

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2
553 SCOMM16: JOINT SPEC. COMM. ROYALTY OIL & GAS 1977-78

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VICA PRUDHOE 1/8 GAS -TOK TO KENAI -BEFORE PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.383	.383	.383	.383	.383	.383	.383	.383	.383
TOTAL REVENUE	34991330	34991330	34991330	34991330	34991330	34991330	34991330	34991330	34991330
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	20300000	20300000	20300000	20300000	20300000	20300000	20300000	20300000	20300000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400
TOTAL EXPENSES	38488400	38488400	38488400	38488400	38488400	38488400	38488400	38488400	38488400
INCOME BEFORE TAXES	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	17398911	15659020	14093118	12683806	12683806	12683806	12683806	12683806	12683806
TAXABLE INCOME	-2707581	-967590	598212	2007524	2007524	2007524	2007524	2007524	2007524
CURRENT INCOME TAX	-1299639	-464491	287142	963612	963612	963612	963612	963612	963612
DEFERRED INCOME TAX	-378954	-1214102	-1965735	-2642205	-2642205	-2642205	-2642205	-2642205	-2642205
TOTAL INCOME TAXES	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593
NET INCOME (BOOK)	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
SOURCES OF FUNDS									
NET INCOME	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-378954	-1214102	-1965735	-2642205	-2642205	-2642205	-2642205	-2642205	-2642205
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	15990969	15155821	14404188	13727718	13727718	13727718	13727718	13727718	13727718
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	15990969	15155821	14404188	13727718	13727718	13727718	13727718	13727718	13727718
CUMULATIVE NET CASH GENERATED	196938076	212093897	226498085	240225803	253953521	267681239	281408557	295136675	308864393
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AG0 545223

Pipe Line Technologists, Inc.

a Kanab company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VICA PRUDHOE 1/8 GAS -TOK TO KENAI -BEFORE PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	5000000	250000
COST OF SERVICE (\$/MSCFD)	.383	.383	.383	.383	8.426	.421
TOTAL REVENUE	34991330	34991330	34991330	34991330	699826600	34991330
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	20300000	20300000	20300000	20300000	406000000	20300000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	363768000	18188400
TOTAL EXPENSES	38488400	38488400	38488400	38488400	769768000	38488400
INCOME BEFORE TAXES	-3497070	-3497070	-3497070	-3497070	-69941400	-3497070
INVESTMENT TAX CREDIT	0	0	0	0	36376800	1818840
TAX DEPRECIATION	12683806	12683806	12683806	12683806	363768002	18188400
TAXABLE INCOME	2007524	2007524	2007524	2007524	-69941402	-3497070
CURRENT INCOME TAX	963612	963612	963612	963612	-69948665	-3497433
DEFERRED INCOME TAX	-2642205	-2642205	-2642205	-2642205	5	0
TOTAL INCOME TAXES	-1678593	-1678593	-1678593	-1678593	-69948660	-3497433
NET INCOME (BOOK)	-1818477	-1818477	-1818477	-1818477	7260	363
SOURCES OF FUNDS						
NET INCOME	-1818477	-1818477	-1818477	-1818477	7260	363
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	363768000	18188400
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-2642205	-2642205	-2642205	-2642205	5	0
NET ADDITIONS TO EQUITY	0	0	0	0	363768000	18188400
TOTAL SOURCES	13727718	13727718	13727718	13727718	727543265	36377163
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	363768000	18188400
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	363768000	18188400
NET CASH GENERATED DURING YEAR	13727718	13727718	13727718	13727718	363775265	18188763
CUMULATIVE NET CASH GENERATED	322592111	336319829	350047547	363775265	4526494412	226324721
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545224

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VICR PRUDHOE 1/8 GAS -KENAI TO TOK -AFTER PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	218000	218000	218000	218000	218000	218000	218000
COST OF SERVICE (\$/MSCFD)	.440	.440	.440	.440	.440	.440	.440	.440	.440
TOTAL REVENUE	0	0	34991330	34991330	34991330	34991330	34991330	34991330	34991330
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	20300000	20300000	20300000	20300000	20300000	20300000	20300000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	18188400	18188400	18188400	18188400	18188400	18188400	18188400
TOTAL EXPENSES	0	0	38488400	38488400	38488400	38488400	38488400	38488400	38488400
INCOME BEFORE TAXES	0	0	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070
INVESTMENT TAX CREDIT	0	0	36376800	0	0	0	0	0	0
TAX DEPRECIATION	0	0	36376800	32739120	29465208	26518687	23866618	21480137	19332123
TAXABLE INCOME	0	0	-21685470	-18047790	-14773878	-11827357	-9175488	-6788807	-4640793
CURRENT INCOME TAX	0	0	-46785825	-8662939	-7091461	-5677131	-4404234	-3258627	-2227580
DEFERRED INCOME TAX	0	0	8730432	6984346	5412868	3998538	2725641	1580034	548987
TOTAL INCOME TAXES	0	0	-38055393	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593
NET INCOME (BOOK)	0	0	34558323	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
SOURCES OF FUNDS									
NET INCOME	0	0	34558323	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
FINANCIAL DEPRECIATION	0	0	18188400	18188400	18188400	18188400	18188400	18188400	18188400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	8730432	6984346	5412868	3998538	2725641	1580034	548987
NET ADDITIONS TO EQUITY	181884000	181884000	0	0	0	0	0	0	0
TOTAL SOURCES	181884000	181884000	61477155	23354269	21782791	20368461	19095564	17949957	16918910
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	181884000	181884000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	181884000	181884000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	61477155	23354269	21782791	20368461	19095564	17949957	16918910
CUMULATIVE NET CASH GENERATED	0	0	61477155	84831424	106614215	126982676	146078240	164028197	180947107
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50

AGO 545225

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VICE PRUDHOE 1/8 GAS -KENAI TO TOK -AFTER PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	218000	218000	218000	218000	218000	218000	218000	218000	218000
COST OF SERVICE (\$/MSCFD)	.440	.440	.440	.440	.440	.440	.440	.440	.440
TOTAL REVENUE	34991330	34991330	34991330	34991330	34991330	34991330	34991330	34991330	34991330
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	20300000	20300000	20300000	20300000	20300000	20300000	20300000	20300000	20300000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400
TOTAL EXPENSES	38488400	38488400	38488400	38488400	38488400	38488400	38488400	38488400	38488400
INCOME BEFORE TAXES	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070	-3497070
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	17398911	15659020	14093118	12683806	12683806	12683806	12683806	12683806	12683806
TAXABLE INCOME	-2707581	-967690	598212	2007524	2007524	2007524	2007524	2007524	2007524
CURRENT INCOME TAX	-1299639	-464491	287142	963612	963612	963612	963612	963612	963612
DEFERRED INCOME TAX	-378954	-1214102	-1965735	-2642205	-2642205	-2642205	-2642205	-2642205	-2642205
TOTAL INCOME TAXES	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593	-1678593
NET INCOME (BOOK)	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
SOURCES OF FUNDS									
NET INCOME	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477	-1818477
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400	18188400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-378954	-1214102	-1965735	-2642205	-2642205	-2642205	-2642205	-2642205	-2642205
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	15990969	15155821	14404188	13727718	13727718	13727718	13727718	13727718	13727718
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	15990969	15155821	14404188	13727718	13727718	13727718	13727718	13727718	13727718
CUMULATIVE NET CASH GENERATED	196938076	212093337	226498085	240225804	253953521	267681239	281408957	295136675	308864393
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VICB PRUDHOE 1/8 GAS -KENAI TO TOK -AFTER PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	218000	218000	218000	218000	4360000	218000
COST OF SERVICE (\$/MSCFD)	.440	.440	.440	.440	9.680	.484
TOTAL REVENUE	34991330	34991330	34991330	34991330	699826600	34991330
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	20300000	20300000	20300000	20300000	406000000	20300000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	363768000	18188400
TOTAL EXPENSES	38488400	38488400	38488400	38488400	769768000	38488400
INCOME BEFORE TAXES	-3497070	-3497070	-3497070	-3497070	-69941400	-3497070
INVESTMENT TAX CREDIT	0	0	0	0	36376800	1818840
TAX DEPRECIATION	12683806	12683806	12683806	12683806	363768002	18188400
TAXABLE INCOME	2007524	2007524	2007524	2007524	-69941402	-3497070
CURRENT INCOME TAX	963612	963612	963612	963612	-69948655	-3497433
DEFERRED INCOME TAX	-2642205	-2642205	-2642205	-2642205	5	0
TOTAL INCOME TAXES	-1678593	-1678593	-1678593	-1678593	-69948650	-3497433
NET INCOME (BOOK)	-1818477	-1818477	-1818477	-1818477	7260	363
SOURCES OF FUNDS						
NET INCOME	-1818477	-1818477	-1818477	-1818477	7260	363
FINANCIAL DEPRECIATION	18188400	18188400	18188400	18188400	363768000	18188400
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-2642205	-2642205	-2642205	-2642205	5	0
NET ADDITIONS TO EQUITY	0	0	0	0	363768000	18188400
TOTAL SOURCES	13727718	13727718	13727718	13727718	727543265	36377163
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	363768000	18188400
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	363768000	18188400
NET CASH GENERATED DURING YEAR	13727718	13727718	13727718	13727718	363775265	18188763
CUMULATIVE NET CASH GENERATED	322592111	336319929	350047547	363775265	4526494412	226324721
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AG0 545227

CASE

VII

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA1 PRUDHOE 1/8 GAS -FAIRBANKS TO HAINES -NO PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.614	.614	.614	.614	.614	.614	.614	.614	.614
TOTAL REVENUE	0	0	56023664	56023664	56023664	56023664	56023664	56023664	56023664
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	31100000	31100000	31100000	31100000	31100000	31100000	31100000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	30856400	30856400	30856400	30856400	30856400	30856400	30856400
TOTAL EXPENSES	0	0	61956400	61956400	61956400	61956400	61956400	61956400	61956400
INCOME BEFORE TAXES	0	0	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736
INVESTMENT TAX CREDIT	0	0	61712800	0	0	0	0	0	0
TAX DEPRECIATION	0	0	61712800	55541520	49987368	44988631	40489768	36440791	32796712
TAXABLE INCOME	0	0	-36789136	-30617856	-25063704	-20064967	-15566104	-11517127	-7873048
CURRENT INCOME TAX	0	0	-79371585	-14696571	-12030578	-9631184	-7471730	-5528221	-3779063
DEFERRED INCOME TAX	0	0	14811072	11848858	9182855	6783471	4624017	2680508	931350
TOTAL INCOME TAXES	0	0	-64560513	-2847713	-2847713	-2847713	-2847713	-2847713	-2847713
NET INCOME (BOOK)	0	0	58627777	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023
SOURCES OF FUNDS									
NET INCOME	0	0	58627777	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023
FINANCIAL DEPRECIATION	0	0	30856400	30856400	30856400	30856400	30856400	30856400	30856400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	14811072	11848858	9182855	6783471	4624017	2680508	931350
NET ADDITIONS TO EQUITY	308564000	308564000	0	0	0	0	0	0	0
TOTAL SOURCES	308564000	308564000	104295249	39620235	36954242	34554848	32395394	30451885	28702727
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	308564000	308564000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	308564000	308564000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	104295249	39620235	36954242	34554848	32395394	30451885	28702727
CUMULATIVE NET CASH GENERATED	0	0	104295249	243915484	180869726	215424574	247819968	278271853	306974580
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

AGO 545229

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA1 PRUDHOE 1/8 GAS -FAIRBANKS TO HAINES -NO PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (1/MSCFD)	.614	.614	.614	.614	.614	.614	.614	.614	.614
TOTAL REVENUE	56023664	56023664	56023664	56023664	56023664	56023664	56023664	56023664	56023664
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	31100000	31100000	31100000	31100000	31100000	31100000	31100000	31100000	31100000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	30856400	30856400	30856400	30856400	30856400	30856400	30856400	30856400	30856400
TOTAL EXPENSES	61956400	61956400	61956400	61956400	61956400	61956400	61956400	61956400	61956400
INCOME BEFORE TAXES	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736	-5932736
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	29517041	26565337	23908803	21517923	21517923	21517923	21517923	21517923	21517923
TAXABLE INCOME	-4593377	-1641673	1014061	3405741	3405741	3405741	3405741	3405741	3405741
CURRENT INCOME TAX	-2204821	-788003	487133	1634756	1634756	1634756	1634756	1634756	1634756
DEFERRED INCOME TAX	-642892	-2059710	-3334846	-4482469	-4482469	-4482469	-4482469	-4482469	-4482469
TOTAL INCOME TAXES	-2847713	-2847713	-2847713	-2847713	-2847713	-2847713	-2847713	-2847713	-2847713
NET INCOME (BOOK)	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023
SOURCES OF FUNDS									
NET INCOME	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023	-3085023
FINANCIAL DEPRECIATION	30856400	30856400	30856400	30856400	30856400	30856400	30856400	30856400	30856400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-642892	-2059710	-3334846	-4482469	-4482469	-4482469	-4482469	-4482469	-4482469
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	27128485	25711667	24436531	23288908	23288908	23288908	23288908	23288908	23288908
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	27128485	25711667	24436531	23288908	23288908	23288908	23288908	23288908	23288908
CUMULATIVE NET CASH GENERATED	334103065	359814732	384251263	407540171	430829079	454117987	477406895	500695803	523984711
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGO 545230

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA1 PRUDHOE 1/8 GAS -FAIRBANKS TO HAINES -NO PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	5000000	250000
COST OF SERVICE (\$/MSCFD)	.614	.614	.614	.614	13.508	.675
TOTAL REVENUE	56023664	56023564	56023664	56023664	1120473280	56023664
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	31100000	31100000	31100000	31100000	622000000	31100000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	30856400	30856400	30856400	30856400	617128000	30856400
TOTAL EXPENSES	61956400	61956400	61956400	61956400	1239128000	61956400
INCOME BEFORE TAXES	-5932736	-5932736	-5932736	-5932736	-118654720	-5932736
INVESTMENT TAX CREDIT	0	0	0	0	61712800	3085640
TAX DEPRECIATION	21517923	21517923	21517923	21517923	617128001	30856400
TAXABLE INCOME	3405741	3405741	3405741	3405741	-118654721	-5932736
CURRENT INCOME TAX	1634756	1634756	1634756	1634756	-118667063	-5933353
DEFERRED INCOME TAX	-4482469	-4482469	-4482469	-4482469	3	0
TOTAL INCOME TAXES	-2847713	-2847713	-2847713	-2847713	-118667060	-5933353
NET INCOME (BOOK)	-3085023	-3085023	-3085023	-3085023	12340	617
SOURCES OF FUNDS						
NET INCOME	-3085023	-3085023	-3085023	-3085023	12340	617
FINANCIAL DEPRECIATION	30856400	30856400	30856400	30856400	617128000	30856400
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-4482469	-4482469	-4482469	-4482469	3	0
NET ADDITIONS TO EQUITY	0	0	0	0	617128000	30856400
TOTAL SOURCES	23288908	23288908	23288908	23288908	1234268343	61713417
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	617128000	30856400
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	617128000	30856400
NET CASH GENERATED DURING YEAR	23288908	23288908	23288908	23288908	617140343	30857017
CUMULATIVE NET CASH GENERATED	547273619	570562527	593851435	61714034	37679143064	183957153
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545231

Pipe Line Technologists, Inc.

a Kanab company

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA2 PRUDHOE 1/P GAS -HAINES JCT. TO MAINES -NO PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.114	.114	.114	.114	.114	.114	.114	.114	.114
TOTAL REVENUE	0	0	10369528	10369528	10369528	10369528	10369528	10369528	10369528
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	5830000	5830000	5830000	5830000	5830000	5830000	5830000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	5620100	5620100	5620100	5620100	5620100	5620100	5620100
TOTAL EXPENSES	0	0	11450100	11450100	11450100	11450100	11450100	11450100	11450100
INCOME BEFORE TAXES	0	0	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572
INVESTMENT TAX CREDIT	0	0	11240200	0	0	0	0	0	0
TAX DEPRECIATION	0	0	11240200	10116180	9104562	8194106	7374695	6637220	5973503
TAXABLE INCOME	0	0	-6700672	-5576652	-4565034	-3654578	-2835167	-2097698	-1433975
CURRENT INCOME TAX	0	0	-14456523	-2676793	-2191216	-1754197	-1360880	-1006895	-688308
DEFERRED INCOME TAX	0	0	2697648	2158118	1672541	1235522	842205	488220	169633
TOTAL INCOME TAXES	0	0	-11758875	-518675	-518675	-518675	-518675	-518675	-518675
NET INCOME (BOOK)	0	0	10678303	-561897	-561897	-561897	-561897	-561897	-561897
SOURCES OF FUNDS									
NET INCOME	0	0	10678303	-561897	-561897	-561897	-561897	-561897	-561897
FINANCIAL DEPRECIATION	0	0	5620100	5620100	5620100	5620100	5620100	5620100	5620100
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	2697648	2158118	1672541	1235522	842205	488220	169633
NET ADDITIONS TO EQUITY	56201000	56201000	0	0	0	0	0	0	0
TOTAL SOURCES	56201000	56201000	18996051	7216321	6730744	6293725	5900408	5546423	5227836
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	56201000	56201000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	56201000	56201000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	18996051	7216321	6730744	6293725	5900408	5546423	5227836
CUMULATIVE NET CASH GENERATED	0	0	18996051	26212372	32943116	39236841	45137249	50683672	55911508
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

AGD 545232

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA2 PRUDHOE 1/8 GAS -HAINES JCT. TO HAINES -NO PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.114	.114	.114	.114	.114	.114	.114	.114	.114
TOTAL REVENUE	10369528	10369528	10369528	10369528	10369528	10369528	10369528	10369528	10369528
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	5830000	5830000	5830000	5830000	5830000	5830000	5830000	5830000	5830000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	5620100	5620100	5620100	5620100	5620100	5620100	5620100	5620100	5620100
TOTAL EXPENSES	11450100	11450100	11450100	11450100	11450100	11450100	11450100	11450100	11450100
INCOME BEFORE TAXES	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572	-1080572
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	5376153	4838538	4354684	3919215	3919215	3919215	3919215	3919215	3919215
TAXABLE INCOME	-836625	-299010	184844	620313	620313	620313	620313	620313	620313
CURRENT INCOME TAX	-401580	-143525	88725	297750	297750	297750	297750	297750	297750
DEFERRED INCOME TAX	-117095	-375150	-607400	-816425	-816425	-816425	-816425	-816425	-816425
TOTAL INCOME TAXES	-518675	-518675	-518675	-518675	-518675	-518675	-518675	-518675	-518675
NET INCOME (BOOK)	-561897	-561337	-561897	-561897	-561897	-561897	-561897	-561897	-561897
SOURCES OF FUNDS									
NET INCOME	-561897	-561897	-561897	-561897	-561897	-561897	-561897	-561897	-561897
FINANCIAL DEPRECIATION	5620100	5620100	5620100	5620100	5620100	5620100	5620100	5620100	5620100
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-117095	-375150	-607400	-816425	-816425	-816425	-816425	-816425	-816425
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	4941108	4683053	4450803	4241778	4241778	4241778	4241778	4241778	4241778
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	4941108	4683053	4450803	4241778	4241778	4241778	4241778	4241778	4241778
CUMULATIVE NET CASH GENERATED	60852616	65535569	69986472	74228250	78470028	82711806	86953584	91195362	95437140
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGO 545233

Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA2 PRUDHOE 1/8 GAS -HAINES JCT. TO HAINES -NO PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	5000000	250000
COST OF SERVICE (\$/MSCFD)	.114	.114	.114	.114	2.508	.125
TOTAL REVENUE	10369528	10369528	10369528	10369528	207390560	10369528
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	5830000	5830000	5830000	5830000	116600000	5830000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	5620100	5620100	5620100	5620100	112402000	5620100
TOTAL EXPENSES	11450100	11450100	11450100	11450100	229002000	11450100
INCOME BEFORE TAXES	-1080572	-1080572	-1080572	-1080572	-21611440	-1080572
INVESTMENT TAX CREDIT	0	0	0	0	11240200	562010
TAX DEPRECIATION	3919215	3919215	3919215	3919215	112401597	5620100
TAXABLE INCOME	620313	620313	620313	620313	-21611437	-1080572
CURRENT INCOME TAX	297750	297750	297750	297750	-21613692	-1080685
DEFERRED INCOME TAX	-816425	-816425	-816425	-816425	-8	0
TOTAL INCOME TAXES	-518675	-518675	-518675	-518675	-21613700	-1080685
NET INCOME (\$00K)	-561897	-561897	-561897	-561897	2260	113
SOURCES OF FUNDS						
NET INCOME	-561897	-561897	-561897	-561897	2260	113
FINANCIAL DEPRECIATION	5620100	5620100	5620100	5620100	112402000	5620100
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-816425	-816425	-816425	-816425	-8	0
NET ADDITIONS TO EQUITY	0	0	0	0	112402000	5620100
TOTAL SOURCES	4241778	4241778	4241778	4241778	224806252	11240313
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	112402000	5620100
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	112402000	5620100
NET CASH GENERATED DURING YEAR	4241778	4241778	4241778	4241778	112404252	5620213
CUMULATIVE NET CASH GENERATED	99678918	103920696	108162474	112404252	1391658076	69932904
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545234

Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA4 KENAI 1/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	50000	50000	50000	50000	50000	50000	50000
COST OF SERVICE (\$/MSCFD)	1.155	1.155	1.155	1.155	1.155	1.155	1.155	1.155	1.155
TOTAL REVENUE	0	0	21085094	21085094	21085094	21085094	21085094	21085094	21085094
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	13540000	13540000	13540000	13540000	13540000	13540000	13540000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	9341100	9341100	9341100	9341100	9341100	9341100	9341100
TOTAL EXPENSES	0	0	22881100	22881100	22881100	22881100	22881100	22881100	22881100
INCOME BEFORE TAXES	0	0	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006
INVESTMENT TAX CREDIT	0	0	18682200	0	0	0	0	0	0
TAX DEPRECIATION	0	0	18682200	16813980	15132582	13619324	12257391	11031652	928487
TAXABLE INCOME	0	0	-11137106	-9268836	-7587488	-6074230	-4712297	-3486558	-2383393
CURRENT INCOME TAX	0	0	-24028011	-4449065	-3641994	-2915630	-2261903	-1673548	-1144029
DEFERRED INCOME TAX	0	0	4483728	3586982	2779911	2053547	1399820	811465	281946
TOTAL INCOME TAXES	0	0	-19544283	-862083	-862083	-862083	-862083	-862083	-862083
NET INCOME (BOOK)	0	0	17748277	-933923	-933923	-933923	-933923	-933923	-933923
SOURCES OF FUNDS									
NET INCOME	0	0	17748277	-933923	-933923	-933923	-933923	-933923	-933923
FINANCIAL DEPRECIATION	0	0	9341100	9341100	9341100	9341100	9341100	9341100	9341100
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	4483728	3586982	2779911	2053547	1399820	811465	281946
NET ADDITIONS TO EQUITY	93411000	93411000	0	0	0	0	0	0	0
TOTAL SOURCES	93411000	93411000	31573105	11994159	11187088	10460724	9806997	9218642	8689123
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	93411000	93411000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	93411000	93411000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	31573105	11994159	11187088	10460724	9806997	9218642	8689123
CUMULATIVE NET CASH GENERATED	0	0	31573105	43567264	54754352	65215076	75022073	84240715	92929638
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.00	-5.00	-5.00	-5.00	-5.00	-5.00

AGD 545235

Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA4 KENAI 1/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	50000	50000	50000	50000	50000	50000	50000	50000	50000
COST OF SERVICE (\$/MSCFD)	1.155	1.155	1.155	1.155	1.155	1.155	1.155	1.155	1.155
TOTAL REVENUE	21085094	21085094	21085094	21085094	21085094	21085094	21085094	21085094	21085094
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	13540000	13540000	13540000	13540000	13540000	13540000	13540000	13540000	13540000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	9341100	9341100	9341100	9341100	9341100	9341100	9341100	9341100	9341100
TOTAL EXPENSES	22881100	22881100	22881100	22881100	22881100	22881100	22881100	22881100	22881100
INCOME BEFORE TAXES	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006	-1796006
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	8935638	8042075	7237867	6514080	6514080	6514080	6514080	6514080	6514080
TAXABLE INCOME	-1390544	-495981	307227	1031014	1031014	1031014	1031014	1031014	1031014
CURRENT INCOME TAX	-667461	-238551	147469	474886	474886	474886	474886	474886	474886
DEFERRED INCOME TAX	-194622	-623532	-1009552	-1356969	-1356969	-1356969	-1356969	-1356969	-1356969
TOTAL INCOME TAXES	-862083	-862083	-862083	-862083	-862083	-862083	-862083	-862083	-862083
NET INCOME (BOOK)	-933923	-933923	-933923	-933923	-933923	-933923	-933923	-933923	-933923
SOURCES OF FUNDS									
NET INCOME	-933923	-933923	-933923	-933923	-933923	-933923	-933923	-933923	-933923
FINANCIAL DEPRECIATION	9341100	9341100	9341100	9341100	9341100	9341100	9341100	9341100	9341100
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-194622	-623532	-1009552	-1356969	-1356969	-1356969	-1356969	-1356969	-1356969
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	9212555	7783645	7397625	7050208	7050208	7050208	7050208	7050208	7050208
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	8212555	7783645	7397625	7050208	7050208	7050208	7050208	7050208	7050208
CUMULATIVE NET CASH GENERATED	101142393	108926038	116323663	123373871	130424079	137474287	144524495	151574703	158624911
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGD 545236

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA4 KENAI 1/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	50000	50000	50000	50000	1000000	50000
COST OF SERVICE (\$/MSCFD)	1.155	1.155	1.155	1.155	25.410	1.271
TOTAL REVENUE	21085094	21085094	21085094	21085094	421701680	21085094
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	13540000	13540000	13540000	13540000	270800000	13540000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	9341100	9341100	9341100	9341100	186822000	9341100
TOTAL EXPENSES	22881100	22881100	22881100	22881100	457622000	22881100
INCOME BEFORE TAXES	-1796006	-1796006	-1796006	-1796006	-35920120	-1796006
INVESTMENT TAX CREDIT	0	0	0	0	18682200	934110
TAX DEPRECIATION	6514080	6514080	6514080	6514080	186821996	9341100
TAXABLE INCOME	1031014	1031014	1031014	1031014	-35920116	-1796006
CURRENT INCOME TAX	494886	494886	494886	494886	-35923863	-1796193
DEFERRED INCOME TAX	-1356969	-1356969	-1356969	-1356969	3	0
TOTAL INCOME TAXES	-862083	-862083	-862083	-862083	-35923850	-1796193
NET INCOME (BOOK)	-933923	-933923	-933923	-933923	3740	187
SOURCES OF FUNDS						
NET INCOME	-933923	-933923	-933923	-933923	3740	187
FINANCIAL DEPRECIATION	9341100	9341100	9341100	9341100	186822000	9341100
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-1356969	-1356969	-1356969	-1356969	3	0
NET ADDITIONS TO EQUITY	0	0	0	0	186822000	9341100
TOTAL SOURCES	7050208	7050208	7050208	7050208	373647743	18682387
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	186822000	9341100
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	186822000	9341100
NET CASH GENERATED DURING YEAR	7050208	7050208	7050208	7050208	186825743	9341287
CUMULATIVE NET CASH GENERATED	165675119	172725327	179775535	186825743	32324692587	116234629
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	0.00	0.00

AG0 545237

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA5 KENAI AREA 8/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	400000	400000	400000	400000	400000	400000	400000
COST OF SERVICE (\$/MSCFD)	.312	.312	.312	.312	.312	.312	.312	.312	.312
TOTAL REVENUE	0	0	45497161	45497161	45497161	45497161	45497161	45497161	45497161
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	25403000	25403000	25403000	25403000	25403000	25403000	25403000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	24877300	24877300	24877300	24877300	24877300	24877300	24877300
TOTAL EXPENSES	0	0	50280300	50280300	50280300	50280300	50280300	50280300	50280300
INCOME BEFORE TAXES	0	0	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139
INVESTMENT TAX CREDIT	0	0	49754600	0	0	0	0	0	0
TAX DEPRECIATION	0	0	49754600	44779140	40301226	36271103	32643993	29370594	26441634
TAXABLE INCOME	0	0	-29660439	-24684975	-20207965	-16176942	-12549832	-9285433	-6347473
CURRENT INCOME TAX	0	0	-63991611	-11844790	-9699391	-774933	-6023520	-4457008	-3046787
DEFERRED INCOME TAX	0	0	11941104	9552883	7403484	5469026	3728013	2161101	750880
TOTAL INCOME TAXES	0	0	-52050507	-2295907	-2295907	-2255907	-2295907	-2295907	-2295907
NET INCOME (BOOK)	0	0	47267368	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232
SOURCES OF FUNDS									
NET INCOME	0	0	47267368	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232
FINANCIAL DEPRECIATION	0	0	24877300	24877300	24877300	24877300	24877300	24877300	24877300
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	11941104	9552883	7403484	5469026	3728013	2161101	750880
NET ADDITIONS TO EQUITY	248773000	248773000	0	0	0	0	0	0	0
TOTAL SOURCES	248773000	248773000	84085772	31942951	29793552	27859094	26118081	24551169	23140948
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	248773000	248773000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	248773000	248773000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	84085772	31942951	29793552	27859094	26118081	24551169	23140948
CUMULATIVE NET CASH GENERATED	0	0	84085772	11602872	145822275	173681369	199799450	224350619	247491567
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.50	-5.50	-5.50	-5.50	-5.50	-5.50

AGO 545238

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIAS KENAI AREA 8/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	400000	400000	400000	400000	400000	400000	400000	400000	400000
COST OF SERVICE (\$/MSCFD)	.312	.312	.312	.312	.312	.312	.312	.312	.312
TOTAL REVENUE	45497161	45497161	45497161	45497161	45497161	45497161	45497161	45497161	45497161
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	25403000	25403000	25403000	25403000	25403000	25403000	25403000	25403000	25403000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	24877300	24877300	24877300	24877300	24877300	24877300	24877300	24877300	24877300
TOTAL EXPENSES	50280300	50280300	50280300	50280300	50280300	50280300	50280300	50280300	50280300
INCOME BEFORE TAXES	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139	-4783139
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	23797471	21417724	19275951	17348356	17348356	17348356	17348356	17348356	17348356
TAXABLE INCOME	-3703310	-1323563	818210	2745805	2745805	2745805	2745805	2745805	2745805
CURRENT INCOME TAX	-1777589	-635310	392740	1317986	1317986	1317986	1317986	1317986	1317986
DEFERRED INCOME TAX	-518318	-1660597	-2688647	-3613893	-3613893	-3613893	-3613893	-3613893	-3613893
TOTAL INCOME TAXES	-2295907	-2295907	-2295907	-2295907	-2295907	-2295907	-2295907	-2295907	-2295907
NET INCOME (BOOK)	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232
SOURCES OF FUNDS									
NET INCOME	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232	-2487232
FINANCIAL DEPRECIATION	24877300	24877300	24877300	24877300	24877300	24877300	24877300	24877300	24877300
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-518318	-1660597	-2688647	-3613893	-3613893	-3613893	-3613893	-3613893	-3613893
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	21871750	20729471	19701421	18776175	18776175	18776175	18776175	18776175	18776175
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	21871750	20729471	19701421	18776175	18776175	18776175	18776175	18776175	18776175
CUMULATIVE NET CASH GENERATED	269363317	290092788	309794209	328570384	347346559	365122734	384898909	403675084	422451259
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA5 KENAI AREA 8/8 GAS -KENAI TO TOK -NO PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	400000	400000	400000	400000	8000000	400000
COST OF SERVICE (\$/MSCFD)	.312	.312	.312	.312	6.864	.343
TOTAL REVENUE	45497161	45497161	45497161	45497161	909943220	45497161
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	25403000	25403000	25403000	25403000	508060000	25403000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	24877300	24877300	24877300	24877300	497546000	24877300
TOTAL EXPENSES	50280300	50280300	50280300	50280300	1005606000	50280300
INCOME BEFORE TAXES	-4783139	-4783139	-4783139	-4783139	-95662780	-4783139
INVESTMENT TAX CREDIT	0	0	0	0	49754600	24877300
TAX DEPRECIATION	17348356	17348356	17348356	17348356	497545996	24877300
TAXABLE INCOME	2745805	2745805	2745805	2745805	-95662776	-4783139
CURRENT INCOME TAX	1317986	1317986	1317986	1317986	-95672739	-4783637
DEFERRED INCOME TAX	-3613893	-3613893	-3613893	-3613893	-1	0
TOTAL INCOME TAXES	-2295907	-2295907	-2295907	-2295907	-95672740	-4783637
NET INCOME (BOOK)	-2487232	-2487232	-2487232	-2487232	9960	498
SOURCES OF FUNDS						
NET INCOME	-2487232	-2487232	-2487232	-2487232	9960	498
FINANCIAL DEPRECIATION	24877300	24877300	24877300	24877300	497546000	24877300
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-3613893	-3613893	-3613893	-3613893	-1	0
NET ADDITIONS TO EQUITY	0	0	0	0	497546000	24877300
TOTAL SOURCES	18776175	18776175	18776175	18776175	995101959	49755098
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	497546000	24877300
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	497546000	24877300
NET CASH GENERATED DURING YEAR	18776175	18776175	18776175	18776175	497555959	24877798
CUMULATIVE NET CASH GENERATED	441227434	450003609	478779784	497555959	6191141804	409557090
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGO 545240

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA6 KENAI AREA 8/8 GAS -KENAI TO FAIRBANKS -NO PROCESSING

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	400000	400000	400000	400000	400000	400000	400000
COST OF SERVICE (\$/MSCFD)	.310	.310	.310	.310	.310	.310	.310	.310	.310
TOTAL REVENUE	0	0	45276774	45276774	45276774	45276774	45276774	45276774	45276774
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	25315000	25315000	25315000	25315000	25315000	25315000	25315000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	24713400	24713400	24713400	24713400	24713400	24713400	24713400
TOTAL EXPENSES	0	0	50028400	50028400	50028400	50028400	50028400	50028400	50028400
INCOME BEFORE TAXES	0	0	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626
INVESTMENT TAX CREDIT	0	0	49426800	0	0	0	0	0	0
TAX DEPRECIATION	0	0	49426800	44414120	40035708	36032137	32428923	29186031	26267428
TAXABLE INCOME	0	0	-29465026	-24522346	-20073934	-16070363	-12467149	-9224257	-6305654
CURRENT INCOME TAX	0	0	-63570013	-11770726	-9635489	-7713775	-5984232	-4427644	-3026714
DEFERRED INCOME TAX	0	0	11862432	9489945	7354708	5432994	3703451	2146863	745933
TOTAL INCOME TAXES	0	0	-51707581	-2280781	-2280781	-2280781	-2280781	-2280781	-2280781
NET INCOME (BOOK)	0	0	46955955	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845
SOURCES OF FUNDS									
NET INCOME	0	0	46955955	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845
FINANCIAL DEPRECIATION	0	0	24713400	24713400	24713400	24713400	24713400	24713400	24713400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	11862432	9489945	7354708	5432994	3703451	2146863	745933
NET ADDITIONS TO EQUITY	247134000	247134000	0	0	0	0	0	0	0
TOTAL SOURCES	247134000	247134000	83531787	31732500	25997263	27675549	25946006	24389418	21988488
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	247134000	247134000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	247134000	247134000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	83531787	31732500	25997263	27675549	25946006	24389418	21988488
CUMULATIVE NET CASH GENERATED	0	0	83531787	115264287	144861550	172537099	198483105	222872523	244861011
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50

AGD 545241

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA6 KENAI AREA 8/8 GAS -KENAI TO FAIRBANKS -NO PROCESSING

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	400000	400000	400000	400000	400000	400000	400000	400000	400000
COST OF SERVICE (\$/MSCFD)	.310	.310	.310	.310	.310	.310	.310	.310	.310
TOTAL REVENUE	45276774	45276774	45276774	45276774	45276774	45276774	45276774	45276774	45276774
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	25315000	25315000	25315000	25315000	25315000	25315000	25315000	25315000	25315000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	24713400	24713400	24713400	24713400	24713400	24713400	24713400	24713400	24713400
TOTAL EXPENSES	50028400	50028400	50028400	50028400	50028400	50028400	50028400	50028400	50028400
INCOME BEFORE TAXES	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626	-4751626
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	23640685	21276617	19148955	17234060	17234060	17234060	17234060	17234060	17234060
TAXABLE INCOME	-3678911	-1314843	812819	2727714	2727714	2727714	2727714	2727714	2727714
CURRENT INCOME TAX	-1765878	-631125	390153	1309303	1309303	1309303	1309303	1309303	1309303
DEFERRED INCOME TAX	-514903	-1649656	-2670934	-3590084	-3590084	-3590084	-3590084	-3590084	-3590084
TOTAL INCOME TAXES	-2280781	-2280781	-2280781	-2280781	-2280781	-2280781	-2280781	-2280781	-2280781
NET INCOME (BOOK)	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845
SOURCES OF FUNDS									
NET INCOME	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845	-2470845
FINANCIAL DEPRECIATION	24713400	24713400	24713400	24713400	24713400	24713400	24713400	24713400	24713400
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-514903	-1649656	-2670934	-3590084	-3590084	-3590084	-3590084	-3590084	-3590084
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	21727652	20592899	19571621	18652471	18652471	18652471	18652471	18652471	18652471
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	21727652	20592899	19571621	18652471	18652471	18652471	18652471	18652471	18652471
CUMULATIVE NET CASH GENERATED	267588663	288181562	307753183	326405654	345058125	363710596	382363067	401015538	419668009
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGO 545242

CASE

VIII

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIA6 KENAI AREA 8/8 GAS -KENAI TO FAIRBANKS -NO PROCESSING

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	400000	400000	400000	400000	8000000	400000
COST OF SERVICE (\$/MSCFD)	.310	.310	.310	.310	6.820	.341
TOTAL REVENUE	45276774	45276774	45276774	45276774	905535480	45276774
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	25315000	25315000	25315000	25315000	506300000	25315000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	24713400	24713400	24713400	24713400	494268000	24713400
TOTAL EXPENSES	50028400	50028400	50028400	50028400	1000568000	50028400
INCOME BEFORE TAXES	-4751626	-4751626	-4751626	-4751626	-95032520	-4751626
INVESTMENT TAX CREDIT	0	0	0	0	49426800	24713400
TAX DEPRECIATION	17234060	17234060	17234060	17234060	494268004	24713400
TAXABLE INCOME	2727714	2727714	2727714	2727714	-95032524	-4751626
CURRENT INCOME TAX	1309303	1309303	1309303	1309303	-95042413	-4752121
DEFERRED INCOME TAX	-3590084	-3590084	-3590084	-3590084	-7	0
TOTAL INCOME TAXES	-2280781	-2280781	-2280781	-2280781	-95042420	-4752121
NET INCOME (BOOK)	-2470845	-2470845	-2470845	-2470845	9900	495
SOURCES OF FUNDS						
NET INCOME	-2470845	-2470845	-2470845	-2470845	9900	495
FINANCIAL DEPRECIATION	24713400	24713400	24713400	24713400	494268000	24713400
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-3590084	-3590084	-3590084	-3590084	-7	0
NET ADDITIONS TO EQUITY	0	0	0	0	494268000	24713400
TOTAL SOURCES	18652471	18652471	18652471	18652471	988545093	4947295
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	494268000	24713400
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	494268000	24713400
NET CASH GENERATED DURING YEAR	18652471	18652471	18652471	18652471	494277893	24713895
CUMULATIVE NET CASH GENERATED	438320480	456972951	475625422	494277893	26150352105	207517625
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545243

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIIA PRUDHOE 1/8 GAS -PRUDHOE TO FAIRBANKS -TWO PHASE FLOW

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.407	.407	.407	.407	.407	.407	.407	.407	.407
TOTAL REVENUE	0	0	37100437	37100437	37100437	37100437	37100437	37100437	37100437
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	20580000	20580000	20580000	20580000	20580000	20580000	20580000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	20452900	20452900	20452900	20452900	20452900	20452900	20452900
TOTAL EXPENSES	0	0	41032900	41032900	41032900	41032900	41032900	41032900	41032900
INCOME BEFORE TAXES	0	0	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463
INVESTMENT TAX CREDIT	0	0	40905800	0	0	0	0	0	0
TAX DEPRECIATION	0	0	40905800	36815220	33133698	29820320	26838295	24154466	21739019
TAXABLE INCOME	0	0	-24385363	-20294783	-16613261	-13299891	-10317858	-7634029	-5218582
CURRENT INCOME TAX	0	0	-52610774	-9741496	-7974365	-6383948	-4952572	-3664334	-2504920
DEFERRED INCOME TAX	0	0	9817392	7853914	6086783	4496366	3064990	1776752	617338
TOTAL INCOME TAXES	0	0	-42793382	-1887582	-1887582	-1887582	-1887582	-1887582	-1887582
NET INCOME (BOOK)	0	0	38860919	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881
SOURCES OF FUNDS									
NET INCOME	0	0	38860919	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881
FINANCIAL DEPRECIATION	0	0	20452900	20452900	20452900	20452900	20452900	20452900	20452900
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	9817392	7853914	6086783	4496366	3064990	1776752	617338
NET ADDITIONS TO EQUITY	204529000	204529000	0	0	0	0	0	0	0
TOTAL SOURCES	204529000	204529000	69131211	26261933	24494802	22904385	21473009	20184771	18025357
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	204529000	204529000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	204529000	204529000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	69131211	26261933	24494802	22904385	21473009	20184771	18025357
CUMULATIVE NET CASH GENERATED	0	0	69131211	95393144	119887946	142792331	164265340	184450111	203475468
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-.50	-.50	-.50	-.50	-.50	-.50

AGD 545245

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIIA PRUDHOE 1/8 GAS -PRUDHOE TO FAIRBANKS -TWO PHASE FLOW

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.407	.407	.407	.407	.407	.407	.407	.407	.407
TOTAL REVENUE	37100437	37100437	37100437	37100437	37100437	37100437	37100437	37100437	37100437
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	20580000	20580000	20580000	20580000	20580000	20580000	20580000	20580000	20580000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	20452900	20452900	20452900	20452900	20452900	20452900	20452900	20452900	20452900
TOTAL EXPENSES	41032900	41032900	41032900	41032900	41032900	41032900	41032900	41032900	41032900
INCOME BEFORE TAXES	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463	-3932463
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	19565117	17608606	15847745	14262971	14262971	14262971	14262971	14262971	14262971
TAXABLE INCOME	-3044680	-1089169	672692	2257466	2257466	2257466	2257466	2257466	2257466
CURRENT INCOME TAX	-1461447	-522321	322892	1083584	1083584	1083584	1083584	1083584	1083584
DEFERRED INCOME TAX	-426135	-1365261	-2210474	-2971166	-2971166	-2971166	-2971166	-2971166	-2971166
TOTAL INCOME TAXES	-1887582	-1887582	-1887582	-1887582	-1887582	-1887582	-1887582	-1887582	-1887582
NET INCOME (BOOK)	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881
SOURCES OF FUNDS									
NET INCOME	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881	-2044881
FINANCIAL DEPRECIATION	20452900	20452900	20452900	20452900	20452900	20452900	20452900	20452900	20452900
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-426135	-1365261	-2210474	-2971166	-2971166	-2971166	-2971166	-2971166	-2971166
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	17981884	17042758	16197545	15436853	15436853	15436853	15436853	15436853	15436853
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	17981884	17042758	16197545	15436853	15436853	15436853	15436853	15436853	15436853
CUMULATIVE NET CASH GENERATED	221457352	238500110	254697655	270134500	285571361	301008214	316445067	331881920	347318773
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGD 545246

Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)

CASE VIIIA PRUDHOE 1/8 GAS -PRUDHOE TO FAIRBANKS -TWO PHASE FLOW

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	5000000	250000
COST OF SERVICE (\$/MSCFD)	.407	.407	.407	.407	8.954	.448
TOTAL REVENUE	37100437	37100437	37100437	37100437	742008740	37100437
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	20580000	20580000	20580000	20580000	411600000	20580000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	20452900	20452900	20452900	20452900	409058000	20452900
TOTAL EXPENSES	41032900	41032900	41032900	41032900	820658000	41032900
INCOME BEFORE TAXES	-3932463	-3932463	-3932463	-3932463	-78649260	-3932463
INVESTMENT TAX CREDIT	0	0	0	0	409058000	20452900
TAX DEPRECIATION	14262971	14262971	14262971	14262971	409058000	20452900
TAXABLE INCOME	2257466	2257466	2257466	2257466	-78649264	-3932463
CURRENT INCOME TAX	1083584	1083584	1083584	1083584	-78657445	-3932872
DEFERRED INCOME TAX	-2971166	-2971166	-2971166	-2971166	5	0
TOTAL INCOME TAXES	-1887582	-1887582	-1887582	-1887582	-78657440	-3932872
NET INCOME (BOOK)	-2044881	-2044881	-2044881	-2044881	8180	409
SOURCES OF FUNDS						
NET INCOME	-2044881	-2044881	-2044881	-2044881	8180	409
FINANCIAL DEPRECIATION	20452900	20452900	20452900	20452900	409058000	20452900
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-2971166	-2971166	-2971166	-2971166	5	0
NET ADDITIONS TO EQUITY	0	0	0	0	409058000	20452900
TOTAL SOURCES	15436853	15436853	15436853	15436853	818124185	40906209
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	409058000	20452900
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	409058000	20452900
NET CASH GENERATED DURING YEAR	15436853	15436853	15436853	15436853	409066185	20453309
CUMULATIVE NET CASH GENERATED	362755626	378192479	393629332	409066185	4090054133	254502707
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545247

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIII B PRUDHOE 1/8 GAS -PRUDHOE TO KENAI -TWO PHASE FLOW

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (MSCFD)	0	0	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.841	.841	.841	.841	.841	.841	.841	.841	.841
TOTAL REVENUE	0	0	76737566	76737566	76737566	76737566	76737566	76737566	76737566
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	41100000	41100000	41100000	41100000	41100000	41100000	41100000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	44120600	44120600	44120600	44120600	44120600	44120600	44120600
TOTAL EXPENSES	0	0	85220600	85220600	85220600	85220600	85220600	85220600	85220600
INCOME BEFORE TAXES	0	0	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034
INVESTMENT TAX CREDIT	0	0	88241200	0	0	0	0	0	0
TAX DEPRECIATION	0	0	88241200	79417080	71475372	64327835	57895051	52105546	46894992
TAXABLE INCOME	0	0	-52603634	-43779514	-35837806	-28690269	-22257485	-16467980	-11257426
CURRENT INCOME TAX	0	0	-113490944	-21014167	-17202147	-13771329	-10683593	-7904630	-5403564
DEFERRED INCOME TAX	0	0	21177888	16942311	13130291	9699473	6611737	3832774	1331708
TOTAL INCOME TAXES	0	0	-92313056	-4071856	-4071856	-4071856	-4071856	-4071856	-4071856
NET INCOME (BOOK)	0	0	83830022	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178
SOURCES OF FUNDS									
NET INCOME	0	0	83830022	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178
FINANCIAL DEPRECIATION	0	0	44120600	44120600	44120600	44120600	44120600	44120600	44120600
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	21177888	16942311	13130291	9699473	6611737	3832774	1331708
NET ADDITIONS TO EQUITY	441206000	441206000	0	0	0	0	0	0	0
TOTAL SOURCES	441206000	441206000	149128510	56651732	52839713	49408895	46321159	43542196	41041130
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	441206000	441206000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	441206000	441206000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	149128510	56651732	52839713	49408895	46321159	43542196	41041130
CUMULATIVE NET CASH GENERATED	0	0	149128510	205780242	258619956	308028851	354350010	397892206	438933336
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

ADD 545248

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIIID PRUDHOE 1/8 GAS -PRUDHOE TO KENAI -TWO PHASE FLOW

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	250000	250000	250000	250000	250000
COST OF SERVICE (\$/MSCFD)	.841	.841	.841	.841	.841	.841	.841	.841	.841
TOTAL REVENUE	76737566	76737566	76737566	76737566	76737566	76737566	76737566	76737566	76737566
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	41100000	41100000	41100000	41100000	41100000	41100000	41100000	41100000	41100000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	44120600	44120600	44120600	44120600	44120600	44120600	44120600	44120600	44120600
TOTAL EXPENSES	85220600	85220600	85220600	85220600	85220600	85220600	85220600	85220600	85220600
INCOME BEFORE TAXES	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034	-8483034
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	42205492	37984943	34186449	30767804	30767804	30767804	30767804	30767804	30767804
TAXABLE INCOME	-6567926	-2347377	1451117	4869762	4869762	4869762	4869762	4869762	4869762
CURRENT INCOME TAX	-3152605	-1126741	696536	2337486	2337486	2337486	2337486	2337486	2337486
DEFERRED INCOME TAX	-919251	-2945115	-4768392	-6409342	-6409342	-6409342	-6409342	-6409342	-6409342
TOTAL INCOME TAXES	-4071856	-4071856	-4071856	-4071856	-4071856	-4071856	-4071856	-4071856	-4071856
NET INCOME (BOOK)	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178
SOURCES OF FUNDS									
NET INCOME	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178	-4411178
FINANCIAL DEPRECIATION	44120600	44120600	44120600	44120600	44120600	44120600	44120600	44120600	44120600
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-919251	-2945115	-4768392	-6409342	-6409342	-6409342	-6409342	-6409342	-6409342
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	38790171	36764307	34941030	33300080	33300080	33300080	33300080	33300080	33300080
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	38790171	36764307	34941030	33300080	33300080	33300080	33300080	33300080	33300080
CUMULATIVE NET CASH GENERATED	477723507	514487914	549428844	582728924	616029004	649329084	682629164	715929244	749229324
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGD 545249

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE VIII PRUDHOE 1/8 GAS -PRUDHOE TO KENAI -TWO PHASE FLOW

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (MSCFD)	250000	250000	250000	250000	5000000	250000
COST OF SERVICE (\$/MSCFD)	.841	.841	.841	.841	18.502	.925
TOTAL REVENUE	76737566	76737566	76737566	76737566	1534751320	76737566
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	41100000	41100000	41100000	41100000	822000000	41100000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	44120600	44120500	44120600	44120600	882412000	44120600
TOTAL EXPENSES	85220600	85220500	85220600	85220600	1704412000	85220600
INCOME BEFORE TAXES	-8483034	-8483034	-8483034	-8483034	-169660680	-8483034
INVESTMENT TAX CREDIT	0	0	0	0	88241200	4412060
TAX DEPRECIATION	30767804	30767804	30767804	30767804	882412000	44120600
TAXABLE INCOME	4869762	4869762	4869762	4869762	-169660680	-8483034
CURRENT INCOME TAX	2337486	2337486	2337486	2337486	-169678324	-8483916
DEFERRED INCOME TAX	-6409342	-6409342	-6409342	-6409342	4	0
TOTAL INCOME TAXES	-4071856	-4071856	-4071856	-4071856	-169678320	-8483916
NET INCOME (BOOK)	-4411178	-4411178	-4411178	-4411178	17640	882
SOURCES OF FUNDS						
NET INCOME	-4411178	-4411178	-4411178	-4411178	17640	882
FINANCIAL DEPRECIATION	44120600	44120500	44120600	44120600	882412000	44120600
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-6409342	-6409342	-6409342	-6409342	4	0
NET ADDITIONS TO EQUITY	0	0	0	0	882412000	44120600
TOTAL SOURCES	33300080	33300080	33300080	33300080	1764841744	88242082
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	882412000	44120600
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	882412000	44120600
NET CASH GENERATED DURING YEAR	33300080	33300080	33300080	33300080	882429444	44121482
CUMULATIVE NET CASH GENERATED	782529404	815829484	849129564	882429644	*****	549008306
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGD 545250

CASE

IV

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)

CASE IX PROCESS 8/8 GAS AT HAINES JCT. -EXTRACT C2+ -L10 PL TO HAINES

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (BBLs)	0	0	155300	155300	155300	155300	155300	155300	155300
COST OF SERVICE (\$/BBL)	.177	.177	.177	.177	.177	.177	.177	.177	.177
TOTAL REVENUE	0	0	10045473	10045473	10045473	10045473	10045473	10045473	10045473
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	5612000	5612000	5612000	5612000	5612000	5612000	5612000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	5488800	5488800	5488800	5488800	5488800	5488800	5488800
TOTAL EXPENSES	0	0	11100800	11100800	11100800	11100800	11100800	11100800	11100800
INCOME BEFORE TAXES	0	0	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327
INVESTMENT TAX CREDIT	0	0	10977600	0	0	0	0	0	0
TAX DEPRECIATION	0	0	10977600	9879840	8891856	8012670	7202403	6482163	5833947
TAXABLE INCOME	0	0	-6544127	-5446367	-4458383	-3569197	-2768930	-2048690	-1400474
CURRENT INCOME TAX	0	0	-14118781	-2614256	-2140024	-1713215	-1329087	-983371	-672228
DEFERRED INCOME TAX	0	0	2634624	2107695	1633467	1206658	822530	476814	165671
TOTAL INCOME TAXES	0	0	-11484157	-506557	-506557	-506557	-506557	-506557	-506557
NET INCOME (BOOK)	0	0	10428830	-548770	-548770	-548770	-548770	-548770	-548770
SOURCES OF FUNDS									
NET INCOME	0	0	10428830	-548770	-548770	-548770	-548770	-548770	-548770
FINANCIAL DEPRECIATION	0	0	5488800	5488800	5488800	5488800	5488800	5488800	5488800
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	2634624	2107695	1633467	1206658	822530	476814	165671
NET ADDITIONS TO EQUITY	54888000	54888000	0	0	0	0	0	0	0
TOTAL SOURCES	54888000	54888000	18552254	7047729	6573497	6146688	5762560	5416844	5105701
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	54888000	54888000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	54888000	54888000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	18552254	7047729	6573497	6146688	5762560	5416844	5105701
CUMULATIVE NET CASH GENERATED	0	0	18552254	25599983	32173480	38320168	44082728	49499572	54605273
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0

AGO 545252

Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE IX PROCESS R/R GAS AT HAINES JCT. -EXTRACT C2+ -L10 PL TO HAINES

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (BBLS)	155300	155300	155300	155300	155300	155300	155300	155300	155300
COST OF SERVICE (\$/BPL)	.177	.177	.177	.177	.177	.177	.177	.177	.177
TOTAL REVENUE	10045473	10045473	10045473	10045473	10045473	10045473	10045473	10045473	10045473
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	5612000	5612000	5612000	5612000	5612000	5612000	5612000	5612000	5612000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	5488800	5488800	5488800	5488800	5488800	5488800	5488800	5488800	5488800
TOTAL EXPENSES	11100800	11100900	11100800	11100800	11100800	11100800	11100800	11100800	11100800
INCOME BEFORE TAXES	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327	-1055327
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	5250552	4725497	4252947	3827652	3827652	3827652	3827652	3827652	3827652
TAXABLE INCOME	-817079	-292024	180526	605821	605821	605821	605821	605821	605821
CURRENT INCOME TAX	-392198	-140172	86652	290794	290794	290794	290794	290794	290794
DEFERRED INCOME TAX	-114359	-366385	-593209	-797351	-797351	-797351	-797351	-797351	-797351
TOTAL INCOME TAXES	-506557	-506557	-506557	-506557	-506557	-506557	-506557	-506557	-506557
NET INCOME (BOOK)	-548770	-548770	-548770	-548770	-548770	-548770	-548770	-548770	-548770
SOURCES OF FUNDS									
NET INCOME	-548770	-548770	-548770	-548770	-548770	-548770	-548770	-548770	-548770
FINANCIAL DEPRECIATION	5488800	5488800	5488800	5488800	5488800	5488800	5488800	5488800	5488800
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-114359	-366385	-593209	-797351	-797351	-797351	-797351	-797351	-797351
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	4825671	4573645	4346821	4142679	4142679	4142679	4142679	4142679	4142679
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	4825671	4573645	4346821	4142679	4142679	4142679	4142679	4142679	4142679
CUMULATIVE NET CASH GENERATED	59430944	64004589	68351410	72494089	76636768	80779447	84922126	89064805	93207484
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

AGD 545253

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE IX PROCESS 8/8 GAS AT HAINES JCT. -EXTRACT C2+ -LIQ PL TO HAINES

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (BBLs)	155300	155300	155300	155300	3106000	155300
COST OF SERVICE (\$/BBL)	.177	.177	.177	.177	3.894	.195
TOTAL REVENUE	10045473	10045473	10045473	10045473	200909460	10045473
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	5612000	5612000	5612000	5612000	112240000	5612000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	5488800	5488800	5488800	5488800	109776000	5488800
TOTAL EXPENSES	11100800	11100800	11100800	11100800	222016000	11100800
INCOME BEFORE TAXES	-1055327	-1055327	-1055327	-1055327	-21106540	-1055327
INVESTMENT TAX CREDIT	0	0	0	0	10977600	5488800
TAX DEPRECIATION	3827652	3827652	3827652	3827652	109775995	5488800
TAXABLE INCOME	605821	605821	605821	605821	-21106535	-1055327
CURRENT INCOME TAX	290794	290794	290794	290794	-21108740	-1055437
DEFERRED INCOME TAX	-797351	-797351	-797351	-797351	0	0
TOTAL INCOME TAXES	-506557	-506557	-506557	-506557	-21108740	-1055437
NET INCOME (BOOK)	-548770	-548770	-548770	-548770	2200	110
SOURCES OF FUNDS						
NET INCOME	-548770	-548770	-548770	-548770	2200	110
FINANCIAL DEPRECIATION	5488800	5488800	5488800	5488800	109776000	5488800
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-797351	-797351	-797351	-797351	0	0
NET ADDITIONS TO EQUITY	0	0	0	0	109776000	5488800
TOTAL SOURCES	4142679	4142679	4142679	4142679	219554200	10977710
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	109776000	5488800
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	109776000	5488800
NET CASH GENERATED DURING YEAR	4142679	4142679	4142679	4142679	109778200	5488910
CUMULATIVE NET CASH GENERATED	97350163	101492842	105635521	109778200	1365981846	68299092
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	0.00	0.00

AGO 545254

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE X-PL ETHYLENE PIPELINE -FAIRBANKS TO KENAI

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY TRANSPORTATION VOLUME (BBLS)	0	0	19000	19000	19000	19000	19000	19000	19000
COST OF SERVICE (\$/BBL)	4.015	4.015	4.015	4.015	4.015	4.015	4.015	4.015	4.015
TOTAL REVENUE	0	0	27845345	27845345	27845345	27845345	27845345	27845345	27845345
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	20600000	20600000	20600000	20600000	20600000	20600000	20600000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	8970000	8970000	8970000	8970000	8970000	8970000	8970000
TOTAL EXPENSES	0	0	29570000	29570000	29570000	29570000	29570000	29570000	29570000
INCOME BEFORE TAXES	0	0	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655
INVESTMENT TAX CREDIT	0	0	17940000	0	0	0	0	0	0
TAX DEPRECIATION	0	0	17940000	16146000	14531400	13078260	11770434	10593391	9534052
TAXABLE INCOME	0	0	-10694655	-8900655	-7286055	-5822915	-4525089	-3348046	-2288707
CURRENT INCOME TAX	0	0	-23073434	-4272314	-3497206	-2759799	-2172043	-1607062	-1098579
DEFERRED INCOME TAX	0	0	4305600	3444480	2659472	1971965	1344209	779228	270745
TOTAL INCOME TAXES	0	0	-18767834	-827834	-827834	-827834	-827834	-827834	-827834
NET INCOME (BOOK)	0	0	17043179	-896821	-896821	-896821	-896821	-896821	-896821
SOURCES OF FUNDS									
NET INCOME	0	0	17043179	-896821	-896821	-896821	-896821	-896821	-896821
FINANCIAL DEPRECIATION	0	0	8970000	8970000	8970000	8970000	8970000	8970000	8970000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	4305600	3444480	2659472	1971965	1344209	779228	270745
NET ADDITIONS TO EQUITY	89700000	89700000	0	0	0	0	0	0	0
TOTAL SOURCES	89700000	89700000	30318779	11517659	10742051	10045144	9417388	8852407	8343924
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	89700000	89700000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	89700000	89700000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	30318779	11517659	10742051	10045144	9417388	8852407	8343924
CUMULATIVE NET CASH GENERATED	0	0	30318779	41836438	52578489	62624233	72041621	80894028	89237952
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50

AGO 545255

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE X-PL ETHYLENE PIPELINE -FAIRBANKS TO KENAI

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY TRANSPORTATION VOLUME (BBLS)	19000	19000	19000	19000	19000	19000	19000	19000	19000
COST OF SERVICE (\$/BBL)	4.015	4.015	4.015	4.015	4.015	4.015	4.015	4.015	4.015
TOTAL REVENUE	27845345	27845345	27845345	27845345	27845345	27845345	27845345	27845345	27845345
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	20600000	20600000	20600000	20600000	20600000	20600000	20600000	20600000	20600000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	8970000	8970000	8970000	8970000	8970000	8970000	8970000	8970000	8970000
TOTAL EXPENSES	29570000	29570000	29570000	29570000	29570000	29570000	29570000	29570000	29570000
INCOME BEFORE TAXES	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655	-1724655
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	8580646	7722582	6950324	6255291	6255291	6255291	6255291	6255291	6255291
TAXABLE INCOME	-1335301	-477237	295021	990054	990054	990054	990054	990054	990054
CURRENT INCOME TAX	-640945	-223074	141610	475226	475226	475226	475226	475226	475226
DEFERRED INCOME TAX	-186889	-598760	-969444	-1303060	-1303060	-1303060	-1303060	-1303060	-1303060
TOTAL INCOME TAXES	-827834	-827834	-827834	-827834	-827834	-827834	-827834	-827834	-827834
NET INCOME (BOOK)	-896821	-896821	-896821	-896821	-896821	-896821	-896821	-896821	-896821
SOURCES OF FUNDS									
NET INCOME	-896821	-896821	-896821	-896821	-896821	-896821	-896821	-896821	-896821
FINANCIAL DEPRECIATION	8970000	8970000	8970000	8970000	8970000	8970000	8970000	8970000	8970000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-186889	-598760	-969444	-1303060	-1303060	-1303060	-1303060	-1303060	-1303060
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	7886290	7474419	7103735	6770119	6770119	6770119	6770119	6770119	6770119
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	7886290	7474419	7103735	6770119	6770119	6770119	6770119	6770119	6770119
CUMULATIVE NET CASH GENERATED	97124242	104598661	111702396	118472515	125242634	132012753	138782872	145552991	152323110
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

AGD 545256

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE X-PL ETHYLENE PIPELINE -FAIRBANKS TO KENAI

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY TRANSPORTATION VOLUME (BBLS)	19000	19000	19000	19000	380000	19000
COST OF SERVICE (\$/BBL)	4.015	4.015	4.015	4.015	88.230	4.417
TOTAL REVENUE	27845345	27845345	27845345	27845345	556906500	27845345
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	20600000	20600000	20600000	20600000	412000000	20600000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	8970000	8970000	8970000	8970000	179400000	8970000
TOTAL EXPENSES	29570000	29570000	29570000	29570000	591400000	29570000
INCOME BEFORE TAXES	-1724655	-1724655	-1724655	-1724655	-34493100	-1724655
INVESTMENT TAX CREDIT	0	0	0	0	17940000	897000
TAX DEPRECIATION	6255291	6255291	6255291	6255291	172399999	8970000
TAXABLE INCOME	990054	990054	990054	990054	-34493099	-1724655
CURRENT INCOME TAX	475226	475226	475226	475226	-34496686	-1724834
DEFERRED INCOME TAX	-1303060	-1303060	-1303060	-1303060	0	0
TOTAL INCOME TAXES	-827834	-827834	-827834	-827834	-34496680	-1724834
NET INCOME (BOOK)	-896821	-896821	-896821	-896821	3580	179
SOURCES OF FUNDS						
NET INCOME	-896821	-896821	-896821	-896821	3580	179
FINANCIAL DEPRECIATION	8970000	8970000	8970000	8970000	179400000	8970000
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-1303060	-1303060	-1303060	-1303060	0	0
NET ADDITIONS TO EQUITY	0	0	0	0	179400000	8970000
TOTAL SOURCES	6770119	6770119	6770119	6770119	35803586	17940179
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	179400000	8970000
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	179400000	8970000
NET CASH GENERATED DURING YEAR	6770119	6770119	6770119	6770119	179403586	8970179
CUMULATIVE NET CASH GENERATED	159093229	165863348	172633467	179403586	2232337944	111616897
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	0.00	0.00

AG0 545257

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE X-GP ETHYLENE PLANT AT FAIRBANKS

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY VOLUME (BBLS)	0	0	19000	19000	19000	19000	19000	19000	19000
COST OF SERVICE (\$/BBL)	4.282	4.282	4.282	4.282	4.282	4.282	4.282	4.282	4.282
TOTAL REVENUE	0	0	29693269	29693269	29693269	29693269	29693269	29693269	29693269
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	9500000	9500000	9500000	9500000	9500000	9500000	9500000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	25000000	25000000	25000000	25000000	25000000	25000000	25000000
TOTAL EXPENSES	0	0	34500000	34500000	34500000	34500000	34500000	34500000	34500000
INCOME BEFORE TAXES	0	0	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731
INVESTMENT TAX CREDIT	0	0	50000000	0	0	0	0	0	0
TAX DEPRECIATION	0	0	50000000	45000000	43500000	36450000	32805000	29524500	25720500
TAXABLE INCOME	0	0	-29806731	-24806731	-20306731	-16256731	-12611731	-9331231	-6378781
CURRENT INCOME TAX	0	0	-64307231	-11907231	-9747231	-7803231	-6053631	-4478991	-3061815
DEFERRED INCOME TAX	0	0	12000000	9600000	7440000	5496000	3746400	2171760	754584
TOTAL INCOME TAXES	0	0	-52307231	-2307231	-2307231	-2307231	-2307231	-2307231	-307231
NET INCOME (BOOK)	0	0	47500500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500
SOURCES OF FUNDS									
NET INCOME	0	0	47500500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500
FINANCIAL DEPRECIATION	0	0	25000000	25000000	25000000	25000000	25000000	25000000	25000000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	12000000	9600000	7440000	5496000	3746400	2171760	754584
NET ADDITIONS TO EQUITY	250000000	250000000	0	0	0	0	0	0	0
TOTAL SOURCES	250000000	250000000	84500500	32100500	29940500	27996500	26246900	24672260	23255084
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	250000000	250000000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	250000000	250000000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	84500500	32100500	29940500	27996500	26246900	24672260	23255084
CUMULATIVE NET CASH GENERATED	0	0	84500500	116601000	147541500	175538000	206784900	225457160	247712244
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-5.00	-5.00	-5.00	-5.00	-5.00	-5.00

AGD 545258

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE X-GP ETHYLENE PLANT AT FAIRBANKS

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY VOLUME (EBLS)	19000	19000	19000	19000	19000	19000	19000	19000	19000
COST OF SERVICE (\$/BBL)	4.282	4.282	4.282	4.282	4.282	4.282	4.282	4.282	4.282
TOTAL REVENUE	29693269	29693269	29693269	29693269	29693269	29693269	29693269	29693269	29693269
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	9500000	9500000	9500000	9500000	9500000	9500000	9500000	9500000	9500000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	25000000	25000000	25000000	25000000	25000000	25000000	25000000	25000000	25000000
TOTAL EXPENSES	34500000	34500000	34500000	34500000	34500000	34500000	34500000	34500000	34500000
INCOME BEFORE TAXES	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731	-4806731
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	23914845	21523561	19371024	17423922	17423922	17423922	17423922	17423922	17423922
TAXABLE INCOME	-3721576	-1330092	822245	2759347	2759347	2759347	2759347	2759347	2759347
CURRENT INCOME TAX	-1786356	-638444	394677	1324487	1324487	1324487	1324487	1324487	1324487
DEFERRED INCOME TAX	-520875	-1668787	-2701908	-3631718	-3631718	-3631718	-3631718	-3631718	-3631718
TOTAL INCOME TAXES	-2307231	-2307231	-2307231	-2307231	-2307231	-2307231	-2307231	-2307231	-2307231
NET INCOME (BOOK)	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500
SOURCES OF FUNDS									
NET INCOME	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500	-2499500
FINANCIAL DEPRECIATION	25000000	25000000	25000000	25000000	25000000	25000000	25000000	25000000	25000000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-520875	-1668787	-2701908	-3631718	-3631718	-3631718	-3631718	-3631718	-3631718
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	21979625	20831713	19798592	1866782	1866782	1866782	1866782	1866782	1866782
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	21979625	20831713	19798592	1866782	1866782	1866782	1866782	1866782	1866782
CUMULATIVE NET CASH GENERATED	270691869	291523582	311322174	330150956	349059738	367978520	386797302	405666084	424534866
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

AGD 545259

EARNINGS AND CASH FLOW PROJECTION CASE

ALASKA ROYALTY GAS AND NEL STUDY (PROJECT 1149)
CASE X-GP ETHYLENE PLANT AT FAIRBANKS

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY VOLUME (BBLS)	19000	19000	19000	19000	380000	19000
COST OF SERVICE (\$/BBL)	4.282	4.282	4.282	4.282	94.704	4.710
TOTAL REVENUE	29693269	29693269	29693269	29693269	597865380	29693269
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	9500000	9500000	9500000	9500000	190000000	9500000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	25000000	25000000	25000000	25000000	500000000	25000000
TOTAL EXPENSES	34500000	34500000	34500000	34500000	690000000	34500000
INCOME BEFORE TAXES	-4806731	-4806731	-4806731	-4806731	-96134620	-4806731
INVESTMENT TAX CREDIT	0	0	0	0	50000000	2500000
TAX DEPRECIATION	17433922	17433922	17433922	17433922	500000000	25000000
TAXABLE INCOME	2759347	2759347	2759347	2759347	-96134620	-4806731
CURRENT INCOME TAX	1324487	1324487	1324487	1324487	-96144614	-4807231
DEFERRED INCOME TAX	-3631718	-3631718	-3631718	-3631718	-6	0
TOTAL INCOME TAXES	-2307231	-2307231	-2307231	-2307231	-96144620	-4807231
NET INCOME (BOOK)	-2499500	-2499500	-2499500	-2499500	10000	500
SOURCES OF FUNDS						
NET INCOME	-2499500	-2499500	-2499500	-2499500	10000	500
FINANCIAL DEPRECIATION	25000000	25000000	25000000	25000000	500000000	25000000
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-3631718	-3631718	-3631718	-3631718	-6	0
NET ADDITIONS TO EQUITY	0	0	0	0	500000000	25000000
TOTAL SOURCES	18868782	18868782	18868782	18868782	1000009594	50000500
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	500000000	25000000
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	500000000	25000000
NET CASH GENERATED DURING YEAR	18868782	18868782	18868782	18868782	500009594	25000500
CUMULATIVE NET CASH GENERATED	443403646	462272430	481141212	5000099946221677679	41103884	
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	0.00	0.00

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EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE GC1 GAS CONDITIONING PLANT AT PRUDHOE FOR 2000 MMSCFD

TIME PERIOD	1981	1982	1983	1984	1985	1986	1987	1988	1989
DAILY VOLUME (MSCFD)	0	0	2000000	2000000	2000000	2000000	2000000	2000000	2000000
COST OF SERVICE (\$/MSCFD)	.066	.066	.066	.066	.066	.066	.066	.066	.066
TOTAL REVENUE	0	0	48513931	48513931	48513931	48513931	48513931	48513931	48513931
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	0	0	22505000	22505000	22505000	22505000	22505000	22505000	22505000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	0	0	32200000	32200000	32200000	32200000	32200000	32200000	32200000
TOTAL EXPENSES	0	0	54705000	54705000	54705000	54705000	54705000	54705000	54705000
INCOME BEFORE TAXES	0	0	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069
INVESTMENT TAX CREDIT	0	0	64400000	0	0	0	0	0	0
TAX DEPRECIATION	0	0	64400000	57960000	52164000	46947600	42252840	38027556	34224800
TAXABLE INCOME	0	0	-38391069	-31951069	-26155069	-20938669	-16243909	-12018625	-8215869
CURRENT INCOME TAX	0	0	-82827713	-15336513	-12534433	-10050561	-7797076	-5768940	-3943617
DEFERRED INCOME TAX	0	0	15456000	12364800	9582720	7078848	4825363	2797227	971904
TOTAL INCOME TAXES	0	0	-67371713	-2971713	-2971713	-2971713	-2971713	-2971713	-2971713
NET INCOME (BOOK)	0	0	61180644	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356
SOURCES OF FUNDS									
NET INCOME	0	0	61180644	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356
FINANCIAL DEPRECIATION	0	0	32200000	32200000	32200000	32200000	32200000	32200000	32200000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	0	0	15456000	12364800	9582720	7078848	4825363	2797227	971904
NET ADDITIONS TO EQUITY	322000000	322000000	0	0	0	0	0	0	0
TOTAL SOURCES	322000000	322000000	108836644	41345444	38563364	36059492	33806007	31777871	29952548
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	322000000	322000000	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	322000000	322000000	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	0	0	108836644	41345444	38563364	36059492	33806007	31777871	29952548
CUMULATIVE NET CASH GENERATED	0	0	108836644	150182088	188745452	224804944	258610951	290388822	320341370
RATE OF RETURN ON EQUITY	0.00	0.00	9.50	-1.50	-1.50	-1.50	-1.50	-1.50	-1.50

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Pipe Line Technologists, Inc.

a Kaneb company

EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE GC1 GAS CONDITIONING PLANT AT PRUDHOE FOR 2000 MMSCFD

TIME PERIOD	1990	1991	1992	1993	1994	1995	1996	1997	1998
DAILY VOLUME (MSCFD)	2000000	2000000	2000000	2000000	2000000	2000000	2000000	2000000	2000000
COST OF SERVICE (\$/MSCFD)	.066	.066	.066	.066	.066	.066	.066	.066	.066
TOTAL REVENUE	48513931	48513931	48513931	48513931	48513931	48513931	48513931	48513931	48513931
EXPENSES									
OPERATIONS AND MAINTENANCE EXPENSES	22505000	22505000	22505000	22505000	22505000	22505000	22505000	22505000	22505000
INTEREST EXPENSES	0	0	0	0	0	0	0	0	0
FINANCIAL DEPRECIATION	32200000	32200000	32200000	32200000	32200000	32200000	32200000	32200000	32200000
TOTAL EXPENSES	54705000	54705000	54705000	54705000	54705000	54705000	54705000	54705000	54705000
INCOME BEFORE TAXES	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069	-6191069
INVESTMENT TAX CREDIT	0	0	0	0	0	0	0	0	0
TAX DEPRECIATION	30802320	27722088	24949879	22454892	22454892	22454892	22454892	22454892	22454892
TAXABLE INCOME	-4793389	-1713157	1059052	3554039	3554039	3554039	3554039	3554039	3554039
CURRENT INCOME TAX	-2300827	-822316	508345	1705939	1705939	1705939	1705939	1705939	1705939
DEFERRED INCOME TAX	-670886	-2149397	-3480058	-4677652	-4677652	-4677652	-4677652	-4677652	-4677652
TOTAL INCOME TAXES	-2971713	-2971713	-2971713	-2971713	-2971713	-2971713	-2971713	-2971713	-2971713
NET INCOME (BOOK)	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356
SOURCES OF FUNDS									
NET INCOME	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356	-3219356
FINANCIAL DEPRECIATION	32200000	32200000	32200000	32200000	32200000	32200000	32200000	32200000	32200000
LONG TERM BORROWING	0	0	0	0	0	0	0	0	0
DEFERRED INCOME TAXES	-670886	-2149397	-3480058	-4677652	-4677652	-4677652	-4677652	-4677652	-4677652
NET ADDITIONS TO EQUITY	0	0	0	0	0	0	0	0	0
TOTAL SOURCES	28309758	26831247	25500586	24302992	24302992	24302992	24302992	24302992	24302992
APPLICATIONS OF FUNDS									
CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	0	0	0	0	0
NET CASH GENERATED DURING YEAR	28309758	26831247	25500586	24302992	24302992	24302992	24302992	24302992	24302992
CUMULATIVE NET CASH GENERATED	348651128	375482375	400982961	425285953	449588945	473811937	4981194229	522497921	547800913
RATE OF RETURN ON EQUITY	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50	-.50

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EARNINGS AND CASH FLOW PROJECTION

CASE

ALASKA ROYALTY GAS AND NGL STUDY (PROJECT 1149)
CASE GC1 GAS CONDITIONING PLANT AT PRUDHOE FOR 2000 MMSCFD

TIME PERIOD	1999	2000	2001	2002	9999	8888
DAILY VOLUME (MSCFD)	2000000	2000000	2000000	2000000	40000000	2000000
COST OF SERVICE (1/MSCFD)	.066	.066	.066	.066	1.452	.073
TOTAL REVENUE	48513931	48513931	48513931	48513931	970278620	48513931
EXPENSES						
OPERATIONS AND MAINTENANCE EXPENSES	22505000	22505000	22505000	22505000	450100000	22505000
INTEREST EXPENSES	0	0	0	0	0	0
FINANCIAL DEPRECIATION	32200000	32200000	32200000	32200000	644000000	32200000
TOTAL EXPENSES	54705000	54705000	54705000	54705000	1094100000	54705000
INCOME BEFORE TAXES	-6191069	-6191069	-6191069	-6191069	-123821380	-6191069
INVESTMENT TAX CREDIT	0	0	0	0	64400000	3220000
TAX DEPRECIATION	22454892	22454892	22454892	22454892	644000000	32200000
TAXABLE INCOME	3554039	3554039	3554039	3554039	-123821383	-6191069
CURRENT INCOME TAX	1705939	1705939	1705939	1705939	-123821383	-6191713
DEFERRED INCOME TAX	-4677652	-4677652	-4677652	-4677652	1	0
TOTAL INCOME TAXES	-2971713	-2971713	-2971713	-2971713	-123834760	-6191713
NET INCOME (BOOK)	-3219356	-3219356	-3219356	-3219356	12880	644
SOURCES OF FUNDS						
NET INCOME	-3219356	-3219356	-3219356	-3219356	12880	644
FINANCIAL DEPRECIATION	32200000	32200000	32200000	32200000	644000000	32200000
LONG TERM BORROWING	0	0	0	0	0	0
DEFERRED INCOME TAXES	-4677652	-4677652	-4677652	-4677652	1	0
NET ADDITIONS TO EQUITY	0	0	0	0	644000000	32200000
TOTAL SOURCES	24302992	24302992	24302992	24302992	1288012881	64400644
APPLICATIONS OF FUNDS						
CAPITAL OUTLAY	0	0	0	0	644000000	32200000
LONG TERM DEBT RETIREMENT	0	0	0	0	0	0
TOTAL APPLICATIONS	0	0	0	0	644000000	32200000
NET CASH GENERATED DURING YEAR	24302992	24302992	24302992	24302992	644012881	32200644
CUMULATIVE NET CASH GENERATED	571103905	595405997	619709889	644012881801	3520505	400676045
RATE OF RETURN ON EQUITY	-0.50	-0.50	-0.50	-0.50	0.00	0.00

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ALASKA ROYALTY OIL AND GAS
In-State Use - A Developers Guide

Prepared For:
Alaska Royalty Oil and Gas Development Advisory Board

- A. State Information Needs - Phase I Preliminary Submittal
- B. State Information Needs - Phase II Pre-Proposal Submittal
- C. Preliminary Siting Criteria
- D. State Evaluation Factors
- E. State Permitting Requirements

The purpose of the guide is to provide a means for improving the flow of information between the State and a prospective developer, in order to generate a mutually acceptable proposal for in-state facilities making use of Alaska's non-renewable resources. This is not a formal Request for Proposal, nor does it in any way supercede applicable State and local leasing, permitting or regulatory requirements. It is intended solely to:

1. ensure that the State receives, on a timely basis, the necessary information to evaluate a potential development;
2. provide a prospective bidder with information on how the State will be evaluating a project as well as some of the requirements and criteria that a developer will be expected to meet.

A. State Information Needs - Phase I Preliminary Submittal

The preliminary list includes basic types of information that a developer should provide the State in order to initiate the evaluation process. The State will utilize this information to perform a preliminary analysis of the proposed project. The State will make this evaluation available to the developer along with any additional questions and/or concerns.

B. State Information Needs - Phase II Pre-Proposal Submittal
Following the Phase I evaluation, a more detailed analysis of the potential project will be undertaken by the State. A prospective developer will be expected to provide a more specific set of information to satisfy the Phase II evaluation. After satisfactory completion of this phase, efforts can be geared to finalizing a mutually acceptable proposal package and, subsequently, a formal contract.

C. Preliminary Siting Criteria

In order to assist a developer in preparing a description of the proposed facility and locating potential acceptable sites, a preliminary set of State siting criteria is included in the guide.

The State will prepare a report on the process. The particular areas of State concern, examples of evaluation factors and agency evaluation responsibilities are described in this internal document. This information should assist developers in understanding how their inputs will be utilized by the State, and the key factors of concern to the State. A more formalized comprehensive interagency project evaluation procedure is now in the process of being developed.

E. State Permitting Requirements

A draft inventory of State permits is included to assist the prospective developer in understanding the scope of required actions necessary prior to development activities. The applications for the appropriate State permits are not a part of the above information flow and evaluation process. If a proposal is accepted, formal applications must be submitted.

A working committee of key State personnel has been established to assist in the information exchange/evaluation process. This group will be available to respond to particular questions, clarify the procedures, provide available data (environmental standards and regulations, site-specific land uses, critical habitat areas, local socioeconomic characteristics, to name just a few), as well as to expedite State evaluation of a proposed project. Following is a tentative timing schedule of activities.

TIME SCALE

WEEKS

TASKS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
State provides Guide	○																				
ΦI Data	○			○																	
State ΦI Evaluation				○				○													
ΦII Data												○									
State ΦII Eval.												○				○					
Formal Proposal Submission																		△			
Contract Preparation												○									

3

INFORMATION NEEDS - DEVELOPER RESPONSIBILITIES

- A. Phase I - Preliminary Submittal
- B. Phase II - Pre-Proposal Submittal

PHASE I - PRELIMINARY SUBMITTAL

PHYSICAL CHARACTERISTICS

- . General project description - site and logistical support requirements; type, pattern and timing of activities; project phasing; life of facility; product mix/volume;
- . Site development concept; potential locations (general rationale) (see: Preliminary Siting Criteria)
- . Power needs; raw material needs; access needs and transportation activities; construction material needs - General
- . Water utilization requirements
- . Technology scale-up requirements

ECONOMIC/FINANCIAL CHARACTERISTICS

- . Estimated direct revenues to State and locality (source and timing)
- . Financing and ownership schemes
- . Labor demands - skills, full-time/part-time/seasonal, short-term/long-term
- . Approaches to local and statewide hiring and training
- . Preliminary estimates of availability and price of products and/or by-products for local and state-wide use
- . Approaches/alternatives for sharing in the responsibility to: provide additional needed public facilities and services; provide in-state service industries; compensate or offset potential negative environmental, economic and fiscal impacts to State and locality

General information on contribution to local and state economy

- Estimates of type and quantity of inputs demanded by industry
- Expected contributions of State and/or locality - land, infrastructure, tax incentives, below-market-price raw materials, etc.

ENVIRONMENTAL CHARACTERISTICS

- General environmental implications and conflicts expected
- Projected discharges and emissions
- Overview of mitigation strategies/alternatives - spills contingency, air pollution control, site protection, solid waste and waste water disposal, toxic and hazardous substance control, erosion control, etc.

MISC.

- Data collection and study plans and schedule
- Public participation schemes
- Plans for joint government (State and Local) and developer planning and study efforts
- Description of company's organization and affiliations for this project

PHYSICAL CHARACTERISTICS

- . Alternative site locations and designs and recommended site and design (with rationale and statement of why recommended site and design are superior)
- . Project description (from design to close-down) - specific site and logistical support requirements; operational (including expansion or contraction) plans; product mix/volume; site development plans; provisions for protective or buffer zones
- . Readjusted (if necessary) power needs; raw material needs; access needs, transportation loads, density and frequency of transportation activities, types of vehicles and/or vessels; communications requirements; construction material utilization plan and potential sources
- . Water consumption and utilization plans; potential sources/conflicts
- . Specific technology scale-up requirements
- . Convertibility of facilities for other uses (bulk storage, industrial park); potential concurrent uses of facilities (general cargo area, recreational facilities); conversion schemes
- . Prior site and construction material negotiations with local landowners/government

ECONOMIC/FINANCIAL CHARACTERISTICS

- . Direct revenues to State and locality (timing and sources)
- . Updated financing and ownership plans; opportunities for local equity participation
- . Updated labor demands - skills, job classifications, full-time/part-time/seasonal, short-term/long-term
- . Local and state-wide hiring and training (management and high skills) plans (including phasing and construction/operation separation)
- . Refined estimates of availability and price of products and by-products; marketing schemes and/or commitments
- . Prior negotiations with suppliers, distributors, transport services, unions

- Commitments for sharing in the responsibility to: (1) provide additional needed public services and facilities; (2) provide in-state service industries; (3) compensate or offset potential negative environmental, economic and fiscal impacts to the State and locality; (4) provide adequate monitoring, surveillance and quality control programs
- Specific expected State and/or local contributions--land, tax incentives, below-market-price raw materials, low-cost power, etc.

ENVIRONMENTAL CHARACTERISTICS

- Volume and timing of all discharges and emissions
- Degree of dredging required (if any) and proposed disposal plans and locations
- Probable primary and secondary impacts; probable adverse effects which cannot be avoided; anticipated irretrievable commitment of resources
- Mitigation strategies - spills contingency; air pollution control; site protection; solid waste and waste water management; revegetation, reclamation and/or restoration schemes; erosion control; stream protection; etc.
- Visual impacts; potential noise and dust problems
- Adequacy (at recommended site) of soils and local geology for solid waste and sewage disposal
- Recycling and conversion schemes; energy conservation and alternative energy use strategies

MISC.

- Monitoring, surveillance and quality control strategies
- Estimates of energy efficiency of project
- Data collection and analysis plans and schedule - base line data; environmental and engineering studies; technology assessment; risk analysis; EIS preparation
- Perceived or expected external constraining factors - Federal permits, NEPA, political opposition, land claims, etc.
- Cost breakdown including: estimated capital/construction/operating costs; training programs; public participation; studies; etc.
- Initial schedule for public inputs (on proposal and potential sites)
- Non-resident employee orientation program plans

C. PRELIMINARY SITING CRITERIA

C. PRELIMINARY SITING CRITERIA

The following preliminary siting criteria can be utilized to assist a prospective developer in: (1) locating potential sites; (2) responding to the information needs of the State:

1. Compatibility - Ensure that facility sites are compatible with existing and projected land and water uses;
2. Consolidation - Utilize existing sites and facilities that are capable of handling anticipated demand while meeting the other siting criteria;
3. Traffic - Avoid siting facilities where the most likely vehicular and/or vessel route(s) would interfere with: community activities; population centers; fishing and/or harbor operations;
4. Access - Facilities should be sited such that access to navigable waterways and recreational areas shall not be foreclosed;
5. Safety - Site fuel, crude oil and LNG storage and transfer areas: downwind from populated areas to reduce the hazard of fire and explosion to human population; at elevations sufficiently above mean sea level to escape the highest tsunami run-up;
6. Pipelines - Align pipeline routes away from active faults, areas of subsidence, glacial surge;
7. Resource Protection - Site facilities so that areas of particular historic, agricultural, scenic, recreational and unique environmental, wildlife habitat, and cultural values will be protected;
8. Site Preparation - Avoid sites where extensive site clearing, dredging and construction in productive wetlands, estuaries, deltas or other sensitive areas would be required;
9. Environmental Management - Site facilities in areas of least biological productivity, diversity and uniqueness and where effluents, emissions and spills can be controlled or contained easily;
10. Air Quality - Site facilities where the probability of chronic air quality problems would be low;
11. Water Quality/Supply - Site facilities where the probability of water quality degradation would be low and where the existing water supply would not be adversely affected;
12. Local Preference - Locate facilities where local preferences are supportive of such development.

D. Examples of State Evaluation Factors

AREA OF CONCERN

Impact on governmental resources and responsibilities

EVALUATION FACTORS (Examples)

- net governmental fiscal balance over time--local and state-wide (particularly revenue shortfalls)
- change in quality and quantity (per capita) of public services or goods
- long-term convertability of facilities for public or private use; potentials for concurrent use

AGENCY RESPONSIBILITY

Department of Revenue, Department of Community and Regional Affairs, Division of Budget and Management, Department of Public Works, Department of Highways

AREA OF CONCERN

Direct contribution to local and state-wide private economy (includes changes resulting from the development itself and activities accompanying it due to expanded markets)

EVALUATION FACTORS (Examples)

- change in real per capita income and product (due to project and attendant service facility expansions)
- short- and long-run price impacts (e.g. short-run shortages of private goods or facilities; long-run private economies of scale, increased competition, changes in transportation costs)

AGENCY RESPONSIBILITY

Department of Commerce and Economic Development, Department of Revenue

AREA OF CONCERN

Employment

EVALUATION FACTORS (Examples)

- change in local and regional (% and #) employed, unemployed, under-employed Alaskans
- type, level and salaries of jobs
- time characteristics of jobs and their distribution (short- vs. long-term)
- level of training and Alaska hire commitment (amount of labor imported)
- degree to which manpower training dovetails with timing of employment requirements

AGENCY RESPONSIBILITY

Department of Labor, Department of Commerce and Economic Development, Department of Community and Regional Affairs

AREA OF CONCERN

Distributional aspects and implications of the development

EVALUATION FACTORS (Examples)

- distribution of income and jobs associated with the project among groups (in-state vs. out-of-state; local vs. state-wide, current residents vs. in-migrants; Native/non-Native; income classes; sectors of the economy)
- opportunities for local participation--investment
- ownership of assets (in-state vs. out-of-state)
- changes in land value and ownership

AGENCY RESPONSIBILITY

Department of Community and Regional Affairs, Department of Revenue, Department of Labor, Department of Commerce and Economic Development

AREA OF CONCERN

Indirect or spinoff economic activities (the primary project's impact on future economic developments)

EVALUATION FACTORS (Examples)

- the possibility of related developments (either producing inputs for the production process of the primary industry or utilizing outputs of the primary industry)
- size and impact of such development (measured in ways similar to economic impact of primary industry)

AGENCY RESPONSIBILITY

Department of Commerce and Economic Development, Department of Community and Regional Affairs, Department of Revenue

AREA OF CONCERN

Lifestyle changes and social conflicts

EVALUATION FACTORS (Examples)

- . the potential for value conflicts between local residents and expected in-migrants
- . potential for cross-cultural conflicts between local residents and expected in-migrants
- . conflict with subsistence use of wildlife
- . growth management capability
- . degree of local control and self-determination
- . impact on quality of rural lifestyle or village lifestyle amenities
- . public sentiment (local and state-wide)

AGENCY RESPONSIBILITY

Department of Community and Regional Affairs, Department of Health and Social Services, Department of Education, Department of Fish and Game

AREA OF CONCERN

Natural resources and land use alternatives

EVALUATION FACTORS (Examples)

- . impact on forest sustained yield
- . impact on fishery resources/areas of high biologic-commercial productivity
- . impact on mineral extraction (including oil and gas)
- . impact on available water supply
- . impact on agricultural potentials
- . impact on fish and wildlife habitats/populations
- . impact on recreational potentials
- . impact on wilderness, historic, scenic and sensitive environmental areas
- . construction material demands

AGENCY RESPONSIBILITY

Department of Natural Resources, Department of Fish & Game,
Department of Environmental Conservation, Department of Commerce
and Economic Development

AREA OF CONCERN

Safety and Health

EVALUATION FACTORS (Examples)

- . air, water and noise pollution (degree of localization; impact on human settlements; environmentally sensitive areas, highly scenic areas)
- . dust, spills, thermal discharges (same as above)
- . safeguards for transport and storage of toxic and hazardous substances
- . drainage pattern impacts
- . adequacy of soils and local geology for solid waste and sewage disposal
- . compliance with State, local, and Federal environmental standards and criteria

AGENCY RESPONSIBILITY

Department of Environmental Conservation, Department of Fish and Game, Department of Natural Resources, Department of Health and Social Services

AREA OF CONCERN

Environmental Management

EVALUATION FACTORS (Examples)

- . monitoring, surveillance and quality control strategies
- . development time frame (to build up environmental protection capabilities)
- . degree of commitment of irretrievable resources and/or irreversible consequences
- . environmental data sufficiency
- . degree of internalization of environmental costs

AGENCY RESPONSIBILITY

Department of Environmental Conservation, Department of Fish and Game

AREA OF CONCERN

Construction feasibility/probability of construction delays/cost overrun potentials

EVALUATION FACTORS (Examples)

- . technology requirements
- . data base/engineering studies sufficiency
- . infringement on high hazard areas
- . legal and/or regulatory constraints
- . degree of consolidation/concentration of facilities
- . external constraints (political, economic, logistic)
- . expansion potentials
- . energy efficiency of project/energy conservation measures
- . use of alternative energy sources

AGENCY RESPONSIBILITY

All departments

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- J. Land and Waters - Materials Sales
 - 42. Special Material Use Permit
- K. Land and Waters - Mineral Leasing
 - 43. Noncompetitive Procedures
 - 44. Coal Prospecting Permit
 - 45. Sodium Leasing Method
 - 46. Potassium Leasing Method
 - 47. Geothermal Resources Leasing Method
- L. Land and Waters - Offshore Permits
 - 48. Tide and Submerged Lands
- M. Land and Waters - Millsites
 - 49. Surface Use Permit
- N. Land and Waters - Forest Protection
 - 50. Burning Permit

C. Land and Waters - Miscellaneous Land Use

51. Operations on State Land Requiring Permit
52. Subleases of State Lands
53. Right-of-Way Permit
54. Abandonment of or Reduction or Impairment of Services of Pipeline by Lessee Carrier
55. Applications for Right-of-Way Leases and Certificates
56. Preservation of Archaeological Resources

Appendix A - Department of Environmental Conservation Contacts List

Appendix B - Department of Fish and Game Contacts List

Appendix C - Department of Highways Contacts List - District Engineers

Appendix D - Department of Highways Contacts List - Overweight-Oversize Permit Contacts

Appendix E - Department of Natural Resources Contacts List

Permits Issued by
the Department of Environmental Conservation

1. Waste Water Disposal Permit

A person conducting any operation which results in the disposal of solid or liquid waste material into the waters or onto the lands of the State must procure a permit from the Department of Environmental Conservation before disposing of the waste material. The permit must be obtained for direct disposal and for disposal into publicly operated sewerage systems. The permit does not apply to persons discharging only domestic sewage into the sewerage system.

Procedure: Permit applicant should contact the Department of Environmental Conservation Regional Environmental Supervisor. See Department of Environmental Conservation "Contacts List" in appendix.

Requirements: The Department may require the submission of plans for sewage and industrial waste disposal or treatment or both for publicly or privately owned or operated industrial establishments, community, public or private property subdivision or development.

Authority for Permit:

- * AS 46.03.100. Waste disposal permit.
- * AS 46.03.090. Plans for pollution disposal.
- * AS 46.03.110 and 720. Waste disposal permit procedure.
- * 18. AAC. 72.030. Pretreatment.

Criteria for Issuance: AAC Title 18, Chapter 70 and 72.

2. Solid Waste Disposal Permit

No person may establish, modify or operate a solid waste disposal facility without a permit, except the following:

- 1) a single family or duplex residence on which solid waste is generated and disposed of, on-premises;
- 2) a farm on which solid waste generated from the operation of that farm is disposed; and
- 3) incinerator facilities having a total rated capacity of less than 200 pounds of solid waste per hour.

Procedure: Permit applicant should contact the Department of Environmental Conservation Regional Environmental Supervisor for appropriate forms. Application for permit shall contain:

- 1) completed permit application forms;
- 2) detailed plans and specifications for facility;
- 3) certification of compliance with local ordinances and zoning requirements;
- 4) a report detailing the proposed methods for operation, population of area to be served, characteristics, quantity and source of material to be processed; and
- 5) 60 days public notice and public hearing.

Requirements: Detailed plans and specifications for the facility are required, as outlined above.

Authority for Permit:

- * AS 46.03.020. Powers of the department.
- * AS 46.03.100. Waste disposal permit.

Criteria for Issuance: AAC Title 18, Chapter 60, Solid Waste Management.

3. Air Emissions Permit

A permit is required to operate a facility capable of emitting quantities of pollutants injurious to human health or welfare, animal or plant life or property.

Procedure: Applicant should contact the Department of Environmental Conservation Regional Supervisor.

Requirements: No person may construct or modify a facility requiring a permit to operate until detailed plans and specifications are submitted to the Department and approved.

Authority for Permit:

- * AS 46.03.010. Declaration of policy.
- * AS 46.03.140. Emission control requirements.
- * AS 46.03.150. Classification and reporting.
- * AS 46.03.160. Additional contaminant control measures.
- * AS 46.03.170. Variances.
- * 18 AAC 50.120. Permit to operate.

Criteria for Issuance:

- * 18 AAC 50.020. Ambient Air Quality Standards.
- * 18 AAC 50.030. Open Burning.
- * 18 AAC 50.040. Incinerators.
- * 18 AAC 50.050. Industrial Processes and Fuel Burning Equipment.
- * 18 AAC 50.120. Permit to operate.

4. Pesticides Permit

No person may, without a permit issued by the Department, apply or cause to be applied any pesticide or broadcast chemical.

Procedure: The permit applicant should contact the Department of Environmental Conservation Regional Environmental Supervisor for the appropriate form.

Requirements: An application for a permit to use pesticides shall include information relating to the name of the pest to be controlled, the type of formulation to be used, and percentage of active ingredients, the quantity of active ingredients to be applied per unit area, and other information.

Authority for Permit:

* AS 46.03.320. Authority.

* AAC Title 18, Chapter 90. Pesticide and Broadcast Chemical Control.

Criteria for Issuance:

* AAC Title 18, Chapter 90. Pesticide and Broadcast Chemical Control.

5. Surface Oiling Permit

No person may discharge, cause to be discharged, or permit the discharge of oil, asphalt, bitumen or a residuary product of petroleum onto the lands of the State unless that person has been granted a surface oiling permit.

Procedure: Applicant should contact the Department of Environmental Conservation Regional Environmental Supervisor for the appropriate form.

Requirements: An application for a surface oiling permit shall be made on forms prescribed by the Department and shall contain information considered necessary to the Department.

Authority for Permit:

- * 18 AAC 75.010. Surface Oiling Permit.
- * AS 46.03.020. Powers of the Department.
- * AS 46.03.740. Oil pollution.

Criteria for Issuance:

- * AAC Title 18, Chapter 75.

6. Open Burning Permit

Open burning for disposal of oils, oily waters, asphalts and tars and similar wasted materials is prohibited unless conducted under a permit from the Department.

Procedure: Applicant should contact the Department of Environmental Conservation Regional Environmental Supervisor.

Requirements: Emission data may be required prior to grant of the permit.

Authority for Permit:

- * AS 46.3.020. Powers of the Department.
- * 18 AAC 50.030. Open Burning.
- * 18 AAC 50.120. Permit to Operate.

Criteria for Issuance:

- * 18 AAC 50.020. Ambient Air Quality Standards.

Permits Issued by
the Department of Fish and Game

7. Anadromous Fish Protection Permit

If a person or governmental agency desires to construct a hydraulic project, or use, divert, obstruct, pollute, or change the natural flow or bed of a specified river, lake or stream, or use wheeled, tracked, or excavating equipment or log-dragging equipment in the bed of the specified river, lake, or stream, the person or governmental agency shall notify the Department of Fish and Game before the beginning of the construction or use.

Procedure: Permit applicant should contact the Department of Fish and Game Regional Habitat Supervisor for his region. See Department of Fish and Game "Contacts List" in appendix.

Requirements: If the Commissioner of the Department of Fish and Game determines to do so, he shall require the person or government agency to submit to him full plans and specifications for the proper protection of fish and game in connection with the construction or work, or in connection with the use, and the approximate date the construction or work or use will begin, and shall require the person to obtain written approval from him as to the sufficiency of the plans and specifications before the proposed construction or use is begun.

Authority for Permit:

- * AS 16.05.870. Protection of Fish and Game.
- * 5 AAC 95.010. Waters important to Anadromous Fish.

Copies of the List of Waters Important to Anadromous Fish or of information contained therein may be obtained by writing the Lieutenant Governor or the Department of Fish and Game, Habitat Protection Section, Subport Building, Juneau, Alaska, 99801, or may be obtained from ADF&G Regional Habitat Supervisors.

8. Critical Habitat Areas Permit

Before the use, lease or other disposal of land under private ownership or State jurisdiction and control, within State Fish and Game critical habitat areas, the person or responsible State department or agency shall notify the Department of Fish and Game.

Procedure: The responsible person should contact the Department of Fish and Game Regional Habitat Supervisor for his region.

Requirements: If the Board of Fish and Game so determines, it shall instruct the Commissioner to require the person or governmental agency to submit full plans for the anticipated use, full plans and specifications of proposed construction work, complete plans and specifications for the proper protection of fish and game, and the approximate date when the construction work is to commence, and shall require the person or governmental agency to obtain the written approval of the Commissioner as to the sufficiency of the plans and specifications before construction is commenced.

Authority for Permit:

- * AS 16.20.250. Multiple land use.
- * AS 16.20.260. Submission of plans and specifications.

Criteria for Issuance:

Determination of Board of Fish and Game.

9. State Game Refuge Land Use Permit

Where the use, lease or disposal of real property in State game refuges is under the control or jurisdiction of the State, whether through Federal permit or State ownership, the responsible State department or agency shall notify the Department of Fish and Game before initiating any use, lease or disposal of real property.

Procedure: The responsible State department or agency should contact the Commissioner of the Department of Fish and Game.

Requirements: If the Commissioner so determines, he may require the person or governmental agency to submit full plans and specifications for the anticipated use, full plans and specifications of proposed construction work, complete plans and specifications for the proper protection of fish and game, and the approximate date when the construction work is to commence, and shall require the person or agency to obtain written approval of the Commissioner as to the sufficiency of the plans and specifications before construction is commenced.

Authority for Permit:

* AS 16.20.050. Multiple land use.

* AS 16.20.060. Submission of plans and specifications.

Criteria for Issuance:

Determination of the Commissioner.

Permits Issued by
the Department of Highways

10. Encroachment Permit

An encroachment may be constructed, placed, changed or maintained across or along a highway but only in accordance with regulations adopted by the Department. No encroachment may be constructed, placed, maintained or changed until it is duly authorized by a written permit issued by the Department of Highways.

Procedure: Applicant should contact the Department of Highways District Engineer for his region. See Department of Highways "Contact List" in appendix.

Requirements: During routine maintenance patrol, road and weather condition inspection, or at regular intervals as deemed necessary, maintenance personnel shall inspect right-of-way for encroachments. When an encroachment is found, District Right-of-Way will make a recommendation to the District Engineer as to whether the encroachment should be permitted or removed.

Authority for Permit:

* AS 19.25.200. Encroachment permits.

Criteria for Issuance: State of Alaska Department of Highways Standard Operating Procedure, S.O.P. #0000-14.