

ENERGIA CURA

Socio Economic Present Value of FPC Pipeline System

12% ROR with Gas Priced at \$9.66/mcf - 19 Bcf/yr

12% ROR with Gas Priced at \$7.65/mcf - 30 Bcf/yr

(Pipeline Publicly Owned)

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	7th Year
\$3.660	\$6.942	\$13.506	\$0.816
			Caeteris Paribus
			at 19 Bcf/yr : 6.32 years

PV at 30 Bcf/yr

20 Years \$/Billion	35 Years \$/Billion	65 Years \$/Billion	5th Year
\$6.258	\$11.488	\$21.948	\$1.027
			Caeteris Paribus
			at 30 Bcf/yr: 4.16 years

Socio Economic Net Present Value of FPC's 12" Pipeline System

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
(blended at \$87/Bbl crude, \$0.138/kWh for new coal fired generation plants or \$0.761/kWh for new gas fired generation plants)

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	16th Year
NPV:	\$0.813	\$0.933	\$0.955	\$0.722
APY:				Caeteris Paribus
IO:				7.8 years

NPV at 30 Bcf/yr

	20 Years \$/Million	35 Years \$/Million	65 Years \$/Million	16th Year
NPV:	\$1.720	\$1.912	\$1.947	\$0.822
APY:				Caeteris Paribus
IO:				2.6 years

Period	Avoided Cost To Alaskans Cash Flow	FPC Dividend Yields To Alaskans	Total Value to Alaskans (Cash Flow/yr)
0	-\$716,000,000		
1 thru 20	\$122,935,600	\$95,857,207	\$218,792,807
1 thru 35	\$122,935,600	\$95,857,207	\$218,792,807
1 thru 65	\$122,935,600	\$95,857,207	\$218,792,807

Period	Avoided Cost To Alaskans Cash Flow	FPC Dividend Yields To Alaskans	Total Value to Alaskans (Cash Flow/yr)
0	-\$716,000,000		
1	\$252,819,000	\$95,857,207	\$348,676,207
2	\$252,819,000	\$95,857,207	\$348,676,207
3	\$252,819,000	\$95,857,207	\$348,676,207