

Nucor Recommended Rate Spread at PSE's Requested Revenue Increase

2011 Gas General Rate Case
Test Year Ended December 2010
Allocation of Revenue Deficiency to Rate Classes

Line No.	Rate Class	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Pro forma Revenue at Existing Rates	Pro forma Gas Revenue at Existing Rates (1)	Pro forma Margin at Existing Rates	Percent of Total Margin Less Contracts	Percent of Uniform Increase	Proposed Margin Increase	Proposed Margin Increase	Proposed Margin Increase Incl. Contracts
1	Residential (16,23,53)	\$ 683,933,835	\$ 394,704,822	\$ 289,229,013	69%	100%	8.0%	\$	23,256,452
2	Commercial & industrial (31,31T,61)	229,957,498	144,583,285	85,374,213	20%	100%	8.0%		6,864,807
3	Large volume (41,41T)	66,546,917	48,354,809	18,192,109	4%	50%	4.0%		731,399
4	Interruptible (85, 85T)	20,171,935	11,608,811	8,563,124	2%	50%	4.0%		344,274
5	Limited interruptible (86, 86T)	12,410,860	9,365,238	3,045,621	1%	0%	0.0%		0
6	Non exclusive interruptible (87,87T)	25,742,573	19,898,138	5,844,435	1%	125%	10.1%		587,427
7	Rentals	8,138,782	-	8,138,782	2%	0%	0.0%		0
8	Contracts	1,658,616	-	1,658,616			4.9%		80,525
9	Subtotal revenue from rates	\$ 1,048,561,015	\$ 628,515,103	\$ 420,045,912	100%		7.6%	\$	31,864,884
10	Other revenue	6,760,042	-	6,760,042			0.0%		0
11	Total	\$ 1,055,321,057	\$ 628,515,103	\$ 426,805,954			7.5%	\$	31,864,884

Proposed total increase
Average increase on margin (includes rentals, excludes contracts) \$ 31,864,884 7.62%
Average increase on total (includes rentals, excludes contracts) 3.04%
Average increase on margin after contracts 7.60%
Adjustment to increase for unequal allocation of increase 1.058