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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Robert A. Doyle, Chairman
John Espindola
Keith Kurber II
Robert M. Pickett

In the Matter of the Petition Filed by OLIKTOK) P-24-007
PIPELINE COMPANY for Acceptance of a)
Settlement Agreement Regarding Rates and Rate) ORDER NO. 2
Methodology for the Oliktok Pipeline)

**ORDER GRANTING PETITION, ACCEPTING SETTLEMENT
AGREEMENT, APPROVING TARIFF SHEET, AND CLOSING DOCKET**

BY THE COMMISSION:

Summary

We grant the petition filed by Oliktok Pipeline Company, accept a settlement agreement establishing a methodology under which transportation rates will be calculated, and approve a tariff sheet. We close this docket.

Background

On April 19, 2024, Oliktok Pipeline Company (Oliktok) filed a petition requesting acceptance of a settlement agreement that establishes a tariff methodology applicable to rates for the transportation of natural gas on the Oliktok Pipeline (Petition).¹ The Petition included a copy of the settlement agreement, executed by Oliktok and shippers—ASRC Consulting & Environmental Services, LLC and ConocoPhillips Alaska, Inc.—(Settlement Agreement) and a tariff sheet with proposed transportation rates

¹*Petition for Acceptance of Settlement Agreement and Approval of Tariff Sheet*, filed April 19, 2024.

1 reflecting the tariff methodology established in the Settlement Agreement.² Decision on
2 the Petition, including acceptance of the Settlement Agreement and approval of the tariff
3 sheet reflecting natural gas transportation rates calculated under the Settlement
4 Agreement was requested with an effective date of May 1, 2024.

5 We issued public notice of the Petition, Settlement Agreement, and
6 proposed rates calculated under the Settlement Agreement on April 25, 2024, with
7 comments due by May 15, 2024. We received no comments, protests, or petitions to
8 intervene in this proceeding.

9 Discussion

10 Oliktok holds Certificate of Public Convenience and Necessity (Certificate)
11 No. 334 authorizing the ownership and operation of the Oliktok Pipeline. The Oliktok
12 Pipeline is a 16-inch diameter pipeline with one terminus located at Central Processing
13 Facility No. 1 (CPF-1) in the Kuparuk River Unit (KRU) and another terminus located at
14 Skid 50 in the Prudhoe Bay Unit (PBU), near Pump Station 1 of the Trans Alaska Pipeline
15 System (TAPS).³

25 ²Settlement Agreement Oliktok Pipeline Company, dated April 1, 2024.

26 ³Petition at 2; Settlement Agreement, Attachment 1.

1 The Oliktok Pipeline originally provided natural gas transportation service
2 from the KRU to the PBU for use as fuel gas for operations in the PBU.⁴ However, Oliktok
3 subsequently transitioned from transportation of natural gas to transportation of natural
4 gas liquids (NGLs) and reversed the direction of transportation—transporting NGLs from
5 the PBU to the KRU for injection into the KRU reservoir to enhance the recovery of
6 marketable oil.⁵

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9 ⁴The facilities now known as the Oliktok Pipeline were originally used by Kuparuk
10 Pipeline Company to transport oil from the Kuparuk development on the North Slope to
11 TAPS under Certificate No. 307. Order P-80-001(5), *Order Issuing Certificate of Public*
12 *Convenience and Necessity*, dated July 3, 1980. In 1982, we authorized Kuparuk
13 Pipeline Company to replace its facilities with a larger diameter line capable of
14 transporting anticipated increased throughput from the KRU’s second Central Production
15 Facility. Order P-82-005(3), *Order Granting Temporary Certificate of Public Convenience*
16 *and Necessity to Kuparuk Pipeline Company and Kuparuk Transportation Company*,
17 dated May 11, 1983; Order P-82-005(5), *Order Modifying and Adopting Decision of*
18 *Administrative Law Judge; Approving Application to Amend Certificate; Changing Certain*
19 *Terms and Conditions of Certificate; Approving Transfer of Operating Authority from*
20 *Kuparuk Pipeline Company to Kuparuk Pipeline Company and Kuparuk Transportation*
21 *Company Jointly and Subsequently to Kuparuk Transportation Company Individually;*
22 *Summarily Approving Change of Ownership Interests in Kuparuk Transportation*
23 *Company; Allocating Costs; and Closing Docket*, dated October 17, 1984. Shortly
24 thereafter, we authorized the old Kuparuk Pipeline Company facilities to be acquired and
25 used by Oliktok to transport natural gas and issued Certificate No. 334. Order
26 P-84-003(1), *Order Granting Temporary Certificate of Public Convenience and Necessity;*
Suspending Operation of Initial Tariff; Allowing Collection of Filed Rate as Revised;
Instituting Investigation into the Justness and Reasonableness of Initial Tariff; Requiring
Prefiling of Testimony in Support of Application for Permanent Certificate of Public
Convenience and Necessity and Initial Tariff, as Revised, dated April 26, 1985, at 2. The
Oliktok Pipeline and the Kuparuk Pipeline rest on the same vertical support members and
the Oliktok Pipeline follows the same route as the Kuparuk Pipeline.

⁵Order P-84-003(11)/P-95-005(2), *Order Affirming Oral Grant of Temporary*
Certificate of Public Convenience and Necessity to Operate a Pipeline for the
Transportation of Natural Gas and Natural Gas Liquids and Providing that Certificate Will
Become Permanent on December 1, 1995, with Conditions; Affirming Oral Grant of
Temporary Rate Identical to Filed Rate and Temporary Rules Identical to Filed Rules and
Providing that Rate and Rules Will Become Permanent on December 1, 1995, in the
Absence of Protest; Accepting Settlement of Future Rates as of December 1, 1995, in the
Absence of Objections; Requiring Oliktok Pipeline Company to Notify Prospective
Shippers and the State of Alaska of This Order; and Allocating Costs in and Closing
Docket P-84-3, dated November 9, 1995, at 6-7.

1 Since Oliktok reversed the direction of transportation, additional connection
2 points on the Oliktok Pipeline have been established. In 2003, we approved the
3 connection of the Oliktok Pipeline with the Milne Point Products Pipeline.⁶ The purpose
4 of connection was to provide fuel for enhanced oil recovery in the Milne Point Unit.⁷ In
5 2023, we approved the connection of the Oliktok Pipeline with a project operated by
6 ASRC Consulting & Environmental, LLC. The purpose of the connection is to provide
7 supplemental fuel for the Gas Hydrates Project.⁸ And, recently, we approved the
8 connection of the Oliktok Pipeline with the Gas Spur Pipeline owned and operated by Oil
9 Search (Alaska), LLC (Oil Search (Alaska)). The purpose of the Gas Spur Pipeline is to
10 support fuel gas needs for both operations at Oil Search (Alaska)'s Seawater Treatment
11 Plant in the KRU and to support Oil Search (Alaska)'s facilities in the Pikka Unit.⁹

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14 ⁶Order P-01-007(2), *Order Granting Connection Permit, Approving Connection Agreement, Allocating Costs and Closing Docket*, dated May 6, 2003.

15 ⁷Order P-01-004(4), *Order Granting Certificate of Public Convenience and Necessity; Granting Requests to Keep Records Outside the State of Alaska; Admitting Evidence; and Requiring Filing of Initial Tariffs*, dated May 15, 2001.

16 The Milne Point Product Pipeline no longer transports NGLs or natural gas.
17 Certificate No. 638 which authorized the Milne Point Product Pipeline to operate has been
18 revoked and that pipeline facility is now backup to the Milne Point Oil Pipeline. The Milne
19 Point Oil Pipeline and its backup pipeline are authorized to transport crude oil under
20 Certificate No. 329. Order P-21-011(2), *Order Granting Application, Finding Use of the Milne Point Product Pipeline Not Required for the Public Convenience and Necessity, Revoking Certificate of Public Convenience and Necessity No. 638, Issuing Permit for Enlargement of the Milne Point Oil Pipeline, Amending Certificate of Public Convenience and Necessity No. 329, and Requiring Filings*, dated May 16, 2022, as corrected by *Errata Notice to Order P-21-011(2)*, dated May 17, 2022.

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22 ⁸Order P-22-012(1)/P-22-013(1), *Order Approving Application for Connection Permit, Issuing Connection Permit, Granting Request for Approval of Connection Agreement, Approving Connection Agreement, Requiring Filing, Addressing Timeline for Decision, Designating Commission Panel, and Appointing Administrative Law Judge*, dated March 1, 2023, at 10 n.36.

23
24 ⁹Order P-23-009(2)/P-23-010(2), *Order Approving Application for Connection Permit, Issuing Connection Permit, Granting Request for Approval of Connection Agreement, Approving Connection Agreement, and Requiring Filings*, dated January 5, 2024, at 7.

1 Oliktok is authorized to transport either natural gas or NGLs; however,
2 transportation of one commodity (i.e., natural gas) is mutually exclusive from
3 transportation of the other commodity (i.e., NGLs). Based on the current needs of its
4 shippers, Oliktok presently transports natural gas on the Oliktok Pipeline.

5 Proposed Variable Tariff Methodology

6 The Settlement Agreement establishes the Oliktok Settlement Methodology
7 (2024 OSM).¹⁰ The 2024 OSM is a variable tariff methodology used to calculate
8 maximum annual rates for the transportation of natural gas. Under the 2024 OSM, a total
9 cost of service is calculated for each year. The total cost of service includes operating
10 expense, depreciation expense, equity allowance for funds used during construction
11 amortization, interest during construction amortization, return on rate base, and income
12 tax allowance. Also included within that total cost of service is a net carryover. The net
13 carryover is a mechanism that ensures that Oliktok collects no more and no less than the
14 cost of service to which it is entitled under the 2024 OSM by adjusting each year's total
15 cost of service by over and under collections from the prior year.¹¹

16 The total cost of service is allocated to each type of transportation, which is
17 based on the point at which gas is received into the Oliktok Pipeline and the point at which
18 gas is delivered out of the Oliktok Pipeline.¹² The total cost of service is divided between

20 ¹⁰In 2015, we accepted a settlement methodology for the transportation of natural
21 gas on the Oliktok Pipeline. Order P-15-006(3), *Order Accepting Settlement Agreement,*
22 *Accepting Past Rates, Vacating Tariff Suspension, Approving Tariff Sheet, and Closing*
23 *Docket*, dated December 30, 2015. This settlement methodology remained in effect until
such time that the Oliktok Pipeline transitioned from the transportation of natural gas to
the transportation of NGLs. We distinguish the two methodologies applicable to the
transportation of natural gas as the 2015 OSM and the 2024 OSM.

24 ¹¹Settlement Agreement at 7 (Section II-3. Total Cost of Service).

25 ¹²Presently, the Oliktok Pipeline has two types of transportation. Gas is received
26 into the Oliktok Pipeline and transportation begins at Skid 50 in the PBU. The first delivery
point is the CPF-1 in the KRU and the second delivery point is the Gas Hydrates Project.
Petition at 7; Tariff Sheet No. 37. See *also* n.8.

1 those costs that are distance related and those costs that are non-distance related.
2 Distance related costs are allocated based on throughput and the transportation distance.
3 Non-distance related costs are allocated based solely on throughput. The total cost of
4 service allocated to each type of transportation, including both distance related and non-
5 distance related costs, is then divided by the throughput for that type of transportation to
6 establish the applicable maximum rate.¹³

7 By December 1 of each year Oliktok will calculate maximum rates under the
8 2024 OSM and will file revised transportation rates for the forthcoming calendar year.¹⁴
9 On or before that date, Oliktok will provide its shippers with the data and electronic model
10 used to calculate the maximum rates. During the first 30 days after filing of revised
11 transportation rates, shippers and Oliktok may engage in discussions and address any
12 issues related to the calculation of maximum rates under the 2024 OSM. If at the end of
13 the 30-day period, Oliktok and shippers are unable to resolve any questions or issues
14 pertaining to maximum rates for the next calendar year, then shippers may protest or
15 challenge the filing.¹⁵

16 The term of the Settlement Agreement will begin on the date of our
17 acceptance and will continue so long as Oliktok is transporting natural gas on the Oliktok
18 Pipeline. Any new shipper who is not currently a party to the Settlement Agreement has
19 an opportunity to become a party to the agreement.¹⁶ And, any party may terminate the
20 Settlement Agreement by giving six months' notice.¹⁷

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23 ¹³Settlement Agreement at 7 (Section II-1. Maximum Rates).

24 ¹⁴Settlement Agreement at 3 (Section I-4. Tariff Rates).

25 ¹⁵Settlement Agreement at 4-5 (Section I-5. Provision of Information).

26 ¹⁶Settlement Agreement at 28 (Section III-3. Parties in Interest).

¹⁷Settlement Agreement at 26 (Section III-1. Terms of the Agreement).

1 Standard of Review

2 The Commission has historically handled settlement agreements filed by
3 pipeline carriers and shippers that establish variable tariff methodologies within the
4 procedural framework established by our regulations for stipulations.¹⁸ Our regulations
5 at 3 AAC 48.090(d)(2) and 3 AAC 48.166 address stipulations. Under 3 AAC 48.166
6 parties to a proceeding may stipulate to the disposition of a proceeding or to the
7 disposition of outstanding issues by filing a written agreement. Under 3 AAC 48.090(d)(2)
8 a proceeding may be terminated by the filing of a stipulation by “all parties of record”
9

10 ¹⁸Order P-20-005(4), *Order Granting Expedited Consideration, Accepting*
11 *Stipulation and Settlement Agreement, and Closing Docket*, dated November 25, 2020
12 (Certificate No. 303); Order P-08-005(10)/P-08-011(11)/P-10-006(4), *Order Accepting*
13 *Settlement Agreement and Closing Docket*, dated July 18, 2011 (Certificate No. 307);
14 Order P-17-005(14), *Order Accepting Settlement Agreement, as Amended and Requiring*
15 *Filing*, dated November 1, 2018 (Order P-17-005(14)) (Certificate No. 309); Order
16 P-95-003(7)/ P-96-003(8)/ P-97-003(7)/ P-98-003(7)/ P-99-003(7)/ P-00-003(8)/
17 P-01-003(7)/ P-02-003(3), *Order Accepting Settlement Agreement, Vacating Suspension*
18 *of Rates, Affirming Suspension of 2002 Rates, Allocating Costs, and Closing Dockets*
19 *P-95-3, P-96-3, P-97-3, P-98-3, P-00-3, and P-01-3*, dated December 26, 2002 (Order
20 P-95-003(7)) (Certificate No. 329); Order P-95-002(8)/ P-96-002(6)/ P-97-002(6)/
21 P-98-002(6)/ P-98-011(4)/ P-99-002(6)/ P-00-002(7)/ P-01-002(7)/ P-02-002(6)/
22 P-03-002(5)/ P-04-002(3), *Order Accepting Amendment to Settlement Agreement,*
23 *Establishing Permanent Rates for 1995-2003 Subject to Refund of DR&R*
24 *Overcollections, Establishing Requirements for Future Rate Filings, Allocating Costs and*
25 *Closing Dockets*, dated August 17, 2004 (Certificate No. 392); Order P-98-012(5)/
26 P-99-001(8)/ P-00-001(9)/ P-01-001(8)/ P-02-001(7)/ P-03-001(4), *Order Accepting*
Settlement, Vacating Suspension of 1999-2003 Rates, Establishing Requirements for
Future Rate Filings, Requiring Filings, Affirming Use of Depreciation Collected, Allocating
Costs, and Closing Dockets, dated June 22, 2004 (Certificate No. 524); Order
P-00-015(11), *Order Accepting Settlement Agreement; Vacating Suspension of Initial*
Rate; Requiring Filing of Yearly Rates; Waiving Submission of Supporting Information
Under 3 AAC 48.275, dated December 5, 2001 (Certificate No. 538); Order
P-00-019(43)/P-01-011(33), *Order Accepting Settlement Agreement, Vacating*
Suspension of 2001 – 2008 Rates, Affirming Suspension of 2009 Rates, Requiring Filing
of Yearly Rates, Waiving Submission of Supporting Information, Ordering Refunds, and
Closing Docket P-01-011, dated October 27, 2009 (Order P-00-019(43)/P-01-011(33))
(Certificate No. 604); Order P-16-004(4), *Order Accepting Settlement Agreement,*
Approving Tariff Sheets, Requiring Filing, and Vacating Suspension of TL35-668, dated
February 16, 2017 (Certificate No. 668); Order P-18-018(3), *Order Accepting Settlement*
Agreement and Closing Docket, dated August 27, 2019 (Certificate No. 746); and Order
P-15-020(7), *Order Granting Joint Motion, Accepting Agreement, and Requiring Filing,*
dated December 14, 2016 (Certificate No. 752).

1 based on a Commission finding that the public interest does not require the proceeding
2 to be continued.

3 Within this established regulatory framework, the Commission reviews a
4 proposed settlement agreement submitted by pipeline carriers and shippers by examining
5 the parties of record and the public interest. The Commission is not required to accept a
6 proposed settlement agreement, but if the Commission does accept the settlement
7 agreement, then the parties are bound by its terms.

8 Analysis & Decision

9 We discuss our review of the Settlement Agreement below.

10 Parties of Record

11 When presented with a settlement agreement establishing a variable tariff
12 methodology applicable to transportation on a pipeline, the Commission has historically
13 interpreted the “all parties of record” language contained in 3 AAC 48.090(d)(2) as follows:

14 [T]he Commission has found it reasonable to interpret that regulation [3 AAC
15 48.090(d)(2)] as requiring ‘no more than consent, express or presumed, of all
economically impacted parties.’¹⁹

16 The Settlement Agreement has been executed by representatives of Oliktok
17 and its current shippers ASRC Environmental & Consulting, LLC and ConocoPhillips
18 Alaska, Inc. Oliktok and its current shippers are economically impacted parties as Oliktok
19 receives no more than the approved rates for transportation on the Oliktok Pipeline and
20 current shippers pay the approved rates for transportation on the Oliktok Pipeline. Based
21 on the execution by representatives of Oliktok and its current shippers, we find that
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23 _____
24 ¹⁹Order P-94-001(80), *Order Accepting Settlement of Exxon Valdez Litigation and*
25 *Settlement Costs Issue, Subject to Condition, Ordering Refunds with Interest, Requiring*
26 *Reports of Refunds, and Granting Motion of the State of Alaska to Withdraw Its Protests*
and Interventions, dated January 14, 2000, at 10 (citing to Order P-86-002(14), *Order*,
dated May 30, 1987, at 3).

1 Oliktok, ASRC Environmental & Consulting, LLC, and ConocoPhillips Alaska, Inc. have
2 expressly consented to the Settlement Agreement and the 2024 OSM.

3 Other economically impacted persons interested in the Settlement
4 Agreement, the 2024 OSM, transportation rates on the Oliktok Pipeline, and any other
5 issues raised in this proceeding had the opportunity to file comments during the public
6 comment period, file a protest, or intervene in this docket.²⁰ No comments were received
7 by the Commission, no protests were filed, and no persons petitioned to intervene in this
8 proceeding. Based on these facts, we presume the consent of any other persons that
9 may be economically impacted by our acceptance of the Settlement Agreement,
10 implementation of the 2024 OSM, and the transportation rates reflecting acceptance of
11 the 2024 OSM.

12 With our findings establishing the express and presumed consent of all
13 economically impacted parties, we conclude that the Settlement Agreement has been
14 filed by all parties of record.

15 *Public Interest*

16 In deciding whether to accept a comprehensive, long-term settlement
17 agreement establishing a variable tariff methodology, we consider both the present and
18 the future public interest.²¹ This type of settlement agreement not only establishes current
19 transportation rates but requires the pipeline carrier to change rates every year,
20 potentially far into the future. The purpose of entering into such a multi-year settlement
21 is to obviate the need for rate cases²² during the term of the settlement. And, as we have

22 _____
23 ²⁰Our regulation at 3 AAC 48.110 addresses intervention and requires a person
24 filing a petition to intervene to demonstrate, in part, the nature and extent of its property,
25 financial, or other interest in the subject matter of the proceeding.

26 ²¹Order P-00-019(43)/P-01-011(33) at 12.

²²We use the term “rate cases” to refer to the filing of an “interim or permanent tariff
revision that involves a change in rate to the customers” of a pipeline carrier under
3 AAC 48.275.

1 previously observed, there are significant costs to the pipeline carrier, interested persons
2 including shippers, and the Commission if rates are fully adjudicated. These significant
3 costs include time, financial expense, and allocation of resources.²³

4 Currently economically impacted and interested persons are sufficiently
5 protected by the ability to participate in this proceeding and we observe that no currently
6 interested person has expressed a desire to litigate the Settlement Agreement. Future
7 economically impacted and interested persons, such as future shippers are also protected
8 by their ability to challenge future rates calculated under the variable tariff methodology
9 established in a settlement agreement. This is because a settlement agreement accepted
10 by us is only binding on those persons who have signed the settlement agreement. Each
11 new annual rate calculated under a variable tariff methodology is a revised tariff filing
12 under AS 42.06.400, and a revised tariff filing is subject to the same standards and
13 procedures to which it would have been subject if the settlement agreement had not been
14 accepted.²⁴

15 Based on the protections afforded to currently economically impacted and
16 interested persons, the procedures in place under AS 42.06.400 to protect future
17 economically impacted and interested persons, and the avoided costs associated with
18 rate cases, we conclude that the public interest does not require this proceeding to be
19 continued.

20 Decision

21 The record in this proceeding is not adequate to determine whether rates
22 calculated under the 2024 OSM are just and reasonable. However, we have previously
23 found that economically impacted and interested persons, including North Slope oil

24 _____
25 ²³Order P-17-005(14) at 24.

26 ²⁴AS 42.06.400(d) reads, "One who initiates a change in existing tariffs bears the
burden of proving the reasonableness of the change."

1 produces, shippers, and royalty owners, are a finite, largely unchanging, group of
2 sophisticated business entities capable of protecting their own economic interests in
3 pipeline rates through direct participation in regulatory proceedings.²⁵ With our findings
4 that all parties of record have consented to the Settlement Agreement establishing the
5 2024 OSM and that the public interest does not require this proceeding to be continued,
6 we grant the Petition and accept the Settlement Agreement. We accept the Settlement
7 Agreement subject to the express condition that no issue should be considered to have
8 been finally determined or adjudicated by virtue of our acceptance and that this order may
9 not be used as precedent in any other proceeding except as specifically provided in the
10 Settlement Agreement.

11 Tariff Sheets

12 Because we accept the Settlement Agreement and the variable tariff
13 methodology established therein, we approve the tariff sheet submitted with the Petition
14 that reflects the transportation rates to existing connections calculated under the 2024
15 OSM. We approve Tariff Sheet No. 37 filed April 19, 2024, with an effective date of May 1,
16 2024. The validated tariff sheet will be returned to Oliktok under separate cover.

17 Final Order

18 This order constitutes the final decision in this proceeding. This decision
19 may be appealed within thirty days of this order in accordance with AS 22.10.020(d) and
20 Alaska Rule of Appellate Procedure 602(a)(2). In addition to the appellate rights afforded
21 by AS 22.10.020(d), a party has the right to file a petition for reconsideration in
22 accordance with 3 AAC 48.105. If such a petition is filed, the time period for filing an
23 appeal is tolled and then recalculated in accordance with Alaska Rule of Appellate
24 Procedure 602(a)(2).

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²⁵Order P-95-003(7) at 6 n.10.

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Docket Closure

With our decision to grant the Petition, accept the Settlement Agreement, and approve Tariff Sheet No. 37, no outstanding substantive or procedural issues remain in this proceeding. Therefore, we close this docket.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The *Petition for Acceptance of Settlement Agreement and Approval of Tariff Sheet*, filed April 19, 2024, by Oliktok Pipeline Company is granted.
2. The *Settlement Agreement Oliktok Pipeline Company* between Oliktok Pipeline Company, ASRC Consulting & Environmental Services, LLC, and ConocoPhillips Alaska, Inc., filed April 19, 2024, is accepted effective May 1, 2024, subject to the express condition that no issue should be considered to have been finally determined or adjudication by virtue of our acceptance.
3. Tariff Sheet No. 37, filed April 19, 2024, by Oliktok Pipeline Company is approved effective May 1, 2024.
4. Docket P-24-007 is closed.

DATED AND EFFECTIVE at Anchorage, Alaska, this 16th day of May, 2024.

BY DIRECTION OF THE COMMISSION



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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert R. Doyle, Chairman
John Espindola
Keith Kurber II
Robert M. Pickett

In the Matter of the Petition filed by OLIKTOK)
PIPELINE COMPANY for Revised Rates for)
Natural Gas Transportation Service)
_____)

P-24- 007

**PETITION FOR ACCEPTANCE OF SETTLEMENT
AGREEMENT AND APPROVAL OF TARIFF SHEET**

Pursuant to AS 42.06.140, 3 AAC 48.090(d)(2), 3 AAC 48.100, 3 AAC 48.200 —
3 AAC 48.442, and Regulatory Commission of Alaska (“Commission”) precedent,¹ Oliktok
Pipeline Company (“OPC”), on behalf of itself and OPC shippers ASRC Consulting &
Environmental Services, LLC (“ACES”) and ConocoPhillips Alaska, Inc. (“CPAI”) (together
“Shippers”) (OPC and Shippers, “Parties”), petitions the Commission for an order (1) accepting
the enclosed Settlement Agreement dated April 1, 2024 (“Settlement Agreement”), and (2)
approving revised Tariff Sheet No. 37 reflecting revised transportation rates calculated under the
Settlement Agreement. OPC requests that the petition and tariff sheet be approved effective for
volumes transported on or after May 1, 2024.² If this petition is granted, OPC requests that its
transportation rate filing currently pending in TL52-334 be withdrawn.

¹ Order No. P-15-005(1) (GVEA-Petro Star Settlement Agreement) (Feb. 13, 2015) and Order
No. P-15-006(3) (OPC-BPXA Settlement Agreement) (Dec. 30, 2015).

² The May 1, 2024, effective date does not require a Commission decision by May 1, 2024.
However, OPC requests that the Commission issue its decision as quickly as is feasible.

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1 **I. Background.**

2 The Oliktok Pipeline is a 16-inch diameter pipeline extending from the Prudhoe
3 Bay Unit (“PBU”), near Pump Station No. 1 of the Trans Alaska Pipeline System (“TAPS”), to
4 Central Processing Facility (“CPF”) No. 1 of the Kuparuk River Unit (“KRU”). OPC is
5 certificated to transport natural gas and natural gas liquids (“NGLs”). *See* Certificate of Public
6 Convenience and Necessity No. 334. OPC transported natural gas from 1985 to 1988. OPC
7 transported NGLs from 1995 to 2014. Transportation rates for NGL service were adjusted
8 annually effective January 1 in accordance with the Oliktok Shippers Rate Agreement (“OSRA”),
9 which was accepted by the Commission in Order No. P-84-003(11)/ P-95-005(2), at 24, Ord. ¶ 10
10 (Nov. 9, 1995).

11
12 Upon request by OPC’s shippers, OPC converted the pipeline from NGL
13 transportation service to natural gas transportation service in 2014 to facilitate natural gas
14 deliveries from the PBU to the KRU (and in the future to the Milne Point Unit (“MPU”)
15 connection). The conversion was addressed in Docket P-13-013. Because the prior OSRA did not
16 apply to natural gas transportation service, the OSRA terminated, and OPC proposed initial rates
17 for natural gas transportation service, which the Commission approved effective
18 September 1, 2014. *See* Order No. P-13-013(2) (Mar. 25, 2014) at 6-7; Letter Order
19 No. L1400376 (Aug. 22, 2014); *see also* Order No. P-23-009(2)/ P-23-010(2) (Jan. 5, 2024) at 5.

20
21 On March 19, 2015, OPC filed TL44-334, requesting changes to its intrastate
22 natural gas transportation rates based on a normalized test year ending December 31, 2014. In
23 May and June 2015, OPC and then-shipper BP Exploration (Alaska) Inc. (“BPXA”) notified the
24 Commission that they were negotiating a settlement agreement to resolve the rate request issues.

1 Order No. P-15-006(3) (Dec. 30, 2015) at 2. On December 2, 2015, OPC and BPXA filed a
2 settlement agreement (“2015 Settlement Agreement”) resolving all rate issues, stipulating to
3 natural gas transportation rates to become effective January 1, 2016, and implementing an Oliktok
4 Settlement Methodology (“2015 OSM”) for annual rate adjustments on January 1 of each year. *Id.*
5 at 2-4.

6 The 2015 OSM was a variable tariff methodology that was very similar to the prior
7 OSRA and other currently effective North Slope pipeline annual rate adjustment methodologies.
8 *See* Notice of Filing of Settlement Agreement, Docket P-15-006 (Dec. 2, 2105) at 2-3. On
9 December 30, 2015, the Commission accepted the 2015 Settlement Agreement in Order
10 No. P-15-006(3), stating:

12 All persons interested in the rates on the Oliktok pipeline or any
13 other issue raised in this proceeding had the opportunity to file
14 comments or intervene in this docket. BPXA, a shipper on the
15 Oliktok pipeline with interests diverse from Oliktok on the
16 pipeline’s transportation rates, is a party to the settlement
17 agreement. The settlement agreement avoids potentially lengthy
18 and costly litigation and will provide regulatory certainty now and
19 in the future through the OSM. As noted by the parties, the
20 settlement agreement and the OSM methodology are similar to
21 numerous other pipeline settlement agreements and rate adjustment
22 methodologies previously accepted by us and currently in effect.

23 Order No. P-15-006(3) at 4-7. Thereafter, OPC’s annual transmission rates were changed in
24 accordance with the 2015 OSM, until the agreement terminated in 2017 due to OPC’s
25 Commission-approved suspension of natural gas transportation service when shippers ceased
26 tendering volumes for transportation. *See* Order No. P-17-001(2) (Aug. 15, 2017) at 1-3.

27 In 2018, shippers requested that OPC convert the pipeline to resume NGL
28 transportation service. TL46-334 (Jul. 17, 2018) at 1. OPC requested approval of Tariff No. 4 to

1 provide tariff provisions for both natural gas and NGL transportation service and new NGL
2 transportation rates. The Commission approved those changes effective August 21, 2018, in Letter
3 Order No. L1800364 (Aug. 20, 2018).

4 In 2021, shippers requested that OPC convert the pipeline to resume natural gas
5 transportation service. On July 1, 2021, OPC requested that the Commission approve suspending
6 NGL transportation service and approve new natural gas transportation rates. *See* Docket
7 P-21-008; TL47-334. The Commission approved the NGL service suspension,
8 Order No. P-21-008(1) (Aug. 2, 2021), and the new natural gas transportation rates. Letter Order
9 No. LO2100300 (Aug. 25, 2021). Effective April 1, 2023, the Commission approved an initial
10 natural gas transportation rate for a new OPC connection to ACES' Gas Hydrates Project, and rate
11 changes to all of OPC's natural gas transportation rates. *See* Letter Order No. L2300059
12 (Mar. 6, 2023); Order No. P-22-012(1)/P-22-013(1) (Mar. 1, 2023).

13
14 Effective January 5, 2024, the Commission approved a new OPC connection to Oil
15 Search (Alaska)'s ("OSA's") Gas Spur Pipeline. Order No. P-23-009(2)/P-09-010(2)
16 (Jan. 5, 2024). OSA is not a current OPC shipper. The Gas Spur Pipeline connection has not yet
17 been constructed, and OPC understands that natural gas shipments to the Gas Spur Pipeline are
18 expected to begin in the second quarter of 2025.³

19 On December 29, 2023, OPC filed TL52-334, requesting modest permanent
20 changes to its intrastate natural gas transportation rates based on a normalized test year ending
21

22
23 ³ OPC's original July 13, 2023, Request for Approval of Connection Agreement for the proposed
24 Gas Spur Pipeline Connection projected shipments to begin mid-2024. That date is now projected
25 to be the second quarter of 2025.

1 December 31, 2022. In support of its request, OPC submitted the prefiled direct testimony of Raj
2 D. Choudhury, Dr. Bruce H. Fairchild, and Erik G. Wetmore, which included the schedules and
3 analyses required under 3 AAC 48.275(a). On January 4, 2024, the Commission issued public
4 notice of TL52-334 and sought comments. No comments were received, and no shipper protested
5 changing OPC's natural gas transportation rates.

6 OPC and Shippers engaged in negotiations of a settlement agreement dated
7 February 1, 2024, to resume annual rate changes under an OSM and revise transportation rates for
8 the remainder of 2024. On February 16, 2024, OPC submitted the February 1, 2024, settlement
9 agreement as a stipulation resolving the rate request issues in TL52-334. Based on discussions
10 with Commission Staff and Administrative Law Judge Laura Barson, the Parties made minor
11 changes as reflected in the April 1, 2024, Settlement Agreement, and OPC is submitting that
12 Settlement Agreement with this petition separately from the rate filing in TL52-334.
13

14
15 **II. The Petition.**

16 If this petition is granted, transportation rates will be determined in accordance with
17 the Settlement Agreement and the revised OSM, with new rates effective May 1, 2024, and
18 thereafter January 1 of each year. As proposed in this petition, the OSM rates for May 1, 2024,
19 will go into effect instead of the rates originally proposed in TL52-334. The differences between
20 the originally proposed rates and the May 1, 2024, rates in the Settlement Agreement are relatively
21 minor and are due to the minor calculation and timing differences required for annual OSM
22 calculations.
23

1 The OSM is identical to the previous 2015 OSM in all substantive ways with only
2 minor revisions. As with the 2015 OSM, the OSM is very similar to other currently effective
3 North Slope pipeline annual rate adjustment methodologies.⁴ Like those other methodologies, the
4 OSM provides for annual rate revisions based on historical and projected data and a “net
5 carryover” that trues up past projected results to actual data.

6 As was explained in support of the 2015 Settlement Agreement, the magnitude and
7 timing of OPC’s need for rate relief (rate cases) result more from annual swings in throughput
8 between PBU and KRU CPF No. 1, than from annual changes in costs (revenue requirement). In
9 contrast to locations where natural gas transportation throughput requirements are relatively stable
10 and predictable, North Slope shipper requirements for Oliktok throughput can vary greatly based
11 on operational circumstances specific to each shipper’s end use. In addition, most of OPC’s annual
12 costs do not vary with throughput.

13 Under these circumstances, traditional rate case ratemaking can cause significant
14 unexpected underrecovery/overpayment or overrecovery/underpayment, frequent rate cases, and
15 higher rate case costs in rates. If actual annual throughput is significantly *less than the projection*
16 used to set rates in the last rate case, OPC could significantly *underrecover* its costs. On the other
17 hand, if actual annual throughput significantly *exceeds the projection* from the last rate case, OPC
18 could significantly *overrecover* its costs. Either scenario can occur, despite prudent, reasonable
19

20
21 _____
22 ⁴ See, e.g., Kuparuk Transportation Company (“KTC”) Settlement Agreement dated
23 May 13, 2011, accepted in Order No. P-08-005(10)/ P-08-011(11)/ P-10-006(4) (Jul. 18, 2011);
24 Alpine Transportation Company Settlement Agreement dated July 26, 2001, accepted in Order
25 No. P-00-015(11) (Dec. 5, 2001).

1 operations, maintenance, and planning on the part of OPC and its shippers. The OSM’s annual
2 cost formulas with net carryover provisions serve to protect both OPC and its shippers against
3 these types of underrecovery and overrecovery risks.

4 Currently, OPC’s transportation rates are \$0.43 per MCF (Gas Hydrates Project),
5 \$0.75 per MCF (KRU), and \$0.57 per MCF (Milne Point Connection). Under the Settlement
6 Agreement, those rates will be changed to \$0.472 per MCF (Gas Hydrates Project) and \$0.782 per
7 MCF (KRU) effective for shipments on and after May 1, 2024. *See* Settlement Agreement § I-4(a),
8 Attachment 1 (Tariff Sheet No. 37), And Exhibit G at 2 of 50. Based on discussions with
9 Commission Staff and Administrative Law Judge Barson, OPC proposes deleting from Tariff
10 Sheet No. 37 the transportation rates for deliveries to the Milne Point Pipeline Connection, as that
11 connection has not been used for deliveries for many years, and the Milne Point Pipeline is no
12 longer a certificated, operating pipeline.

13 Under the Settlement Agreement, in future years OPC must file by December 1
14 proposed transportation rates for the following calendar year, based on the maximum rates
15 calculated pursuant to the OSM. *See* Settlement Agreement § I-4(b). During the first 30 days after
16 the annual rate filing, OPC and its shippers will address any questions or disagreements relating
17 to the filing. *See* Settlement Agreement § I-5(a). If the Parties do not resolve any disagreements
18 by the end of the 30-day period, a shipper may protest the rate filing’s compliance with the
19 Settlement Agreement. *Id.* In addition, any Party can terminate the Settlement Agreement by
20 giving six months prior notice. Settlement Agreement § III-1(a).

21 Beyond the current Shippers, OPC has notified others who may be interested in
22 OPC transportation rates in the future, of the Settlement Agreement and this petition. For example,
23

1 OSA is not a current OPC shipper, but is expected to begin transporting volumes to the Gas Spur
2 Pipeline in 2025. Prior to commencing deliveries to the Gas Spur Pipeline connection, OPC will
3 determine the OSM maximum rate for that delivery point and request Commission approval to add
4 that rate to Tariff Sheet No. 37.

5 Approval of the petition, and OPC's May 1, 2024, requested effective date, are
6 consistent with the Commission's previous acceptance of OPC's 2015 Settlement Agreement in
7 Order No. P-15-006(3) and the GVEA-Petro Star Settlement Agreement in Order No. P-15-005(1).
8 In the latter order, GVEA submitted its petition to accept settlement agreement on
9 January 30, 2015, with a requested effective date of January 1, 2015. The Commission accepted
10 that settlement agreement on February 13, 2015, 14 days after GVEA's petition was filed, and
11 with an effective date of January 1, 2015. See Order No. P-15-005(1); Letter Order
12 (Feb. 17, 2015), Docket P-15-005. Revising rates effective for bills rendered on or after the first
13 day of the calendar month is preferable for OPC for purposes of administrative and billing
14 efficiency.
15

16
17 **III. Summary of the Settlement Agreement.**

18 **Article I.**

19 Article I sets forth certain general provisions regarding the proceedings settled and
20 the nature of the Settlement Agreement.
21

22 Section I-1. This section states that the Settlement Agreement will address all
23 issues regarding OPC's intrastate natural gas transportation rates as long as the Settlement
24 Agreement is in effect.

1 Section I-2. This section defines the Oliktok Pipeline and describes its facilities.

2 Section I-3. This section provides that the Parties shall cooperate, each at its own
3 expense, in securing all necessary approvals and acceptances for the Settlement Agreement.

4 Section I-4. Subsection (a) addresses the Maximum Rates for 2024.

5 Subsection (b) provides for annual rate filings in accordance with the OSM and
6 states that OPC may file rates below the Maximum Rates.

7 Subsection (c) describes what occurs if during the term of the Settlement
8 Agreement OPC’s transportation rates are no longer subject to regulation by the Commission.

9 Subsection (d) describes the limits on challenges to OPC’s transportation rates
10 during the term of the Settlement Agreement.

11 Section I-5. Subsection (a) outlines the process through which OPC will provide
12 to shippers data supporting the annual OSM rate calculations.

13 Subsection (b) provides that OPC shall use the best information available to
14 implement the Settlement Agreement.

15 Subsection (c) sets forth confidentiality provisions that will govern supporting
16 information provided by OPC to shippers.

17 Section I-6. This section states that the Parties do not intend the Settlement
18 Agreement to have any precedential effect, constitute an admission or constitute evidence in other
19 ratemaking proceedings, or represent the position of either Party regarding pipeline regulation in
20 general.
21

22 **Article II.**

23 Article II describes in detail the operation of the OSM.

1 Section II-1. This section defines the Maximum Rate for transportation.

2 Section II-2. This section defines Throughput for purposes of the Maximum Rate
3 calculation.

4 Section II-3. Subsection (a) defines the elements included in the Total Cost of
5 Service calculation for purposes of applying the OSM. These elements are individually defined in
6 subsequent sections.

7 Subsection (b) addresses allocation of costs under the OSM.

8 Section II-4. Subsection (a) defines Operating Expense for purposes of calculating
9 the OSM rates.

10 Subsection (b) further defines certain categories of Operating Expense to be
11 included if prudently incurred and appropriate under applicable ratemaking policy and precedent.

12 Section II-5. Subsection (a) states the formula for calculating Depreciation using a
13 depreciation factor and a depreciation base.

14 Subsection (b) addresses stipulated deprecation factors and depreciable end of life.

15 Subsection (c) sets forth how the Depreciation Base is calculated.

16 Subsection (d) describes the calculation of Accumulated Depreciation and
17 stipulates an Accumulated Depreciation balance as of December 31, 2022.

18 Subsection (e) provides that after the expiration or termination of the Settlement
19 Agreement, OPC agrees not to seek rate recovery of any depreciation amount that was included in
20 Depreciation Expense within the meaning of the Settlement Agreement during the time the
21 Settlement Agreement was in effect.
22
23

1 Section II-6. Subsection (a) sets forth the method of determining Carrier Property
2 for a given year and stipulates Carrier Property and Construction Work in Progress balances as of
3 December 31, 2022.

4 Subsection (b) defines additions, retirements, and adjustments to Carrier Property.

5 Section II-7. This section describes the amortization of Interest During
6 Construction (“IDC”) and stipulates the IDC Base and IDC Balance as of December 31, 2022.

7 Section II-8. This section describes the amortization of the equity portion of the
8 Allowance for Funds Used During Construction (“Equity AFUDC”) and stipulates the Equity
9 AFUDC base and Equity AFUDC balance as of December 31, 2022.

10 Section II-9. This section sets forth the formula for calculating the Rate Base for a
11 year.

12 Section II-10. This section describes the calculation of Return on Rate Base. The
13 section stipulates initial capital structure, rate of return on equity, and cost of debt, based on OPC’s
14 prefiled cost of capital testimony (Dr. Bruce H. Fairchild). The section further provides that each
15 Party shall have the right to request adjustment to the capital structure, rate of return on equity or
16 rate of return on debt to be used in subsequent terms by giving the required notice. The section
17 sets forth the standards to be used for determining the capital structure, rate of return on equity or
18 rate of return on debt in subsequent terms.

19 Section II-11. This section describes the calculation of the Federal and State
20 Income Tax Allowance.

21 Section II-12. This section provides for a Net Carryover which trues up past
22 estimated results to actual data.

1 Section II-13. This section describes the calculation of the Accumulated Deferred
2 Income Tax (“ADIT”) balance.

3 Section II-14. Subsection (a) provides that, in the event of an amendment to the
4 Federal or State Income Tax laws, the Income Tax Allowance and the ADIT Balance may continue
5 to be calculated as described in Sections II-11 and II-13.

6 Subsection (b) provides for the determination of a new method of determining the
7 Income Tax Allowance and the ADIT Balance by an independent expert in the absence of a new
8 negotiated agreement within 60 days.

9 Section II-15. This section states that references in the Settlement Agreement to
10 specific accounts are to the FERC Uniform System of Accounts, 18 C.F.R. Part 352.

11 Section II-16. This section requires use of actual values whenever possible in
12 calculations under the OSM and describes the circumstances when actual values for prior years
13 shall be restated.

14 **Article III.**

15 Article III contains additional general provisions governing the Settlement
16 Agreement.

17 Section III-1. This section provides that the Term of the Settlement Agreement
18 shall extend so long as OPC provides natural gas transportation service unless a Party terminates
19 by giving six months’ notice. This section also addresses new rates in the event of a termination
20 of the Settlement Agreement and final net carryover payments if OPC ceases pipeline operations.

21 Section III-2. This section provides for submission of the Settlement Agreement to
22 the Commission for acceptance.

1 Section III-3. This section provides that the obligations and benefits of the
2 Settlement Agreement are among the Parties (and other shippers that do not object) and are not
3 intended for the benefit of any third party.

4 Section III-4. Subsection (a) states that the language of the Settlement Agreement
5 is not to be construed in favor of one Party, but rather in accordance with the fair meaning of the
6 words. This section provides that the headings are not part of the Settlement Agreement and that
7 the Settlement Agreement is to be interpreted in accordance with Alaska law.

8 Subsection (b) describes Exhibit G to the Settlement Agreement, which is a printout
9 of an electronic model that shows the calculation of Maximum 2024 Rates and the OSM, and
10 Exhibit H, which contains certain stipulated amounts to be used in the OSM.

11 Subsection (c) provides that the Settlement Agreement, together with Exhibit G and
12 Exhibit H, control over any electronic model or other document prepared by the Parties.

13 Section III-5. This section provides that the Settlement Agreement may be
14 modified, amended, or supplemented only in writing, upon execution by all Parties.

15 Section III-6. This section sets forth the procedure for notification under the
16 Settlement Agreement.

17 Section III-7. This section expresses the intent that the Settlement Agreement be
18 enforceable by the Commission, except to the extent the Commission lacks jurisdiction, in which
19 case the Settlement Agreement will be enforceable by the courts of the State of Alaska or any other
20 available court or tribunal having jurisdiction.

21 Section III-8. This section provides that failure or delay in acting by one of the
22 Parties shall not be construed as a waiver of any right or remedy under the Settlement Agreement.

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Section III-9. This section provides that the Settlement Agreement may be executed in counterparts that will be considered originals but constitute the same document.

IV. Conclusion.

OPC respectfully requests that the Commission issue an order (1) accepting the Settlement Agreement, and (2) approving revised Tariff Sheet No. 37 reflecting revised transportation rates calculated under the Settlement Agreement. OPC requests that the petition and tariff sheet be approved with an effective date of May 1, 2024. If this petition is granted, OPC requests that its transportation rate filing currently pending in TL52-334 be withdrawn.

RESPECTFULLY SUBMITTED this 19th day of April, 2024

KEMPEL, HUFFMAN AND ELLIS, P.C.
Counsel for Oliktok Pipeline Company

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert R. Doyle, Chairman
John Espindola
Keith Kurber II
Robert M. Pickett

In the Matter of the Petition filed by OLIKTOK)
PIPELINE COMPANY for Revised Rates for)
Natural Gas Transportation Service)
_____)

P-24-_____

**SETTLEMENT AGREEMENT
OLIKTOK PIPELINE COMPANY**

April 1, 2024

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EXHIBITS

ATTACHMENT 1 – Tariff Schedule A, Rates for Calendar Year 2024

EXHIBIT A - Index of Defined Terms

EXHIBIT B - State Tax Depreciation for Pre-2023 Carrier Property in Service Additions

EXHIBIT C - Federal Tax Depreciation for Pre-2023 Carrier Property in Service Additions

EXHIBIT D - State Tax Depreciation Factor Schedule

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EXHIBIT F – Annual Depreciation Factors

EXHIBIT G - Oliktok Settlement Methodology Model

EXHIBIT H - Stipulated Amounts

**SETTLEMENT AGREEMENT
OLIKTOK PIPELINE COMPANY**

This Settlement Agreement (“Agreement”), dated April 1, 2024, is by and among Oliktok Pipeline Company (“OPC”) and its shippers ASRC Consulting & Environmental Services, LLC and ConocoPhillips Alaska, Inc. (“Shippers”). Each of the above is referred to herein as a “Party” and collectively as the “Parties.” In consideration of the provisions set forth in this Agreement, the Parties hereby agree as follows:

**ARTICLE I
GENERAL TERMS**

Section I-1. Purpose of Agreement

The purpose of this Agreement is to establish a variable tariff methodology that sets rate ceilings for rates charged by OPC for transportation of natural gas. If accepted by the Regulatory Commission of Alaska (“RCA”) without condition or modification, this Agreement shall, except as otherwise provided for herein, resolve all issues regarding the rates charged by OPC for the transportation of natural gas for the term of this Agreement.

Section I-2. Definition of the Pipeline; Background

The Oliktok Pipeline is a 16-inch diameter pipeline that is approximately 28 miles in length. It originates at Trans Alaska Pipeline System Pump Station 1 and terminates at the Kuparuk River Unit Central Processing Facility No. 1. The Oliktok Pipeline includes property to be acquired or constructed in the future, and appropriate rate adjustments may be made for such acquisitions or construction as provided for in this Agreement.

The Oliktok Pipeline transported natural gas from 1985 to 1988, and transported natural gas liquids from 1995 to 2014. Transportation rates for natural gas liquids transportation service from 1995 to 2014 were adjusted annually effective January 1 in accordance with the Oliktok Shippers Rate Agreement applicable to NGL service. The Oliktok Pipeline converted from natural gas liquids transportation service to natural gas transportation service in 2014. Beginning January 1, 2016, rates for natural gas transportation service were determined in accordance with the Oliktok settlement methodology set forth in a November 30, 2015, settlement agreement between OPC and BP Exploration (Alaska) Inc. *See* Order No. P-15-006(3) (Dec. 30, 2015). Shippers ceased tendering natural gas for transportation beginning January 1, 2017. On August 20, 2018, the Commission approved Tariff No. 4 setting forth rules and rates applicable to the transportation of natural gas and natural gas liquids services. *See* Letter Order No. L1800364 (Aug. 20, 2018) at 1. On August 2, 2021, the Commission approved the suspension of natural gas liquids transportation service and established inception rates for natural gas transportation service, which resumed on September 1, 2021. *See* Order No. P-21-008(1); Letter Order No. L2100300 (Aug. 25, 2021).

Section I-3. Filing of Agreement for Approval; Duty to Defend

The Parties shall cooperate, each at its own expense, in securing all necessary governmental approvals for this Agreement and in defending against any litigation affecting the validity and enforceability of this Agreement, or any provision thereof.

Section I-4. Tariff Rates

(a) If the RCA accepts this Agreement without condition or modification effective May 1, 2024, Transportation Rates for the transportation of natural gas through the Oliktok Pipeline for the remainder of calendar year 2024 (effective for shipments beginning May 1, 2024) shall be as shown on Attachment 1 (proposed OPC Tariff Schedule A), which reflect the Maximum Rates for the remainder of 2024 (“Maximum 2024 Rates”) using the Oliktok Settlement Methodology (“OSM”) set forth in Article II of this Agreement. If the RCA does not accept this Agreement without condition or modification effective May 1, 2024, then the Parties shall confer regarding the timing of future rate filings.

(b) Beginning in 2024, and thereafter throughout the term of this Agreement, OPC shall file by December 1 of each year Transportation Rates for the following calendar year, which may not exceed the Maximum Rate for that year as calculated using the OSM. Nothing in this Agreement prohibits OPC from filing a Transportation Rate that is less than the Maximum Rate for the year.

(c) If at any time during the Term of this Agreement, Transportation Rates for the transportation of natural gas on the Oliktok Pipeline are no longer subject to regulation by the RCA, or its successor, this Agreement shall remain in force for its Term and shall be deemed a binding contract between the Parties. In such case, OPC shall continue to submit its calculation of the Maximum Rates and Transportation Rates to Shippers. The Parties may make the Transportation Rates public.

(d) Except as provided in this Subsection (d) and Section II-10(j)(iv), Shippers shall not, whether during the Term of this Agreement or afterwards, file with the RCA, or its successor, or any agency or court, any protest, petition, or complaint concerning the Transportation Rates

filed by OPC in compliance with this Agreement. Shippers may protest or contest before the RCA, or its successor, or any agency or court, any Transportation Rate that is not in compliance with this Agreement. In no event, however, whether during the term of this Agreement or afterwards, shall Shippers challenge the justness and reasonableness of the Transportation Rates in effect during the term of the Agreement to the extent those rates do not exceed the Maximum Rate level generated by the OSM for the applicable period.

Section I-5. Provision of Information

(a) At the same time as, or before, the filing of OPC's Transportation Rates on December 1 of each year, OPC shall provide Shippers with the electronic model in Excel format necessary to calculate the Maximum Rates. During the first 30 days after the filing of OPC's Transportation Rates, Shippers and any other shipper that becomes a Party to this Agreement shall be permitted to verify all data used in or relevant to the new Maximum Rates, provided that they coordinate their requests among themselves and submit them to OPC in writing through a Designated Representative and using any additional procedures agreed upon by the Parties, which shall include, if necessary, direct examination of original source data identified by OPC as being all of the data relied upon in calculating the Maximum Rates. During the 30-day period, Shippers and any other shipper that becomes a Party to this Agreement shall, through their Designated Representative, communicate to OPC any questions about, or disagreement with, the data used by OPC or the manner in which such data was used to calculate the Maximum Rates; the Parties shall seek in good faith to resolve the questions or disagreements by the end of the 30-day period; and, if appropriate, OPC will, in its discretion, supplement its rate filing. If the Parties do not resolve the questions or disagreements prior to the end of the 30-day period, Shippers may protest or

challenge the rate filing in accordance with Subsection I-4(d). For purposes of this subsection, the Designated Representatives of the Parties are:

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Cameron Reitmeier
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ASRC CONSULTING &
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(b) OPC shall use the best information available to it for the implementation of this Agreement, including information in its own records, non-proprietary information provided to it by other Parties, and public records.

(c) Shippers shall keep confidential all documents supplied pursuant to Subsection I-5(a) that (i) include information which constitutes trade secrets or (ii) otherwise include information which, if publicly disclosed, would likely result in substantial competitive or other economic harm to OPC. OPC shall mark each document page that contains information OPC claims to be confidential as “Confidential Pursuant to OPC Settlement Agreement Section I-5.” Documents so marked, which fall within the scope of the first sentence of Subsection I-5(c), will be kept confidential by each Shipper unless (1) the information is or becomes public knowledge, other than through the fault of, or unauthorized disclosure by, an

agent, officer, or employee of the Shipper, (2) the information is or becomes available to Shipper from a source (other than OPC) having the legal right to disclose the information to Shipper and the source did not request that Shipper keep the information confidential, or (3) OPC notifies Shipper that the information no longer needs to be kept confidential. A Shipper's obligation to maintain the confidentiality of any document marked as confidential by OPC shall cease three years after Shipper receives the document unless, prior to the expiration of the three-year period, OPC requests that specified documents be maintained as confidential for an additional three-year period.

Section I-6. No Precedential Effect

The Parties do not intend that this Agreement, its Term, or the methodology it employs, should have any precedential effect on tariff ratemaking for any other pipeline or for any other matter not settled by this Agreement. This Agreement shall not constitute an admission by the Parties concerning any question of fact or question of law, and this Agreement does not represent in any way the position of the Parties regarding pipeline regulation in general. Further, in the event that any Transportation Rates established pursuant to this Agreement are ever challenged by any third party, nothing in this Agreement or in the OSM set forth in Article II may be relied upon or cited as evidence to establish that such Transportation Rates are excessive, discriminatory, or otherwise unlawful, or to set a new rate or rates that differ from those determined by this Agreement.

ARTICLE II OLIKTOK TARIFF METHODOLOGY

Section II-1. Maximum Rates

Transportation may consist of one or more types of transportation depending upon the point at which gas is received into the Oliktok Pipeline and the point at which gas is delivered out of the Pipeline. The Maximum Rate for a particular type of transportation shall equal the ratio, rounded to the nearest whole cent, of the Total Cost of Service for that type of transportation for that year over the Throughput for that type of transportation for that year.

Section II-2. Throughput

Throughput means the total volume of natural gas in thousand cubic feet (“Mcf”) that passes (or is projected to pass) through the metering facilities used for custody transfer purposes.

Section II-3. Total Cost of Service

- (a) The Total Cost of Service for each year equals the sum of:
- Operating Expense,
 - Depreciation Expense,
 - Equity AFUDC Amortization,
 - IDC Amortization,
 - Return on Rate Base,
 - Income Tax Allowance, and
 - Net Carryover.

(b) The Total Cost of Service shall be allocated to each origin and destination pair based on an Mcf and Mcf Mile rate design using projected throughput. An Mcf Mile is the transportation of one Mcf of natural gas for one mile. Non-Distance Related Costs are allocated based on Mcfs transported for each origin and destination pair, and Distance Related Costs are allocated based on Mcf Miles for each origin and destination pair in the applicable time period. Distance Related Costs equal all elements under the Total Cost of Service identified under Section II-3(a) less Non-Distance Related Costs.

Section II-4. Operating Expense

(a) Operating Expense means those expenses properly includable in Account 610 of the Federal Energy Regulatory Commission (“FERC”) Uniform System of Accounts, 18 C.F.R. Part 352 (“USOA”), that were actually incurred (or projected to be incurred) during the applicable year if recovery of the expense is appropriate under RCA ratemaking policy and precedent.

(b) Operating Expense shall also include an expense that is properly includable in USOA Accounts 665 or 680, if prudently incurred and if recovery of the expense is appropriate under RCA ratemaking policy and precedent; however, an expense properly includable in USOA Accounts 665 or 680 that is an Operating Expense under this subsection shall be amortized over five years or the remaining life of the Oliktok Pipeline (consistent with the depreciable end life set forth in Section II-5(b)), whichever is shorter. If prior to the end of such five-year period (or such shorter period) this Agreement is terminated, Shippers will not object to the recovery of any unrecovered portion of such amortized expense through any New Rates filed by OPC pursuant to Section III-1(b).

Section II-5. Depreciation

(a) Depreciation Expense for the applicable year equals the Depreciation Factor multiplied by the Depreciation Base for that year.

(b) The Depreciation Factor for calendar year 2023 shall be 5.5556 percent. The Depreciation Factor for each year after 2023 shall be calculated assuming a December 31, 2040 depreciable end life. The applicable Depreciation Factor for each year is set forth in Exhibit F.

(c) The Depreciation Base for a year equals the average of the Depreciable Carrier Property in Service balance at the end of the prior calendar year and the Depreciable Carrier Property in Service balance at the end of that calendar year, less Accumulated Depreciation at the end of the prior calendar year.

(d) Accumulated Depreciation at the end of a calendar year equals Accumulated Depreciation at the end of the previous calendar year plus Depreciation Expense for that calendar year, net of Depreciation retirements and other adjustments for that calendar year. Accumulated Depreciation as of December 31, 2022 is stipulated to be \$40.482 million.

(e) After the expiration or termination of this Agreement pursuant to its terms, OPC agrees not to seek recovery in its rates of any depreciation amount that was included in Depreciation Expense within the meaning of this Agreement during the time that this Agreement was in effect.

Section II-6. Carrier Property

(a) Carrier Property in Service at the end of a year equals Carrier Property in Service at the end of the previous year plus Carrier Property in Service Additions, Retirements, and

Adjustments for that year. Carrier Property in Service as of December 31, 2022 is stipulated to be \$64.778 million. Construction Work in Progress (“CWIP”) as of December 31, 2022 is stipulated to be \$0.370 million. Land as of December 31, 2022 is stipulated to be \$0.

(b) Carrier Property in Service Additions, Retirements, and Adjustments for a year equal the amounts in USOA carrier property accounts 101 through 186 excluding any imputed or actual interest during construction (“IDC”) or actual allowance for funds used during construction (“AFUDC”) associated with those additions.

Section II-7. IDC Amortization

(a) IDC Amortization for a year equals:

- the IDC Amortization Base for that calendar year

multiplied by:

- the Depreciation Factor for that calendar year.

(b) The IDC Amortization Base for a calendar year equals:

- the Net IDC Balance at the end of the prior calendar year

plus:

- ½ of the IDC Additions to Rate Base for that calendar year.

(c) IDC Additions to Rate Base for a calendar year equal:

- the IDC Base at the end of the prior calendar year,

plus:

- Additions to IDC Base for that calendar year

the sum of which is multiplied by:

- In Service Ratio for that calendar year.

- (d) IDC Base for a calendar year equals:
- IDC Base at the end of the prior calendar year

plus:

- Additions to IDC Base for that calendar year

minus:

- IDC Additions to Rate Base for that calendar year

The IDC Base as of December 31, 2022 is stipulated to be \$0.003 million.

- (e) Additions to IDC Base for a calendar year equals the product of
- Average CWIP for that calendar year

multiplied by:

- the Long-Term Debt Ratio

plus:

- IDC Base at the end of the prior calendar year

multiplied by:

- the Rate of Return on Long-Term Debt.

- (f) In Service Ratio of a calendar year equals:

- Carrier Property in Service Additions for that calendar year,

divided by:

- the CWIP Balance at the end of the prior calendar year and CWIP Additions for the calendar year.

- (g) Average CWIP for a calendar year is the average of the CWIP Balance at the end of that calendar year and the CWIP Balance at the end of the prior calendar year.

(h) The Net IDC Balance of a calendar year equals:

- The Net IDC Balance of a prior calendar year

plus:

- IDC Additions to Rate Base for that calendar year

minus:

- IDC Amortization for that calendar year.

The Net IDC Balance as of December 31, 2022, is stipulated to be \$0.584 million.

Section II-8. Equity AFUDC Amortization

(a) Equity AFUDC Amortization for a calendar year equals:

- the Equity AFUDC Amortization Base for that calendar year

multiplied by:

- the Depreciation Factor for that year.

(b) Equity AFUDC Amortization Base for a calendar year equals:

- Net Equity AFUDC Balance at the end of the prior calendar year

plus:

- ½ Equity AFUDC Additions to Rate Base for that calendar year

(c) Equity AFUDC Additions to Rate Base for a calendar year equal:

- Equity AFUDC Base at the end of the prior calendar year

plus:

- Additions to Equity AFUDC Base for that calendar year

the sum of which is multiplied by:

- In Service Ratio for that calendar year.

(d) Equity AFUDC Base for a calendar year equals:

- Equity AFUDC Base at the end of the prior calendar year

plus:

- Additions to Equity AFUDC Base for that calendar year

minus:

- Equity AFUDC Additions to Rate Base for that calendar year.

The Equity AFUDC Base as of December 31, 2022 is stipulated to be \$0.007 million.

(e) Additions to Equity AFUDC Base for a calendar year equals the product of

- Average CWIP for that calendar year

multiplied by:

- the Equity Ratio plus Equity AFUDC Base at the end of the prior calendar year

multiplied by:

- the Rate of Return on Equity.

(f) The Net Equity AFUDC Balance of a calendar year equals:

- the Net Equity AFUDC Balance of a prior calendar year

plus:

- Equity AFUDC Additions to Rate Base for that calendar year

minus:

- Equity AFUDC Amortization for that calendar year.

The Net Equity AFUDC Balance as of December 31, 2022 is stipulated to be \$1.141 million.

Section II-9. Rate Base

- (a) The Rate Base as of the end of a year shall equal:
- the Carrier Property in Service at the end of that year

minus:

- the Accumulated Depreciation at the end of that year,

plus:

- the Net AFUDC Balance at the end of that year,

minus:

- the ADIT Balance at the end of that year

plus:

- the Working Capital Balance for that year.

(b) The Working Capital Balance as of December 31, 2022 is stipulated to be \$1.086 million.

(c) The Net AFUDC Balance at the end of a calendar year is the sum of the Net Equity AFUDC Balance and Net IDC Balance as of the end of that calendar year.

Section II-10. Return on Rate Base

(a) The components of the Weighted Cost of Capital to be used in calculating the Total Cost of Service for a calendar year consist of an Equity Ratio, a Rate of Return on Equity, a Long-Term Debt Ratio, and a Rate of Return on Long-Term Debt.

(b) The Capital Structure consists of a Long-Term Debt Ratio of 56.18% and an Equity Ratio of 43.82%.

(c) The Rate of Return on Long-Term Debt will be 5.02%.

- (d) The Rate of Return on Equity will be 13.02%.
- (e) The Return on Rate Base for a calendar year shall equal the Average Rate Base multiplied by the Weighted Cost of Capital.
- (f) Average Rate Base equal Rate Base at the end of the prior calendar year plus Rate Base at the end of the current calendar year divided by two (midyear convention).
- (g) The Weighted Cost of Capital is equals the Equity Ratio multiplied by the Rate of Return on Equity plus the Long-Term Debt Ratio multiplied by the Rate of Return on Long-Term Debt.
- (h) The Debt Portion of Return on Rate Base for a calendar year equal:
- the Average Rate Base for that calendar year
multiplied by:
- the Long-Term Debt Ratio,
multiplied by:
- the Rate of Return on Long-Term Debt.
- (i) The Equity Portion of Return on Rate Base for a calendar year equals:
- the Average Rate Base for that calendar year
multiplied by:
- the Equity Ratio,
multiplied by:
- the Rate of Return on Equity.
- (j) Each Party shall have the right to request an adjustment of the Capital Structure, Rate of Return on Long-Term Debt, or the Rate of Return on Equity, to be effective in calculating the Maximum Rates for the years 2027 through 2029 and each three-year period after that by

giving notice to the other Parties at least 90 days prior to the beginning of the applicable three-year period.

- (i) If any Party makes an election to request an adjustment of the Capital Structure, the Capital Structure for the applicable three-year period shall be based on the average Capital Structure of the proxy group that the RCA would allow to be used to calculate Rate of Return on Equity for a natural gas pipeline. The Capital Structure for the proxy group shall be determined as of the end of the calendar year in which notice to reopen was given. Since the rates for the new term must be filed by December 1 of the calendar year in which the notice to reopen was given, OPC shall file rates for the first year of the upcoming three-year period using the Capital Structure from the prior three-year period and account for any difference using the Net Carryover.
- (ii) If any Party makes an election to request an adjustment of the Rate of Return on Equity, the Rate of Return on Equity for the applicable three-year period shall be set in accordance with the methodology used by the RCA for computing the Rate of Return on Equity for a natural gas pipeline, except that the nominal equity return shall be used, since the OSM uses a depreciated original cost methodology. The Rate of Return on Equity shall be based on financial data as of the end of the calendar year in which the notice to reopen was given. Since the rates for the upcoming year must be filed by December 1 of the calendar year in which the notice to reopen was given, OPC shall file rates for the first year of the upcoming three-year

period using the Rate of Return on Equity from the prior three-year period and account for any difference using the Net Carryover.

- (iii) If any Party makes an election to request an adjustment of the Rate of Return on Long-Term Debt, the Rate of Return on Long-Term Debt for the applicable three-year period shall be the embedded cost of Long-Term Debt for the proxy group referenced in Subsection II-(j)(i). The embedded cost of debt for the proxy group shall be determined as of the end of the calendar year in which the notice to reopen was given. Since the rates for the upcoming year must be filed by December 1 of the calendar year in which the notice to reopen was given, OPC shall file rates for the first year of the upcoming three-year period using the Rate of Return on Long-Term Debt from the prior three-year period and account for any difference using the Net Carryover.
- (iv) If the Parties are unable to reach agreement prior to December 1 of the first year of the new three-year period regarding the appropriate Capital Structure, Rate of Return on Long-Term Debt, or Rate of Return on Equity to use during the applicable three-year period, OPC shall file Maximum Rates using a Capital Structure, Rate of Return on Long-Term Debt and a Rate of Return on Equity consistent with the requirements of subsections II-10(j)(i)-(iii), and each of the OPC shippers may protest or challenge the disputed Capital Structure, Rate of Return on Long-Term Debt, or Rate of Return on Equity included in the rate filing in accordance with Subsection I-4(e).

Section II-11. Income Tax Allowance

(a) The Income Tax Allowance for a year equals the sum of the Federal Income Tax Allowance plus the State Income Tax Allowance for that year.

(b) The Federal Income Tax Allowance for a year equals (1) the product of the Federal Income Tax Factor multiplied by the Federal Income Tax Base for that calendar year less (2) Amortization of FAS 96/109 Adjustment for that calendar year.

(i) The Federal Income Tax Factor equals the ratio of the Federal Income Tax Rate to the difference of one minus the Federal Income Tax Rate.

(ii) The Federal Income Tax Rate equals the maximum rate of tax applied by the United States Government to net income derived by a corporation from the operation of a common carrier pipeline within the United States.

(iii) The Federal Income Tax Base for a year equals:

- the Equity Portion of Return on Rate Base for that year,

plus:

- the Equity AFUDC Amortization for that year,

plus:

- the amortization of Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) Adjustment for that calendar year,

minus:

- Amortization of FAS 96/109 Adjustment for that calendar year.

(c) The State Income Tax Allowance for a year equals the State Income Tax Factor multiplied by the State Income Tax Base for that year.

- (i) The State Income Tax Factor means the ratio of the State Income Tax Rate to the difference of one minus the State Income Tax Rate.
- (ii) The State Income Tax Rate means the maximum statutory rate of tax applied by the State of Alaska to net income derived by a corporation from the operation of a common carrier pipeline within Alaska.
- (iii) The State Income Tax Base for a year equals:
 - the Equity Portion of Return on Rate Base for that year,plus:
 - the Equity AFUDC Amortization for that year,plus:
 - the Federal Income Tax Allowance for that calendar year.

Section II-12. Net Carryover

- (a) The Net Carryover for a year equals the sum of the Carryover Base plus Interest on the Carryover Base for that year.
 - (i) The Carryover Base for a year equals the arithmetic total (positive or negative) of:
 - the Total Cost of Service for the previous year,minus:
 - the Voluntary Revenue Reduction (if any) for the previous year,minus:
 - the Revenue Received for the previous year.

(ii) Interest on the Carryover Base for a year equals the product of the Interest Rate for the current year multiplied by the Carryover Base for that year.

(b) The Interest Rate is 3% annual.

(c) The Revenue Received for a year is the sum of (i) the filed rate for each type of transportation for that year multiplied by (ii) the Throughput for each such type of transportation for that year.

(d) The Voluntary Revenue Reduction for a year equals the reduction in Revenue Received, if any, for a year that results from rates filed voluntarily by OPC that were less than the Maximum Rates permitted by this Agreement. No Voluntary Revenue Reduction for periods prior to January 1, 2024, shall be included in the calculation of the Net Carryover.

(e) The Maximum 2024 Rates shall not include a Net Carryover.

(f) The Maximum 2025 Rates shall include a Net Carryover pursuant to Section II-12(a). For clarification, the Net Carryover used to calculate Maximum 2025 Rates shall include the difference between the Total Cost of Service and Revenue Received from the Effective Date of this Agreement through December 31, 2024 (based on projections for the calendar year). The Total Cost of Service for 2024 used to calculate the Net Carryover shall be calculated by multiplying the Calendar Year Total Cost of Service for 2024 (based on projections for the calendar year) by the ratio of Days the Settlement Rates are in Effect in 2024 by 366 days. If the Effective Date of this Agreement is January 1, 2024, the ratio is 100.00 percent. The Revenue Received for 2024 shall reflect revenues derived from the Maximum 2024 Rates.

(g) The Maximum Rates for subsequent years shall include the difference between the Total Cost of Service and Revenue Received from January 1st through December 31st of each applicable year (based on projections for the calendar year) to calculate the Net Carryover.

Section II-13. ADIT Balance

(a) The Accumulated Deferred Income Tax (“ADIT”) Balance at the end of a year equals the Federal ADIT Balance at the end of that year plus the State ADIT Balance at the end of that calendar year.

(b) The State ADIT Balance at the end of a year equals the State ADIT Balance at the end of the previous year plus the Tax Effect of State Timing Difference for the year. The State ADIT Balance as of December 31, 2022, is stipulated to be \$1.396 million.

(i) The Tax Effect of State Timing Difference for a year equals the State Income Tax Rate for that year multiplied by the State Tax Timing Difference (positive or negative) for that year.

(ii) The State Tax Timing Difference for a year equals:

- State Tax Depreciation for that year,

minus:

- Depreciation Expense for that year,

minus:

- IDC Amortization for that year.

(iii) State Tax Depreciation for a year equals the sum of State Tax Depreciation for Additions to Carrier Property in Service for the current and all previous years. State Tax Depreciation for Additions to Carrier Property in Service for the current or a previous year equals the appropriate State Tax Depreciation Factor multiplied by the sum of Additions to Carrier Property in Service and Additions to IDC for that current or previous year. The

stipulated amounts of State Tax Depreciation for Carrier Property in Service Additions prior to 2023 are presented in Exhibit B. The appropriate State Tax Depreciation Factor varies with the time elapsed between the year of the Additions to Carrier Property in Service and the year for which State Tax Depreciation is being calculated, as shown in Exhibit D. If Federal or State income tax laws are amended after the date of this Agreement, the State Tax Depreciation Factor Schedule in Exhibit D will be renegotiated pursuant to Section II-14.

(c) The Federal ADIT Balance at the end of a year equals the Federal ADIT Balance at the end of the previous year plus the Tax Effect of Federal Timing Difference for the year minus the Amortization of FAS 96/109 Adjustment for the year. The Federal ADIT Balance as of December 31, 2022, is stipulated to be \$3.292 million. The FAS 96/109 Adjustment Balance as of December 31, 2022 is stipulated to be \$0.572 million.

(i) The Tax Effect of Federal Timing Difference for a year equals the Federal Income Tax Rate for that year multiplied by the Federal Tax Timing Difference (positive or negative) for that year.

(ii) The Federal Tax Timing Difference for a year equals:

- Federal Tax Depreciation for that year,

minus:

- Tax Effect of State Timing Differences for that year,

minus:

- Depreciation Expense for that year,

minus:

- IDC Amortization for that year,

plus:

- Amortization of TEFRA Adjustment.

The TEFRA Adjustment Balance as of December 31, 2022 is stipulated to be \$0.095 million.

(iii) Federal Tax Depreciation for a year equals the sum of Federal Tax Depreciation for Additions to Carrier Property in Service for the current and all previous years. Federal Tax Depreciation for Additions to Carrier Property in Service for the current and a previous year equals the appropriate Federal Tax Depreciation Factor multiplied by the sum of Additions to Carrier Property in Service and Additions to IDC for that current or previous year. The stipulated amounts of Federal Tax Depreciation for Carrier Property in Service Additions prior to 2023 are presented in Exhibit C. The appropriate Federal Tax Depreciation Factor varies with the time elapsed between the year of the Additions to Carrier Property and the year for which Federal Tax Depreciation is being calculated, as shown in Exhibit E. If Federal or State income tax laws are amended after the date of this Agreement, the Federal Tax Depreciation Factor Schedule in Exhibit E will be modified pursuant to Section II-14.

Section II-14. Effect of Income Tax Amendments

(a) If Federal or State income tax laws are amended after the date of this Agreement, the Income Tax Allowance and the ADIT Balance will continue to be calculated as described in

Sections II-11 and II-13, respectively, unless a Party to this Agreement objects to the manner of computation within one year of such amendment. Upon written notice by a Party of an objection, the Parties have 60 days in which to negotiate a new method of determining the Income Tax Allowance and ADIT Balance. This method will be consistent with the following requirements:

- (i) State and Federal income tax shall be calculated as if all income derived from the operation of OPC was earned by a single corporation with substantial income from sources other than operation of the Oliktok Pipeline;
- (ii) It shall be assumed that accelerated methods of depreciation allowed under State or Federal income tax laws will be used and that other elections under State or Federal income tax laws will be made in a manner that will minimize or defer the total income tax liability to the maximum extent possible;
- (iii) Any imbalance in the ADIT Balance (positive or negative) arising from change in tax rates shall be amortized using the Depreciation Factors set forth in Exhibit C;
- (iv) State and Federal Tax Timing Differences shall be reflected in the ADIT Balance, not in the Income Tax Allowance;
- (v) Applicable provisions of State or Federal income tax law shall be taken into account consistent with Federal regulatory policy; and
- (vi) Any modifications arising from this Section II-14 that gives rise to a change in the actual Total Cost of Service shall be accommodated through the next available Net Carryover opportunity pursuant to Section II-12.

(b) If the Parties are unable to agree on a new method of determining the Income Tax Allowance and the ADIT Balance within 60 days after the written notice by a Party pursuant to Subsection II-14(a) above, the method for calculating these amounts will be determined by a mutually agreed upon independent expert who shall apply the requirements above to the then applicable State and Federal tax laws.

Section II-15. Accounts and Calculations

All references in this Agreement to specific accounts are to the USOA. Only those accounts attributable to the construction, operation, and maintenance of the Oliktok Pipeline shall be reflected in the calculations and accounts referred to in this Agreement.

Section II-16. Restatement of Amounts for Prior Years

Under the OSM, the Throughput and the Total Cost of Service for any given year will need to be determined, at various times, on a current, prospective and historic basis. In making such determinations, actual values shall be used whenever possible; estimated values shall be used when actual values are not yet available. Under the following circumstances, actual values for the OSM for prior years shall be restated in order to recalculate the Net Carryover from those prior years: (1) OPC's filing of an amended annual report with the RCA; (2) OPC's filing of an annual report with the RCA that includes a prior period adjustment relating to events or transactions which occurred in a prior year, as reflected in USOA Account 705; (3) an RCA audit adjustment for a prior year; and (4) resolution of a dispute between Parties relating to a prior year. In no case shall any such restatement apply to a period that is more than three years prior to the date of such restatement.

ARTICLE III GENERAL PROVISIONS

Section III-1. Term of the Agreement

(a) The Term of this Agreement shall commence on the date that it is accepted by the RCA (“Effective Date”), and shall continue in full force and effect for as long as the Oliktok Pipeline continues to provide natural gas transportation service unless a Party terminates the Agreement by giving six months prior notice.

(b) If any Party exercises its right to terminate this Agreement under Subsection III-1(a), and if the Parties have not reached a new agreement prior to the termination date, and if OPC does not plan to cease operations, but plans to provide transportation of natural gas or natural gas liquids regulated by the RCA or the FERC after the termination date, then OPC will calculate new rates (“New Rates”) for transportation to be effective the first day after termination of the Agreement. The New Rates shall be calculated in accordance with the following:

- (i) OPC shall calculate New Rates using the appropriate cost-of-service methodology required by the applicable regulator for the service provided by OPC after termination.
- (ii) The New Rates shall account for any Net Carryover, with interest, calculated under Section II-12 of this Agreement, through a temporary surcharge or rate reduction. To the extent the full amount of the Net Carryover is not known at the time the New Rates are initially filed, adjustments to the New Rates may be filed up to a year after termination of

the Agreement to put in place a temporary surcharge or rate reduction to account for the Net Carryover. The Parties to this Agreement shall not object to such treatment of any Net Carryover, and shall agree to pay all surcharges provided that the Net Carryover is properly calculated.

(iii) The New Rates shall include the recovery of any unamortized portion of operating expenses covered by Section II-4(b).

(iv) Pursuant to Section II-5(e), the New Rates shall not include any depreciation amount that was included in Depreciation within the meaning of this Agreement during the time that this Agreement was in effect. OPC, however, may include any undepreciated amount in rate base for calculating New Rates.

(c) If during the term of this Agreement, OPC ceases operations and no longer plans to provide transportation of natural gas or natural gas liquids regulated by the RCA or the FERC, OPC shall calculate and submit to the OPC shippers as soon as practicable, but in no event later than May 1 of the year following cessation of operations, the Net Carryover for the final year of operations ("Final Net Carryover"). The Final Net Carryover (whether positive or negative), including interest, shall be refunded by OPC to the shippers or repaid by the shippers to OPC. Shippers shall also pay OPC for any unrecovered portion of amortized expenses covered by Section II-4(b).

(d) In the event of termination of this Agreement, the obligations of the Parties under the following provisions shall survive for as long as necessary to effectuate the extent of these provisions: Sections I-5(c), I-6, II-4(b), II-5(e), and III-1(b).

Section III-2. RCA Acceptance of the Agreement

(a) Following the execution of this Agreement, the Parties shall jointly submit it for acceptance by the RCA and shall cooperate fully, each at its own expense, to seek such acceptance.

(b) If the RCA rejects this Agreement in its entirety, or if the RCA rejects any provision of this Agreement, or if the RCA makes acceptance of this Agreement contingent upon modification of any provision of this Agreement, either Party may terminate this Agreement by giving notice to the other Parties within 30 days after the RCA takes any of the actions specified in this sentence. In that event, OPC shall have no further obligation to file or maintain rates in conformance with the Maximum Rates determined under the OSM.

(c) After completion of any appeals concerning RCA acceptance of this Agreement, if any provision of this Agreement that has a material impact upon a Party is declared invalid by a court or agency, such Party may terminate the Agreement by giving notice to the other Party within 30 days of such declaration. In that event, OPC shall have no further obligation to file or maintain rates in conformance with the Maximum Rates determined under the OSM.

Section III-3. Parties in Interest

(a) This Agreement shall be binding upon and inure solely to the benefit of the Parties; any entity that was an OPC shipper as of the Effective Date and, after reasonable notice and opportunity to object, did not oppose RCA acceptance of this Agreement; and their respective successors and assigns. Except as otherwise provided in this subsection, no obligation under this Agreement shall be for the benefit of or be enforceable by any third party.

(b) Any shipper that is not a Party to this Agreement may become a Party by executing the Agreement and agreeing to be bound by its terms.

Section III-4. Construction of Agreement

(a) The language of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against any Party. No Party shall be deemed to be the drafter of this Agreement, and no provision of the Agreement shall be interpreted for or against any Party based upon a Party being deemed to be a drafter of the Agreement or any provision of the Agreement. Headings of articles and sections of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall be governed by and construed in accordance with Alaska law, including RCA precedent.

(b) Attached hereto as Exhibit G is a printout of an electronic model that shows the calculation of Maximum 2024 Rates and the OSM to be used by the Parties in calculating future Maximum Rates. The language of the Agreement, however, controls over the model contained in Exhibit G. Also attached as Exhibit H is a list of the stipulated amounts to be used in calculating Maximum Rates under the OSM.

(c) The language of this Agreement shall control over any other electronic model or other document prepared by the Parties, or any of them, describing or explaining this Agreement or the OSM.

Section III-5. Amendment

This Agreement may be modified, amended or supplemented only by a written instrument executed by all Parties.

Section III-6. Notices

Except as otherwise provided in this Agreement, all notices under this Agreement shall be in writing and shall be sent by electronic mail; by first-class mail with all postage fully prepaid or by certified mail; or by courier with charges prepaid, in each case addressed to the Parties at the addresses or numbers set forth below or at such other address or number as a Party shall designate by written notice to the other Parties. Notices shall be deemed effective upon receipt.

OLIKTOK PIPELINE COMPANY
Cameron Reitmeier
Vice President
700 G Street, ATO 2090
Anchorage, Alaska 99501
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CONOCOPHILLIPS ALASKA, INC.
Ed Connelly
Vice President, North Slope Operations
700 G Street, ATO 2150
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ASRC CONSULTING &
ENVIRONMENTAL SERVICES, LLC
Doug Cismoski
Vice President of Drilling, Projects and
Engineering
3900 C Street, Suite 701
Anchorage, Alaska 99503
dcismoski@asrcenergy.com

Section III-7. Enforceability

It is the intent of the Parties that this Agreement shall be accepted by the RCA and that each and every provision of this Agreement shall be enforceable by the RCA. To the extent the RCA, either now or in the future, lacks jurisdiction to enforce any provision of this Agreement, then this Agreement shall be enforceable in an action for specific performance, for damages for the breach thereof, or for other appropriate remedy, before the courts of the State of Alaska or before any other available court or administrative tribunal having jurisdiction. The Parties hereby

consent to the jurisdiction of the courts of the State of Alaska with respect to actions enforcing and construing this Agreement, but this consent shall not be construed to confer exclusive jurisdiction upon the courts of the State of Alaska.

Section III-8. No Waiver

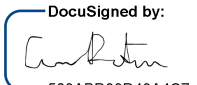
Unless otherwise specifically provided in this Agreement, no failure to exercise, and no delay in exercising, any right, power, or remedy under this Agreement shall impair or be construed as a waiver of this right, power, or remedy of a Party, nor shall any failure to exercise or delay in exercising any right, power, or remedy be construed to be an acquiescence in any breach or default under this Agreement. The rights and remedies specified for the enforcement of this Agreement are cumulative and are not exclusive of any rights or remedies which a Party would otherwise have.

Section III-9. Counterparts

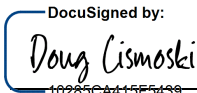
This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Being duly authorized, the Parties execute this Agreement as of the date first written above.

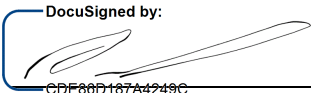
OLIKTOK PIPELINE COMPANY

DocuSigned by:

By: _____
500ABD00D40A4C7...
Cameron Reitmeier
Title: Vice President

ASRC CONSULTING & ENVIRONMENTAL SERVICES, LLC

DocuSigned by:

By: _____
10285CA415F3439...
Doug Cismoski
Title: Vice President of Drilling, Projects and Engineering

CONOCOPHILLIPS ALASKA, INC.

DocuSigned by:

By: _____
CDE80D187A4249C...
Ed Connelly
Title: Vice President, North Slope Operations

ATTACHMENT 1

OPC Tariff Sheet No. 37
5th Revision Canceling 4th Revision

RCA No. 334

FIFTH REVISION

Sheet No. 37

Cancelling

FOURTH REVISION

Sheet No. 37

OLIKTOK PIPELINE COMPANY

Schedule "A"
Rate
Gas Transportation Service

Application

This rate applies to regular Pipeline service for Gas as set forth in Carrier's tariff.

Rate

<u>From</u>	<u>To</u>	<u>Rate</u> <u>Dollars and Cents</u> <u>per mscf*</u>	
PBU (Skid 50)	Gas Hydrates Project	\$0.472	I
PBU (Skid 50)	KRU (CPF #1)	\$0.782	I
			D

* mscf – Thousand standard cubic feet

Pursuant to P-24- ()

Effective: May 1, 2024

Issued by: OLIKTOK PIPELINE COMPANY

By: /s/ Cameron Reitmeier
Cameron Reitmeier

Title: Vice President

Exhibit A
Index of Defined Terms

Term	Section Where Defined
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Additions to IDC Base	II-7(e)
ADIT	II-13(a)
ADIT Balance	II-13(a)
AFUDC	II-6(b)
Agreement	Introduction
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Average Rate Base	II-10(f)
Capital Structure	II-10(b)
Carrier Property in Service	II-6(a)
Carrier Property in Service Additions, Retirements, and Adjustments	II-6(b)
Carryover Base	II-12(a)(i)
CWIP	II-6(a)
Debt Portion of Return on Rate Base	II-10(h)
Depreciation Base	II-5(c)
Depreciation Expense	II-5(a)
Depreciation Factor	II-5(b)
Designated Representative	I-5(a)
Distance Related Costs	II-3(b)
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Equity AFUDC Additions to Rate Base	II-8(c)
Equity AFUDC Amortization	II-8(a)
Equity AFUDC Amortization Base	II-8(b)
Equity AFUDC Base	II-8(d)
Equity Portion of Return on Rate Base	II-10(i)
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Federal Income Tax Allowance	II-11(b)
Federal Income Tax Base	II-11(b)(iii)
Federal Income Tax Factor	II-11(b)(i)
Federal Income Tax Rate	II-11(b)(ii)
Federal Tax Depreciation	II-13(c)(iii)
Federal Tax Depreciation Factor	II-13(c)(iii)
Federal Tax Depreciation for Additions to Carrier Property in Service	II-13(c)(iii)
Federal Tax Timing Difference	II-13(c)(ii)
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Term	Section Where Defined
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IDC Additions to Rate Base	II-7(c)
IDC Amortization	II-7(a)
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Net AFUDC Balance	II-9(c)
Net Carryover	II-12(a)
Net Equity AFUDC Balance	II-8(f)
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RCA	I-1
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Shippers	Introduction
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State Income Tax Base	II-11(c)(iii)
State Income Tax Factor	II-11(c)(i)
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Term	Section Where Defined
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Exhibit B
State Tax Depreciation for Pre-2023 Carrier Property in Service Additions

Year	(\$000's) Amount 1/
2023	\$1,810
2024	\$1,617
2025	\$1,423
2026	\$1,245
2027	\$1,032
2028	\$835
2029	\$675
2030	\$525
2031	\$375
2032	\$225
2033	\$94
2034	\$72
2035	\$51
2036	\$32
2037	\$22
2038	\$11
2039	\$1

1/ Amounts for subsequent years are fully depreciated.

Exhibit C

Federal Tax Depreciation for Pre-2023 Carrier Property in Service Additions

Year	(\$000's) Amount 1/
2023	\$1,905
2024	\$1,865
2025	\$1,742
2026	\$1,558
2027	\$1,459
2028	\$1,441
2029	\$1,352
2030	\$735
2031	\$205
2032	\$193
2033	\$141
2034	\$100
2035	\$98
2036	\$55
2037	\$5

1/ Amounts for subsequent years are fully depreciated.

Exhibit D
State Tax Depreciation Factors

Year 1	5.7143%
Year 2	10.7755%
Year 3	9.8247%
Year 4	9.2107%
Year 5	8.5966%
Year 6	7.9826%
Year 7	7.3685%
Year 8	6.7545%
Year 9	6.1405%
Year 10	5.5264%
Year 11	4.9124%
Year 12	4.2983%
Year 13	3.6843%
Year 14	3.0702%
Year 15	2.4562%
Year 16	1.8421%
Year 17	1.2281%
Year 18	0.6141%
	<i>100.00000%</i>

Exhibit E
Federal Tax Depreciation Factors

Year 1	5.00000%
Year 2	9.50000%
Year 3	8.55000%
Year 4	7.69500%
Year 5	6.92550%
Year 6	6.23295%
Year 7	5.90490%
Year 8	5.90490%
Year 9	5.90490%
Year 10	5.90490%
Year 11	5.90490%
Year 12	5.90490%
Year 13	5.90490%
Year 14	5.90490%
Year 15	5.90490%
Year 16	2.95245%
	<i>100.00000%</i>

Exhibit F
Annual Depreciation Factors

<u>Year</u>	<u>Remaining Life</u> 1/	<u>Depreciation Factor</u> 2/
2023	18	5.5556%
2024	17	5.8824%
2025	16	6.2500%
2026	15	6.6667%
2027	14	7.1429%
2028	13	7.6923%
2029	12	8.3333%
2030	11	9.0909%
2031	10	10.0000%
2032	9	11.1111%
2033	8	12.5000%
2034	7	14.2857%
2035	6	16.6667%
2036	5	20.0000%
2037	4	25.0000%
2038	3	33.3333%
2039	2	50.0000%
2040	1	100.0000%

1/ Reflects remaining life in years as of January 1st of each corresponding year.
2/ Calculated as 1.0 / remaining life.

**Oliktok Pipeline Company
Settlement Model**

Index of Schedules and Workpapers

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Schedule 3	Net Carryover
Schedule 4	Operating Expenses
Schedule 5	Weighted Cost of Capital and Return on Rate Base
Schedule 6	Income Tax Allowance
Schedule 7	Rate Base
Workpaper 1	Inputs
Workpaper 2	Stipulated Amounts
Workpaper 3	Depreciation Factors
Workpaper 4	Carrier Property in Service and Depreciation
Workpaper 5	AFUDC Base
Workpaper 6	AFUDC Amortization
Workpaper 7	ADIT
Workpaper 8	TEFRA Adjustment
Workpaper 9	Federal Tax Depreciation
Workpaper 10	State Tax Depreciation

Line No.	Description	Source	2024	2025	2026	2027	2028	2029
1	Total Cost of Service (\$000's)	Schedule 2, Ln. 8	\$10,535	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716
Throughput								
2	GHP Deliveries (thousand Mcfs)	Workpaper 1, Ln. 28	365	-	-	-	-	-
3	Future Delivery Point 1 Deliveries (thousand Mcfs)							
4	Future Delivery Point 2 Deliveries (thousand Mcfs)							
5	KRU Deliveries (thousand Mcfs)	Workpaper 1, Ln. 31	13,255	-	-	-	-	-
6	Total Deliveries (thousand Mcfs)	Sum Lns. (2 thru 5)	13,620	-	-	-	-	-
7	GHP Distance (miles)	Workpaper 1, Ln. 36	15.85	15.85	15.85	15.85	15.85	15.85
8	Future Delivery Point 1 Distance (miles)							
9	Future Delivery Point 2 Distance (miles)							
10	KRU Distance (miles)	Workpaper 1, Ln. 39	28.06	28.06	28.06	28.06	28.06	28.06
11	GHP Deliveries (thousand Mcf-miles)	Lns. (2 * 7)	5,785	0	0	0	0	0
12	Future Delivery Point 1 Deliveries (thousand Mcf-miles)							
13	Future Delivery Point 2 Deliveries (thousand Mcf-miles)							
14	KRU Deliveries (thousand Mcf-miles)	Lns. (5 * 10)	371,967	0	0	0	0	0
15	Total Deliveries (thousand Mcf-miles)	Sum Lns. (11 thru 14)	377,752	-	-	-	-	-
Non-Distance Related Costs								
16	Non-Distance Related Costs (\$000's)	Workpaper 1, Ln. 20	\$965	\$0	\$0	\$0	\$0	\$0
17	Non-Distance Related Costs (\$/Mcf)	Lns. (16 / 6)	\$0.071	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distance Related Costs								
18	Distance Related Costs	Lns. (1 - 16)	\$9,570	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716
19	GHP Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 7)	\$0.402	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
20	Future Delivery Point 1 Distance Related Costs (\$/Mcf)							
21	Future Delivery Point 2 Distance Related Costs (\$/Mcf)							
22	KRU Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 10)	\$0.711	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cost of Service Rates								
23	GHP Maximum Rate (\$/Mcf)	Lns. (17 + 19)	\$0.472	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
24	Future Delivery Point 1 Maximum Rate (\$/Mcf)							
25	Future Delivery Point 2 Maximum Rate (\$/Mcf)							
26	KRU Maximum Rate (\$/Mcf)	Lns. (17 + 22)	\$0.782	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Line No.	Description	Source	2030	2031	2032	2033	2034	2035
1	Total Cost of Service (\$000's)	Schedule 2, Ln. 8	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818
Throughput								
2	GHP Deliveries (thousand Mcfs)	Workpaper 1, Ln. 28	-	-	-	-	-	-
3	Future Delivery Point 1 Deliveries (thousand Mcfs)							
4	Future Delivery Point 2 Deliveries (thousand Mcfs)							
5	KRU Deliveries (thousand Mcfs)	Workpaper 1, Ln. 31	-	-	-	-	-	-
6	Total Deliveries (thousand Mcfs)	Sum Lns. (2 thru 5)	-	-	-	-	-	-
7	GHP Distance (miles)	Workpaper 1, Ln. 36	15.85	15.85	15.85	15.85	15.85	15.85
8	Future Delivery Point 1 Distance (miles)							
9	Future Delivery Point 2 Distance (miles)							
10	KRU Distance (miles)	Workpaper 1, Ln. 39	28.06	28.06	28.06	28.06	28.06	28.06
11	GHP Deliveries (thousand Mcf-miles)	Lns. (2 * 7)	0	0	0	0	0	0
12	Future Delivery Point 1 Deliveries (thousand Mcf-miles)							
13	Future Delivery Point 2 Deliveries (thousand Mcf-miles)							
14	KRU Deliveries (thousand Mcf-miles)	Lns. (5 * 10)	0	0	0	0	0	0
15	Total Deliveries (thousand Mcf-miles)	Sum Lns. (11 thru 14)	-	-	-	-	-	-
Non-Distance Related Costs								
16	Non-Distance Related Costs (\$000's)	Workpaper 1, Ln. 20	\$0	\$0	\$0	\$0	\$0	\$0
17	Non-Distance Related Costs (\$/Mcf)	Lns. (16 / 6)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distance Related Costs								
18	Distance Related Costs	Lns. (1 - 16)	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818
19	GHP Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 7)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
20	Future Delivery Point 1 Distance Related Costs (\$/Mcf)							
21	Future Delivery Point 2 Distance Related Costs (\$/Mcf)							
22	KRU Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 10)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cost of Service Rates								
23	GHP Maximum Rate (\$/Mcf)	Lns. (17 + 19)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
24	Future Delivery Point 1 Maximum Rate (\$/Mcf)							
25	Future Delivery Point 2 Maximum Rate (\$/Mcf)							
26	KRU Maximum Rate (\$/Mcf)	Lns. (17 + 22)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Line No.	Description	Source	2036	2037	2038	2039	2040
1	Total Cost of Service (\$000's)	Schedule 2, Ln. 8	\$49,691	\$53,523	\$57,315	\$61,068	\$64,786
Throughput							
2	GHP Deliveries (thousand Mcfs)	Workpaper 1, Ln. 28	-	-	-	-	-
3	Future Delivery Point 1 Deliveries (thousand Mcfs)						
4	Future Delivery Point 2 Deliveries (thousand Mcfs)						
5	KRU Deliveries (thousand Mcfs)	Workpaper 1, Ln. 31	-	-	-	-	-
6	Total Deliveries (thousand Mcfs)	Sum Lns. (2 thru 5)	-	-	-	-	-
7	GHP Distance (miles)	Workpaper 1, Ln. 36	15.85	15.85	15.85	15.85	15.85
8	Future Delivery Point 1 Distance (miles)						
9	Future Delivery Point 2 Distance (miles)						
10	KRU Distance (miles)	Workpaper 1, Ln. 39	28.06	28.06	28.06	28.06	28.06
11	GHP Deliveries (thousand Mcf-miles)	Lns. (2 * 7)	0	0	0	0	0
12	Future Delivery Point 1 Deliveries (thousand Mcf-miles)						
13	Future Delivery Point 2 Deliveries (thousand Mcf-miles)						
14	KRU Deliveries (thousand Mcf-miles)	Lns. (5 * 10)	0	0	0	0	0
15	Total Deliveries (thousand Mcf-miles)	Sum Lns. (11 thru 14)	-	-	-	-	-
Non-Distance Related Costs							
16	Non-Distance Related Costs (\$000's)	Workpaper 1, Ln. 20	\$0	\$0	\$0	\$0	\$0
17	Non-Distance Related Costs (\$/Mcf)	Lns. (16 / 6)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distance Related Costs							
18	Distance Related Costs	Lns. (1 - 16)	\$49,691	\$53,523	\$57,315	\$61,068	\$64,786
19	GHP Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 7)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
20	Future Delivery Point 1 Distance Related Costs (\$/Mcf)						
21	Future Delivery Point 2 Distance Related Costs (\$/Mcf)						
22	KRU Distance Related Costs (\$/Mcf)	Lns. (18 / 15 * 10)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cost of Service Rates							
23	GHP Maximum Rate (\$/Mcf)	Lns. (17 + 19)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
24	Future Delivery Point 1 Maximum Rate (\$/Mcf)						
25	Future Delivery Point 2 Maximum Rate (\$/Mcf)						
26	KRU Maximum Rate (\$/Mcf)	Lns. (17 + 22)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Oliktok Pipeline Company
Total Cost of Service
(\$000's)

Schedule 2
Page 1 of 3

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
1	Operating Expenses	Schedule 4, Ln. 23	\$6,312	\$0	\$0	\$0	\$0	\$0
2	Depreciation Expense	Workpaper 4, Ln. 15	\$1,572	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
3	Equity AFUDC Amortization	Workpaper 6, Ln. 4	\$66	\$68	\$68	\$68	\$68	\$68
4	IDC Amortization	Workpaper 6, Ln. 8	\$34	\$35	\$35	\$35	\$35	\$35
5	Return on Rate Base	Schedule 5, Ln. 10	\$2,029	\$2,110	\$1,895	\$1,732	\$1,573	\$1,417
6	Income Tax Allowance	Schedule 6, Ln. 13	\$523	\$545	\$488	\$445	\$402	\$361
7	Net Carryover	Schedule 3, Prior Ln. 19	\$0	\$0	\$4,675	\$9,210	\$13,669	\$18,054
8	Total Cost of Service	Sum Lns. (1 to 7)	\$10,535	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716

Oliktok Pipeline Company
Total Cost of Service
(\$000's)

Schedule 2
Page 2 of 3

Line No.	Description	Source	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
1	Operating Expenses	Schedule 4, Ln. 23	\$0	\$0	\$0	\$0	\$0	\$0
2	Depreciation Expense	Workpaper 4, Ln. 15	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
3	Equity AFUDC Amortization	Workpaper 6, Ln. 4	\$68	\$68	\$68	\$68	\$68	\$68
4	IDC Amortization	Workpaper 6, Ln. 8	\$35	\$35	\$35	\$35	\$35	\$35
5	Return on Rate Base	Schedule 5, Ln. 10	\$1,269	\$1,133	\$1,003	\$875	\$749	\$623
6	Income Tax Allowance	Schedule 6, Ln. 13	\$322	\$285	\$251	\$217	\$183	\$150
7	Net Carryover	Schedule 3, Prior Ln. 19	\$22,367	\$26,617	\$30,818	\$34,975	\$39,089	\$43,162
8	Total Cost of Service	Sum Lns. (1 to 7)	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818

Oliktok Pipeline Company
Total Cost of Service
(\$000's)

Schedule 2
Page 3 of 3

Line No.	Description	Source	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
1	Operating Expenses	Schedule 4, Ln. 23	\$0	\$0	\$0	\$0	\$0
2	Depreciation Expense	Workpaper 4, Ln. 15	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
3	Equity AFUDC Amortization	Workpaper 6, Ln. 4	\$68	\$68	\$68	\$68	\$68
4	IDC Amortization	Workpaper 6, Ln. 8	\$35	\$35	\$35	\$35	\$35
5	Return on Rate Base	Schedule 5, Ln. 10	\$498	\$374	\$251	\$131	\$14
6	Income Tax Allowance	Schedule 6, Ln. 13	\$117	\$84	\$51	\$19	(\$12)
7	Net Carryover	Schedule 3, Prior Ln. 19	\$47,193	\$51,182	\$55,129	\$59,035	\$62,900
8	Total Cost of Service	Sum Lns. (1 to 7)	\$49,691	\$53,523	\$57,315	\$61,068	\$64,786

Oliktok Pipeline Company
Net Carryover
(000's)

Schedule 3
Page 1 of 3

Line No.	Description	Source	Beg. Balance	2024	2025	2026	2027	2028	2029
1	Calendar Year Cost of Service	Schedule 2, Ln. 8		\$10,535	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716
2	Days Stmt. Rates in Effect in 2024	Workpaper 1, Ln. 43		0	na	na	na	na	na
3	Days in Calendar Year 2024	Input		366	na	na	na	na	na
4	% of 2024 Stmt. Rates in Effect	Lns. 2 / 3		0.00%	na	na	na	na	na
5	Total Cost of Service	Lns. (1 * 4) for 2024, Ln. 1 All Other		\$0	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716
Actual Throughput (thousand Mcf)									
6	GHP Deliveries	Workpaper 1, Ln. 32		0	0	0	0	0	0
7	Future Delivery Point 1 Deliveries								
8	Future Delivery Point 2 Deliveries								
9	KRU Deliveries	Workpaper 1, Ln. 35		0	0	0	0	0	0
Effective Tariff Rates (\$/Mcf)									
10	GHP	Workpaper 1, Ln. 39		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
11	Future Delivery Point 1								
12	Future Delivery Point 2								
13	KRU	Workpaper 1, Ln. 42		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
14	Revenue Received	Throughput * Tariff Rates		\$0	\$0	\$0	\$0	\$0	\$0
15	Voluntary Revenue Reduction	Workpaper 1, Ln.21		\$0	\$0	\$0	\$0	\$0	\$0
16	Carryover Base	Lns. (5 - 14 - 15)		\$0	\$4,538	\$8,942	\$13,271	\$17,528	\$21,716
17	Interest Rate	Workpaper 1, Ln.4		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
18	Interest on Net Carryover	Lns. 16 * 17		\$0	\$136	\$268	\$398	\$526	\$651
19	Net Carryover	Lns. (16 + 18)	\$0	\$0	\$4,675	\$9,210	\$13,669	\$18,054	\$22,367

Oliktok Pipeline Company
Net Carryover
(000's)

Schedule 3
Page 2 of 3

Line No.	Description	Source	2030	2031	2032	2033	2034	2035	2036
1	Calendar Year Cost of Service	Schedule 2, Ln. 8	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818	\$49,691
2	Days Stmt. Rates in Effect in 2024	Workpaper 1, Ln. 43	na	na	na	na	na	na	na
3	Days in Calendar Year 2024	Input	na	na	na	na	na	na	na
4	% of 2024 Stmt. Rates in Effect	Lns. 2 / 3	na	na	na	na	na	na	na
5	Total Cost of Service	Lns. (1 * 4) for 2024, Ln. 1 All Other	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818	\$49,691
Actual Throughput (thousand Mcf)									
6	GHP Deliveries	Workpaper 1, Ln. 32	0	0	0	0	0	0	0
7	Future Delivery Point 1 Deliveries								
8	Future Delivery Point 2 Deliveries								
9	KRU Deliveries	Workpaper 1, Ln. 35	0	0	0	0	0	0	0
Effective Tariff Rates (\$/Mcf)									
10	GHP	Workpaper 1, Ln. 39	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
11	Future Delivery Point 1								
12	Future Delivery Point 2								
13	KRU	Workpaper 1, Ln. 42	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
14	Revenue Received	Throughput * Tariff Rates	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Voluntary Revenue Reduction	Workpaper 1, Ln.21	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Carryover Base	Lns. (5 - 14 - 15)	\$25,842	\$29,920	\$33,956	\$37,951	\$41,905	\$45,818	\$49,691
17	Interest Rate	Workpaper 1, Ln.4	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
18	Interest on Net Carryover	Lns. 16 * 17	\$775	\$898	\$1,019	\$1,139	\$1,257	\$1,375	\$1,491
19	Net Carryover	Lns. (16 + 18)	\$26,617	\$30,818	\$34,975	\$39,089	\$43,162	\$47,193	\$51,182

Oliktok Pipeline Company
Net Carryover
(000's)

Schedule 3
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Line No.	Description	Source	2037	2038	2039	2040
1	Calendar Year Cost of Service	Schedule 2, Ln. 8	\$53,523	\$57,315	\$61,068	\$64,786
2	Days Stmt. Rates in Effect in 2024	Workpaper 1, Ln. 43	na	na	na	na
3	Days in Calendar Year 2024	Input	na	na	na	na
4	% of 2024 Stmt. Rates in Effect	Lns. 2 / 3	na	na	na	na
5	Total Cost of Service	Lns. (1 * 4) for 2024, Ln. 1 All Other	\$53,523	\$57,315	\$61,068	\$64,786
Actual Throughput (thousand Mcf)						
6	GHP Deliveries	Workpaper 1, Ln. 32	0	0	0	0
7	Future Delivery Point 1 Deliveries					
8	Future Delivery Point 2 Deliveries					
9	KRU Deliveries	Workpaper 1, Ln. 35	0	0	0	0
Effective Tariff Rates (\$/Mcf)						
10	GHP	Workpaper 1, Ln. 39	\$0.000	\$0.000	\$0.000	\$0.000
11	Future Delivery Point 1					
12	Future Delivery Point 2					
13	KRU	Workpaper 1, Ln. 42	\$0.000	\$0.000	\$0.000	\$0.000
14	Revenue Received	Throughput * Tariff Rates	\$0	\$0	\$0	\$0
15	Voluntary Revenue Reduction	Workpaper 1, Ln.21	\$0	\$0	\$0	\$0
16	Carryover Base	Lns. (5 - 14 - 15)	\$53,523	\$57,315	\$61,068	\$64,786
17	Interest Rate	Workpaper 1, Ln.4	3.00%	3.00%	3.00%	3.00%
18	Interest on Net Carryover	Lns. 16 * 17	\$1,606	\$1,719	\$1,832	\$1,944
19	Net Carryover	Lns. (16 + 18)	\$55,129	\$59,035	\$62,900	\$66,730

Oliktok Pipeline Company
Operating Expenses
(\$000's)

Schedule 4
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Line No.	Description	Source	2024	2025	2026	2027	2028	2029	2030
1	Operating Expenses (Account 610)	Workpaper 1, Line 17	\$6,312	\$0	\$0	\$0	\$0	\$0	\$0
2	Unusual or Infrequent Items (Account 665)	Workpaper 1, Line 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Extraordinary Items (Account 680)	Workpaper 1, Line 19	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Amortization Period for Infrequent and Extraordinary Items	Workpaper 1, Line 23	5	5	5	5	5	5	5
<u>Amortization of Infrequent and Extraordinary Items by Vintage</u>									
5	2024	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	2025	Vintage Lns. ((2+3)/4)		\$0	\$0	\$0	\$0	\$0	\$0
7	2026	Vintage Lns. ((2+3)/4)			\$0	\$0	\$0	\$0	\$0
8	2027	Vintage Lns. ((2+3)/4)				\$0	\$0	\$0	\$0
9	2028	Vintage Lns. ((2+3)/4)					\$0	\$0	\$0
10	2029	Vintage Lns. ((2+3)/4)						\$0	\$0
11	2030	Vintage Lns. ((2+3)/4)							\$0
12	2031	Vintage Lns. ((2+3)/4)							
13	2032	Vintage Lns. ((2+3)/4)							
14	2033	Vintage Lns. ((2+3)/4)							
15	2034	Vintage Lns. ((2+3)/4)							
16	2035	Vintage Lns. ((2+3)/4)							
17	2036	Vintage Lns. ((2+3)/4)							
18	2037	Vintage Lns. ((2+3)/4)							
19	2038	Vintage Lns. ((2+3)/4)							
20	2039	Vintage Lns. ((2+3)/4)							
21	2040	Vintage Lns. ((2+3)/4)							
22	Total Amort. of Infrequent and Extraordinary Items	Sum Lns. (5 to 21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Operating Expenses	Lns. (1 + 22)	\$6,312	\$0	\$0	\$0	\$0	\$0	\$0

Oliktok Pipeline Company
Operating Expenses
(\$000's)

Schedule 4
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Line No.	Description	Source	2031	2032	2033	2034	2035	2036	2037
1	Operating Expenses (Account 610)	Workpaper 1, Line 17	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Unusual or Infrequent Items (Account 665)	Workpaper 1, Line 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Extraordinary Items (Account 680)	Workpaper 1, Line 19	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Amortization Period for Infrequent and Extraordinary Items	Workpaper 1, Line 23	5	5	5	5	5	5	4
<u>Amortization of Infrequent and Extraordinary Items by Vintage</u>									
5	2024	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	2025	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	2026	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	2027	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	2028	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	2029	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	2030	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	2031	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2032	Vintage Lns. ((2+3)/4)		\$0	\$0	\$0	\$0	\$0	\$0
14	2033	Vintage Lns. ((2+3)/4)			\$0	\$0	\$0	\$0	\$0
15	2034	Vintage Lns. ((2+3)/4)				\$0	\$0	\$0	\$0
16	2035	Vintage Lns. ((2+3)/4)					\$0	\$0	\$0
17	2036	Vintage Lns. ((2+3)/4)						\$0	\$0
18	2037	Vintage Lns. ((2+3)/4)							\$0
19	2038	Vintage Lns. ((2+3)/4)							
20	2039	Vintage Lns. ((2+3)/4)							
21	2040	Vintage Lns. ((2+3)/4)							
22	Total Amort. of Infrequent and Extraordinary Items	Sum Lns. (5 to 21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Operating Expenses	Lns. (1 + 22)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Oliktok Pipeline Company
Operating Expenses
(\$000's)

Schedule 4
Page 3 of 3

Line No.	Description	Source	2038	2039	2040
1	Operating Expenses (Account 610)	Workpaper 1, Line 17	\$0	\$0	\$0
2	Unusual or Infrequent Items (Account 665)	Workpaper 1, Line 18	\$0	\$0	\$0
3	Extraordinary Items (Account 680)	Workpaper 1, Line 19	\$0	\$0	\$0
4	Amortization Period for Infrequent and Extraordinary Items	Workpaper 1, Line 23	3	2	1
<u>Amortization of Infrequent and Extraordinary Items by Vintage</u>					
5	2024	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
6	2025	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
7	2026	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
8	2027	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
9	2028	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
10	2029	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
11	2030	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
12	2031	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
13	2032	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
14	2033	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
15	2034	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
16	2035	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
17	2036	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
18	2037	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
19	2038	Vintage Lns. ((2+3)/4)	\$0	\$0	\$0
20	2039	Vintage Lns. ((2+3)/4)		\$0	\$0
21	2040	Vintage Lns. ((2+3)/4)			\$0
22	Total Amort. of Infrequent and Extraordinary Items	Sum Lns. (5 to 21)	\$0	\$0	\$0
23	Operating Expenses	Lns. (1 + 22)	\$0	\$0	\$0

Oliktok Pipeline Company
Weighted Cost of Capital and Return on Rate Base
(\$000's)

Schedule 5
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Line No.	Description	Source	2024	2025	2026	2027	2028	2029
Weighted Cost of Capital (%)								
1	Equity Ratio	Workpaper 1, Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
5	Equity Portion of Weighted Cost of Capital	Lns. (1 * 3)	5.71%	5.71%	5.71%	5.71%	5.71%	5.71%
6	Debt Portion of Weighted Cost of Capital	Lns. (2 * 4)	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%
7	Weighted Cost of Capital	Lns. (5 + 6)	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%
Return on Rate Base								
8	Average Rate Base	Schedule 7, Ln. 8	\$23,798	\$24,744	\$22,229	\$20,318	\$18,450	\$16,621
9	Weighted Cost of Capital	Ln . 7	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%
10	Return on Rate Base	Lns. (8 * 9)	\$2,029	\$2,110	\$1,895	\$1,732	\$1,573	\$1,417
11	Rate of Return on Debt	Ln. 4	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
12	Debt Ratio	Ln. 2	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
13	Debt Portion of Return on Rate Base	Lns. (8 * 11 * 12)	\$671	\$698	\$627	\$573	\$520	\$469
14	Rate of Return on Equity	Ln. 3	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
15	Equity Ratio	Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
16	Equity Portion of Return on Rate Base	Lns. (8 * 14 * 15)	\$1,358	\$1,412	\$1,268	\$1,159	\$1,053	\$948

Oliktok Pipeline Company
Weighted Cost of Capital and Return on Rate Base
(\$000's)

Schedule 5
Page 2 of 3

Line No.	Description	Source	2030	2031	2032	2033	2034	2035
Weighted Cost of Capital (%)								
1	Equity Ratio	Workpaper 1, Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
5	Equity Portion of Weighted Cost of Capital	Lns. (1 * 3)	5.71%	5.71%	5.71%	5.71%	5.71%	5.71%
6	Debt Portion of Weighted Cost of Capital	Lns. (2 * 4)	2.82%	2.82%	2.82%	2.82%	2.82%	2.82%
7	Weighted Cost of Capital	Lns. (5 + 6)	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%
Return on Rate Base								
8	Average Rate Base	Schedule 7, Ln. 8	\$14,889	\$13,293	\$11,769	\$10,265	\$8,780	\$7,304
9	Weighted Cost of Capital	Ln . 7	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%
10	Return on Rate Base	Lns. (8 * 9)	\$1,269	\$1,133	\$1,003	\$875	\$749	\$623
11	Rate of Return on Debt	Ln. 4	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
12	Debt Ratio	Ln. 2	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
13	Debt Portion of Return on Rate Base	Lns. (8 * 11 * 12)	\$420	\$375	\$332	\$290	\$248	\$206
14	Rate of Return on Equity	Ln. 3	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
15	Equity Ratio	Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
16	Equity Portion of Return on Rate Base	Lns. (8 * 14 * 15)	\$849	\$758	\$671	\$586	\$501	\$417

Oliktok Pipeline Company
Weighted Cost of Capital and Return on Rate Base
(\$000's)

Schedule 5
Page 3 of 3

Line No.	Description	Source	2036	2037	2038	2039	2040
Weighted Cost of Capital (%)							
1	Equity Ratio	Workpaper 1, Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3	5.02%	5.02%	5.02%	5.02%	5.02%
5	Equity Portion of Weighted Cost of Capital	Lns. (1 * 3)	5.71%	5.71%	5.71%	5.71%	5.71%
6	Debt Portion of Weighted Cost of Capital	Lns. (2 * 4)	2.82%	2.82%	2.82%	2.82%	2.82%
7	Weighted Cost of Capital	Lns. (5 + 6)	8.53%	8.53%	8.53%	8.53%	8.53%
Return on Rate Base							
8	Average Rate Base	Schedule 7, Ln. 8	\$5,838	\$4,386	\$2,945	\$1,532	\$166
9	Weighted Cost of Capital	Ln. 7	8.53%	8.53%	8.53%	8.53%	8.53%
10	Return on Rate Base	Lns. (8 * 9)	\$498	\$374	\$251	\$131	\$14
11	Rate of Return on Debt	Ln. 4	5.02%	5.02%	5.02%	5.02%	5.02%
12	Debt Ratio	Ln. 2	56.18%	56.18%	56.18%	56.18%	56.18%
13	Debt Portion of Return on Rate Base	Lns. (8 * 11 * 12)	\$165	\$124	\$83	\$43	\$5
14	Rate of Return on Equity	Ln. 3	13.02%	13.02%	13.02%	13.02%	13.02%
15	Equity Ratio	Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%
16	Equity Portion of Return on Rate Base	Lns. (8 * 14 * 15)	\$333	\$250	\$168	\$87	\$9

Oliktok Pipeline Company
Income Tax Allowance
(\$000's)

Schedule 6
Page 1 of 3

Line No.	Description	Source	2024	2025	2026	2027	2028	2029	2030
1	Equity Portion of Return on Rate Base	Schedule 5, Ln. 16	\$1,358	\$1,412	\$1,268	\$1,159	\$1,053	\$948	\$849
2	Equity AFUDC Amortization	Workpaper 6 Ln. 4	\$66	\$68	\$68	\$68	\$68	\$68	\$68
3	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3	\$5	\$5	\$5	\$5	\$5	\$5	\$5
4	Amortization of FAS 96/109 Adjustment	Workpaper 7, Ln. 19	\$32	\$32	\$32	\$32	\$32	\$32	\$32
5	Federal Income Tax Base	Sum Lns. (1 to 3) - Ln. 4	\$1,397	\$1,454	\$1,310	\$1,201	\$1,094	\$990	\$891
6	Federal Income Tax Rate	Workpaper 1, Ln. 25	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
7	Federal Income Tax Factor	Lns. (6 / (1.0 - 6))	26.58%	26.58%	26.58%	26.58%	26.58%	26.58%	26.58%
8	Federal Income Tax Allowance	Lns. (5 * 7 - 4)	\$340	\$355	\$316	\$287	\$259	\$231	\$205
9	State Income Tax Base	Lns. (1 + 2 + 8)	\$1,764	\$1,835	\$1,653	\$1,515	\$1,380	\$1,248	\$1,123
10	State Income Tax Rate	Workpaper 1, Ln. 24	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
11	State Income Tax Factor	Lns. (10 / (1.0 - 10))	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%
12	State Income Tax Allowance	Lns. (9 * 11)	\$183	\$190	\$172	\$157	\$143	\$129	\$117
13	Income Tax Allowance	Lns. (8 + 12)	\$523	\$545	\$488	\$445	\$402	\$361	\$322

Oliktok Pipeline Company
Income Tax Allowance
(\$000's)

Schedule 6
Page 2 of 3

Line No.	Description	Source	2031	2032	2033	2034	2035	2036	2037
1	Equity Portion of Return on Rate Base	Schedule 5, Ln. 16	\$758	\$671	\$586	\$501	\$417	\$333	\$250
2	Equity AFUDC Amortization	Workpaper 6 Ln. 4	\$68	\$68	\$68	\$68	\$68	\$68	\$68
3	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3	\$5	\$5	\$5	\$5	\$5	\$5	\$5
4	Amortization of FAS 96/109 Adjustment	Workpaper 7, Ln. 19	\$32	\$32	\$32	\$32	\$32	\$32	\$32
5	Federal Income Tax Base	Sum Lns. (1 to 3) - Ln. 4	\$800	\$713	\$627	\$543	\$459	\$375	\$292
6	Federal Income Tax Rate	Workpaper 1, Ln. 25	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
7	Federal Income Tax Factor	Lns. (6 / (1.0 - 6))	26.58%	26.58%	26.58%	26.58%	26.58%	26.58%	26.58%
8	Federal Income Tax Allowance	Lns. (5 * 7 - 4)	\$181	\$158	\$135	\$112	\$90	\$68	\$46
9	State Income Tax Base	Lns. (1 + 2 + 8)	\$1,008	\$898	\$789	\$682	\$575	\$469	\$364
10	State Income Tax Rate	Workpaper 1, Ln. 24	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
11	State Income Tax Factor	Lns. (10 / (1.0 - 10))	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%	10.38%
12	State Income Tax Allowance	Lns. (9 * 11)	\$105	\$93	\$82	\$71	\$60	\$49	\$38
13	Income Tax Allowance	Lns. (8 + 12)	\$285	\$251	\$217	\$183	\$150	\$117	\$84

Oliktok Pipeline Company
Income Tax Allowance
(\$000's)

Schedule 6
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Line No.	Description	Source	2038	2039	2040
1	Equity Portion of Return on Rate Base	Schedule 5, Ln. 16	\$168	\$87	\$9
2	Equity AFUDC Amortization	Workpaper 6 Ln. 4	\$68	\$68	\$68
3	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3	\$5	\$5	\$5
4	Amortization of FAS 96/109 Adjustment	Workpaper 7, Ln. 19	\$32	\$32	\$32
5	Federal Income Tax Base	Sum Lns. (1 to 3) - Ln. 4	\$210	\$129	\$51
6	Federal Income Tax Rate	Workpaper 1, Ln. 25	21.00%	21.00%	21.00%
7	Federal Income Tax Factor	Lns. (6 / (1.0 - 6))	26.58%	26.58%	26.58%
8	Federal Income Tax Allowance	Lns. (5 * 7 - 4)	\$24	\$3	(\$18)
9	State Income Tax Base	Lns. (1 + 2 + 8)	\$260	\$158	\$60
10	State Income Tax Rate	Workpaper 1, Ln. 24	9.40%	9.40%	9.40%
11	State Income Tax Factor	Lns. (10 / (1.0 - 10))	10.38%	10.38%	10.38%
12	State Income Tax Allowance	Lns. (9 * 11)	\$27	\$16	\$6
13	Income Tax Allowance	Lns. (8 + 12)	\$51	\$19	(\$12)

Oliktok Pipeline Company
Rate Base
(\$000's)

Schedule 7
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Line No.	Description	Source	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
1	Carrier Property in Service	Workpaper 4, Ln. 5	\$65,215	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
2	Accumulated Depreciation	Workpaper 4, Ln. 18	\$41,844	\$43,416	\$45,196	\$46,977	\$48,758	\$50,539	\$52,320
3	Net Carrier Property in Service	Lns. (1 - 2)	\$23,371	\$28,493	\$26,712	\$24,932	\$23,151	\$21,370	\$19,589
4	Net AFUDC	Workpaper 6, Ln. 10	\$1,650	\$1,649	\$1,546	\$1,443	\$1,340	\$1,237	\$1,134
5	Working Capital	Workpaper 1, Ln. 16	\$1,086	\$1,086	\$0	\$0	\$0	\$0	\$0
6	ADIT	Workpaper 7, Ln. 22	\$4,801	\$4,938	\$5,062	\$5,115	\$5,115	\$5,082	\$5,005
7	Year-End Rate Base	Lns. (3 + 4 + 5 - 6)	\$21,305	\$26,291	\$23,197	\$21,260	\$19,376	\$17,525	\$15,718
8	Average Rate Base	(Ln. 7 + Prior Ln. 7) / 2.0		\$23,798	\$24,744	\$22,229	\$20,318	\$18,450	\$16,621

Oliktok Pipeline Company
Rate Base
(\$000's)

Schedule 7
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Line No.	Description	Source	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>
1	Carrier Property in Service	Workpaper 4, Ln. 5	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
2	Accumulated Depreciation	Workpaper 4, Ln. 18	\$54,100	\$55,881	\$57,662	\$59,443	\$61,224	\$63,005	\$64,785
3	Net Carrier Property in Service	Lns. (1 - 2)	\$17,808	\$16,027	\$14,247	\$12,466	\$10,685	\$8,904	\$7,123
4	Net AFUDC	Workpaper 6, Ln. 10	\$1,031	\$928	\$825	\$722	\$619	\$515	\$412
5	Working Capital	Workpaper 1, Ln. 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	ADIT	Workpaper 7, Ln. 22	\$4,780	\$4,428	\$4,060	\$3,668	\$3,262	\$2,852	\$2,427
7	Year-End Rate Base	Lns. (3 + 4 + 5 - 6)	\$14,060	\$12,527	\$11,011	\$9,519	\$8,041	\$6,568	\$5,108
8	Average Rate Base	(Ln. 7 + Prior Ln. 7) / 2.0	\$14,889	\$13,293	\$11,769	\$10,265	\$8,780	\$7,304	\$5,838

Oliktok Pipeline Company
Rate Base
(\$000's)

Schedule 7
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<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
1	Carrier Property in Service	Workpaper 4, Ln. 5	\$71,909	\$71,909	\$71,909	\$71,909
2	Accumulated Depreciation	Workpaper 4, Ln. 18	\$66,566	\$68,347	\$70,128	\$71,909
3	Net Carrier Property in Service	Lns. (1 - 2)	\$5,342	\$3,562	\$1,781	\$0
4	Net AFUDC	Workpaper 6, Ln. 10	\$309	\$206	\$103	\$0
5	Working Capital	Workpaper 1, Ln. 16	\$0	\$0	\$0	\$0
6	ADIT	Workpaper 7, Ln. 22	\$1,988	\$1,541	\$1,046	\$506
7	Year-End Rate Base	Lns. (3 + 4 + 5 - 6)	\$3,663	\$2,226	\$838	(\$506)
8	Average Rate Base	(Ln. 7 + Prior Ln. 7) / 2.0	\$4,386	\$2,945	\$1,532	\$166

Line No.	Description	Source	2023	2024	2025	2026	2027	2028
Interest Rates (%)								
1	Equity Ratio	Settlement Agreement	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Rate of Return on Equity	Settlement Agreement	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
3	Rate of Return on Debt	Settlement Agreement	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
4	Interest Rate	Settlement Agreement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Costs and Revenues (\$000's)								
5	CWIP Additions	Input	\$994	\$6,138				
6	CWIP Retirements	Input	\$0	\$0				
7	CWIP Adjustments and Transfers	Input	(\$438)	(\$6,694)				
8	Additions to Carrier Property in Service	Input	\$438	\$6,694				
9	Retirements of Carrier Property in Service	Input	\$0	\$0				
10	Adjustments to Carrier Property in Service	Input	\$0	\$0				
11	Additions of Land	Input	\$0	\$0				
12	Retirements of Land	Input	\$0	\$0				
13	Adjustments to Land	Input	\$0	\$0				
14	Depreciation Retirements	Input	\$0	\$0				
15	Depreciation Adjustments	Input	\$0	\$0				
16	Working Capital	Input	\$1,086	\$1,086				
17	Operating Expenses (Account 610)	Input		\$6,312				
18	Unusual or Infrequent Items (Account 665)	Input		\$0				
19	Extraordinary Items (Account 680)	Input		\$0				
20	Non-Distance Related Costs	Input		\$965				
21	Voluntary Revenue Reduction	Input		\$0				
Depreciation and Amortization Periods (Years)								
22	Remaining Life for Depreciation	Settlement Agreement	18	17	16	15	14	13
23	Amortization Period for Infrequent and Extraordinary Items	Settlement Agreement	5	5	5	5	5	5
Tax Rates (%)								
24	State Income Tax Rate	AK Stat.	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
25	Federal Income Tax Rate	IRC	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Tax Depreciation Year								
26	State Tax Depreciation Factor	Exhibit D	5.7143%	10.7755%	9.8247%	9.2107%	8.5966%	7.9826%
27	Federal Tax Depreciation Factor	Exhibit E	5.0000%	9.5000%	8.5500%	7.6950%	6.9255%	6.2330%
Throughput (thousand Mcfs)								
28	GHP Deliveries - Projected	Input	365					
29	Future Delivery Point 1 Deliveries - Projected	Input						
30	Future Delivery Point 2 Deliveries - Projected	Input						
31	KRU Deliveries - Projected	Input	13,255					
32	GHP Deliveries - Actual	Input [1/]						
33	Future Delivery Point 1 Deliveries - Actual	Input						
34	Future Delivery Point 2 Deliveries - Actual	Input						
35	KRU Deliveries - Actual	Input [1/]						
Pipeline Distance (Miles)								
36	GHP	Input	15.85	15.85	15.85	15.85	15.85	15.85
37	Future Delivery Point 1	Input						
38	Future Delivery Point 2	Input						
39	KRU	Input	28.06	28.06	28.06	28.06	28.06	28.06
Tariff Rates - Gas (\$/Mcf)								
39	GHP	Input						
40	Future Delivery Point 1	Input						
41	Future Delivery Point 2	Input						
42	KRU	Input						
43	Days Settlement Rate in Effect in 2024	Input						

1/ For 2024, reflects deliveries charged settlement rate.

Line No.	Description	Source	2029	2030	2031	2032	2033	2034
Interest Rates (%)								
1	Equity Ratio	Settlement Agreement	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Rate of Return on Equity	Settlement Agreement	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
3	Rate of Return on Debt	Settlement Agreement	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
4	Interest Rate	Settlement Agreement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Costs and Revenues (\$000's)								
5	CWIP Additions	Input						
6	CWIP Retirements	Input						
7	CWIP Adjustments and Transfers	Input						
8	Additions to Carrier Property in Service	Input						
9	Retirements of Carrier Property in Service	Input						
10	Adjustments to Carrier Property in Service	Input						
11	Additions of Land	Input						
12	Retirements of Land	Input						
13	Adjustments to Land	Input						
14	Depreciation Retirements	Input						
15	Depreciation Adjustments	Input						
16	Working Capital	Input						
17	Operating Expenses (Account 610)	Input						
18	Unusual or Infrequent Items (Account 665)	Input						
19	Extraordinary Items (Account 680)	Input						
20	Non-Distance Related Costs	Input						
21	Voluntary Revenue Reduction	Input						
Depreciation and Amortization Periods (Years)								
22	Remaining Life for Depreciation	Settlement Agreement	12	11	10	9	8	7
23	Amortization Period for Infrequent and Extraordinary Items	Settlement Agreement	5	5	5	5	5	5
Tax Rates (%)								
24	State Income Tax Rate	AK Stat.	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
25	Federal Income Tax Rate	IRC	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
<i>Tax Depreciation Year</i>			7	8	9	10	11	12
26	State Tax Depreciation Factor	Exhibit D	7.3685%	6.7545%	6.1405%	5.5264%	4.9124%	4.2983%
27	Federal Tax Depreciation Factor	Exhibit E	5.9049%	5.9049%	5.9049%	5.9049%	5.9049%	5.9049%
Throughput (thousand Mcfs)								
28	GHP Deliveries - Projected	Input						
29	Future Delivery Point 1 Deliveries - Projected	Input						
30	Future Delivery Point 2 Deliveries - Projected	Input						
31	KRU Deliveries - Projected	Input						
32	GHP Deliveries - Actual	Input [1/]						
33	Future Delivery Point 1 Deliveries - Actual	Input						
34	Future Delivery Point 2 Deliveries - Actual	Input						
35	KRU Deliveries - Actual	Input [1/]						
Pipeline Distance (Miles)								
36	GHP	Input	15.85	15.85	15.85	15.85	15.85	15.85
37	Future Delivery Point 1	Input						
38	Future Delivery Point 2	Input						
39	KRU	Input	28.06	28.06	28.06	28.06	28.06	28.06
Tariff Rates - Gas (\$/Mcf)								
39	GHP	Input						
40	Future Delivery Point 1	Input						
41	Future Delivery Point 2	Input						
42	KRU	Input						
43	Days Settlement Rate in Effect in 2024	Input						

1/ For 2024, reflects deliveries charged settlement rate.

Line No.	Description	Source	2035	2036	2037	2038	2039	2040
Interest Rates (%)								
1	Equity Ratio	Settlement Agreement	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Rate of Return on Equity	Settlement Agreement	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
3	Rate of Return on Debt	Settlement Agreement	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
4	Interest Rate	Settlement Agreement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Costs and Revenues (\$000's)								
5	CWIP Additions	Input						
6	CWIP Retirements	Input						
7	CWIP Adjustments and Transfers	Input						
8	Additions to Carrier Property in Service	Input						
9	Retirements of Carrier Property in Service	Input						
10	Adjustments to Carrier Property in Service	Input						
11	Additions of Land	Input						
12	Retirements of Land	Input						
13	Adjustments to Land	Input						
14	Depreciation Retirements	Input						
15	Depreciation Adjustments	Input						
16	Working Capital	Input						
17	Operating Expenses (Account 610)	Input						
18	Unusual or Infrequent Items (Account 665)	Input						
19	Extraordinary Items (Account 680)	Input						
20	Non-Distance Related Costs	Input						
21	Voluntary Revenue Reduction	Input						
Depreciation and Amortization Periods (Years)								
22	Remaining Life for Depreciation	Settlement Agreement	6	5	4	3	2	1
23	Amortization Period for Infrequent and Extraordinary Items	Settlement Agreement	5	5	4	3	2	1
Tax Rates (%)								
24	State Income Tax Rate	AK Stat.	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
25	Federal Income Tax Rate	IRC	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
<i>Tax Depreciation Year</i>			<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>	<i>18</i>
26	State Tax Depreciation Factor	Exhibit D	3.6843%	3.0702%	2.4562%	1.8421%	1.2281%	0.6141%
27	Federal Tax Depreciation Factor	Exhibit E	5.9049%	5.9049%	5.9049%	2.9525%		
Throughput (thousand Mcfs)								
28	GHP Deliveries - Projected	Input						
29	Future Delivery Point 1 Deliveries - Projected	Input						
30	Future Delivery Point 2 Deliveries - Projected	Input						
31	KRU Deliveries - Projected	Input						
32	GHP Deliveries - Actual	Input [1/]						
33	Future Delivery Point 1 Deliveries - Actual	Input						
34	Future Delivery Point 2 Deliveries - Actual	Input						
35	KRU Deliveries - Actual	Input [1/]						
Pipeline Distance (Miles)								
36	GHP	Input	15.85	15.85	15.85	15.85	15.85	15.85
37	Future Delivery Point 1	Input						
38	Future Delivery Point 2	Input						
39	KRU	Input	28.06	28.06	28.06	28.06	28.06	28.06
Tariff Rates - Gas (\$/Mcf)								
39	GHP	Input						
40	Future Delivery Point 1	Input						
41	Future Delivery Point 2	Input						
42	KRU	Input						
43	Days Settlement Rate in Effect in 2024	Input						

1/ For 2024, reflects deliveries charged settlement rate.

Line	Data Element		Time Period	Amount	Reference in Settlement		
1	Carrier Property	CWIP	December 31, 2022 Balance	\$370	Section II-6		
2		Carrier Property in Service	December 31, 2022 Balance	\$64,778	Section II-6		
3		Land	December 31, 2022 Balance	\$0	Section II-6		
4		Accumulated Depreciation	December 31, 2022 Balance	\$40,482	Section II-5		
5	AFUDC	Equity AFUDC Base	December 31, 2022 Balance	\$7	Section II-8		
6		IDC Base	December 31, 2022 Balance	\$3	Section II-7		
7		Net Equity AFUDC Balance	December 31, 2022 Balance	\$1,141	Section II-8		
8		IDC Balance	December 31, 2022 Balance	\$584	Section II-7		
9	ADIT	Total State ADIT	December 31, 2022 Balance	\$1,396	Section II-13		
10		Total Federal ADIT	December 31, 2022 Balance	\$3,292	Section II-13		
11		FASB 96/109 Adjustment	December 31, 2022 Balance	\$572	Section II-13		
12		TEFRA Adjustment Balance	December 31, 2022 Balance	\$95	Section II-13		
13	Tax Depreciation	Pre-2023 Federal Tax Depreciation 1/	2023 Amount	\$1,905	Exhibit C		
14			2024 Amount	\$1,865	Exhibit C		
15			2025 Amount	\$1,742	Exhibit C		
16			2026 Amount	\$1,558	Exhibit C		
17			2027 Amount	\$1,459	Exhibit C		
18			2028 Amount	\$1,441	Exhibit C		
19			2029 Amount	\$1,352	Exhibit C		
20			2030 Amount	\$735	Exhibit C		
21			2031 Amount	\$205	Exhibit C		
22			2032 Amount	\$193	Exhibit C		
23			2033 Amount	\$141	Exhibit C		
24			2034 Amount	\$100	Exhibit C		
25			2035 Amount	\$98	Exhibit C		
26			2036 Amount	\$55	Exhibit C		
27			2037 Amount	\$5	Exhibit C		
28			Tax Depreciation	Pre-2023 State Tax Depreciation 1/	2023 Amount	\$1,810	Exhibit B
29					2024 Amount	\$1,617	Exhibit B
30					2025 Amount	\$1,423	Exhibit B
31					2026 Amount	\$1,245	Exhibit B
32					2027 Amount	\$1,032	Exhibit B
33	2028 Amount	\$835			Exhibit B		
34	2029 Amount	\$675			Exhibit B		
35	2030 Amount	\$525			Exhibit B		
36	2031 Amount	\$375			Exhibit B		
37	2032 Amount	\$225			Exhibit B		
38	2033 Amount	\$94			Exhibit B		
39	2034 Amount	\$72			Exhibit B		
40	2035 Amount	\$51			Exhibit B		
41	2036 Amount	\$32			Exhibit B		
42	2037 Amount	\$22			Exhibit B		
43	2038 Amount	\$11			Exhibit B		
44	2039 Amount	\$1			Exhibit B		
45	Depreciable End Life (year)		Initial 5-Year Term	2040	Section II-5		

1/ Amounts for subsequent years are fully depreciated.

**Oliktok Pipeline Company
Depreciation Factors**

Line No.	Description	Source	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
1	Remaining Life for Depreciation	Workpaper 1, Ln. 22	18	17	16	15	14	13	12
2	Depreciation Factor	1.0 / Ln. 1	5.5556%	5.8824%	6.2500%	6.6667%	7.1429%	7.6923%	8.3333%

**Oliktok Pipeline Company
Depreciation Factors**

Line No.	Description	Source	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>
1	Remaining Life for Depreciation	Workpaper 1, Ln. 22	11	10	9	8	7	6	5
2	Depreciation Factor	1.0 / Ln. 1	9.0909%	10.0000%	11.1111%	12.5000%	14.2857%	16.6667%	20.0000%

**Oliktok Pipeline Company
Depreciation Factors**

**Workpaper 3
Page 3 of 3**

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Source</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
1	Remaining Life for Depreciation	Workpaper 1, Ln. 22	4	3	2	1
2	Depreciation Factor	1.0 / Ln. 1	25.0000%	33.3333%	50.0000%	100.0000%

Oliktok Pipeline Company
Carrier Property in Service and Depreciation
(\$000's)

Line No.	Description	Source	2022	2023	2024	2025	2026	2027	2028
1	Carrier Property in Service, BOY	Prior Ln. 5		\$64,778	\$65,215	\$71,909	\$71,909	\$71,909	\$71,909
2	Additions to Carrier Property in Service	Workpaper 1, Ln.8		\$438	\$6,694	\$0	\$0	\$0	\$0
3	Retirements of Carrier Property in Service	Workpaper 1, Ln.9		\$0	\$0	\$0	\$0	\$0	\$0
4	Adjustments to Carrier Property in Service	Workpaper 1, Ln.10		\$0	\$0	\$0	\$0	\$0	\$0
5	Carrier Property in Service, EOY	Lns. (1 + 2 + 3 + 4) 1/	\$64,778	\$65,215	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
6	Land, BOY	Prior Ln. 10		\$0	\$0	\$0	\$0	\$0	\$0
7	Additions of Land	Workpaper 1, Ln.11		\$0	\$0	\$0	\$0	\$0	\$0
8	Retirements of Land	Workpaper 1, Ln.12		\$0	\$0	\$0	\$0	\$0	\$0
9	Adjustments to Land	Workpaper 1, Ln.13		\$0	\$0	\$0	\$0	\$0	\$0
10	Land, EOY	Lns. (6 + 7 + 8 + 9) 2/	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Depreciable Carrier Property in Service EOY	Ln. (5 - 10)	\$64,778	\$65,215	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
12	Depreciation Base	Lns. ((11+Prior 11)/2.0-Prior 18)		\$24,514	\$26,718	\$28,493	\$26,712	\$24,932	\$23,151
13	Depreciation Factor	Workpaper 3, Ln. 2		5.5556%	5.8824%	6.2500%	6.6667%	7.1429%	7.6923%
14	Accumulated Depreciation, BOY	Prior Ln. 18		\$40,482	\$41,844	\$43,416	\$45,196	\$46,977	\$48,758
15	Depreciation Expense	Lns. (12 * 13)		\$1,362	\$1,572	\$1,781	\$1,781	\$1,781	\$1,781
16	Depreciation - Retirements	Workpaper 1, Ln.14		\$0	\$0	\$0	\$0	\$0	\$0
17	Depreciation - Adjustments	Workpaper 1, Ln.15		\$0	\$0	\$0	\$0	\$0	\$0
18	Accumulated Depreciation, EOY	Lns. (14 + 15 + 16 + 17) 3/	\$40,482	\$41,844	\$43,416	\$45,196	\$46,977	\$48,758	\$50,539
19	Net Depreciable Carrier Property in Service, EOY	Lns. (11 - 18)	\$24,296	\$23,371	\$28,493	\$26,712	\$24,932	\$23,151	\$21,370

1/ 2022 amount based on Workpaper 2, Line 2

2/ 2022 amount based on Workpaper 2, Line 3

3/ 2022 amount based on Workpaper 2, Line 4

Oliktok Pipeline Company
Carrier Property in Service and Depreciation
(\$000's)

Line No.	Description	Source	2029	2030	2031	2032	2033	2034	2035
1	Carrier Property in Service, BOY	Prior Ln. 5	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
2	Additions to Carrier Property in Service	Workpaper 1, Ln.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Retirements of Carrier Property in Service	Workpaper 1, Ln.9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Adjustments to Carrier Property in Service	Workpaper 1, Ln.10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Carrier Property in Service, EOY	Lns. (1 + 2 + 3 + 4) 1/	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
6	Land, BOY	Prior Ln. 10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Additions of Land	Workpaper 1, Ln.11	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Retirements of Land	Workpaper 1, Ln.12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Adjustments to Land	Workpaper 1, Ln.13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Land, EOY	Lns. (6 + 7 + 8 + 9) 2/	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Depreciable Carrier Property in Service EOY	Ln. (5 - 10)	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
12	Depreciation Base	Lns. ((11+Prior 11)/2.0-Prior 18)	\$21,370	\$19,589	\$17,808	\$16,027	\$14,247	\$12,466	\$10,685
13	Depreciation Factor	Workpaper 3, Ln. 2	8.3333%	9.0909%	10.0000%	11.1111%	12.5000%	14.2857%	16.6667%
14	Accumulated Depreciation, BOY	Prior Ln. 18	\$50,539	\$52,320	\$54,100	\$55,881	\$57,662	\$59,443	\$61,224
15	Depreciation Expense	Lns. (12 * 13)	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
16	Depreciation - Retirements	Workpaper 1, Ln.14	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Depreciation - Adjustments	Workpaper 1, Ln.15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Accumulated Depreciation, EOY	Lns. (14 + 15 + 16 + 17) 3/	\$52,320	\$54,100	\$55,881	\$57,662	\$59,443	\$61,224	\$63,005
19	Net Depreciable Carrier Property in Service, EOY	Lns. (11 - 18)	\$19,589	\$17,808	\$16,027	\$14,247	\$12,466	\$10,685	\$8,904

1/ 2022 amount based on Workpaper 2, Line 2

2/ 2022 amount based on Workpaper 2, Line 3

3/ 2022 amount based on Workpaper 2, Line 4

Oliktok Pipeline Company
Carrier Property in Service and Depreciation
(\$000's)

Line No.	Description	Source	2036	2037	2038	2039	2040
1	Carrier Property in Service, BOY	Prior Ln. 5	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
2	Additions to Carrier Property in Service	Workpaper 1, Ln.8	\$0	\$0	\$0	\$0	\$0
3	Retirements of Carrier Property in Service	Workpaper 1, Ln.9	\$0	\$0	\$0	\$0	\$0
4	Adjustments to Carrier Property in Service	Workpaper 1, Ln.10	\$0	\$0	\$0	\$0	\$0
5	Carrier Property in Service, EOY	Lns. (1 + 2 + 3 + 4) 1/	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
6	Land, BOY	Prior Ln. 10	\$0	\$0	\$0	\$0	\$0
7	Additions of Land	Workpaper 1, Ln.11	\$0	\$0	\$0	\$0	\$0
8	Retirements of Land	Workpaper 1, Ln.12	\$0	\$0	\$0	\$0	\$0
9	Adjustments to Land	Workpaper 1, Ln.13	\$0	\$0	\$0	\$0	\$0
10	Land, EOY	Lns. (6 + 7 + 8 + 9) 2/	\$0	\$0	\$0	\$0	\$0
11	Depreciable Carrier Property in Service EOY	Ln. (5 - 10)	\$71,909	\$71,909	\$71,909	\$71,909	\$71,909
12	Depreciation Base	Lns. ((11+Prior 11)/2.0-Prior 18)	\$8,904	\$7,123	\$5,342	\$3,562	\$1,781
13	Depreciation Factor	Workpaper 3, Ln. 2	20.0000%	25.0000%	33.3333%	50.0000%	100.0000%
14	Accumulated Depreciation, BOY	Prior Ln. 18	\$63,005	\$64,785	\$66,566	\$68,347	\$70,128
15	Depreciation Expense	Lns. (12 * 13)	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
16	Depreciation - Retirements	Workpaper 1, Ln.14	\$0	\$0	\$0	\$0	\$0
17	Depreciation - Adjustments	Workpaper 1, Ln.15	\$0	\$0	\$0	\$0	\$0
18	Accumulated Depreciation, EOY	Lns. (14 + 15 + 16 + 17) 3/	\$64,785	\$66,566	\$68,347	\$70,128	\$71,909
19	Net Depreciable Carrier Property in Service, EOY	Lns. (11 - 18)	\$7,123	\$5,342	\$3,562	\$1,781	\$0

1/ 2022 amount based on Workpaper 2, Line 2
2/ 2022 amount based on Workpaper 2, Line 3
3/ 2022 amount based on Workpaper 2, Line 4

Oliktok Pipeline Company
AFUDC Base
(\$000's)

Line No.	Description	Source	2022	2023	2024	2025	2026	2027	2028
1	Equity Ratio	Workpaper 1, Ln. 1		43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1		56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2		13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3		5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
5	CWIP Additions	Workpaper 1, Ln.5		\$994	\$6,138	\$0	\$0	\$0	\$0
6	CWIP Retirements	Workpaper 1, Ln.6		\$0	\$0	\$0	\$0	\$0	\$0
7	CWIP Adjustments and Transfers	Workpaper 1, Ln.7		(\$438)	(\$6,694)	\$0	\$0	\$0	\$0
8	CWIP Balance	Lns. (5+6+7+Prior 8) 1/	\$370	\$926	\$370	\$370	\$370	\$370	\$370
9	Average CWIP	Average Ln. 8		\$648	\$648	\$370	\$370	\$370	\$370
10	Additions to Carrier Property in Service	Workpaper 4, Ln. 2		\$438	\$6,694	\$0	\$0	\$0	\$0
11	In Service Ratio	Lns. (10 / (5 + Prior 8)) 2/		32.10%	94.77%	0.00%	0.00%	0.00%	0.00%
12	Additions to Equity AFUDC Base	Lns. ((1 * 9 + Prior 14) * 3)		\$38	\$41	\$22	\$24	\$28	\$31
13	Equity AFUDC Additions to Rate Base	Lns. (11 * (12 + Prior 14))		\$14	\$68	\$0	\$0	\$0	\$0
14	Equity AFUDC Base	Lns. (Prior 14 + 12 - 13) 3/	\$7	\$30	\$4	\$25	\$50	\$77	\$108
15	Additions to IDC Base	Lns. ((2 * 9 + Prior 17) * 4)		\$18	\$19	\$11	\$11	\$12	\$12
16	IDC Additions to Rate Base	Lns. (11 * (15 + Prior 17))		\$7	\$32	\$0	\$0	\$0	\$0
17	IDC Base	Lns. (Prior 17 + 15 - 16) 4/	\$3	\$15	\$2	\$12	\$23	\$35	\$47

1/ 2022 amount based on Workpaper 2, Line 1

2/ In Service Ratio not to exceed 100%

3/ 2022 amount based on Workpaper 2, Line 5

4/ 2022 amount based on Workpaper 2, Line 6

Oliktok Pipeline Company
AFUDC Base
(\$000's)

Line No.	Description	Source	2029	2030	2031	2032	2033	2034	2035
1	Equity Ratio	Workpaper 1, Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
5	CWIP Additions	Workpaper 1, Ln.5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	CWIP Retirements	Workpaper 1, Ln.6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	CWIP Adjustments and Transfers	Workpaper 1, Ln.7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	CWIP Balance	Lns. (5+6+7+Prior 8) 1/	\$370	\$370	\$370	\$370	\$370	\$370	\$370
9	Average CWIP	Average Ln. 8	\$370	\$370	\$370	\$370	\$370	\$370	\$370
10	Additions to Carrier Property in Service	Workpaper 4, Ln. 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	In Service Ratio	Lns. (10 / (5 + Prior 8)) 2/	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Additions to Equity AFUDC Base	Lns. ((1 * 9 + Prior 14) * 3)	\$35	\$40	\$45	\$51	\$57	\$65	\$73
13	Equity AFUDC Additions to Rate Base	Lns. (11 * (12 + Prior 14))	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Equity AFUDC Base	Lns. (Prior 14 + 12 - 13) 3/	\$144	\$183	\$228	\$279	\$337	\$401	\$475
15	Additions to IDC Base	Lns. ((2 * 9 + Prior 17) * 4)	\$13	\$13	\$14	\$15	\$16	\$16	\$17
16	IDC Additions to Rate Base	Lns. (11 * (15 + Prior 17))	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	IDC Base	Lns. (Prior 17 + 15 - 16) 4/	\$60	\$73	\$87	\$102	\$118	\$134	\$151

1/ 2022 amount based on Workpaper 2, Line 1
2/ In Service Ratio not to exceed 100%
3/ 2022 amount based on Workpaper 2, Line 5
4/ 2022 amount based on Workpaper 2, Line 6

Oliktok Pipeline Company
AFUDC Base
(\$000's)

Line No.	Description	Source	2036	2037	2038	2039	2040
1	Equity Ratio	Workpaper 1, Ln. 1	43.82%	43.82%	43.82%	43.82%	43.82%
2	Debt Ratio	1.0 - Ln. 1	56.18%	56.18%	56.18%	56.18%	56.18%
3	Rate of Return on Equity	Workpaper 1, Ln. 2	13.02%	13.02%	13.02%	13.02%	13.02%
4	Rate of Return on Debt	Workpaper 1, Ln. 3	5.02%	5.02%	5.02%	5.02%	5.02%
5	CWIP Additions	Workpaper 1, Ln.5	\$0	\$0	\$0	\$0	\$0
6	CWIP Retirements	Workpaper 1, Ln.6	\$0	\$0	\$0	\$0	\$0
7	CWIP Adjustments and Transfers	Workpaper 1, Ln.7	\$0	\$0	\$0	\$0	\$0
8	CWIP Balance	Lns. (5+6+7+Prior 8) 1/	\$370	\$370	\$370	\$370	\$370
9	Average CWIP	Average Ln. 8	\$370	\$370	\$370	\$370	\$370
10	Additions to Carrier Property in Service	Workpaper 4, Ln. 2	\$0	\$0	\$0	\$0	\$0
11	In Service Ratio	Lns. (10 / (5 + Prior 8)) 2/	0.00%	0.00%	0.00%	0.00%	0.00%
12	Additions to Equity AFUDC Base	Lns. ((1 * 9 + Prior 14) * 3)	\$83	\$94	\$106	\$120	\$135
13	Equity AFUDC Additions to Rate Base	Lns. (11 * (12 + Prior 14))	\$0	\$0	\$0	\$0	\$0
14	Equity AFUDC Base	Lns. (Prior 14 + 12 - 13) 3/	\$558	\$651	\$757	\$877	\$1,012
15	Additions to IDC Base	Lns. ((2 * 9 + Prior 17) * 4)	\$18	\$19	\$20	\$21	\$22
16	IDC Additions to Rate Base	Lns. (11 * (15 + Prior 17))	\$0	\$0	\$0	\$0	\$0
17	IDC Base	Lns. (Prior 17 + 15 - 16) 4/	\$169	\$188	\$208	\$229	\$251

1/ 2022 amount based on Workpaper 2, Line 1

2/ In Service Ratio not to exceed 100%

3/ 2022 amount based on Workpaper 2, Line 5

4/ 2022 amount based on Workpaper 2, Line 6

Oliktok Pipeline Company
AFUDC Amortization
(\$000's)

Line No.	Description	Source	2022	2023	2024	2025	2026	2027	2028
1	Depreciation Factor	Workpaper 3, Ln. 2		5.5556%	5.8824%	6.2500%	6.6667%	7.1429%	7.6923%
2	Equity AFUDC Additions to Rate Base	Workpaper 5, Line 13		\$14	\$68	\$0	\$0	\$0	\$0
3	Equity AFUDC Amortization Base	Lines (Prior 5 + 2 /2.0)		\$1,148	\$1,125	\$1,093	\$1,025	\$956	\$888
4	Equity AFUDC Amortization	Lns. (1 * 3)		\$64	\$66	\$68	\$68	\$68	\$68
5	Net Equity AFUDC Balance	Lines (2 - 4 + Prior 5) 1/	\$1,141	\$1,092	\$1,093	\$1,025	\$956	\$888	\$820
6	IDC Additions to Rate Base	Workpaper 5, Line 16		\$7	\$32	\$0	\$0	\$0	\$0
7	IDC Amortization Base	Lines (Prior 9 + 6 /2.0)		\$587	\$574	\$556	\$522	\$487	\$452
8	IDC Amortization	Lns. (1 * 7)		\$33	\$34	\$35	\$35	\$35	\$35
9	Net IDC Balance	Lines (6 - 8 + Prior 9) 2/	\$584	\$558	\$556	\$522	\$487	\$452	\$417
10	Net AFUDC Balance	Lns. (5 + 9)	\$1,725	\$1,650	\$1,649	\$1,546	\$1,443	\$1,340	\$1,237

1/ 2022 amount based on Workpaper 2, Line 7

2/ 2022 amount based on Workpaper 2, Line 8

Oliktok Pipeline Company
AFUDC Amortization
(\$000's)

Workpaper 6
Page 2 of 3

Line No.	Description	Source	2029	2030	2031	2032	2033	2034	2035
1	Depreciation Factor	Workpaper 3, Ln. 2	8.3333%	9.0909%	10.0000%	11.1111%	12.5000%	14.2857%	16.6667%
2	Equity AFUDC Additions to Rate Base	Workpaper 5, Line 13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Equity AFUDC Amortization Base	Lines (Prior 5 + 2 /2.0)	\$820	\$751	\$683	\$615	\$546	\$478	\$410
4	Equity AFUDC Amortization	Lns. (1 * 3)	\$68	\$68	\$68	\$68	\$68	\$68	\$68
5	Net Equity AFUDC Balance	Lines (2 - 4 + Prior 5) 1/	\$751	\$683	\$615	\$546	\$478	\$410	\$342
6	IDC Additions to Rate Base	Workpaper 5, Line 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	IDC Amortization Base	Lines (Prior 9 + 6 /2.0)	\$417	\$383	\$348	\$313	\$278	\$243	\$209
8	IDC Amortization	Lns. (1 * 7)	\$35	\$35	\$35	\$35	\$35	\$35	\$35
9	Net IDC Balance	Lines (6 - 8 + Prior 9) 2/	\$383	\$348	\$313	\$278	\$243	\$209	\$174
10	Net AFUDC Balance	Lns. (5 + 9)	\$1,134	\$1,031	\$928	\$825	\$722	\$619	\$515

1/ 2022 amount based on Workpaper 2, Line 7

2/ 2022 amount based on Workpaper 2, Line 8

Oliktok Pipeline Company
AFUDC Amortization
(\$000's)

Workpaper 6
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<u>Line No.</u>	<u>Description</u>	<u>Source</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
1	Depreciation Factor	Workpaper 3, Ln. 2	20.0000%	25.0000%	33.3333%	50.0000%	100.0000%
2	Equity AFUDC Additions to Rate Base	Workpaper 5, Line 13	\$0	\$0	\$0	\$0	\$0
3	Equity AFUDC Amortization Base	Lines (Prior 5 + 2 /2.0)	\$342	\$273	\$205	\$137	\$68
4	Equity AFUDC Amortization	Lns. (1 * 3)	\$68	\$68	\$68	\$68	\$68
5	Net Equity AFUDC Balance	Lines (2 - 4 + Prior 5) 1/	\$273	\$205	\$137	\$68	\$0
6	IDC Additions to Rate Base	Workpaper 5, Line 16	\$0	\$0	\$0	\$0	\$0
7	IDC Amortization Base	Lines (Prior 9 + 6 /2.0)	\$174	\$139	\$104	\$70	\$35
8	IDC Amortization	Lns. (1 * 7)	\$35	\$35	\$35	\$35	\$35
9	Net IDC Balance	Lines (6 - 8 + Prior 9) 2/	\$139	\$104	\$70	\$35	\$0
10	Net AFUDC Balance	Lns. (5 + 9)	\$412	\$309	\$206	\$103	\$0

1/ 2022 amount based on Workpaper 2, Line 7

2/ 2022 amount based on Workpaper 2, Line 8

Oliktok Pipeline Company
ADIT
(\$000's)

Line No.	Description	Source	2022	2023	2024	2025	2026	2027	2028
1	Depreciation	Workpaper 4, Ln. 15		\$1,362	\$1,572	\$1,781	\$1,781	\$1,781	\$1,781
2	IDC Amortization	Workpaper 6, Ln. 8		\$33	\$34	\$35	\$35	\$35	\$35
3	Depreciation including IDC Amortization	Lns. (1 + 2)		\$1,395	\$1,605	\$1,816	\$1,816	\$1,816	\$1,816
4	State Tax Depreciation	Workpaper 10, Ln. 20		\$1,835	\$2,049	\$2,192	\$1,947	\$1,690	\$1,448
5	State Tax Timing Difference	Lns. (4 - 3)		\$440	\$444	\$376	\$132	(\$126)	(\$367)
6	State Income Tax Rate	Workpaper 1, Ln. 24		9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
7	Tax Effect of State Timing Difference	Lns. (5 * 6)		\$41	\$42	\$35	\$12	(\$12)	(\$35)
8	State ADIT Balance	Lns. (7 + Prior 8) 1/	\$1,396	\$1,437	\$1,479	\$1,514	\$1,526	\$1,515	\$1,480
9	Depreciation Incl. IDC Amortization	Ln. 3		\$1,395	\$1,605	\$1,816	\$1,816	\$1,816	\$1,816
10	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3		\$5	\$5	\$5	\$5	\$5	\$5
11	Depreciation after TEFRA Adjustment	Lns. (9 - 10)		\$1,389	\$1,600	\$1,810	\$1,810	\$1,810	\$1,810
12	Federal Tax Depreciation	Workpaper 9, Ln.20		\$1,927	\$2,243	\$2,419	\$2,168	\$2,008	\$1,934
13	Tax Effect of State Timing Difference	Ln. 7		\$41	\$42	\$35	\$12	(\$12)	(\$35)
14	Federal Tax Timing Difference	Lns (12 - 11 - 13)		\$496	\$601	\$574	\$345	\$209	\$159
15	Federal Income Tax Rate	Workpaper 1, Ln.25		21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
16	Tax Effect of Federal Timing Difference	Lns. (14 * 15)		\$104	\$126	\$120	\$72	\$44	\$33
17	FAS 96/109 Adjustment	Cum. Ln 14 * Change Ln 15		\$0	\$0	\$0	\$0	\$0	\$0
18	Depreciation Factor	Workpaper 3, Ln. 2		5.556%	5.882%	6.250%	6.667%	7.143%	7.692%
19	Amortization of FAS 96/109 Adjustment	Lns. ((Prior 20 + (17 / 2.0)) * 18)		\$32	\$32	\$32	\$32	\$32	\$32
20	FAS 96/109 Adjustment Balance	Prior Ln. 20 + Lns. (17 - 19) 2/	\$572	\$540	\$508	\$477	\$445	\$413	\$381
21	Federal ADIT Balance	Lns. (16 - 19 + Prior 21) 3/	\$3,292	\$3,364	\$3,459	\$3,547	\$3,588	\$3,600	\$3,602
22	ADIT Balance	Lns. (8 + 21)	\$4,687	\$4,801	\$4,938	\$5,062	\$5,115	\$5,115	\$5,082

1/ 2022 amount based on Workpaper 2, Line 9
2/ 2022 amount based on Workpaper 2, Line 11
3/ 2022 amount based on Workpaper 2, Line 10

Oliktok Pipeline Company
ADIT
(\$000's)

Line No.	Description	Source	2029	2030	2031	2032	2033	2034	2035
1	Depreciation	Workpaper 4, Ln. 15	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
2	IDC Amortization	Workpaper 6, Ln. 8	\$35	\$35	\$35	\$35	\$35	\$35	\$35
3	Depreciation including IDC Amortization	Lns. (1 + 2)	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816
4	State Tax Depreciation	Workpaper 10, Ln. 20	\$1,244	\$1,050	\$856	\$662	\$487	\$422	\$356
5	State Tax Timing Difference	Lns. (4 - 3)	(\$571)	(\$765)	(\$959)	(\$1,153)	(\$1,329)	(\$1,394)	(\$1,459)
6	State Income Tax Rate	Workpaper 1, Ln. 24	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
7	Tax Effect of State Timing Difference	Lns. (5 * 6)	(\$54)	(\$72)	(\$90)	(\$108)	(\$125)	(\$131)	(\$137)
8	State ADIT Balance	Lns. (7 + Prior 8) 1/	\$1,426	\$1,355	\$1,264	\$1,156	\$1,031	\$900	\$763
9	Depreciation Incl. IDC Amortization	Ln. 3	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816
10	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3	\$5	\$5	\$5	\$5	\$5	\$5	\$5
11	Depreciation after TEFRA Adjustment	Lns. (9 - 10)	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810
12	Federal Tax Depreciation	Workpaper 9, Ln.20	\$1,797	\$1,159	\$628	\$616	\$565	\$524	\$522
13	Tax Effect of State Timing Difference	Ln. 7	(\$54)	(\$72)	(\$90)	(\$108)	(\$125)	(\$131)	(\$137)
14	Federal Tax Timing Difference	Lns (12 - 11 - 13)	\$40	(\$580)	(\$1,092)	(\$1,086)	(\$1,121)	(\$1,156)	(\$1,151)
15	Federal Income Tax Rate	Workpaper 1, Ln.25	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
16	Tax Effect of Federal Timing Difference	Lns. (14 * 15)	\$8	(\$122)	(\$229)	(\$228)	(\$235)	(\$243)	(\$242)
17	FAS 96/109 Adjustment	Cum. Ln 14 * Change Ln 15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Depreciation Factor	Workpaper 3, Ln. 2	8.333%	9.091%	10.000%	11.111%	12.500%	14.286%	16.667%
19	Amortization of FAS 96/109 Adjustment	Lns. ((Prior 20 + (17 / 2.0)) * 18)	\$32	\$32	\$32	\$32	\$32	\$32	\$32
20	FAS 96/109 Adjustment Balance	Prior Ln. 20 + Lns. (17 - 19) 2/	\$350	\$318	\$286	\$254	\$222	\$191	\$159
21	Federal ADIT Balance	Lns. (16 - 19 + Prior 21) 3/	\$3,579	\$3,425	\$3,164	\$2,904	\$2,637	\$2,362	\$2,089
22	ADIT Balance	Lns. (8 + 21)	\$5,005	\$4,780	\$4,428	\$4,060	\$3,668	\$3,262	\$2,852

1/ 2022 amount based on Workpaper 2, Line 9
2/ 2022 amount based on Workpaper 2, Line 11
3/ 2022 amount based on Workpaper 2, Line 10

Oliktok Pipeline Company
ADIT
(\$000's)

Workpaper 7
Page 3 of 3

Line No.	Description	Source	2036	2037	2038	2039	2040
1	Depreciation	Workpaper 4, Ln. 15	\$1,781	\$1,781	\$1,781	\$1,781	\$1,781
2	IDC Amortization	Workpaper 6, Ln. 8	\$35	\$35	\$35	\$35	\$35
3	Depreciation including IDC Amortization	Lns. (1 + 2)	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816
4	State Tax Depreciation	Workpaper 10, Ln. 20	\$294	\$239	\$185	\$130	\$85
5	State Tax Timing Difference	Lns. (4 - 3)	(\$1,522)	(\$1,577)	(\$1,631)	(\$1,685)	(\$1,730)
6	State Income Tax Rate	Workpaper 1, Ln. 24	9.40%	9.40%	9.40%	9.40%	9.40%
7	Tax Effect of State Timing Difference	Lns. (5 * 6)	(\$143)	(\$148)	(\$153)	(\$158)	(\$163)
8	State ADIT Balance	Lns. (7 + Prior 8) 1/	\$620	\$472	\$318	\$160	(\$3)
9	Depreciation Incl. IDC Amortization	Ln. 3	\$1,816	\$1,816	\$1,816	\$1,816	\$1,816
10	Amortization of TEFRA Adjustment	Workpaper 8, Ln. 3	\$5	\$5	\$5	\$5	\$5
11	Depreciation after TEFRA Adjustment	Lns. (9 - 10)	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810
12	Federal Tax Depreciation	Workpaper 9, Ln.20	\$478	\$429	\$410	\$199	\$0
13	Tax Effect of State Timing Difference	Ln. 7	(\$143)	(\$148)	(\$153)	(\$158)	(\$163)
14	Federal Tax Timing Difference	Lns (12 - 11 - 13)	(\$1,189)	(\$1,233)	(\$1,247)	(\$1,453)	(\$1,648)
15	Federal Income Tax Rate	Workpaper 1, Ln.25	21.00%	21.00%	21.00%	21.00%	21.00%
16	Tax Effect of Federal Timing Difference	Lns. (14 * 15)	(\$250)	(\$259)	(\$262)	(\$305)	(\$346)
17	FAS 96/109 Adjustment	Cum. Ln 14 * Change Ln 15	\$0	\$0	\$0	\$0	\$0
18	Depreciation Factor	Workpaper 3, Ln. 2	20.000%	25.000%	33.333%	50.000%	100.000%
19	Amortization of FAS 96/109 Adjustment	Lns. ((Prior 20 + (17 / 2.0)) * 18)	\$32	\$32	\$32	\$32	\$32
20	FAS 96/109 Adjustment Balance	Prior Ln. 20 + Lns. (17 - 19) 2/	\$127	\$95	\$64	\$32	\$0
21	Federal ADIT Balance	Lns. (16 - 19 + Prior 21) 3/	\$1,807	\$1,517	\$1,223	\$886	\$508
22	ADIT Balance	Lns. (8 + 21)	\$2,427	\$1,988	\$1,541	\$1,046	\$506

1/ 2022 amount based on Workpaper 2, Line 9
2/ 2022 amount based on Workpaper 2, Line 11
3/ 2022 amount based on Workpaper 2, Line 10

Oliktok Pipeline Company
TEFRA Adjustment
(\$000's)

Workpaper 8
Page 1 of 3

Line No.	Description	Source	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
1	TEFRA Adjustment Balance (BOY)	Prior Ln. 4		\$95	\$89	\$84	\$79	\$74	\$68
2	Amortization Factor	Workpaper 3, Ln. 2		5.56%	5.88%	6.25%	6.67%	7.14%	7.69%
3	Amortization of TEFRA Adjustment	Lns. (1 * 2)		\$5	\$5	\$5	\$5	\$5	\$5
4	TEFRA Adjustment Balance (EOY)	Lns. (1 - 3) 1/	\$95	\$89	\$84	\$79	\$74	\$68	\$63

1/ 2022 amount based on Workpaper 2, Line 12

Oliktok Pipeline Company
TEFRA Adjustment
(\$000's)

Workpaper 8
Page 2 of 3

Line No.	Description	Source	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
1	TEFRA Adjustment Balance (BOY)	Prior Ln. 4	\$63	\$58	\$53	\$47	\$42	\$37	\$32
2	Amortization Factor	Workpaper 3, Ln. 2	8.33%	9.09%	10.00%	11.11%	12.50%	14.29%	16.67%
3	Amortization of TEFRA Adjustment	Lns. (1 * 2)	\$5	\$5	\$5	\$5	\$5	\$5	\$5
4	TEFRA Adjustment Balance (EOY)	Lns. (1 - 3) 1/	\$58	\$53	\$47	\$42	\$37	\$32	\$26

1/ 2022 amount based on Workpaper 2, Line 12

Oliktok Pipeline Company
TEFRA Adjustment
(\$000's)

Workpaper 8
Page 3 of 3

Line No.	Description	Source	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>
1	TEFRA Adjustment Balance (BOY)	Prior Ln. 4	\$26	\$21	\$16	\$11	\$5
2	Amortization Factor	Workpaper 3, Ln. 2	20.00%	25.00%	33.33%	50.00%	100.00%
3	Amortization of TEFRA Adjustment	Lns. (1 * 2)	\$5	\$5	\$5	\$5	\$5
4	TEFRA Adjustment Balance (EOY)	Lns. (1 - 3) 1/	\$21	\$16	\$11	\$5	\$0

1/ 2022 amount based on Workpaper 2, Line 12

Oliktok Pipeline Company
Federal Tax Depreciation
(\$000's)

Workpaper 9
Page 3 of 3

Line No.	Description	Tax Depreciation Year		2037	2038	2039	2040	
		15	16					
1	Federal Tax Deprec. Factor (source: Workpaper 1, Ln. 27)			5.9049%	2.9525%			
		<u>Year</u>	<u>CPIS Additions</u> (a) Workpaper 4, Lns. (2 - 7)	<u>IDC Additions</u> (b) Workpaper 5, Ln. 16	<u>Tax Depreciation Base</u> (c) (a) + (b)			
1	Pre-2023 1/				\$5			
2	2023		\$438	\$7	\$445	\$26	\$13	
3	2024		\$6,694	\$32	\$6,726	\$397	\$397	\$199
4	2025		\$0	\$0	\$0	\$0	\$0	\$0
5	2026		\$0	\$0	\$0	\$0	\$0	\$0
6	2027		\$0	\$0	\$0	\$0	\$0	\$0
7	2028		\$0	\$0	\$0	\$0	\$0	\$0
8	2029		\$0	\$0	\$0	\$0	\$0	\$0
9	2030		\$0	\$0	\$0	\$0	\$0	\$0
10	2031		\$0	\$0	\$0	\$0	\$0	\$0
11	2032		\$0	\$0	\$0	\$0	\$0	\$0
12	2033		\$0	\$0	\$0	\$0	\$0	\$0
13	2034		\$0	\$0	\$0	\$0	\$0	\$0
14	2035		\$0	\$0	\$0	\$0	\$0	\$0
15	2036		\$0	\$0	\$0	\$0	\$0	\$0
16	2037		\$0	\$0	\$0	\$0	\$0	\$0
17	2038		\$0	\$0	\$0	\$0	\$0	\$0
18	2039		\$0	\$0	\$0	\$0	\$0	\$0
19	2040		\$0	\$0	\$0	\$0	\$0	\$0
20	Federal Tax Depreciation				\$429	\$410	\$199	\$0

1/ Pre-2023 amounts based on Workpaper 2, Lines 13 to 27

Oliktok Pipeline Company
 Stipulated Amounts
 (\$000's)

Workpaper 2

Line	Data Element		Time Period	Amount	Reference in Settlement		
1	Carrier Property	CWIP	December 31, 2022 Balance	\$370	Section II-6		
2		Carrier Property in Service	December 31, 2022 Balance	\$64,778	Section II-6		
3		Land	December 31, 2022 Balance	\$0	Section II-6		
4		Accumulated Depreciation	December 31, 2022 Balance	\$40,482	Section II-5		
5	AFUDC	Equity AFUDC Base	December 31, 2022 Balance	\$7	Section II-8		
6		IDC Base	December 31, 2022 Balance	\$3	Section II-7		
7		Net Equity AFUDC Balance	December 31, 2022 Balance	\$1,141	Section II-8		
8		IDC Balance	December 31, 2022 Balance	\$584	Section II-7		
9	ADIT	Total State ADIT	December 31, 2022 Balance	\$1,396	Section II-13		
10		Total Federal ADIT	December 31, 2022 Balance	\$3,292	Section II-13		
11		FASB 96/109 Adjustment	December 31, 2022 Balance	\$572	Section II-13		
12		TEFRA Adjustment Balance	December 31, 2022 Balance	\$95	Section II-13		
13	Tax Depreciation	Pre-2023 Federal Tax Depreciation 1/	2023 Amount	\$1,905	Exhibit C		
14			2024 Amount	\$1,865	Exhibit C		
15			2025 Amount	\$1,742	Exhibit C		
16			2026 Amount	\$1,558	Exhibit C		
17			2027 Amount	\$1,459	Exhibit C		
18			2028 Amount	\$1,441	Exhibit C		
19			2029 Amount	\$1,352	Exhibit C		
20			2030 Amount	\$735	Exhibit C		
21			2031 Amount	\$205	Exhibit C		
22			2032 Amount	\$193	Exhibit C		
23			2033 Amount	\$141	Exhibit C		
24			2034 Amount	\$100	Exhibit C		
25			2035 Amount	\$98	Exhibit C		
26			2036 Amount	\$55	Exhibit C		
27			2037 Amount	\$5	Exhibit C		
28			Tax Depreciation	Pre-2023 State Tax Depreciation 1/	2023 Amount	\$1,810	Exhibit B
29					2024 Amount	\$1,617	Exhibit B
30	2025 Amount	\$1,423			Exhibit B		
31	2026 Amount	\$1,245			Exhibit B		
32	2027 Amount	\$1,032			Exhibit B		
33	2028 Amount	\$835			Exhibit B		
34	2029 Amount	\$675			Exhibit B		
35	2030 Amount	\$525			Exhibit B		
36	2031 Amount	\$375			Exhibit B		
37	2032 Amount	\$225			Exhibit B		
38	2033 Amount	\$94			Exhibit B		
39	2034 Amount	\$72			Exhibit B		
40	2035 Amount	\$51			Exhibit B		
41	2036 Amount	\$32			Exhibit B		
42	2037 Amount	\$22			Exhibit B		
43	2038 Amount	\$11			Exhibit B		
44	2039 Amount	\$1			Exhibit B		
45	Depreciable End Life (year)		Initial 5-Year Term	2040	Section II-5		

1/ Amounts for subsequent years are fully depreciated.