

Exhibit No. ____ (MPG-12)
Docket Nos. UE-060266/UG-060267
Witness: Michael P. Gorman

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-060266
Docket No. UG-060267**

EXHIBIT NO. ____ (MPG-12)

ANNUAL AVERAGE YIELDS

July 19, 2006

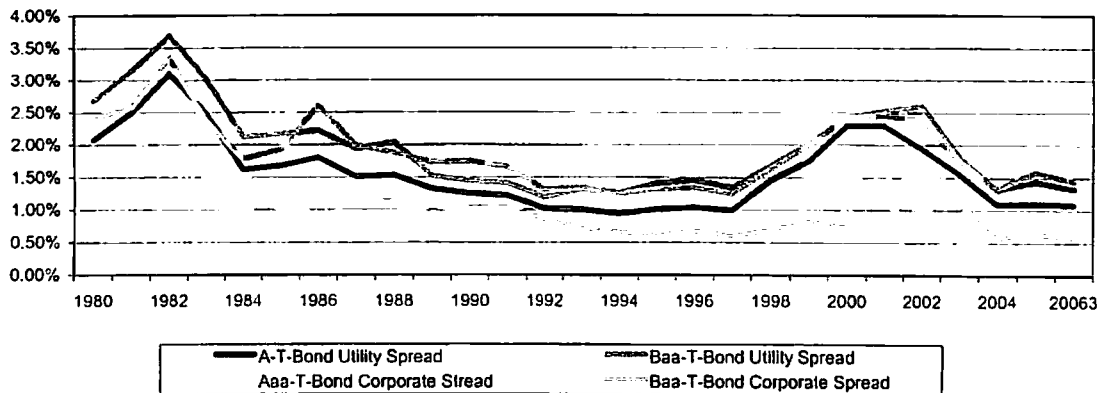
Puget Sound Energy

Annual Average Yields

| Line | Year | Public Utility Bond Yields | | | | | Corporate Bond Yields | | | |
|------|-------------------|----------------------------|----------------|------------------|-----------------|-------------------|-----------------------|------------------|-------------------|-------------------|
| | | T-Bond Yield ¹ | A ² | Baa ² | A-T-Bond Spread | Baa-T-Bond Spread | Aaa ¹ | Baa ¹ | Aaa-T-Bond Spread | Baa-T-Bond Spread |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1 | 1980 | 11.27% | 13.34% | 13.95% | 2.07% | 2.68% | 11.94% | 13.67% | 1.73% | 2.40% |
| 2 | 1981 | 13.45% | 15.95% | 16.60% | 2.50% | 3.15% | 14.17% | 16.04% | 1.87% | 2.59% |
| 3 | 1982 | 12.76% | 15.86% | 16.45% | 3.10% | 3.69% | 13.79% | 16.11% | 2.32% | 3.35% |
| 4 | 1983 | 11.18% | 13.66% | 14.20% | 2.48% | 3.02% | 12.04% | 13.55% | 1.51% | 2.37% |
| 5 | 1984 | 12.41% | 14.03% | 14.53% | 1.62% | 2.12% | 12.71% | 14.19% | 1.48% | 1.78% |
| 6 | 1985 | 10.79% | 12.47% | 12.96% | 1.68% | 2.17% | 11.37% | 12.72% | 1.35% | 1.93% |
| 7 | 1986 | 7.78% | 9.58% | 10.00% | 1.80% | 2.22% | 9.02% | 10.39% | 1.37% | 2.61% |
| 8 | 1987 | 8.59% | 10.10% | 10.53% | 1.51% | 1.94% | 9.38% | 10.58% | 1.20% | 1.99% |
| 9 | 1988 | 8.96% | 10.49% | 11.00% | 1.53% | 2.04% | 9.71% | 10.83% | 1.12% | 1.87% |
| 10 | 1989 | 8.45% | 9.77% | 9.97% | 1.32% | 1.52% | 9.26% | 10.18% | 0.92% | 1.73% |
| 11 | 1990 | 8.61% | 9.86% | 10.06% | 1.25% | 1.45% | 9.32% | 10.36% | 1.04% | 1.75% |
| 12 | 1991 | 8.14% | 9.36% | 9.55% | 1.22% | 1.41% | 8.77% | 9.80% | 1.03% | 1.66% |
| 13 | 1992 | 7.67% | 8.69% | 8.86% | 1.02% | 1.19% | 8.14% | 8.98% | 0.84% | 1.31% |
| 14 | 1993 | 6.59% | 7.59% | 7.91% | 1.00% | 1.32% | 7.22% | 7.93% | 0.71% | 1.34% |
| 15 | 1994 | 7.37% | 8.31% | 8.63% | 0.94% | 1.26% | 7.96% | 8.62% | 0.66% | 1.25% |
| 16 | 1995 | 6.88% | 7.89% | 8.29% | 1.01% | 1.41% | 7.59% | 8.20% | 0.61% | 1.32% |
| 17 | 1996 | 6.71% | 7.75% | 8.17% | 1.04% | 1.46% | 7.37% | 8.05% | 0.68% | 1.34% |
| 18 | 1997 | 6.61% | 7.60% | 7.95% | 0.99% | 1.34% | 7.26% | 7.86% | 0.60% | 1.25% |
| 19 | 1998 | 5.58% | 7.04% | 7.26% | 1.46% | 1.68% | 6.53% | 7.22% | 0.69% | 1.64% |
| 20 | 1999 | 5.87% | 7.62% | 7.88% | 1.75% | 2.01% | 7.04% | 7.87% | 0.83% | 2.00% |
| 21 | 2000 | 5.94% | 8.24% | 8.36% | 2.30% | 2.42% | 7.62% | 8.36% | 0.74% | 2.42% |
| 22 | 2001 | 5.49% | 7.78% | 8.02% | 2.29% | 2.53% | 7.08% | 7.95% | 0.87% | 2.46% |
| 23 | 2002 | 5.42% | 7.36% | 8.02% | 1.94% | 2.60% | 6.49% | 7.80% | 1.31% | 2.38% |
| 24 | 2003 | 5.02% | 6.57% | 6.83% | 1.55% | 1.81% | 5.67% | 6.77% | 1.10% | 1.75% |
| 25 | 2004 | 5.05% | 6.14% | 6.37% | 1.09% | 1.32% | 5.63% | 6.39% | 0.58% | 1.34% |
| 26 | 2005 | 4.73% | 5.83% | 6.17% | 1.10% | 1.44% | 5.37% | 6.32% | 0.64% | 1.59% |
| 27 | 2006 ³ | 5.03% | 6.11% | 6.36% | 1.08% | 1.33% | 5.59% | 6.47% | 0.57% | 1.45% |
| 28 | Average | 7.86% | 9.44% | 9.81% | 1.58% | 1.95% | 8.67% | 9.75% | 1.05% | 1.88% |

Yield Spreads

Treasurv Vs. Corporate & Treasurv Vs. Utility



Sources:

- ¹ St. Louis Federal Reserve Bank.
- ² Mergent Public Utility Manual 2003, Moodys Daily News Reports.
- ³ The average yields for the period Jan-June, 2006.