

**Net Present Cost Evaluation (Dec 08)**

<b>Cost of Capital</b>	<b>4.00%</b>	<b>Fuel</b>	<b>Type</b>	<b>MPG</b>	<b>Cost/Gal</b>
<b>Est annual Inflation of fuel</b>	<b>3.50%</b>	<b>E85</b>	<b>Sedan</b>	<b>21.00</b>	<b>\$ 3.01</b>
<b>Est annual Inflation on Maintenance</b>	<b>4.50%</b>	<b>E10</b>	<b>Hybrid</b>	<b>45.00</b>	<b>\$ 2.64</b>
<b>Annual Mileage</b>	<b>17,500</b>				

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
<b>Hybrid Purchase Cost</b>	\$ (24,561)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,313)	\$ -	\$ -	\$ -
<b>Fuel Costs (E10)</b>	\$ -	\$ (1,027)	\$ (1,063)	\$ (1,100)	\$ (1,138)	\$ (1,178)	\$ (1,219)	\$ (1,262)	\$ (1,306)	\$ (1,352)	\$ (1,399)
<b>Annual Maintenance Costs</b>	\$ -	\$ (1,140)	\$ (1,191)	\$ (1,245)	\$ (1,301)	\$ (1,359)	\$ (1,421)	\$ (1,485)	\$ (1,551)	\$ (1,621)	\$ (1,694)
<b>Salvage Value</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,684
	<b>\$ (24,561)</b>	<b>\$ (2,167)</b>	<b>\$ (2,254)</b>	<b>\$ (2,345)</b>	<b>\$ (2,439)</b>	<b>\$ (2,538)</b>	<b>\$ (2,640)</b>	<b>\$ (5,060)</b>	<b>\$ (2,858)</b>	<b>\$ (2,973)</b>	<b>\$ 591</b>
<b>NPC Hybrid</b>	<b>\$ (49,243)</b>										
<b>E85 Sedan Purchase Cost</b>	\$ (23,329)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fuel Costs (E85)</b>	\$ -	\$ (2,508)	\$ (2,596)	\$ (2,687)	\$ (2,781)	\$ (2,878)	\$ (2,979)	\$ (3,083)	\$ (3,191)	\$ (3,303)	\$ (3,419)
<b>Annual Maintenance Costs</b>	\$ -	\$ (1,140)	\$ (1,191)	\$ (1,245)	\$ (1,301)	\$ (1,359)	\$ (1,421)	\$ (1,485)	\$ (1,551)	\$ (1,621)	\$ (1,694)
<b>Salvage Value</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,499
	<b>\$ (23,329)</b>	<b>\$ (3,648)</b>	<b>\$ (3,787)</b>	<b>\$ (3,932)</b>	<b>\$ (4,082)</b>	<b>\$ (4,238)</b>	<b>\$ (4,400)</b>	<b>\$ (4,568)</b>	<b>\$ (4,743)</b>	<b>\$ (4,924)</b>	<b>\$ (1,613)</b>
<b>NPC E85 Sedan</b>	<b>\$ (63,264)</b>										

**Net Present Cost Advantage of Hybrid \$ 14,021**

- 1) Hybrid cost assumes major battery overhaul in year 7 which may not be necessary on newer models
- 2) Up to 27% efficiency derating for E85 is assumed
- 3) This Net Present Cost evaluation sums total discounted costs for each option over a ten year life cycle. The lower NPC is most advantageous.