**Fuel Inventories**

**Assumptions Supporting Estimated Inventory Values**

The estimated coal and oil inventory values are projected in the budget model. They include the latest available stockpile information and are based on the following inputs:

* Ending inventory levels (tons or gallons) from the month of August 2022
* Ending inventory values ($/ton or $/gallon) from the month of August 2022
* Coal inventory qualities based on a three-month approximation of the quality of coal being added to the pile.
* Inventory Target levels as noted in MFRP–3.1

Coal and oil inventory levels are dynamic and change monthly based on the following parameters:

* Fuel Burns as noted in MFRP–6.2
* Fuel Purchases as noted in MFRP–6.3

Physical natural gas storage capacity is allocated for all affected generating units based on fifteen (15) days burn. Monthly natural gas storage target levels are developed based on a seasonal percentage of the total capacity required to meet operational needs. The model then values each monthly forecast quantity based on the monthly gas price forecast for gas delivered to the specific storage facility.