

# Applied Digital Office Site - Revenue Requirements Model

Asset / Project Name (in Caps):	Applied Digital Office Site - Revenue Requirements Model
Life of Asset/Project: (# of years)	45
Projected Cost / Original Investment:	\$ 22,228
O&M Inflation Rate Through Year 5	6.00%
O&M Inflation Rate Year 6 Forward	3.00%
Equity Return	9.65%
Interest Rate	6.00%
Hurdle Rate	7.80%
Targeted Equity Percentage	50.00%
Income Tax rate	24.40%
Property tax Rate	1.00%

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11
Annual Energy (kWH)	84,275	84,275	84,275	84,275	84,275	84,275	84,275	84,275	84,275	84,275	84,275
Annual Margin ( 50% of Revenue)	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557
Total Annual Margin Generated:	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557	\$5,557
Additional Incremental O&M costs:(Estimated at 10% of Margin)	\$555	\$588	\$624	\$661	\$701	\$722	\$744	\$766	\$789	\$813	\$837
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hurdle Rate:	7.8%										

**Project Valuation:**

Net Present Value Cash Flow @ Hurdle Rate	\$42,263	Project meets Valuation Requirements!									
Residual Net Present Value	\$674										
Total Net Present Value	\$42,937										
Price of asset being acquired	\$ 22,228										
	<b>\$20,709</b>	The value of the asset is more than the price									
Internal Rate of Return over life of project	<b>17.19%</b>	Project meets Internal Rate of Return Requirement!									
Return On Equity	25.06%	25.88%	26.90%	27.94%	28.96%	30.14%	31.36%	32.66%	34.06%	35.58%	37.26%

