

PUGET SOUND ENERGY
DCF GROWTH RATE PARAMETERS
 ELECTRIC UTILITIES

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>CV</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.2640	06.8%	1.80%	18.49	12.19	
2005	-10.5000	00.5%	-5.25%	17.70	12.28	
2006	0.4356	10.1%	4.40%	17.70	10.13	
2007	0.3826	08.2%	3.14%	18.43	10.24	
2008	0.3947	07.3%	<u>2.88%</u>	<u>18.96</u>	<u>11.57</u>	
AVERAGE GROWTH			1.39%	1.50%		-1.30%
2009	0.4250	07.5%	3.19%		11.70	1.12%
2010	0.4424	07.5%	3.32%		11.80	0.99%
2012-2014	0.5027	06.5%	3.27%	6.50%	12.10	0.90%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>FE</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.3105	10.6%	3.29%	26.04	329.84	
2005	0.3979	10.2%	4.06%	27.86	329.84	
2006	0.5157	13.9%	7.17%	28.30	319.21	
2007	0.5142	14.6%	7.51%	29.45	304.84	
2008	0.4977	16.2%	<u>8.06%</u>	<u>27.17</u>	<u>304.85</u>	
AVERAGE GROWTH			6.02%	3.00%		-1.95%
2009	0.3973	13.0%	5.16%		304.84	0.00%
2010	0.3714	11.5%	4.27%		304.84	0.00%
2012-2014	0.4952	14.5%	7.18%	4.50%	304.84	0.00%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>NU</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.3077	05.1%	1.57%	17.80	129.03	
2005	0.3061	05.1%	1.56%	18.46	131.59	
2006	0.1098	04.3%	0.47%	18.14	154.23	
2007	0.5094	08.4%	4.28%	18.65	156.22	
2008	0.5538	09.6%	<u>5.32%</u>	<u>19.38</u>	<u>155.83</u>	
AVERAGE GROWTH			2.64%	2.00%		4.83%
2009	0.4865	09.0%	4.38%		176.00	12.94%
2010	0.4872	09.5%	4.63%		176.00	6.27%
2012-2014	0.4889	08.5%	4.16%	5.00%	210.00	6.15%

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<u>AEP</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.4636	12.2%	5.66%	21.32	395.86	
2005	0.4621	11.3%	5.22%	23.08	393.72	
2006	0.4755	12.0%	5.71%	23.73	396.67	
2007	0.4476	11.4%	5.10%	25.17	400.43	
2008	0.4515	11.3%	<u>5.10%</u>	<u>26.33</u>	<u>406.07</u>	
AVERAGE GROWTH			5.36%	2.50%		0.64%
2009	0.4345	10.0%	4.34%		477.00	17.47%
2010	0.4467	10.5%	4.69%		477.00	8.38%
2012-2014	0.4571	11.0%	5.03%	5.00%	490.00	3.83%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>CNL</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.3182	11.9%	3.79%	10.83	49.62	
2005	0.3662	10.7%	3.92%	13.69	49.99	
2006	0.3382	08.3%	2.81%	15.22	57.57	
2007	0.3182	07.8%	2.48%	16.85	59.94	
2008	0.4706	09.6%	<u>4.52%</u>	<u>17.65</u>	<u>60.04</u>	
AVERAGE GROWTH			3.50%	9.00%		4.88%
2009	0.4706	09.5%	4.47%		61.00	1.60%
2010	0.5000	10.5%	5.25%		62.00	1.62%
2012-2014	0.3600	11.5%	4.14%	4.50%	65.00	1.60%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>EDE</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	-0.4884	05.8%	-2.83%	14.76	25.70	
2005	-0.3913	06.0%	-2.35%	15.08	26.08	
2006	0.0922	08.5%	0.78%	15.49	30.25	
2007	-0.1743	06.2%	-1.08%	16.04	33.61	
2008	-0.0940	07.5%	<u>-0.71%</u>	<u>15.56</u>	<u>33.98</u>	
AVERAGE GROWTH			-1.24%	1.50%		7.23%
2009	0.1467	08.5%	1.25%		38.00	11.83%
2010	0.1742	09.5%	1.65%		40.25	8.84%
2012-2014	0.2286	10.5%	2.40%	2.00%	41.00	3.83%

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<u>ETR</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUTS (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.5191	11.0%	5.71%	38.26	216.83	
2005	0.5091	11.9%	6.06%	35.71	207.50	
2006	0.5970	13.8%	8.24%	40.45	202.67	
2007	0.5393	14.4%	7.77%	40.71	193.12	
2008	0.5161	15.3%	<u>7.90%</u>	<u>42.07</u>	<u>189.36</u>	
AVERAGE GROWTH			7.13%	3.00%		-3.33%
2009	0.5082	15.0%	7.62%		188.00	-0.72%
2010	0.5714	15.5%	8.86%		188.00	-0.36%
2012-2014	0.5500	14.0%	7.70%	6.50%	188.00	-0.14%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>WR</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUTS (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.3162	07.1%	2.25%	16.13	86.03	
2005	0.4065	09.5%	3.86%	16.31	86.84	
2006	0.4787	10.7%	5.12%	17.62	87.39	
2007	0.4130	09.2%	3.80%	19.14	95.46	
2008	0.1145	06.2%	<u>0.71%</u>	<u>20.18</u>	<u>108.31</u>	
AVERAGE GROWTH			3.15%	1.00%		5.93%
2009	0.3000	08.0%	2.40%		109.00	0.64%
2010	0.3297	08.5%	2.80%		110.00	0.78%
2012-2014	0.3636	08.0%	2.91%	6.00%	114.00	1.03%

<u>COMPANY</u>	<u>INTERNAL GROWTH</u>			<u>EXTERNAL GROWTH</u>		
<u>HE</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUTS (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	0.0882	08.9%	0.79%	15.01	80.69	
2005	0.1507	09.7%	1.46%	15.02	80.98	
2006	0.0677	09.9%	0.67%	13.44	81.46	
2007	-0.1171	07.2%	-0.84%	15.29	83.43	
2008	-0.1589	06.5%	<u>-1.03%</u>	<u>15.35</u>	<u>90.52</u>	
AVERAGE GROWTH			0.21%	1.00%		2.92%
2009	-0.0783	07.5%	-0.59%		91.75	1.36%
2010	0.1733	09.5%	1.65%		92.00	0.81%
2012-2014	0.2914	10.0%	2.91%	2.00%	93.50	0.65%

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	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTS (MILLIONS)	SHARE GROWTH
IDA						
2004	0.3684	07.2%	2.65%	23.88	42.22	
2005	0.3143	06.2%	1.95%	24.04	42.66	
2006	0.4894	08.9%	4.36%	25.77	43.63	
2007	0.3548	06.8%	2.41%	26.79	45.06	
2008	0.4495	07.6%	<u>3.42%</u>	<u>27.76</u>	<u>46.92</u>	
AVERAGE GROWTH			2.96%	3.00%		2.67%
2009	0.5000	08.0%	4.00%		48.00	2.30%
2010	0.5200	07.5%	3.90%		49.00	2.19%
2012-2014	0.4909	07.5%	3.68%	5.00%	52.00	2.08%

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	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTS (MILLIONS)	SHARE GROWTH
PNW						
2004	0.2907	08.0%	2.33%	32.14	91.79	
2005	0.1384	06.5%	0.90%	34.57	99.08	
2006	0.3596	09.2%	3.31%	34.47	99.96	
2007	0.2905	08.5%	2.47%	35.15	100.49	
2008	0.0094	06.2%	<u>0.06%</u>	<u>34.16</u>	<u>100.89</u>	
AVERAGE GROWTH			1.81%	3.00%		2.39%
2009	0.0870	07.0%	0.61%		101.50	0.60%
2010	0.2500	08.0%	2.00%		106.00	2.50%
2012-2014	0.3231	09.0%	2.91%	1.00%	112.00	2.11%

Data from Value Line Ratings and Reports, August 7, 29 and September 25, 2009.

COMPANY	INTERNAL GROWTH			EXTERNAL GROWTH		
	RETENTION RATIO	EQUITY RETURN	"g"	BOOK VALUE (\$/SHARE)	SHARES OUTS (MILLIONS)	SHARE GROWTH
0						
2004	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2005	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2006	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2007	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2008	#DIV/0!	00.0%	<u>#DIV/0!</u>	<u>0.00</u>	<u>0.00</u>	
AVERAGE GROWTH			#DIV/0!	0.00%		#DIV/0!
2009	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2010	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2012-2014	#DIV/0!	00.0%	#DIV/0!	0.00%	0.00	#DIV/0!

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<u>0</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2005	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2006	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2007	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2008	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
AVERAGE GROWTH			#DIV/0!	0.00%		#DIV/0!
2009	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2010	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2012-2014	#DIV/0!	00.0%	#DIV/0!	0.00%	0.00	#DIV/0!

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<u>0</u>	<u>RETENTION RATIO</u>	<u>EQUITY RETURN</u>	<u>"g"</u>	<u>BOOK VALUE (\$/SHARE)</u>	<u>SHARES OUT (MILLIONS)</u>	<u>SHARE GROWTH</u>
2004	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2005	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2006	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2007	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
2008	#DIV/0!	00.0%	#DIV/0!	0.00	0.00	
AVERAGE GROWTH			#DIV/0!	0.00%		#DIV/0!
2009	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2010	#DIV/0!	00.0%	#DIV/0!		0.00	#DIV/0!
2012-2014	#DIV/0!	00.0%	#DIV/0!	0.00%	0.00	#DIV/0!