

Exhibit__(SGH-11)

PUGET SOUND ENERGY

MULTI-STAGE DCF ANALYSIS

Sample Companies	Projected Earnings Growth Rates				Average First Stage Growth Rate	CASH FLOWS							DCF Cost of Equity k = Internal Rate of Return					
	Value Line		IBES			Recent Price	Year 1		Year 2		Year 3			Year 4		Year 5		Year 6-100 Div. Growth
	Line			Zacks			Dividend	Dividend	Dividend	Dividend	Dividend	Dividend		Dividend	Dividend	Dividend	Dividend	
Central Vermont P. S.	3.00%	n/a	n/a	n/a	3.00%	\$19.29	\$0.92	\$0.95	\$0.98	\$1.01	\$1.04	\$1.04	\$1.01	\$1.04	\$1.04	4.20%	8.71%	
FirstEnergy Corp.	4.00%	5.00%	7.00%	7.00%	5.33%	\$46.00	\$2.20	\$2.32	\$2.44	\$2.57	\$2.71	\$2.71	\$2.57	\$2.71	\$2.71	4.20%	9.12%	
Northeast Utilities	8.00%	8.50%	8.50%	8.50%	8.33%	\$23.89	\$0.95	\$1.03	\$1.11	\$1.21	\$1.31	\$1.31	\$1.21	\$1.31	\$1.31	4.20%	8.71%	
American Electric Power	3.00%	3.75%	3.30%	3.30%	3.35%	\$31.18	\$1.71	\$1.77	\$1.83	\$1.89	\$1.95	\$1.95	\$1.89	\$1.95	\$1.95	4.20%	9.49%	
Cleco Corporation	9.50%	12.50%	10.50%	10.50%	10.83%	\$24.74	\$0.96	\$1.06	\$1.18	\$1.31	\$1.45	\$1.45	\$1.31	\$1.45	\$1.45	4.20%	8.99%	
Empire District Electric	6.00%	6.00%	0.00%	0.00%	4.00%	\$18.19	\$1.28	\$1.33	\$1.38	\$1.44	\$1.50	\$1.50	\$1.44	\$1.50	\$1.50	4.20%	11.18%	
Entergy Corp.	6.00%	8.53%	6.00%	6.00%	6.84%	\$79.46	\$3.00	\$3.21	\$3.42	\$3.66	\$3.91	\$3.91	\$3.66	\$3.91	\$3.91	4.20%	8.24%	
Westar	4.50%	3.30%	4.50%	4.50%	4.10%	\$20.24	\$1.20	\$1.25	\$1.30	\$1.35	\$1.41	\$1.41	\$1.35	\$1.41	\$1.41	4.20%	10.08%	
Hawaiian Electric	7.00%	3.00%	6.00%	6.00%	5.33%	\$17.73	\$1.24	\$1.31	\$1.38	\$1.45	\$1.53	\$1.53	\$1.45	\$1.53	\$1.53	4.20%	11.45%	
Idacorp	4.50%	5.00%	5.00%	5.00%	4.83%	\$28.66	\$1.20	\$1.26	\$1.32	\$1.38	\$1.45	\$1.45	\$1.38	\$1.45	\$1.45	4.20%	8.40%	
Pinnacle West Capital	3.00%	5.50%	8.00%	8.00%	5.50%	\$32.75	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.60	\$2.47	\$2.60	\$2.60	4.20%	10.88%	

Average **9.57%**
 Median 9.12%

Earnings growth projections shown on Schedule 6, p. 2.
 Market price and year-ahead dividend shown on Schedule 7.
 GDP growth from Congressional Budget Office: <http://www.cbo.gov/budget/econproj.shtml>

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