

EXHIBIT NO. ___(RAM-6)
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 ___

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

FEBRUARY 15, 2006

**MOODY'S NATURAL GAS DISTRIBUTION COMMON STOCKS
OVER LONG-TERM TREASURY BONDS
ANNUAL LONG-TERM RISK PREMIUM ANALYSIS**

Year	<u>Long-Term</u>	<u>20-Year</u>			<u>Bond</u>	<u>Moody's</u>			<u>Capital</u>	<u>Stock</u>	<u>Equity</u>
	<u>Government</u>	<u>Maturity</u>	<u>Gain/Los</u>	<u>Interest</u>	<u>Total</u>	<u>Natural Gas</u>	<u>Dividend</u>	<u>Gain/(Loss)</u>	<u>Yield</u>	<u>Total</u>	<u>Risk</u>
	<u>Bond Yield</u>	<u>Bond</u>	<u>s</u>		<u>Return</u>	<u>Distribution</u>		<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1954	2.72%	1,000.00				26.47					
1955	2.95%	965.44	-34.56	27.20	-0.74%	28.10	1.38	6.16%	5.21%	11.37%	12.11%
1956	3.45%	928.19	-71.81	29.50	-4.23%	28.23	1.48	0.46%	5.27%	5.73%	9.96%
1957	3.23%	1,032.23	32.23	34.50	6.67%	25.78	1.49	-8.68%	5.28%	-3.40%	-10.07%
1958	3.82%	918.01	-81.99	32.30	-4.97%	38.71	1.57	50.16%	6.09%	56.25%	61.21%
1959	4.47%	914.65	-85.35	38.20	-4.71%	39.59	1.66	2.27%	4.29%	6.56%	11.28%
1960	3.80%	1,093.27	93.27	44.70	13.80%	48.21	1.84	21.77%	4.65%	26.42%	12.62%
1961	4.15%	952.75	-47.25	38.00	-0.92%	64.96	1.94	34.74%	4.02%	38.77%	39.69%
1962	3.95%	1,027.48	27.48	41.50	6.90%	59.73	2.02	-8.05%	3.11%	-4.94%	-11.84%
1963	4.17%	970.35	-29.65	39.50	0.99%	64.62	2.18	8.19%	3.65%	11.84%	10.85%
1964	4.23%	991.96	-8.04	41.70	3.37%	68.24	2.30	5.60%	3.56%	9.16%	5.80%
1965	4.50%	964.64	-35.36	42.30	0.69%	64.31	2.48	-5.76%	3.63%	-2.12%	-2.82%
1966	4.55%	993.48	-6.52	45.00	3.85%	53.50	2.61	-16.81%	4.06%	-12.75%	-16.60%
1967	5.56%	879.01	-120.99	45.50	-7.55%	50.49	2.74	-5.63%	5.12%	-0.50%	7.04%
1968	5.98%	951.38	-48.62	55.60	0.70%	53.80	2.81	6.56%	5.57%	12.12%	11.42%
1969	6.87%	904.00	-96.00	59.80	-3.62%	43.88	2.93	-18.44%	5.45%	-12.99%	-9.37%
1970	6.48%	1,043.38	43.38	68.70	11.21%	52.33	3.01	19.26%	6.86%	26.12%	14.91%
1971	5.97%	1,059.09	59.09	64.80	12.39%	47.86	3.07	-8.54%	5.87%	-2.68%	-15.06%
1972	5.99%	997.69	-2.31	59.70	5.74%	53.54	3.12	11.87%	6.52%	18.39%	12.65%
1973	7.26%	867.09	-132.91	59.90	-7.30%	43.43	3.28	-18.88%	6.13%	-12.76%	-5.46%

**MOODY'S NATURAL GAS DISTRIBUTION 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>Dividend</u>	<u>Capital</u>	<u>Yield</u>	<u>Stock</u>	<u>Equity</u>
	<u>Government</u>	<u>Maturity</u>			<u>Total</u>	<u>Natural Gas</u>		<u>Gain/(Loss)</u>		<u>Total</u>	<u>Risk</u>
	<u>Bond Yield</u>	<u>Bond</u>	<u>s</u>		<u>Return</u>	<u>Distribution</u>		<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1974	7.60%	965.33	-34.67	72.60	3.79%	29.71	3.34	-31.59%	7.69%	-23.90%	-27.69%
1975	8.05%	955.63	-44.37	76.00	3.16%	38.29	3.48	28.88%	11.71%	40.59%	37.43%
1976	7.21%	1,088.25	88.25	80.50	16.87%	51.80	3.70	35.28%	9.66%	44.95%	28.07%
1977	8.03%	919.03	-80.97	72.10	-0.89%	50.88	3.93	-1.78%	7.59%	5.81%	6.70%
1978	8.98%	912.47	-87.53	80.30	-0.72%	45.97	4.18	-9.65%	8.22%	-1.43%	-0.71%
1979	10.12%	902.99	-97.01	89.80	-0.72%	53.50	4.44	16.38%	9.66%	26.04%	26.76%
1980	11.99%	859.23	-140.77	101.20	-3.96%	56.61	4.68	5.81%	8.75%	14.56%	18.52%
1981	13.34%	906.45	-93.55	119.90	2.63%	53.50	5.12	-5.49%	9.04%	3.55%	0.92%
1982	10.95%	1,192.38	192.38	133.40	32.58%	50.62	5.39	-5.38%	10.07%	4.69%	-27.89%
1983	11.97%	923.12	-76.88	109.50	3.26%	55.79	5.55	10.21%	10.96%	21.18%	17.92%
1984	11.70%	1,020.70	20.70	119.70	14.04%	69.70	5.88	24.93%	10.54%	35.47%	21.43%
1985	9.56%	1,189.27	189.27	117.00	30.63%	76.58	6.22	9.87%	8.92%	18.79%	-11.83%
1986	7.89%	1,166.63	166.63	95.60	26.22%	90.89	5.71	18.69%	7.46%	26.14%	-0.08%
1987	9.20%	881.17	-118.83	78.90	-3.99%	77.25	6.02	-15.01%	6.62%	-8.38%	-4.39%
1988	9.18%	1,001.82	1.82	92.00	9.38%	86.76	6.30	12.31%	8.16%	20.47%	11.08%
1989	8.16%	1,099.75	99.75	91.80	19.16%	117.05	6.58	34.91%	7.58%	42.50%	23.34%
1990	8.44%	973.17	-26.83	81.60	5.48%	108.86	6.84	-7.00%	5.84%	-1.15%	-6.63%
1991	7.30%	1,118.94	118.94	84.40	20.33%	124.32	6.99	14.20%	6.42%	20.62%	0.29%
1992	7.26%	1,004.19	4.19	73.00	7.72%	138.79	7.14	11.64%	5.74%	17.38%	9.66%
1993	6.54%	1,079.70	79.70	72.60	15.23%	154.06	7.30	11.00%	5.26%	16.26%	1.03%

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	<u>Government</u>	<u>Maturity</u>			<u>Total</u>	<u>Natural Gas</u>		<u>Gain/(Loss)</u>		<u>Total</u>	<u>Risk</u>
	<u>Bond Yield</u>	<u>Bond Value</u>	<u>s</u>		<u>Return</u>	<u>Stock Index</u>		<u>% Growth</u>		<u>Return</u>	<u>Premium</u>
	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
1994	7.99%	856.40	-143.60	65.40	-7.82%	126.96	7.44	-17.59%	4.83%	-12.76%	-4.94%
1995	6.03%	1,225.98	225.98	79.90	30.59%	155.94	7.56	22.83%	5.95%	28.78%	-1.81%
1996	6.73%	923.67	-76.33	60.30	-1.60%	166.64	7.91	6.86%	5.07%	11.93%	13.54%
1997	6.02%	1,081.92	81.92	67.30	14.92%	191.04	8.02	14.64%	4.81%	19.46%	4.53%
1998	5.42%	1,072.71	72.71	60.20	13.29%	177.24	8.13	-7.22%	4.26%	-2.97%	-16.26%
1999	6.82%	848.41	-151.59	54.20	-9.74%	166.84	8.22	-5.87%	4.64%	-1.23%	8.51%
2000	5.58%	1,148.30	148.30	68.20	21.65%	200.68	8.22	20.28%	4.93%	25.21%	3.56%
2001	5.75%	979.95	61.94	51.23	11.87%	209.67	8.22	4.48%	4.10%	8.58%	-3.29%
MEAN					6.50%					12.16%	5.66%

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