7.17%	3.30%	-2.18%
1991	7.30%	1,118.94	118.94	84.40	20.33%	144.02	8.95	22.29%	7.60%	29.89%	9.55%
1992	7.26%	1,004.19	4.19	73.00	7.72%	141.06	9.05	-2.06%	6.28%	4.23%	-3.49%
1993	6.54%	1,079.70	79.70	72.60	15.23%	146.70	8.99	4.00%	6.37%	10.37%	-4.86%
1994	7.99%	856.40	-143.60	65.40	-7.82%	115.50	8.96	-21.27%	6.11%	-15.16%	-7.34%
1995	6.03%	1,225.98	225.98	79.90	30.59%	142.90	9.06	23.72%	7.84%	31.57%	0.98%
1996	6.73%	923.67	-76.33	60.30	-1.60%	136.00	9.06	-4.83%	6.34%	1.51%	3.11%
1997	6.02%	1,081.92	81.92	67.30	14.92%	155.73	9.06	14.51%	6.66%	21.17%	6.25%
1998	5.42%	1,072.71	72.71	60.20	13.29%	181.44	8.01	16.51%	5.14%	21.65%	8.36%
1999	6.82%	848.41	-151.59	54.20	-9.74%	137.30	8.06	-24.33%	4.44%	-19.89%	-10.15%
2000	5.58%	1,148.30	148.30	68.20	21.65%	227.09	8.71	65.40%	6.34%	71.74%	50.09%
2001	5.75%	979.95	-20.05	55.80	3.57%	214.08	8.56	-5.73%	3.77%	-1.96%	-5.54%
MEAN					5.39%					10.94%	5.55%

Source: Mergent's (Moody's) Public Utility Manual 2002 December stock prices and dividends
Dec. Bond yields from Ibbotson Associates 2002 Yearbook Table B-9 Long-Term Government Bonds Yields
December stock price, dividends from Moody's Public Utility Manual