

**Oliktok Pipeline Company**  
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**Joseph C. Falcone**  
Commercial Supervisor

Phone: 907-265-1686  
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December 1, 2010

Office of the Commissioners  
Regulatory Commission of Alaska  
701 W. 8<sup>th</sup> Avenue, Suite 300  
Anchorage, Alaska 99501

Re: Oliktok Pipeline  
File No.: Tariff Advice Letter TL37-334

Dear Commissioners:

Oliktok Pipeline Company (OPC) files an original and ten copies of this 16<sup>th</sup> Revised Sheet No. 27 with attachments as noted below. Under the Oliktok Shippers Rate Agreement (OSRA) dated July 31, 1995, and approved by the Regulatory Commission of Alaska's (Commission's) predecessor by Order P-84-3(11)/P-95-5(2), OPC is required, in accordance with the methodology in Exhibit B to that agreement, and as modified by the Tariff Advice letter dated October 12, 2001, to annually calculate the rate for shipments of NGLs (Natural Gas Liquids) on and through the Oliktok pipeline. The calculation of the rate in accordance with the methodology has resulted in a rate of \$1.97 per barrel for barrels shipped to the Kuparuk River Unit Connection (KRU) for 2011. A continued decline in throughput is the largest driver in the rate increase.

OPC has updated the rate element inputs, as specified in the OSRA, for the period 2009–2011. The 2009 inputs have been updated to be consistent with the data contained in the OPC 2009 Annual Report (Annual Report) filed with the Commission. The 2010 inputs are based on OPC's actual and estimated figures through October 2010. The 2011 inputs are based on long range estimates. The beginning balance and property additions equations contained in Schedule 14 have been revised so that they refer to data inputs for the appropriate year and align with balances contained in the Annual Report. In addition, the remaining life contained on Schedule 7 has been revised to 25 years as of 2010. The remaining life has been changed to reflect plans to convert the NGL line into a fuel gas line in several years. These items are noted in Exhibit B to this filing.

No barrels are expected to be shipped to the Milne Point connection. If shipments to Milne Point begin again, OPC will recalculate its rates and establish a rate for Milne Point.

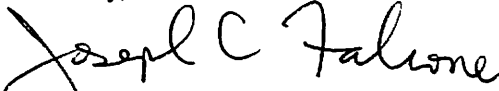
Enclosed as Exhibit A is a summary of the drivers for the change in the tariff rate. Enclosed as Exhibit B are the calculations for the proposed rate. An electronic version of Exhibit B is contained on the enclosed disk. OPC personnel are available to meet with the Commission staff to explain the calculation of the rate and answer any questions the Staff might have.

OPC hereby respectfully petitions the Commission that it be permitted under AS 42.06.390, 3 AAC 48.300, and 3 AAC 48.805 to place into effect the 16th revision to Sheet No. 27 to become effective on January 1, 2011.

R.C.A.  
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A copy of the Tariff will be available for public inspection at 700 G Street, Anchorage, Alaska 99501, Room 986. A copy of this filing will be sent to Oliktok Pipeline Company shippers as well as state agencies via email notification. If the Commission or its staff has any questions regarding this tariff, please contact the undersigned or Luke Kiskaddon at 907-265-6393.

Sincerely,

A handwritten signature in cursive script that reads "Joseph C. Falcone". The signature is written in black ink and is positioned above the printed name and title.

Joseph C. Falcone  
Commercial Supervisor

RCA No. 334 16h Revised  
Cancelling  
15th Revised

Sheet No. 27  
Sheet No. 27

Oliktok Transportation Company

RATE  
SCHEDULE "A"  
NGL TRANSMISSION SERVICE

Application

This rate applies to regular pipeline service through a single meter or system of meters as set forth in Carrier's tariff.

Rate

\$1.97 per barrel, subject to the Rate Adjustment Formula, for the Kuparuk River Unit (KRU) connection. I

Tariff Advice No. 37 Effective January 01, 2011

Issued By: Oliktok Pipeline Company

By: Joseph C. Falcone Title: Commercial Supervisor  
Joseph C. Falcone

# Tariff Summary

## Drivers for Change in Tariff rate

- Changed remaining life from 3 yrs to 24yrs
- 2011 rate burdened with \$2mm in uncollected revenue (carryover)
- Opex increase largely due to operation and analysis of new installed pigging project
- Project declining throughput based on prior 3 years actuals

**OLJKTOK PIPELINE COMPANY**

**Input Section**

For the period from 1995 through 2011  
(000's)

Input Section	2004	2005	2006	2007	2008	2009	2010	2011
1 Operating & Maintenance	\$2,338	\$2,442	\$3,211	\$4,328	\$4,501	\$4,232	\$5,224	\$5,952
2 Total Reserves	9,516	6,211	7,630	9,806	7,709	6,687	5,874	4,922
3 Equivalent Throughput-M Bbls	5.90%	5.28%	4.30%	3.68%	3.07%	2.46%	1.84%	1.84%
4 DR&R Estimate-'95 \$000	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	2.96%	2.96%
4a DR&R Fund Imputed Balance	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%
4b Cumulative DR&R Collections	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%
5 State Tax Depreciation Factor	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%
6 Federal Tax Depreciation Factor-MACRS	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%
7 Equity Capital Structure	\$0	\$0	\$0	\$0	\$235	\$235	\$235	\$235
8 Debt Capital Structure	1.03%	1.03%	1.03%	1.03%	15.65%	-13.97%	0.000%	0.000%
9 Equity Rate of Return	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
10 Debt Rate of Return	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
11 Working Capital	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
12 Inflation Rate	\$4,477	\$2,422	\$6,485	\$6,178	\$5,319	\$7,824	\$7,582	\$0
13 State Tax Rate	5.56%	5.56%	5.56%	5.56%	3.74%	1.09%	0.21%	0.00%
14 Federal Tax Rate								
15 Project Start								
16 Project End								
17 Partial Year Factor								
18 Revenues Collected								
19 Interest Rate for Net Carryover								
20 DR&R Expenditure Year								
21 DR&R Amount to be Collected								
22 Additions to CWIP	2004	2005	2006	2007	2008	2009	2010	2011
23 CWIP Transfers to Rate Base ("Additions to CPIS")	\$0	\$0	\$0	\$0	\$303	\$832	\$4,650	\$0
24 Service Life	\$0	\$0	\$0	\$0	\$303	\$504	\$5,400	\$200
<b>Stipulated Balances:</b>								
25 Total Property-'94 BOY								
26 Debt Property-'94 BOY								
27 Equity Property-'94 BOY								
28 Net Property-'94 EOY								
29 Accrued Depreciation-'94 EOY								
30 TEFRA Balance-'94 EOY								
31 State ADIT-'94								
32 State Depreciation Pre '94 assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Federal ADIT-'94								
34 Federal Depreciation Pre '94 assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 FAS 71 Adjustment Basis								

**OLAKTOK PIPELINE COMPANY**  
 Total Cost of Service  
 For the period from 1995 through 2011  
 (000's)

Schedule 1

Schedule 1

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Operating Expense	\$2,338	\$2,442	\$3,211	\$4,328	\$4,501	\$4,232	\$5,224	\$5,952
2	DR&R Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Depreciation Expense	\$1,730	\$1,730	\$1,730	\$1,730	\$1,805	\$1,973	\$374	\$382
4	Equity AFUDC Depreciation	\$8	\$8	\$8	\$8	\$2	\$61	\$15	\$15
5	IDC Depreciation	\$4	\$4	\$4	\$4	\$15	\$20	\$7	\$8
6	Debt Return	\$317	\$274	\$231	\$188	\$157	\$133	\$233	\$341
7	Equity Return	\$547	\$473	\$399	\$325	\$280	\$247	\$425	\$619
8	Income Tax Allowance	\$187	\$135	\$84	\$32	\$32	\$15	\$291	\$427
9	Net Carryover	(\$514)	\$125	\$2,897	\$2,133	\$2,621	\$4,202	\$3,037	\$1,959
10a	Cost of Service	\$4,617	\$5,191	\$8,563	\$8,748	\$9,463	\$10,883	\$9,605	\$9,704
10b	Regulatory Cost Charge	\$21,98	\$24,47	\$56,63	\$86,25	\$93,31	\$55,59	\$68,24	\$68,94
10	Total Cost of Service	\$4,595	\$5,166	\$8,506	\$8,661	\$9,370	\$10,828	\$9,537	\$9,635
11	Equivalent Throughput-M Bbls	9,516	6,211	7,630	9,806	7,709	6,687	5,874	4,972
12	Tariff Rate	\$0.49	\$0.84	\$1.12	\$0.89	\$1.23	\$1.63	\$1.64	\$1.97

**OLIKTOK PIPELINE COMPANY**

Calculation of Provision for Dismantling, Removal, and Restc  
For the period from 1995 through 2011  
(000's)

Schedule 2

Schedule 2

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Collection Factor	6.19%	6.19%	6.19%	6.19%	6.19%	-136.08%	6.19%	148.45%
2	Amount to be Collected								
3	Starting Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Annual Collection	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928	\$1,928
5	Cumulative Collection	\$5,250	\$5,613	\$6,000	\$6,415	\$6,858	\$7,332	\$7,838	\$8,381
6	Fund Balance (BOY)								
7	DR&R Earnings Rate	11.73%	11.73%	11.73%	11.73%	11.73%	11.73%	11.73%	11.73%
8	Interest Earnings	\$616	\$658	\$704	\$752	\$804	\$860	\$919	\$983
9	Effective Tax Rate	41.11%	41.11%	41.11%	41.11%	41.11%	41.11%	41.11%	41.11%
10	Income Taxes on Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Income Taxes on Interest	\$253	\$271	\$289	\$309	\$331	\$354	\$378	\$404
12	DR&R % Expenditure	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Inflation Rate	1.03%	1.03%	1.03%	1.03%	1.03%	-13.97%	0.00%	0.00%
14	Inflation Factor	107.70%	108.80%	109.92%	111.05%	128.42%	110.48%	110.48%	110.48%
15	DR&R Cost	\$5,078	\$5,130	\$5,183	\$5,236	\$6,055	\$5,209	\$5,209	\$5,209
16	After Tax Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Fund Balance (EOY)	\$5,613	\$6,000	\$6,415	\$6,858	\$7,332	\$7,838	\$8,380	\$8,958

**OLIKTOK PIPELINE COMPANY**

Debt Rate Base  
For the period from 1995 through 2011  
(000's)

Schedule 3

Schedule 3

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Debt Portion of Gross Carrier Property-BOY	\$18,287	\$18,287	\$18,287	\$18,287	\$18,287	\$18,491	\$18,776	\$21,801
2	Debt Portion of Gross Carrier Property Additions	\$0	\$0	\$0	\$0	\$162	\$269	\$2,884	\$107
3	IDC Additions	\$0	\$0	\$0	\$0	\$42	\$16	\$141	\$9
4	Debt Portion of Gross Carrier Property-EOY	\$18,287	\$18,287	\$18,287	\$18,287	\$18,491	\$18,776	\$21,801	\$21,917
5	Less: Debt Portion of Accumulated Depreciation	\$11,750	\$12,674	\$13,597	\$14,521	\$15,485	\$16,539	\$16,738	\$16,943
6	Accumulated IDC Depreciation	\$41	\$45	\$49	\$54	\$69	\$89	\$97	\$104
7	Debt Portion of Net Carrier Property	\$6,496	\$5,568	\$4,640	\$3,712	\$2,937	\$2,148	\$4,966	\$4,870
8	Working Capital	\$0	\$0	\$0	\$0	\$125	\$125	\$125	\$125
9	Less: Debt Portion of ADIT	\$2,850	\$2,453	\$2,055	\$1,657	\$1,245	\$799	\$805	\$852
10	Debt Rate Base	\$3,646	\$3,115	\$2,585	\$2,056	\$1,818	\$1,474	\$4,286	\$4,143
11	Average Debt Rate Base	\$3,912	\$3,381	\$2,850	\$2,320	\$1,937	\$1,646	\$2,880	\$4,215

**OLIKTOK PIPELINE COMPANY**

Equity Rate Base  
For the period from 1995 through 2011  
(000's)

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Equity Portion of Gross Carrier Property-BOY	\$16,020	\$16,020	\$16,020	\$16,020	\$16,020	\$16,337	\$16,599	\$19,362
2	Equity Portion of Carrier Property Additions	\$0	\$0	\$0	\$0	\$141	\$235	\$2,516	\$93
3	Equity Portion of Gross AFUDC Additions	\$0	\$0	\$0	\$0	\$176	\$27	\$246	\$17
4	Equity Portion of Gross Carrier Property-EOY	\$16,020	\$16,020	\$16,020	\$16,020	\$16,337	\$16,599	\$19,362	\$19,471
5	Less: Equity Portion Accumulated Depreciation	\$10,254	\$11,060	\$11,866	\$12,672	\$13,513	\$14,433	\$14,607	\$14,785
6	Accumulated Equity AFUDC Depreciation	\$70	\$78	\$86	\$94	\$145	\$206	\$221	\$236
7	Equity Portion of Net Carrier Property	\$5,696	\$4,882	\$4,069	\$3,255	\$2,679	\$1,961	\$4,534	\$4,450
8	Working Capital	\$0	\$0	\$0	\$0	\$125	\$125	\$125	\$125
9	Less: Equity Portion of ADIT	\$2,487	\$2,141	\$1,794	\$1,446	\$1,086	\$697	\$702	\$744
10	Equity Rate Base	\$3,209	\$2,742	\$2,275	\$1,809	\$1,718	\$1,389	\$3,957	\$3,832
11	Average Equity Rate Base	\$3,443	\$2,975	\$2,508	\$2,042	\$1,763	\$1,553	\$2,673	\$3,895

**OLIKTOK PIPELINE COMPANY**  
 Return on Equity and Debt Rate Base  
 For the period from 1995 through 2011  
 (000's)

Schedule 5

Schedule 5

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Average Equity Rate Base	\$3,443	\$2,975	\$2,508	\$2,042	\$1,763	\$1,553	\$2,673	\$3,895
2	Equity Rate of Return	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%
3	Return on Equity Rate Base	\$547	\$473	\$399	\$325	\$280	\$247	\$425	\$619
4	Average Debt Rate Base	\$3,912	\$3,381	\$2,850	\$2,320	\$1,937	\$1,646	\$2,880	\$4,215
5	Cost of Debt	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%
6	Return on Debt Rate Base	\$317	\$274	\$231	\$188	\$157	\$133	\$233	\$341

**OLIKTOK PIPELINE COMPANY**  
 Depreciation of AFUDC  
 For the period from 1995 through 2011  
 (000's)

Schedule 6

Schedule 6

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Depreciation Factor	12.50%	14.29%	16.67%	20.00%	25.00%	33.33%	4.00%	4.17%
2	Net Equity AFUDC (BOY)	\$62	\$54	\$46	\$39	\$31	\$155	\$122	\$353
3	Equity AFUDC Additions	\$0	\$0	\$0	\$0	\$176	\$27	\$246	\$17
4	Current Period Equity AFUDC Depreciation	\$8	\$8	\$8	\$8	\$52	\$61	\$15	\$15
5	Net Equity AFUDC (EOY)	\$54	\$46	\$39	\$31	\$155	\$122	\$353	\$354
6	Accumulated Equity AFUDC Depreciation	\$70	\$78	\$86	\$94	\$145	\$206	\$221	\$236
7	Net IDC (BOY)	\$36	\$31	\$27	\$22	\$18	\$45	\$41	\$174
8	IDC Additions	\$0	\$0	\$0	\$0	\$42	\$16	\$141	\$9
9	Current Period IDC Depreciation	\$4	\$4	\$4	\$4	\$15	\$20	\$7	\$8
10	Net IDC (EOY)	\$31	\$27	\$22	\$18	\$45	\$41	\$174	\$176
11	Accumulated IDC Depreciation	\$41	\$45	\$49	\$54	\$69	\$89	\$97	\$104

**OLIKTOK PIPELINE COMPANY**  
 Determination of Depreciation Rates  
 For the period from 1995 through 2011  
 (000's)

Schedule 7

Schedule 7

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Remaining Life (Yrs)	8.00	7.00	6.00	5.00	4.00	3.00	25.00	24.00
2	Remaining Life Depreciation Factor	12.50%	14.29%	16.67%	20.00%	25.00%	33.33%	4.00%	4.17%
3	Straight Line Collection Schedule DR&R	6.19%	6.19%	6.19%	6.19%	6.19%	-136.08%	6.19%	148.45%
1/	Remaining life adjusted to reflect a 25 year life in 201								

**OLIKTOK PIPELINE COMPANY**  
Determination of Depreciation Expense  
For the period from 1995 through 2011  
(000's)

Schedule 8

Schedule 8

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Depreciation Factor	12.50%	14.29%	16.67%	20.00%	25.00%	33.33%	4.00%	4.17%
2	Net Carrier Property (BOY)	\$13,837	\$12,107	\$10,378	\$8,648	\$6,918	\$5,416	\$3,947	\$8,973
3	Additions to CPIS	\$0	\$0	\$0	\$0	\$303	\$504	\$5,400	\$200
4	Current Period Depreciation	\$1,730	\$1,730	\$1,730	\$1,730	\$1,805	\$1,973	\$374	\$382
5	Net Carrier Property (EOY)	\$12,107	\$10,378	\$8,648	\$6,918	\$5,416	\$3,947	\$8,973	\$8,791
6	Accumulated Depreciation (EOY)	\$22,004	\$23,734	\$25,463	\$27,193	\$28,998	\$30,972	\$31,345	\$31,728
7	Equity Portion of Accumulated Depreciation	\$10,254	\$11,060	\$11,866	\$12,672	\$13,513	\$14,433	\$14,607	\$14,785
8	Debt Portion of Accumulated Depreciation	\$11,750	\$12,674	\$13,597	\$14,521	\$15,485	\$16,539	\$16,738	\$16,943

**OLIKTOK PIPELINE COMPANY**  
 Depreciation of TEFRA Adjustment  
 For the period from 1995 through 2011  
 (000's)

Schedule 9

Schedule 9

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Current TEFRA Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	TEFRA Adjustment Balance (BOY)	\$602	\$527	\$452	\$376	\$301	\$226	\$151	\$145
3	Depreciation Factor	12.50%	14.29%	16.67%	20.00%	25.00%	33.33%	4.00%	4.17%
4	Depreciation of TEFRA Adjustment	\$75	\$75	\$75	\$75	\$75	\$75	\$6	\$6
5	TEFRA Adjustment Balance (EOY)	\$527	\$452	\$376	\$301	\$226	\$151	\$145	\$139

**OLIKTOK PIPELINE COMPANY**  
**Income Tax Allowance**  
**For the period from 1995 through 2011**

Schedule 10

Schedule 10

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Return on Equity Rate Base	\$547	\$473	\$399	\$325	\$280	\$247	\$425	\$619
2	Equity AFUDC Depreciation	\$8	\$8	\$8	\$8	\$52	\$61	\$15	\$15
3	Depreciation of TEFRA Adjustment	\$75	\$75	\$75	\$75	\$75	\$75	\$6	\$6
4	Depreciation of FAS 71 Adjustment	(\$144)	(\$144)	(\$144)	(\$144)	(\$144)	(\$144)	(\$12)	(\$12)
5	Federal Taxable Income	\$486	\$412	\$338	\$263	\$263	\$239	\$434	\$629
6	Net to Tax Multiplier, Federal Taxes	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%	53.85%
7	Federal Income Tax Allowance	\$262	\$222	\$182	\$142	\$142	\$129	\$234	\$339
8	Depreciation of FAS 71 Adjustment	(\$144)	(\$144)	(\$144)	(\$144)	(\$144)	(\$144)	(\$12)	(\$12)
9	Net Federal Income Tax Allowance	\$118	\$78	\$38	(\$2)	(\$3)	(\$16)	\$222	\$327
10	Return on Equity Rate Base	\$547	\$473	\$399	\$325	\$280	\$247	\$425	\$619
11	Equity AFUDC Depreciation	\$8	\$8	\$8	\$8	\$52	\$61	\$15	\$15
12	Net Federal Income Tax Allowance	\$118	\$78	\$38	(\$2)	(\$3)	(\$16)	\$222	\$327
13	State Taxable Income	\$673	\$558	\$444	\$330	\$329	\$292	\$662	\$962
14	Net to Tax Multiplier, State Taxes Rate	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%
15	State Income Tax Allowance	\$70	\$58	\$46	\$34	\$34	\$30	\$69	\$100
16	Total Income Tax Allowance	\$187	\$135	\$84	\$32	\$32	\$15	\$291	\$427

**OLIKTOK PIPELINE COMPANY**  
 Accumulated Deferred Income Taxes  
 For the period from 1995 through 2011

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
State Book Deductions:									
1	Total Book Depreciation Including AFUDC	\$1,742	\$1,742	\$1,742	\$1,742	\$1,872	\$2,054	\$396	\$405
2	Less: Equity AFUDC Depreciation	\$8	\$8	\$8	\$8	\$52	\$61	\$15	\$15
3	Net Book Depreciation Subject to State and Federal Timing Differences	\$1,734	\$1,734	\$1,734	\$1,734	\$1,820	\$1,994	\$381	\$390
4	Total State Tax Depreciation	\$217	\$194	\$158	\$135	\$148	\$134	\$267	\$771
5	State Depreciation Pre '94 assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	State Tax Timing Differences	(\$1,517)	(\$1,540)	(\$1,576)	(\$1,599)	(\$1,672)	(\$1,860)	(\$1,114)	\$381
7	State Tax Effect	(\$143)	(\$145)	(\$148)	(\$150)	(\$157)	(\$175)	(\$11)	\$36
8	State ADIT Balance	\$1,062	\$917	\$769	\$619	\$462	\$287	\$276	\$312
Federal Book Deductions:									
9	Book Depreciation	\$1,734	\$1,734	\$1,734	\$1,734	\$1,820	\$1,994	\$381	\$390
10	Less: Depreciation of TEFRA Adjustment	\$75	\$75	\$75	\$75	\$75	\$75	\$6	\$6
11	Net Book Depreciation Subject to State and Federal Timing Differences	\$1,659	\$1,659	\$1,659	\$1,659	\$1,745	\$1,918	\$375	\$384
12	Federal Tax Depreciation	\$217	\$217	\$217	\$217	\$247	\$270	\$459	\$603
13	Tax Effect of State Timing Differences	(\$143)	(\$145)	(\$148)	(\$150)	(\$157)	(\$175)	(\$11)	\$36
14	Total Federal Tax Deductions	\$360	\$362	\$365	\$367	\$404	\$444	\$470	\$567
15	Federal Depreciation Pre '94 assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Federal Tax Timing Differences	(\$1,299)	(\$1,297)	(\$1,294)	(\$1,291)	(\$1,341)	(\$1,474)	\$95	\$183
17	Federal Tax Effect	(\$455)	(\$454)	(\$453)	(\$452)	(\$469)	(\$516)	\$33	\$64
18	FASB 96/109 Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Basis	\$1,010	\$865	\$721	\$577	\$433	\$288	\$277	\$265
20	Depreciation of FASB 96/109 Adjustment	\$144	\$144	\$144	\$144	\$144	\$144	\$12	\$12
21	Federal ADIT Balance	\$4,275	\$3,677	\$3,080	\$2,483	\$1,870	\$1,209	\$1,231	\$1,284
22	Total State And Federal ADIT Balances	\$5,337	\$4,594	\$3,849	\$3,102	\$2,331	\$1,497	\$1,507	\$1,596

1/ When tax rate changes, cumulative Ln.16 \* change in

**OLIKTOK PIPELINE COMPANY**  
**Calculation of Federal and State Tax Depreciation**  
**For the period from 1995 through 2011**

Schedule 12

Schedule 12

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	State Tax Depreciation Factor	5.90%	5.28%	4.30%	3.68%	3.07%	2.46%	1.84%	1.84%
2	Tax Basis for State Tax Depreciation	\$0	\$0	\$0	\$0	\$345	\$520	\$5,541	\$209
3	Depreciation - 1995 Assets	\$187	\$167	\$136	\$117	\$97	\$78	\$58	\$58
4	Depreciation - 1996 Assets	\$30	\$27	\$22	\$19	\$16	\$13	\$9	\$9
5	Depreciation - 1997 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Depreciation - 1998 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Depreciation - 1999 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Depreciation - 2000 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Depreciation - 2001 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Depreciation - 2002 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Depreciation - 2003 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Depreciation - 2004 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Depreciation - 2005 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Depreciation - 2006 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Depreciation - 2007 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Depreciation - 2008 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Depreciation - 2009 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Depreciation - 2010 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Depreciation - 2011 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Total State Tax Depreciation	\$217	\$194	\$158	\$135	\$148	\$134	\$267	\$771
21	Federal Tax Depreciation Factor-MACRS	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	2.96%	0.00%
22	Tax Basis for Federal Tax Depreciation	\$0	\$0	\$0	\$0	\$345	\$520	\$5,541	\$209
23	Depreciation - 1995 Assets	\$187	\$187	\$187	\$187	\$187	\$187	\$94	\$0
24	Depreciation - 1996 Assets	\$30	\$30	\$30	\$30	\$30	\$30	\$15	\$0
25	Depreciation - 1997 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Depreciation - 1998 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Depreciation - 1999 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Depreciation - 2000 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Depreciation - 2001 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Depreciation - 2002 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	Depreciation - 2003 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Depreciation - 2004 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Depreciation - 2005 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	Depreciation - 2006 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Depreciation - 2007 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Depreciation - 2008 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	Depreciation - 2009 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Depreciation - 2010 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Depreciation - 2011 Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	Total Federal Tax Depreciation	\$217	\$217	\$217	\$217	\$247	\$270	\$459	\$603

**OLIKTOK PIPELINE COMPANY**  
 Determination of Net Carryover  
 For the period from 1995 through 2011

Schedule 13

Schedule 13

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	Revenues Collected	\$4,477	\$2,422	\$6,485	\$6,178	\$5,319	\$7,824	\$7,582	\$0
2	Revenue Requirement	\$4,595	\$5,166	\$8,506	\$8,661	\$9,370	\$10,828	\$9,537	\$0
3	Under (Over) Collection	\$118	\$2,744	\$2,021	\$2,483	\$4,051	\$3,004	\$1,955	\$0
4	Interest Rate	5.56%	5.56%	5.56%	5.56%	3.74%	1.09%	0.21%	0.00%
5	Interest on Over(under) Collection	\$7	\$153	\$112	\$138	\$152	\$33	\$4	\$0
6	Net Carryover	\$125	\$2,897	\$2,133	\$2,621	\$4,202	\$3,037	\$1,959	\$0

**OLIKTOK PIPELINE COMPANY**

Calculation of AFUDC  
For the Period from October 1994 through October 1995  
(000's)

Line No.	Description	2004	2005	2006	2007	2008	2009	2010	2011
1	CWIP Balance	\$0	\$0	\$0	\$0	\$303	\$832	\$4,650	\$0
2	Property Additions	(\$1,266)	(\$1,266)	(\$1,266)	(\$1,266)	(\$1,266)	\$736	\$1,065	\$315
3	Beginning of the Period Balance	(\$1,266)	(\$1,266)	(\$1,266)	(\$1,266)	(\$963)	\$1,569	\$5,715	\$315
4	End of the Period Balance	\$0	\$0	\$0	\$0	\$303	\$504	\$5,400	\$200
5	Transfer from CWIP	(\$1,266)	(\$1,266)	(\$1,266)	(\$1,266)	(\$1,266)	\$1,065	\$315	\$115
6	Equity Capital Structure	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%
7	Debt Capital Structure	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%
8	Equity Rate of Return	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%
9	Debt Rate of Return	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%
<b>Debt Portion of Property - Including IDC</b>									
10	Beginning Balance	(\$1,281)	(\$1,385)	(\$1,497)	(\$1,618)	(\$1,749)	\$393	\$602	\$178
11	Additions	\$0	\$0	\$0	\$0	\$162	\$444	\$2,483	\$0
12	Interest Rate	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%	8.09%
13	Interest	(\$103.7)	(\$112.1)	(\$121.1)	(\$130.9)	(\$135.0)	\$49.8	\$149.2	\$14.4
14	Transfers-IDC	\$0	\$0	\$0	\$0	\$42	\$16	\$141	\$9
15	Transfers-Property	\$0	\$0	\$0	\$0	\$499	\$269	\$2,916	\$113
16	Ending Balance	(\$1,385)	(\$1,497)	(\$1,618)	(\$1,749)	(\$2,264)	\$602	\$178	\$70
<b>Equity Portion of Property - Including AFUDC</b>									
17	Beginning Balance	(\$1,985)	(\$2,301)	(\$2,666)	(\$3,090)	(\$3,582)	\$343	\$554	\$164
18	Additions	\$0	\$0	\$0	\$0	\$141	\$388	\$2,167	\$0
19	Interest Rate	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%	15.90%
20	Interest	(\$315.6)	(\$365.8)	(\$423.9)	(\$491.4)	(\$558.3)	\$85.4	\$260.4	\$26.1
21	Transfers- Equity AFUDC	\$0	\$0	\$0	\$0	\$176	\$27	\$246	\$17
22	Transfers-Property	\$0	\$0	\$0	\$0	\$1,082	\$235	\$2,571	\$104
23	Ending Balance	(\$2,301)	(\$2,666)	(\$3,090)	(\$3,582)	(\$5,256)	\$554	\$164	\$69

1/ Quarterly Interest Through 1995, annual thereafter  
2/ Corrected formula for 2009 forward so that reference i