



Paper Transport, Inc

Jeff Shefchik, President

- Headquarters in Green Bay, WI
- Regional for-hire truckload carrier
- Currently operating 360 tractors & 1050 trailers
- Operations based in WI, IL, OK, FL, & GA

Why – We Chose Natural Gas

- ▶ The economics of natural gas vs. diesel
- ▶ Environmental benefits
- ▶ Natural Gas is a domestic fuel

Paper Transport –CNG Accomplishments

- ▶ Purchased our first 2 tractors in February 2010
- ▶ Freightliner M2 with Cummins ISL–G engine
- ▶ 5 Additional tractors purchased in Sept. 2010
- ▶ 10 Additional tractors delivered Dec. 2011

- ▶ The first 2 tractors have over 400,000 miles each
- ▶ In total we have over 1,900,000 miles



Testing – Cummins ISX 12L – NG

- ▶ Test engines released 3rd qtr 2011
- ▶ 15–30 of this engine on the highway
- ▶ Driven over 110,000 miles
- ▶ Zero NG related failures

Why we chose CNG over LNG

- ▶ Availability of public fuel stations
- ▶ CNG is a lower cost fuel
- ▶ Ease of use
- ▶ Maintenance facility requirements

Real World Issues

- ▶ Customers
 - ▶ Drivers
 - ▶ Truck availability
 - ▶ Maintenance
 - ▶ Fuel
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Customer Feedback

- ▶ We have been welcomed at new shippers
- ▶ They are being driven by their customers to develop sustainability initiatives
- ▶ Must be cost competitive with other options

Value Proposition

- ▶ American Economic Boom
- ▶ Environmental Improvements
- ▶ Abundant Fuel Supply
- ▶ Cost Stability



Driver Feed Back

- ▶ Take the time to explain WHY
- ▶ Driver have been very receptive to new technology
- ▶ Drivers are blue-collar hard working American's who truly buy into the American fuel source
- ▶ They like the quiet engine

Truck Availability

- ▶ All OEM's now have NG options
 - ▶ Have been operating in refuge for years
 - ▶ 50% of current build are NG
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Maintenance

- ▶ Currently this is our last hurdle
 - ▶ PTI has experienced higher maintenance cost
 - ▶ Maintenance process has not been refined

 - ▶ Transit and Refuge fleets have experienced lower maintenance cost
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Cost of a Gallon in DGE

| | <u>CNG</u> | <u>Diesel</u> |
|-----------------------|----------------------|----------------------|
| NYMEX Commodity | \$0.35 | \$2.75 |
| Refining & delivery | \$0.20 | \$0.25 |
| Taxes - Fed & WI | \$0.48 | \$0.58 |
| Station cost & margin | \$0.15 | \$0.15 |
| Station O&M | \$0.40 | |
| Capital recovery | <u>\$0.60</u> | |
| Total DGE cost | <u>\$2.18</u> | <u>\$3.73</u> |
| Commodity cost | 16% | 74% |