

CNG Fueling Station

City Council Meeting
July 25, 2017

CNG Background

- **Fall 2012** – Report on CNG as alternative fuel for fleet
- **Summer 2013** – Report on CNG public sales
- **April 2014** – Temporary fueling contract with UCNG
- **January 2015** – 1st contract amendment UCNG
- **November 2015** – 2nd contract amendment UCNG
- **August 2016** – Zeit Energy awarded station construction
- **July 24, 2017** – Received recommendation from PUB

TCEQ Grant

- **September 2016** – City of Denton awarded \$600,000 grant for public CNG sales
 - Minimum 3 years of public sales
 - Full public access
 - Monday – Friday: 8 hours/day
 - Equipped with card readers

Operations 2013 - 2017

- **Fuel Prices - 2012 to 2017**
 - Diesel prices fell from \$3.70/g to \$2.27/g
 - CNG prices increased from \$2.12/g to \$2.15/g
- **Operations**
 - Continued investments into CNG (24 vehicles)
 - UCNG expenditures grew exponentially (\$3.75/g)
 - \$201,368 in grant funds expended

Pro Forma – Options v Diesel

<i>Pro forma: 5 Year Totals CNG Scenarios vs. Diesel</i>	1 Mobile Fueling (Current)	2 Retrofit & Convert to Diesel	3 Station COD Use Only	4 Station Public Sales
<i>Revenues</i>				
City of Denton Fuel Sales	-	-	2,487,514	2,487,514
Public Fuel Sales	-	-	-	-
TCEQ Public Station Grant	(201,368)	(201,368)	(201,368)	398,632
<i>Subtotal Fund Revenues</i>	(201,368)	(201,368)	2,286,146	2,886,146
<i>Expenditures</i>				
CNG Facility Maintenance	-	-	139,860	139,860
Franchise Fee	-	-	124,376	144,307
Fuel Purchase-Public	-	-	-	-
Fuel Purchase-City of Denton	2,892,290	-	1,232,738	1,232,738
Electrical Service	-	-	288,680	288,680
Debt Service-CNG Station and Line	349,581	349,581	1,202,424	1,202,424
Debt Service-Incremental Truck Costs	675,557	1,945,998	675,557	675,557
<i>Subtotal Fund Expenditures</i>	3,917,428	2,295,579	3,663,635	3,683,566
Net Income / (Loss)	(4,118,796)	(2,496,947)	(1,377,489)	(797,420)
Fuel - Cost/Savings	(1,892,910)	-	270,011	270,011
Full Cost	(6,011,706)	(2,496,947)	(1,107,478)	(527,410)

Pro Forma - Options v Mobile Fueling

	3	4
<i>Pro forma: 5 Year Totals</i>	Station	Station
<i>CNG Scenarios vs. Mobile Fueling</i>	COD Use Only	Public Sales
<i>Revenues</i>		
City of Denton Fuel Sales	2,487,514	2,487,514
Public Fuel Sales	-	-
TCEQ Public Station Grant	(201,368)	398,632
<i>Subtotal Fund Revenues</i>	2,286,146	2,886,146
<i>Expenditures</i>		
CNG Facility Maintenance	139,860	139,860
Franchise Fee	124,376	144,307
Fuel Purchase-Public	-	-
Fuel Purchase-City of Denton	1,232,738	1,232,738
Electrical Service	288,680	288,680
Debt Service-CNG Station and Line	1,202,424	1,202,424
Debt Service-Incremental Truck Costs	675,557	675,557
<i>Subtotal Fund Expenditures</i>	3,663,635	3,683,566
Net Income / (Loss)	(1,377,489)	(797,420)
Fuel - Cost/Savings	1,767,343	1,767,343
Full Cost	389,854	969,923

Additional Considerations

- **Competition**
- **Administrative costs**
- **Card processing costs**
- **Public access & security**
- **Liability**

Next Steps

- **Initiate gas line construction**
- **Gas delivery agreement**
- **Gas purchase agreement**
- **Open fueling facility**

Questions?