

It now looks and charms just like TAPS did in the 70's

14.3% ROR at Gas Price of \$11.45/mcf

(As owned by a private company adding 25% margins to the \$4.22/mcf GV)

THE RISK - Present Value of a Private Pipeline System's Revenue/Income Model (With 25% Margins on Gas)

Calculation Basis: Cash flows per referenced term less IO (initial outlays or outflows)

PV at 19 Bcf/yr

20 Years \$/Billion	35 Years \$/Billion	65 Years \$/Billion	8th Year
\$3.169	\$6.084	\$11.912	\$0.838
			Caeteris Paribus
			19 Bcf/yr: < 8 years

PV at 30 Bcf/yr

20 Years \$/Billion	35 Years \$/Billion	65 Years \$/Billion	7th Year
\$3.400	\$6.488	\$12.662	\$0.725
			Caeteris Paribus
			30 Bcf/yr: < 7 years

THE RISK - Net Present Value of a Private Pipeline System's Revenue/Income Model (With 25% Margins on Gas)

\$11.45/mcf delivered instead of \$9.66/mcf by publicly owned FPC system at 19 Bcf with 25% margins on gas

Discount Basis: Net 3.08% as leveraged by 60/40 Debt to Equity Finance Model

Avoided Cost Basis: N/A

Dividend Yields: \$0.00

Total Value to Alaskans: In-State retention of WIR - 12% State Royalties In Alaskan Pockets - \$0.00

Calculation Basis: $R_t / (1+i)^t$, where:
 t = time of cash flows
 i = discount rate, or rate of return that could be earned on an investment in the financial markets with similar risks
 R_t = net cash flow at time t

NPV at 19 Bcf/yr

	20 Years \$/Billion	35 Years \$/Billion	65 Years \$/Billion	3rd Year
NPV:	\$2.688	\$3.727	\$4.660	\$0.709
LAPY:	0.038	(Net 60/40 L)		Caeteris Paribus
IO:	\$716,000,000		19 Bcf/yr :	< 4 years

NPV at 30 Bcf/yr

			3rd Year
	\$3.053	\$4.154	\$0.779
	0.038	(Net 60/40 L)	Caeteris Paribus
	\$716,000,000	30 Bcf/yr:	< 3 years

Period	(Cash Flow/yr)
0	
1 thru 20	\$194,272,441
1 thru 35	\$194,272,441
1 thru 65	\$194,272,441

Period	(Cash Flow/yr)
0	
1 thru 20	\$205,822,441
1 thru 35	\$205,822,441
1 thru 65	\$205,822,441