

# ENERGIA CURA

Iteration C1-42, 19B/12-11.1 ROI

## Case 1, FPC 12" Pipeline Stands Alone from North Slope to North Pole, Alaska - COS and Investment Yields

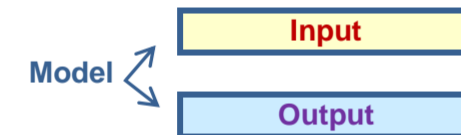
Capex (Principal):	<b>\$716,000,000</b>
COS, Rate of Return Basis:	<b>12.00%</b>
Opex	<b>\$3,615,458</b>
Term	<b>20</b>

Capex + Opex + CRF Factors	\$865,609,160	COS/mcf (Cost of Transportation)	\$5.43882
	865,609		
CRF (Capital Reserve Fund):	<b>\$3,865,000</b>	Opex + CFR	<b>\$7,480,458</b>

FPC Annual Expenses and Dividends	<b>\$103,337,665</b>
Annual throughput mcf/yr	<b>19,000,000</b>

Pipeline COS		Pipeline Expenses				Net Dividend on ROR and Capex Less Opex and CRF		Total FPC Annual Expenses Net Annual Dividend Disbursements + Opex + CRF		Remaining Capex Principle
Date	Revenue * Through COS	ROR Dividend Before Opex**	Year	Capex** Dividend	Yr		Yr		Yr	
2014	\$103,337,665	\$85,920,000	1	\$9,937,207	1	\$95,857,206.51	1	\$103,337,664.51	1	\$716,000,000
2015	\$103,337,665	\$84,727,535	2	\$11,129,671	2	\$95,857,206.51	2	\$103,337,664.51	2	\$706,062,793
2016	\$103,337,665	\$83,391,975	3	\$12,465,232	3	\$95,857,206.51	3	\$103,337,664.51	3	\$694,933,122
2017	\$103,337,665	\$81,896,147	4	\$13,961,060	4	\$95,857,206.51	4	\$103,337,664.51	4	\$682,467,890
2018	\$103,337,665	\$80,220,820	5	\$15,636,387	5	\$95,857,206.51	5	\$103,337,664.51	5	\$668,506,831
2019	\$103,337,665	\$78,344,453	6	\$17,512,753	6	\$95,857,206.51	6	\$103,337,664.51	6	\$652,870,444
2020	\$103,337,665	\$76,242,923	7	\$19,614,284	7	\$95,857,206.51	7	\$103,337,664.51	7	\$635,357,691
2021	\$103,337,665	\$73,889,209	8	\$21,967,998	8	\$95,857,206.51	8	\$103,337,664.51	8	\$615,743,407
2022	\$103,337,665	\$71,253,049	9	\$24,604,157	9	\$95,857,206.51	9	\$103,337,664.51	9	\$593,775,409
2023	\$103,337,665	\$68,300,550	10	\$27,556,656	10	\$95,857,206.51	10	\$103,337,664.51	10	\$569,171,252
2024	\$103,337,665	\$64,993,751	11	\$30,863,455	11	\$95,857,206.51	11	\$103,337,664.51	11	\$541,614,596
2025	\$103,337,665	\$61,290,137	12	\$34,567,070	12	\$95,857,206.51	12	\$103,337,664.51	12	\$510,751,141
2026	\$103,337,665	\$57,142,089	13	\$38,715,118	13	\$95,857,206.51	13	\$103,337,664.51	13	\$476,184,071
2027	\$103,337,665	\$52,496,274	14	\$43,360,932	14	\$95,857,206.51	14	\$103,337,664.51	14	\$437,468,953
2028	\$103,337,665	\$47,292,963	15	\$48,564,244	15	\$95,857,206.51	15	\$103,337,664.51	15	\$394,108,021
2029	\$103,337,665	\$41,465,253	16	\$54,391,953	16	\$95,857,206.51	16	\$103,337,664.51	16	\$345,543,777
2030	\$103,337,665	\$34,938,219	17	\$60,918,988	17	\$95,857,206.51	17	\$103,337,664.51	17	\$291,151,824
2031	\$103,337,665	\$27,627,940	18	\$68,229,266	18	\$95,857,206.51	18	\$103,337,664.51	18	\$230,232,836
2032	\$103,337,665	\$19,440,428	19	\$76,416,778	19	\$95,857,206.51	19	\$103,337,664.51	19	\$162,003,570
2033	\$103,337,665	\$10,270,415	20	\$85,586,792	20	\$95,857,206.51	20	\$103,337,664.51	20	\$85,586,792
	<b>\$2,066,753,290</b>	<b>\$1,201,144,130</b>		<b>\$716,000,000</b>		<b>\$1,917,144,130</b>		<b>\$2,066,753,290</b>		<b>\$0</b>

Annual Dividend on \$100 Investment (\$100 FPC Shares)	Total Dividend Payments/Year	CRF Draws for Major Maintenance Integrity Management (Pigging, CPS, etc.)	No Buy-Back CFR Cash Equity & Liquidity Accrual	Dividend Yields Under 80% Buy-Back Policy \$/year/share	CFR Cash Equity & Liquidity Accrual Under 80% Buy-Back Policy	Escalating Annual Rate of Return
\$11.07	\$95,857,207		\$3,865,000	\$11.11	\$594,100	11.11%
\$11.07	\$95,857,207		\$7,730,000	\$11.19	\$1,367,100	11.19%
\$11.07	\$95,857,207		\$11,595,000	\$11.33	\$2,140,100	11.33%
\$11.07	\$95,857,207		\$15,460,000	\$11.52	\$2,913,100	11.52%
\$11.07	\$95,857,207	\$3,879,000	\$15,446,000	\$11.72	\$2,910,300	11.72%
\$11.07	\$95,857,207		\$19,311,000	\$11.98	\$3,683,300	11.98%
\$11.07	\$95,857,207		\$23,176,000	\$12.31	\$4,456,300	12.31%
\$11.07	\$95,857,207		\$27,041,000	\$12.73	\$5,229,300	12.73%
\$11.07	\$95,857,207		\$30,906,000	\$13.24	\$6,002,300	13.24%
\$11.07	\$95,857,207	\$4,135,000	\$30,636,000	\$13.78	\$5,948,300	13.78%
\$11.07	\$95,857,207		\$34,501,000	\$14.46	\$6,721,300	14.46%
\$11.07	\$95,857,207		\$38,366,000	\$15.30	\$7,494,300	15.30%
\$11.07	\$95,857,207		\$42,231,000	\$16.34	\$8,267,300	16.34%
\$11.07	\$95,857,207		\$46,096,000	\$17.66	\$9,040,300	17.66%
\$11.07	\$95,857,207	\$4,687,000	\$45,274,000	\$19.17	\$8,875,900	19.17%
\$11.07	\$95,857,207		\$49,139,000	\$21.15	\$9,648,900	21.15%
\$11.07	\$95,857,207		\$53,004,000	\$23.79	\$10,421,900	23.79%
\$11.07	\$95,857,207		\$56,869,000	\$27.49	\$11,194,900	27.49%
\$11.07	\$95,857,207		\$60,734,000	\$32.96	\$11,967,900	32.96%
\$11.07	\$95,857,207	\$5,189,000	\$59,410,000	\$40.92	\$11,703,100	40.92%
\$221.48	\$191,714,413	\$17,890,000		\$350.14		



\* Revenue through CC excluded (CC = Commodity Cost)  
 \*\* Bundled Gas CC Component is burdened with Gas Treatment and Compression (Bundled Gas Price = COS + CC)

Annual Flat Rate of Return: **11.07%**

Average \$/yr **\$894,500**      **\$2,970,500**  
 Cash Equity **\$59,410,000**

Cash Equity **\$11,703,100**

*If a share buy-back policy is adopted using 80% of the annual liquidity line balance (CFR cash column), dividend yields are no longer flat, but increase every year. In 2033, outstanding shares would be reduced from 7,160,000 to 1,936,800 - the original \$100 par share returns annual dividends of \$40.92, or \$350.14 in 20-years. This leaves the company relatively cash-poor, so other alternatives are currently being evaluated with Alaskan Banks or reducing the Buy-Back policy to less than 80%.*

**The point we are trying to make by showing the buy-back policy option is to demonstrate how OWNING the FPC pipeline system PAYS BACK to Alaskans**