

Exhibit No. \_\_\_ (SGH-16)  
Docket Nos. UE-060266/UG-060267  
Witness: Stephen G. Hill

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.**

**Respondent.**

**DOCKET NO. UE-060266**

**DOCKET NO. UG-060267**

**EXHIBIT TO DIRECT TESTIMONY OF**

**STEPHEN G. HILL**

**ON BEHALF OF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Modified Earnings-Price Ratio Analysis*

July 25, 2006

**PUGET SOUND ENERGY**  
**MODIFIED EARNINGS-PRICE RATIO ANALYSIS**  
**ELECTRIC UTILITIES**

<u>COMPANY</u>	<u>Reuters*</u> <u>2007 Earnings</u> (Per Share)	<u>Market</u> <u>Price</u> (Per share)	<u>Earnings-Price</u> <u>Ratio</u>	<u>Current</u> <u>R.O.E.</u> 2007	<u>Projected</u> <u>R.O.E.</u> 2009-2011
CV	\$1.55	\$20.50	7.56%	9.00%	11.00%
FE	\$3.94	\$49.79	7.91%	12.00%	11.00%
GMP	\$2.30	\$28.58	8.05%	10.00%	10.50%
PGN	\$3.35	\$43.14	7.77%	10.00%	10.00%
AEE	\$3.80	\$50.09	7.59%	10.00%	9.50%
CNL	\$1.38	\$22.19	6.22%	8.00%	9.00%
DPL	\$1.65	\$27.22	6.06%	24.50%	21.00%
EDE	\$1.43	\$22.33	6.40%	8.50%	9.50%
ETR	\$5.53	\$69.45	7.96%	11.00%	10.50%
HE	\$1.85	\$26.90	6.88%	10.00%	10.00%
PNM	\$1.99	\$24.68	8.06%	8.50%	8.50%
PNW	\$3.33	\$39.88	8.35%	9.00%	9.00%
PSD	\$1.57	\$20.89	7.52%	8.50%	8.50%
UNS	\$2.21	\$30.27	<u>7.30%</u>	<u>9.50%</u>	<u>8.50%</u>
		AVERAGE	7.40%	10.61%	
		CURRENT M.E.P.R.		<b>9.00%</b>	
		AVERAGE	7.40%		10.46%
		PROJECTED M.E.P.R.		<b>8.93%</b>	

**PUGET SOUND ENERGY**

**MODIFIED EARNINGS-PRICE RATIO ANALYSIS  
GAS DISTRIBUTORS**

<u>COMPANY</u>	Reuter's <u>2007 EARNINGS</u> (Per Share)	MARKET <u>PRICE</u> (Per share)	EARNINGS- <u>PRICE</u> <u>RATIO</u>	CURRENT <u>R.O.E.</u> 2006	PROJECTED <u>R.O.E.</u> 2009-2011
ATG	\$2.71	\$35.17	7.71%	12.50%	12.00%
ATO	\$1.98	\$26.47	7.48%	9.00%	10.50%
CGC	\$1.19	\$19.81	6.01%	8.00%	8.50%
LG	\$2.16	\$34.05	6.34%	13.00%	13.00%
NJR	\$2.87	\$44.79	6.41%	16.50%	14.50%
GAS	\$2.53	\$39.84	6.35%	12.50%	13.00%
NWN	\$2.39	\$34.71	6.89%	10.00%	10.50%
PGL	\$2.52	\$36.15	6.97%	11.00%	13.50%
PNY	\$1.42	\$24.09	5.89%	11.00%	12.50%
SJI	\$1.93	\$26.77	7.21%	12.50%	13.00%
SWX	\$1.92	\$27.84	6.90%	8.00%	10.50%
WGL	\$1.90	\$29.72	<u>6.39%</u>	<u>10.00%</u>	<u>11.00%</u>
		AVERAGE	6.71%	11.17%	
		CURRENT M.E.P.R.		<b>8.94%</b>	
		AVERAGE	6.71%		11.88%
		PROJECTED M.E.P.R.		<b>9.29%</b>	