

PUGET SOUND ENERGY, INC.

DCF GROWTH RATES

COMPANY	br	+	$sv = g * ((M/B + 1) / 2 - 1)$	=	g
CV	4.25%	+	1.50% ((1.09 - 1)/2-1)	=	4.32%
EAS	4.50%	+	1.00% ((1.35 - 1)/2-1)	=	4.67%
FE	4.75%	+	2.00% ((1.49 - 1)/2-1)	=	5.24%
PGN	3.75%	+	2.00% ((1.34 - 1)/2-1)	=	4.09%
CIN	4.00%	+	2.00% ((1.79 - 1)/2-1)	=	4.79%
CNL	4.50%	+	1.00% ((1.66 - 1)/2-1)	=	4.83%
EDE	3.50%	+	3.50% ((1.36 - 1)/2-1)	=	4.14%
ETR	5.75%	+	0.00% ((1.44 - 1)/2-1)	=	5.75%
GXP	4.00%	+	2.70% ((1.89 - 1)/2-1)	=	5.20%
HE	3.25%	+	1.75% ((1.70 - 1)/2-1)	=	3.86%
PNM	5.00%	+	0.00% ((1.12 - 1)/2-1)	=	5.00%
PNW	4.50%	+	0.25% ((1.29 - 1)/2-1)	=	4.54%
PSD	4.00%	+	1.00% ((1.28 - 1)/2-1)	=	4.14%

Average Market-to-Book Ratio = 1.45

CV = Central Vermont P. S.
EAS = Energy East Corp.
FE = FirstEnergy Corp.
PGN = Progress Energy
CIN = Cinergy Corp.
CNL = Cleco Corporation
EDE = Empire District Electric
ETR = Entergy Corp.
GXP = Great Plains Energy
HE = Hawaiian Electric
PNM = PNM Resources
PNW = Pinnacle West Capital
PSD = Puget Energy, Inc.

g* = expected growth in number of shares outstanding

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GROWTH RATE COMPARISON

COMPANY	DCF Growth	Value Line Projected			First Call EPS	Value Line Historic			First Call & VL AVGS.	5-yr Compound Hist.		
		EPS	DPS	BVPS		EPS	DPS	BVPS		EPS	DPS	BVPS
CV	4.32%	7.50%	3.50%	4.00%	n/a	6.00%	0.50%	1.00%	3.75%	5.21%	0.89%	2.49%
EAS	4.67%	1.00%	4.00%	3.00%	4.00%	4.00%	6.00%	4.50%	3.79%	-7.41%	4.36%	6.99%
FE	5.24%	10.00%	3.00%	5.50%	4.50%	2.50%	0.00%	7.00%	4.64%	1.55%	0.00%	6.02%
PGN	4.09%	-2.00%	2.50%	4.00%	4.00%	6.00%	3.00%	9.00%	3.79%	6.84%	2.81%	8.13%
CIN	4.79%	3.50%	2.00%	4.50%	4.00%	3.00%	0.50%	4.00%	3.07%	4.76%	0.87%	5.38%
CNL	4.83%	1.00%	0.00%	2.50%	4.00%	5.00%	2.50%	4.50%	2.79%	0.99%	1.63%	1.86%
EDE	4.14%	6.50%	0.00%	1.50%	2.50%	-5.50%	0.00%	2.00%	1.00%	-4.45%	0.00%	1.95%
ETR	5.75%	5.00%	7.50%	5.50%	5.00%	8.50%	-3.50%	5.00%	4.71%	13.02%	8.92%	7.02%
GXP	5.20%	5.50%	1.50%	7.00%	3.00%	2.50%	0.50%	-1.50%	2.64%	13.28%	0.00%	2.17%
HE	3.86%	1.50%	0.00%	3.50%	2.80%	3.00%	0.50%	1.50%	1.83%	-1.42%	0.00%	2.72%
PNM	5.00%	-1.00%	4.50%	3.50%	5.00%	4.50%	8.00%	6.00%	4.36%	0.91%	3.52%	4.71%
PNW	4.54%	4.00%	4.50%	4.00%	4.00%	1.50%	7.50%	4.50%	4.29%	-3.95%	6.59%	4.08%
PSD	4.14%	6.00%	-3.00%	3.50%	6.00%	-6.00%	-6.00%	-1.00%	-0.07%	-8.13%	-11.48%	0.98%
		3.73%	2.31%	4.00%		2.69%	1.50%	3.58%		1.63%	1.39%	4.19%
AVERAGES	4.66%		3.35%		4.07%		2.59%		3.12%		2.41%	

Zack's growth rates: CV-n/a, EAS-4.5%, FE-6%, PGN-3.6%, CIN-3.7%, CNL-n/a, EDE-10%, ETR-6%, GXP-3.5%, HE-3.5%, PNM-5%, PNW-4.9%, and PSD-4.8%.