

Present Value of FPC Pipeline System's Revenue/Income Model

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	15th Year
\$1.260	\$2.741	\$5.705	\$0.766
			Caeteris Paribus
19 Bcf/yr or 30 Bcf/yr:			< 15 years

PV at 30 Bcf/yr

(Same as 19 Bcf/year because GC is a pass through)

Net Present Value of FPC's 12" Pipeline System's Revenue/Income Model

Discount Basis: 12% FPC Pipeline ROR + 1.09% APY on Alaskan Savings Accounts or 13.09%

Avoided Cost Basis: Interior Alaska Energy costs today less future Interior energy costs on FPC Gas (\$84/Bbl oil, \$9.66/mcf gas)

Dividend Yields: Total 11.07% annual return on investment disbursed to Alaskans via FPC dividends (same as capital repayment at 12% interest)

Total Value to Alaskans: Avoided Costs + Dividend Yields

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	18th Year
NPV:	\$0.738	\$0.808	\$0.823	\$0.716
APY:	0.12	Caeteris Paribus		
IO:	\$716,000,000	19 Bcf/yr or 30 Bcf/yr:		18th year

NPV at 30 Bcf/yr

(Same as 19 Bcf/year because GC is a pass through)

Period	(Cash Flow/yr)
0	
1 thru 20	\$98,782,982
1 thru 35	\$98,782,982
1 thru 65	\$98,782,982