

**Premium for Leased Equipment**

<b>Equipment</b>	<b>Capital Costs (equip. + install.)</b>	<b>Total Cost Leased Equipment</b>	<b>Difference/ Premium (\$)</b>	<b>Ratio of Premium to Capital Costs</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)=(c)-(b)</b>	<b>(e)=(d)/(b)</b>
<i>Residential Water Heaters</i>				
Standard Vent (Tank)	Withheld	\$ 3,443	Withheld	Withheld
Efficient Wi-Fi Standard Vent (Tank)	Withheld	\$ 4,073	Withheld	Withheld
Efficient Direct Vent (Tank)	Withheld	\$ 5,263	Withheld	Withheld
Wi-Fi Enabled (Tank)	Withheld	\$ 3,791	Withheld	Withheld
Efficient Wi-Fi Enabled (Heat Pump)	Withheld	\$ 5,175	Withheld	Withheld
<i>Commercial Water Heaters</i>				
Efficient Wi-Fi Standard Vent (Tank)	Withheld	\$ 4,414	Withheld	Withheld
Efficient Large Volume Standard Vent (Tank)	Withheld	\$ 9,120	Withheld	Withheld
Standard (Tank)	Withheld	\$ 5,128	Withheld	Withheld
Large Volume (Tank)	Withheld	\$ 5,632	Withheld	Withheld
<i>Residential Heating &amp; Air Conditioning</i>				
Two-Stage Furnace (80% AFUE <sup>1</sup> )	Withheld	\$ 11,871	Withheld	Withheld
Efficient Two Stage (95% AFUE <sup>1</sup> ) Furnace	Withheld	\$ 13,807	Withheld	Withheld
Efficient Air Source Heat Pump	Withheld	\$ 25,056	Withheld	Withheld

Sources: PSE Pricing Model (Capital Costs); Exh. MMK-1T, Table 1 (Total Lease Costs)

<sup>1</sup> Annual Fuel Utilization Efficiency (AFUE)