

**EXHIBIT NO. \_\_\_(CEO-6)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: DR. CHARLES E. OLSON**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_  
Docket No. UG-11\_\_\_**

**FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
DR. CHARLES E. OLSON  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

# PUGET SOUND ENERGY, INC.

## Risk Premium Study Results

Large Company Stock Returns, 1926 – 2009 (1)	11.8 percent
Income Return, Long-Term Government Bonds 1926 – 2009 (1)	<u>5.1 percent</u>
Risk Premium <sup>(1)</sup>	6.6 percent
Add: Moody's 30 – Year Government Bond Yield Forecast @ 12/11 <sup>(2)</sup>	<u>5.75 percent</u>
Risk Premium Based Cost of Common Equity Capital	<u>12.35 percent</u>

(1) Source of data – Ibbotson SBB1, 2010 Classic Yearbook, p. 82

(2) Moody's forecast supplied by Puget