

**EXHIBIT NO. ___(RAM-7)
DOCKET NO. UE-09___/UG-09___
2009 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-09___
Docket No. UG-09___**

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

MAY 8, 2009

Electric Industry Historical Risk Premium

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	Long-Term Government Bond Yield	20 year Maturity Bond Value	Gain/Loss	Interest	Bond Total Return	S&P Utility Index Return	Utility Equity Risk Premium Over Bond Returns	Utility Equity Risk Premium Over Bond Yields	
<u>Line No.</u>	<u>Year</u>	<u>Yield</u>	<u>Value</u>	<u>Gain/Loss</u>	<u>Interest</u>	<u>Return</u>	<u>Return</u>	<u>Over Bond Returns</u>	<u>Over Bond Yields</u>
1	1931	4.07%	1,000.00						
2	1932	3.15%	1,135.75	135.75	40.70	17.64%	-0.54%	-18.18%	-3.69%
3	1933	3.36%	969.60	-30.40	31.50	0.11%	-21.87%	-21.98%	-25.23%
4	1934	2.93%	1,064.73	64.73	33.60	9.83%	-20.41%	-30.24%	-23.34%
5	1935	2.76%	1,025.99	25.99	29.30	5.53%	76.63%	71.10%	73.87%
6	1936	2.55%	1,032.74	32.74	27.60	6.03%	20.69%	14.66%	18.14%
7	1937	2.73%	972.40	-27.60	25.50	-0.21%	-37.04%	-36.83%	-39.77%
8	1938	2.52%	1,032.83	32.83	27.30	6.01%	22.45%	16.44%	19.93%
9	1939	2.26%	1,041.65	41.65	25.20	6.68%	11.26%	4.58%	9.00%
10	1940	1.94%	1,052.84	52.84	22.60	7.54%	-17.15%	-24.69%	-19.09%
11	1941	2.04%	983.64	-16.36	19.40	0.30%	-31.57%	-31.87%	-33.61%
12	1942	2.46%	933.97	-66.03	20.40	-4.56%	15.39%	19.95%	12.93%
13	1943	2.48%	996.86	-3.14	24.60	2.15%	46.07%	43.92%	43.59%

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14	1944	2.46%	1,003.14	3.14	24.80	2.79%	18.03%	15.24%	15.57%
15	1945	1.99%	1,077.23	77.23	24.60	10.18%	53.33%	43.15%	51.34%
16	1946	2.12%	978.90	-21.10	19.90	-0.12%	1.26%	1.38%	-0.86%
17	1947	2.43%	951.13	-48.87	21.20	-2.77%	-13.16%	-10.39%	-15.59%
18	1948	2.37%	1,009.51	9.51	24.30	3.38%	4.01%	0.63%	1.64%
19	1949	2.09%	1,045.58	45.58	23.70	6.93%	31.39%	24.46%	29.30%
20	1950	2.24%	975.93	-24.07	20.90	-0.32%	3.25%	3.57%	1.01%
21	1951	2.69%	930.75	-69.25	22.40	-4.69%	18.63%	23.32%	15.94%
22	1952	2.79%	984.75	-15.25	26.90	1.17%	19.25%	18.08%	16.46%
23	1953	2.74%	1,007.66	7.66	27.90	3.56%	7.85%	4.29%	5.11%
24	1954	2.72%	1,003.07	3.07	27.40	3.05%	24.72%	21.67%	22.00%
25	1955	2.95%	965.44	-34.56	27.20	-0.74%	11.26%	12.00%	8.31%
26	1956	3.45%	928.19	-71.81	29.50	-4.23%	5.06%	9.29%	1.61%
27	1957	3.23%	1,032.23	32.23	34.50	6.67%	6.36%	-0.31%	3.13%
28	1958	3.82%	918.01	-81.99	32.30	-4.97%	40.70%	45.67%	36.88%

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<u>Line No.</u>	<u>Year</u>	<u>Yield</u>	<u>Value</u>	<u>Gain/Loss</u>	<u>Interest</u>	<u>Return</u>	<u>Return</u>	<u>Over Bond Returns</u>	<u>Over Bond Yields</u>
29	1959	4.47%	914.65	-85.35	38.20	-4.71%	7.49%	12.20%	3.02%
30	1960	3.80%	1,093.27	93.27	44.70	13.80%	20.26%	6.46%	16.46%
31	1961	4.15%	952.75	-47.25	38.00	-0.92%	29.33%	30.25%	25.18%
32	1962	3.95%	1,027.48	27.48	41.50	6.90%	-2.44%	-9.34%	-6.39%
33	1963	4.17%	970.35	-29.65	39.50	0.99%	12.36%	11.37%	8.19%
34	1964	4.23%	991.96	-8.04	41.70	3.37%	15.91%	12.54%	11.68%
35	1965	4.50%	964.64	-35.36	42.30	0.69%	4.67%	3.98%	0.17%
36	1966	4.55%	993.48	-6.52	45.00	3.85%	-4.48%	-8.33%	-9.03%
37	1967	5.56%	879.01	-120.99	45.50	-7.55%	-0.63%	6.92%	-6.19%
38	1968	5.98%	951.38	-48.62	55.60	0.70%	10.32%	9.62%	4.34%
39	1969	6.87%	904.00	-96.00	59.80	-3.62%	-15.42%	-11.80%	-22.29%
40	1970	6.48%	1,043.38	43.38	68.70	11.21%	16.56%	5.35%	10.08%
41	1971	5.97%	1,059.09	59.09	64.80	12.39%	2.41%	-9.98%	-3.56%
42	1972	5.99%	997.69	-2.31	59.70	5.74%	8.15%	2.41%	2.16%
43	1973	7.26%	867.09	-132.91	59.90	-7.30%	-18.07%	-10.77%	-25.33%

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44	1974	7.60%	965.33	-34.67	72.60	3.79%	-21.55%	-25.34%	-29.15%
45	1975	8.05%	955.63	-44.37	76.00	3.16%	44.49%	41.33%	36.44%
46	1976	7.21%	1,088.25	88.25	80.50	16.87%	31.81%	14.94%	24.60%
47	1977	8.03%	919.03	-80.97	72.10	-0.89%	8.64%	9.53%	0.61%
48	1978	8.98%	912.47	-87.53	80.30	-0.72%	-3.71%	-2.99%	-12.69%
49	1979	10.12%	902.99	-97.01	89.80	-0.72%	13.58%	14.30%	3.46%
50	1980	11.99%	859.23	-140.77	101.20	-3.96%	15.08%	19.04%	3.09%
51	1981	13.34%	906.45	-93.55	119.90	2.63%	11.74%	9.11%	-1.60%
52	1982	10.95%	1,192.38	192.38	133.40	32.58%	26.52%	-6.06%	15.57%
53	1983	11.97%	923.12	-76.88	109.50	3.26%	20.01%	16.75%	8.04%
54	1984	11.70%	1,020.70	20.70	119.70	14.04%	26.04%	12.00%	14.34%
55	1985	9.56%	1,189.27	189.27	117.00	30.63%	33.05%	2.42%	23.49%
56	1986	7.89%	1,166.63	166.63	95.60	26.22%	28.53%	2.31%	20.64%
57	1987	9.20%	881.17	-118.83	78.90	-3.99%	-2.92%	1.07%	-12.12%
58	1988	9.18%	1,001.82	1.82	92.00	9.38%	18.27%	8.89%	9.09%

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59	1989	8.16%	1,099.75	99.75	91.80	19.16%	47.80%	28.64%	39.64%
60	1990	8.44%	973.17	-26.83	81.60	5.48%	-2.57%	-8.05%	-11.01%
61	1991	7.30%	1,118.94	118.94	84.40	20.33%	14.61%	-5.72%	7.31%
62	1992	7.26%	1,004.19	4.19	73.00	7.72%	8.10%	0.38%	0.84%
63	1993	6.54%	1,079.70	79.70	72.60	15.23%	14.41%	-0.82%	7.87%
64	1994	7.99%	856.40	-143.60	65.40	-7.82%	-7.94%	-0.12%	-15.93%
65	1995	6.03%	1,225.98	225.98	79.90	30.59%	42.15%	11.56%	36.12%
66	1996	6.73%	923.67	-76.33	60.30	-1.60%	3.14%	4.74%	-3.59%
67	1997	6.02%	1,081.92	81.92	67.30	14.92%	24.69%	9.77%	18.67%
68	1998	5.42%	1,072.71	72.71	60.20	13.29%	14.82%	1.53%	9.40%
69	1999	6.82%	848.41	-151.59	54.20	-9.74%	-8.85%	0.89%	-15.67%
70	2000	5.58%	1,148.30	148.30	68.20	21.65%	59.70%	38.05%	54.12%
71	2001	5.75%	979.95	-20.05	55.80	3.57%	-30.41%	-33.98%	-36.16%
72	2002	4.84%	1,115.77	115.77	57.50	17.33%	-30.04%	-47.37%	-34.88%
73	2003	5.11%	966.42	-33.58	48.40	1.48%	26.11%	24.63%	21.00%

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74	2004	4.84%	1,034.35	34.35	51.10	8.54%	24.22%	15.68%	19.38%
75	2005	4.61%	1,029.84	29.84	48.40	7.82%	16.79%	8.97%	12.18%
76	2006	4.91%	962.06	-37.94	46.10	0.82%	20.95%	20.13%	16.04%
77	2007	4.50%	1,053.70	53.70	49.10	10.28%	19.36%	9.08%	14.86%
78									
79	Mean							6.1%	6.3%

Source: Bloomberg Web site: Standard & Poors Utility Stock Index % Annual Change, Dec. to Dec.

Dec. Bond yields from Ibbotson Associates 2008 Valuation Yearbook Table B-9 Long-Term Government Bonds Yields