SCHEDULE 54
Attachment A – CNG Pricing Model

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PUGET SOUND ENERGY

WN U-2
Advice No. 2020-34
Issued: 10/1/2020
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Version 06

Schedule 54 Attachment A: CNG Pricing Model - Calculation of CNG Contracted Volume Compression Charge and Incremental O&M Charge
Please enter inputs in the cells in Bold Green Font and click "CALCULATE" when done.

EXPECTED YEARS OF REVENUE (Years) 20

REVENUE YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
COMPRESSION STATION CAPITAL COST (As detailed in Exhibits B and D of Schdule 54 Service Agreement)	$1,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ANNUAL STATION O&M COST (As detailed in Exhibits B and D of Schdule 54 Service Agreement)	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$0	$0	$0	$0	$0
TOTAL NO. OF VEHICLES	7	14	20	20	20	20	20	20	20	20	20	20	20	20	20
ANNUAL FLEET USAGE (THERMS)	162,695	365,390	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986

TARGET ROR 7.39%

ROR W/ CNG CHARGE
7.390%
7.369%

CNG FIXED CHARGE $160,315
CNG VOLUMETRIC CHARGE $0.34000

CONTRACTED VOLUME COMPRESSION CHARGE - CUSTOMER PAYMENT OPTION

FIXED MONTHLY PAYMENT FOR 20 YEARS	PER MONTH: $13,360	OR	PER THERM UP TO MONTHLY CONTRACTED VOLUME	$0.34000

CONTRACTED VOLUME COMPRESSION CHARGE IS AN ADDITION TO OTHER CNG CHARGES AND THE NATURAL GAS DISTRIBUTION / TRANSPORTATION AND APPLICABLE COMMODITY CHARGES.

INCREMENTAL O&M CHARGE

UNIT PRICE PER THERM	$0.20	WITH SALES AND REVENUE TAXES	PER THERM FOR THERMS EXCEEDING THE MONTHLY CONTRACTED VOLUME	$0.22296

INCREMENTAL O&M CHARGE IS AN ADDITION TO OTHER CNG SERVICE CHARGES AND THE NATURAL GAS SERVICE CHARGES.

FLEET INFORMATION
(As detailed in Exhibit A of Schdule 54 Service Agreement)

Vehicle Type e.g. Delivery Truck - Class 7	No. of Vehicles	CNG Fueling Start Year	Vehicle CNG Mileage (mi/DGE)	Estimated Miles per Year	Annual CNG Use/Vehicle (DGE)	Total Annual CNG Use (DGE)	Total Annual CNG Use (therms)
Delivery Truck - Class 7	7	1	4.23	84,000	18,913	132,388	182,695
Delivery Truck - Class 7	7	2	4.23	84,000	18,913	132,388	182,695
Delivery Truck - Class 7	6	3	4.23	84,000	18,913	113,475	156,596
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Therms/DGE: 1.380

This model will be updated to reflect changes in the following factors and rates as they may change from time to time.

Definitions and Effective Factors:

CNG: Compressed Natural Gas		
DGE: Diesel Gallon Equivalent		
Sales Tax: City of Bellevue	10.0%	As of 2020 Q4
Revenue Sensitive Items Adjustment Factor	1.2083%	2019 GRC and RCW 82.04.120
Property Taxes	0.400%	2019 Annual Percentage
Authorized Rate of Return per 2019 GRC (Docket Nos. UE-190529 and UG-190530)	7.390%	Order 08, Effective 7/8/2020
Fuel Energy Content (Therms per DGE)*	1.380	

*Source
Heat Content for Diesel motor fuel 138,700 Btu/gal (gross)
Page B-5 of the Transportation Energy Data Book: Edition 32, Appendix B, prepared and published by the Oak Ridge National Laboratory (ORNL) under contract to the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Vehicle Technologies Program.
http://cta.ornl.gov/data/tedb32/Edition32_Appendix_B.pdf

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