

Exhibit ___ (JWW-6)
Docket No. UG-040640, et al.
Witness: John W. Wilson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UG-040640
DOCKET NO. UE-040641
(consolidated)

EXHIBIT TO TESTIMONY OF

JOHN W. WILSON

Capital Asset Pricing Model

September 23, 2004

Capital Asset Pricing Model

1	Cost of Equity Capital: $k = R_f + B (R_m - R_f)$	
2	Risk-free Yield (R_f)	1.7% - 3%
3	Beta Coefficient	0.825
4	Equity Risk Premium ($R_m - R_f$)	0.07
5	Estimated Cost of Equity Capital (k)	7.48% - 8.78%