

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	Dockets UE-121697 and UG-121705
)	(Consolidated)
v.)	
)	Dockets UE-130137 and UG-130138
PUGET SOUND ENERGY, INC.,)	(Consolidated)
)	
Respondent.)	
_____)	

EXHIBIT NO. ___(MPG-12)

SUSTAINABLE GROWTH RATE

April 26, 2013

Puget Sound Energy, Inc.

Sustainable Growth Rate

Line	Company	3 to 5 Year Projections									
		Dividends	Earnings	Book Value	Book Value	ROE	Adjustment	Adjusted	Payout	Retention	Internal
		Per Share	Per Share	Per Share	Growth	ROE	Factor	ROE	Ratio	Rate	Growth Rate
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	ALLETE, Inc.	\$2.20	\$3.75	\$36.25	3.53%	10.34%	1.02	10.52%	58.67%	41.33%	4.35%
2	Alliant Energy Corporation	\$2.20	\$3.70	\$34.50	4.08%	10.72%	1.02	10.94%	59.46%	40.54%	4.43%
3	American Electric Power Company, Inc.	\$2.30	\$3.75	\$38.25	4.05%	9.80%	1.02	10.00%	61.33%	38.67%	3.87%
4	Avista Corporation	\$1.30	\$2.00	\$23.25	2.45%	8.60%	1.01	8.71%	65.00%	35.00%	3.05%
5	Cleco Corporation	\$2.00	\$3.50	\$31.25	4.90%	11.20%	1.02	11.47%	57.14%	42.86%	4.91%
6	CMS Energy Corporation	\$1.30	\$2.00	\$16.00	5.57%	12.50%	1.03	12.84%	65.00%	35.00%	4.49%
7	Consolidated Edison, Inc.	\$2.62	\$4.25	\$47.75	3.35%	8.90%	1.02	9.05%	61.65%	38.35%	3.47%
8	DTE Energy Company	\$3.05	\$4.75	\$52.50	4.18%	9.05%	1.02	9.23%	64.21%	35.79%	3.30%
9	Edison International	\$1.65	\$3.75	\$32.25	2.87%	11.63%	1.01	11.79%	44.00%	56.00%	6.60%
10	Great Plains Energy Inc.	\$1.20	\$2.00	\$24.75	2.62%	8.08%	1.01	8.19%	60.00%	40.00%	3.27%
11	IDACORP, Inc.	\$1.90	\$3.40	\$41.00	3.10%	8.29%	1.02	8.42%	55.88%	44.12%	3.71%
12	Integrus Energy Group, Inc.	\$2.80	\$4.00	\$45.75	3.33%	8.74%	1.02	8.89%	70.00%	30.00%	2.67%
13	Northeast Utilities	\$1.80	\$3.25	\$35.25	4.02%	9.22%	1.02	9.40%	55.38%	44.62%	4.19%
14	NorthWestern Corporation	\$1.80	\$3.00	\$29.50	3.32%	10.17%	1.02	10.34%	60.00%	40.00%	4.13%
15	PG&E Corporation	\$2.00	\$3.50	\$36.25	3.48%	9.66%	1.02	9.82%	57.14%	42.86%	4.21%
16	Pinnacle West Capital Corporation	\$2.50	\$4.00	\$41.25	2.67%	9.70%	1.01	9.82%	62.50%	37.50%	3.68%
17	Portland General Electric Company	\$1.25	\$2.25	\$26.00	2.66%	8.65%	1.01	8.77%	55.56%	44.44%	3.90%
18	TECO Energy, Inc.	\$0.95	\$1.45	\$12.00	2.51%	12.08%	1.01	12.23%	65.52%	34.48%	4.22%
19	UIL Holdings Corporation	\$1.73	\$2.55	\$28.45	5.32%	8.96%	1.03	9.20%	67.84%	32.16%	2.96%
20	Westar Energy, Inc.	\$1.52	\$2.60	\$28.15	4.22%	9.24%	1.02	9.43%	58.46%	41.54%	3.92%
21	Wisconsin Energy Corporation	\$2.00	\$3.00	\$21.00	3.07%	14.29%	1.02	14.50%	66.67%	33.33%	4.83%
22	Xcel Energy Inc.	\$1.35	\$2.25	\$22.00	3.81%	10.23%	1.02	10.42%	60.00%	40.00%	4.17%
23	Average	\$1.88	\$3.12	\$31.97	3.60%	10.00%	1.02	10.18%	60.52%	39.48%	4.02%

Sources and Notes:

Cols. (1), (2) and (3): The Value Line Investment Survey, February 1, February 22, and March 22, 2013.

Col. (4): [Col. (3) / Page 2 Col. (2)] ^ (1/5) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [2 * (1 + Col. (4))] / (2 + Col. (4)).

Col. (7): Col. (6) * Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) * Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

Puget Sound Energy, Inc.

Sustainable Growth Rate

Sustainable Growth Rate (11)	Line	Company	13-Week	2012	Market	Common Shares		Growth	S Factor ³	V Factor ⁴	S * V ⁵
			Average Stock Price ¹ (1)	Book Value Per Share ² (2)	to Book Ratio (3)	Outstanding (in Millions) ² 2012 (4) 3-5 Years (5)					
5.47%	1	ALLETE, Inc.	\$47.48	\$30.48	1.56	39.40	43.50	2.00%	3.12%	35.81%	1.12%
5.06%	2	Alliant Energy Corporation	\$48.20	\$28.25	1.71	110.99	116.00	0.89%	1.51%	41.39%	0.63%
4.25%	3	American Electric Power Company, Inc.	\$46.79	\$31.37	1.49	485.67	505.00	0.78%	1.17%	32.95%	0.39%
3.38%	4	Avista Corporation	\$26.31	\$20.60	1.28	59.80	63.50	1.21%	1.54%	21.70%	0.33%
4.91%	5	Cleco Corporation	\$44.70	\$24.60	1.82	61.00	61.00	0.00%	0.00%	44.96%	0.00%
5.38%	6	CMS Energy Corporation	\$26.80	\$12.20	2.20	264.10	274.00	0.74%	1.62%	54.47%	0.88%
3.47%	7	Consolidated Edison, Inc.	\$58.70	\$40.50	1.45	293.00	293.00	0.00%	0.00%	31.01%	0.00%
4.32%	8	DTE Energy Company	\$66.20	\$42.78	1.55	172.35	189.00	1.86%	2.88%	35.38%	1.02%
6.60%	9	Edison International	\$49.03	\$28.00	1.75	325.81	325.81	0.00%	0.00%	42.89%	0.00%
3.28%	10	Great Plains Energy Inc.	\$22.32	\$21.75	1.03	153.53	154.75	0.16%	0.16%	2.57%	0.00%
3.85%	11	IDACORP, Inc.	\$46.99	\$35.20	1.34	50.00	51.00	0.40%	0.53%	25.09%	0.13%
3.47%	12	Integrus Energy Group, Inc.	\$56.66	\$38.84	1.46	77.90	85.00	1.76%	2.57%	31.46%	0.81%
4.19%	13	Northeast Utilities	\$42.06	\$28.95	1.45	314.00	314.00	0.00%	0.00%	31.16%	0.00%
4.43%	14	NorthWestern Corporation	\$38.91	\$25.05	1.55	37.50	38.50	0.53%	0.82%	35.62%	0.29%
4.60%	15	PG&E Corporation	\$43.55	\$30.55	1.43	430.00	450.00	0.91%	1.30%	29.86%	0.39%
4.08%	16	Pinnacle West Capital Corporation	\$55.90	\$36.15	1.55	110.00	114.00	0.72%	1.11%	35.33%	0.39%
3.97%	17	Portland General Electric Company	\$29.57	\$22.80	1.30	75.55	76.50	0.25%	0.32%	22.89%	0.07%
4.24%	18	TECO Energy, Inc.	\$17.49	\$10.60	1.65	216.60	217.00	0.04%	0.06%	39.40%	0.02%
2.96%	19	UIL Holdings Corporation	\$38.65	\$21.95	1.76	51.00	51.00	0.00%	0.00%	43.21%	0.00%
4.42%	20	Westar Energy, Inc.	\$31.71	\$22.89	1.39	126.50	135.00	1.31%	1.81%	27.81%	0.50%
4.89%	21	Wisconsin Energy Corporation	\$41.01	\$18.05	2.27	229.04	229.50	0.04%	0.09%	55.99%	0.05%
4.74%	22	Xcel Energy Inc.	\$28.78	\$18.25	1.58	490.00	515.00	1.00%	1.58%	36.58%	0.58%
4.36%	23	Average	\$41.26	\$26.81	1.57	189.72	195.55	0.66%	1.01%	34.43%	0.35%

Sources and Notes:

¹ SNL Financial, downloaded on April 22, 2013

² The Value Line Investment Survey, February 1, February 22, and March 22, 2013.

³ Expected Growth in the Number of Shares, Column (3) * Column (6).

⁴ Expected Profit of Stock Investment, [1 - 1 / Column (3)].