



## Payback Period for an 18,000 gal Skid Tank

Provided by Alliance Truck and Tank Sales, LLC

### 18,000 gal Skid Tank Costs

\$97,500 18k gal skid tank price  
\$20,000 valving and piping  
\$10,000 approximate freight cost  
\$ 2,000 approximate crane cost to unload  
\$129,500 Total

### Average propane prices

(Per the Energy Information Administration as of March 29, 2023)

**\$2.67/gal average retail** propane price  
\$0.91/gal average wholesale propane price

**\$1.44/gal average wholesale** price with transportation included

If you are currently paying full retail for your propane, then you **could be saving roughly \$1.23/gal** (\$2.67 - \$1.44) by investing in an 18,000 gal storage unit that can receive truckload wholesale pricing.

Buying at the wholesale price will save you \$22,140 on 18,000 gallons.

The payback period will depend on propane consumption. If the 18,000 gallon tank is filled twice per year, buying at the wholesale price will save \$44,280 per year.

**The payback period for the 18k skid tank in this example is 2.9 years.**

#### NOTES:

- Tell us your actual costs and we will calculate the payback period for your particular situation.
- Actual savings per gallon will vary by geography and your circumstances. Typically, anywhere from \$0.60 - \$1.40/gal will be saved by moving to a bulk storage system.
- In addition to these savings, it is very possible that this investment will qualify for either the [Section 179 tax deduction](#) or the [Propane Farm Incentive Program](#), maybe both. Please check with your tax advisor regarding tax consequences associated with these programs.
- In general, a payback period of **one to three years** is considered acceptable and a good investment, as this would leave two additional years of expected useful life for most pieces of equipment. However, propane storage tanks have a much longer useful life than most equipment which further supports this as a desirable investment decision.