REVENUE SOURCES BOOK
FORECAST & HISTORICAL DATA

FALL 1995

STATE OF ALASKA
Tony Knowles, Governor

DEPARTMENT OF REVENUE
Wilson L. Condon, Commissioner

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF REVENUE

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December 6, 1995

The Honorable Tony Knowles
Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Knowles:

Enclosed is our fall revenue forecast. I am happy to report that FY95 general fund unrestricted revenues were nearly $200 million higher than we forecast last spring. Well over half of this increase results from higher than expected Corporate Income Tax receipts and from a partial resolution of the dispute relating to the Supplemental Benefits System and Executive Life Insurance Company.

Our short-term (FY96-FY98) forecast is only slightly changed from last spring. ANS prices have averaged close to our spring base case of $16.52/bbl thus far in FY96. In the last two months, however, weak U.S. demand and new non-OPEC production have slightly depressed prices. To reflect this trend, we lowered our forecast base case price for FY96 to $16.36/bbl, and for FY97 to $16.41/bbl. Production from the North Slope has been slightly below the 1.5 million bbl/day we forecast last spring. Production should increase somewhat this winter because colder temperatures increase operating efficiencies. We now forecast ANS production to average 1.489 million bbl/day in FY96 and 1.409 million bbl/day in FY97.

Offsetting these slight declines in oil prices and volumes are increases in our projected non-oil and gas revenues, particularly corporate income taxes. The net result of these changes is a slight upward revision in short-term revenues from last spring to $1,881.3 million in FY96 and $1,837.6 million in FY97.

Our long-range price forecast is almost identical to last spring's; nothing has changed which would lead us to change our assessment of the basic oil market outlook. Last spring we forecast that prices would remain at their present levels, after adjusting for inflation, for the next three or four years. For the next two years we believe increased production from non-OPEC countries will satisfy almost all the increase in worldwide demand. Thereafter, OPEC should be able to more effectively make its weight felt in the marketplace as a consequence of their increasing production share. We forecast modest, long-term real price increases (beginning in FY99) occasioned by OPEC's ability to capture most of the incremental demand.

Anticipated state revenues for the longer term, FY98-FY2010, have declined an average of $175 million per year from the forecast we issued in the spring. The decline results from a reduction in our forecast of North Slope production volumes offset somewhat by a projected increase in non-oil and gas revenue

In the past, the focus of state policy makers has been on revenue forecasts pertaining to the current and following fiscal years. For this reason, the Department of Revenue developed a well-documented method seven years ago for making short-term forecasts. Last spring, with the focus shifting toward a long-range financial plan, the long-term revenue forecast became much more important. As oil production from the North Slope continues to decline, our longer term forecasts will probably become even more important. For this reason, the Department of Revenue, in conjunction with this fall forecast, thoroughly reviewed the procedures and computer models used for these long-term forecasts. As a result of this review, we concluded that our long-term forecast requires modification in two areas: (1) the forecasting procedures for oil and gas production volumes; and (2) the longer term outlook from non-oil and gas revenues.

As a result of our detailed review, we have concluded that the long term North Slope production volume forecasts for the

two largest reservoirs - Prudhoe Bay and Kuparuk - need to be revised. The need for these revisions resulted from using a computer model to forecast long term North Slope production. Certain variables in the model were misspecified and some of the assumptions used in that model were incorrect.

As a consequence of the increasing importance of the Department's long-range revenue forecast, we propose to make the following changes in our forecast procedures:

- First, we propose to undertake a long-range forecast only once a year, in the fall. Our spring forecast, then, would focus only on the two most current fiscal years.

- Second, we propose to place more emphasis on our long-range price forecast. As you may know, we have a well-established process for forecasting short-term future oil prices. In this process we involve staff from our department, the Department of Natural Resources, the Alaska Oil & Gas Conservation Commission, the University of Alaska, and the Legislature. We propose to extend the focus of this process to the long term.

- Third, we propose a much more rigorous procedure for volume forecasting, similar to the one we currently use for short term price projections.

While we are confident that our detailed review uncovered any material discrepancies resulting from the use of the model in earlier forecasts, we decided to have a team of specialists from outside the Department do a comprehensive audit of our recent long-term forecasts. The auditors have been asked to make recommendations regarding how we go about our long-term forecasts and to carefully review the very complex model we are now using to predict long range production volumes. After the audit is complete and our contractors make their own recommendations, we may further modify our procedures for longer-term revenue forecasting.

Sincerely,

Wilson L. Condon
Commissioner

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REVENUE FORECAST SUMMARY

Outlook for Short Term (FY 1996 - FY 1998)

FY 1996 Alaska North Slope (ANS) Lower 48 oil prices have averaged $16.60/bbl thus far, $.08/bbl above our base case assumption made last spring. (ANS Lower 48 averaged $16.83/bbl in FY 1995.) The Organization of Petroleum Exporting Countries (OPEC) has produced at or slightly above its 24.5 million barrel per day quota since September 1993. In November 1995, OPEC members agreed to roll over its current quota another six months. Continued increases in non-OPEC production—mainly due to prolific new fields coming on-line in the North Sea—have met most of the incremental demand leaving OPEC little choice but to try to hold the line on production.

The base case scenario assumptions used for this forecast are only modestly changed from those used for the spring 1995 forecast with minor adjustments in the both price and production outlook. Two alternative price scenarios are also presented in this forecast. The scenarios are summarized as follows:

Base Case Scenario: Continued global economic growth results in increasing worldwide oil consumption. OPEC continues to hold the line on overall member production levels while non-OPEC supplies continue to increase with new production coming on-line from the North Sea. The production decline in the Commonwealth of Independent States (CIS) bottoms out. Oil prices remain relatively stable in FY 1996 and rise minimally in FY 1997.

Low Price Alternative: Global oil consumption is sluggish as global economic activity slows. The embargo on Iraqi production is partially lifted. Non-OPEC production increases significantly as production from new development projects outpaces declines from older fields. There is persistent downward pressure on oil prices.

High Price Alternative: Oil consumption increases rapidly in response to a very robust global economy. Increased consumption puts pressure on available crude supplies and oil prices rise in response as growing market share allows OPEC to achieve both higher production and prices.

Table 1 **General Fund Unrestricted Revenues and ANS Lower 48 Price**

	Base Case		Low Price Alternative		High Price Alternative	
	($Mil)	($/bbl)	($Mil)	($/bbl)	($Mil)	($/bbl)
FY 1995 Prelim.Actual	**2,079.6**	**16.83**	**2,079.6**	**16.83**	**2,079.6**	**16.83**
FY 1996	**1,881.3**	**16.36**	**1,691.7**	**15.61**	**2,077.9**	**17.08**
FY 1997	**1,837.6**	**16.41**	**1,581.6**	**14.67**	**2,084.6**	**17.93**
FY 1998	**1,820.6**	**16.69**	**1,524.8**	**14.66**	**2,046.2**	**18.53**

Outlook for Long Term (FY 1999 - FY 2015)

The long-term outlook for State revenues assumes that the current fiscal system remains the same in the future with respect to State taxes and royalties. Given Alaska's dependence on petroleum revenues, Alaska's revenue future closely tracks the continued depletion of petroleum reserves, in particular, the mammoth Prudhoe Bay oil field. Changes in this forecast from that made last spring reflect a reduced outlook for Prudhoe Bay, a result of a correction in our long-run production feasibility model and a modest reduction in our baseline assumptions about black oil consistent with our assumptions about natural gas liquids (NGL). Although higher oil prices may offset some of the impact of lower production levels, revenues will decline barring new oil and gas discoveries.

The current base case oil production forecast projects total Alaska oil production to be one-half current levels (approximately .75 million bbl/day) by FY 2009. For the base case, real (after-inflation adjusted) oil prices are assumed to fall slightly to 1998, then on average to keep pace with inflation and increase at .5 percent per year starting in 1999. For the low price alternative, real oil prices are estimated to decrease at 2 percent per year. And, for the high price alternative, real prices will grow at 1.6 percent per year.

Clearly, Alaska will be a major oil producing region for years to come; however, if oil prices remain roughly the same, halving production would reduce State oil revenues by more than one-half since the severance tax rate will fall as production falls. This is the effect of the Economic Limit Factor (ELF) and is illustrated in Figure 2.

This forecast is based on production from known fields. It doe not include any revenues from oil fields which may be discovered and developed, such as potential fields contained in the Arctic National Wildlife Refuge (ANWR).

Table 2 **General Fund Unrestricted Revenues and ANS Lower 48 Price**

	Base Case		Low Price Alternative		High Price Alternative	
	($Mil)	($/bbl)	($Mil)	($/bbl)	($Mil)	($/bbl)
FY 1999	**1,890.2**	**17.97**	**1,436.2**	**14.65**	**2,121.2**	**19.85**
FY 2000	**1,886.1**	**18.64**	**1,343.6**	**14.51**	**2,248.5**	**20.88**
FY 2001	**1,846.7**	**19.34**	**1,250.4**	**14.57**	**2,292.6**	**21.98**

Figure 1

General Fund Unrestricted Revenues
FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates

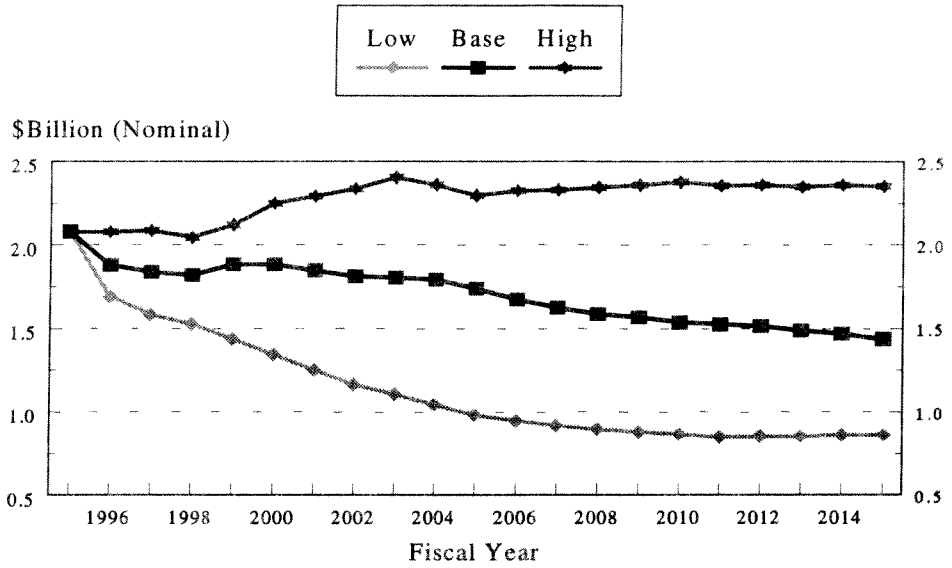

Figure 2

Decline of Economic Limit Factor (ELF)
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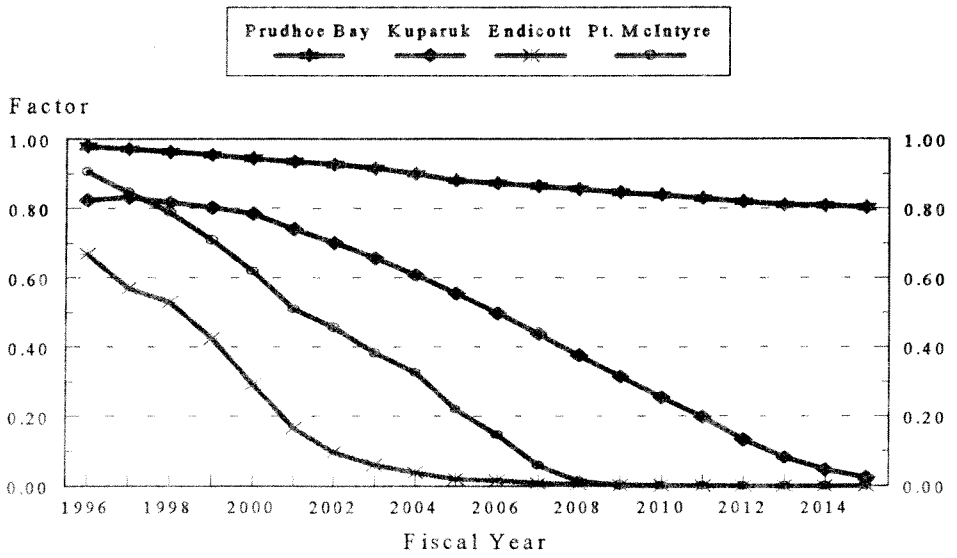


Figure 3

ANS Lower 48 Spot Prices
FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates

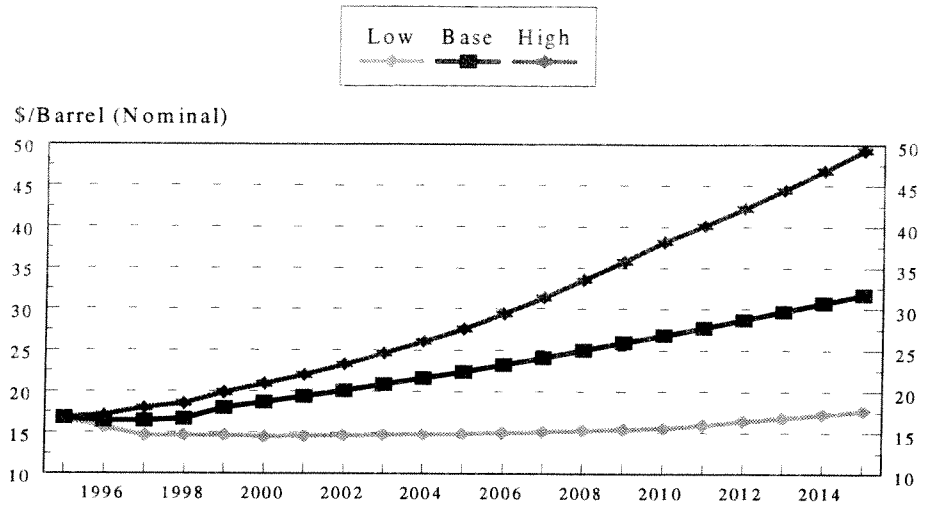
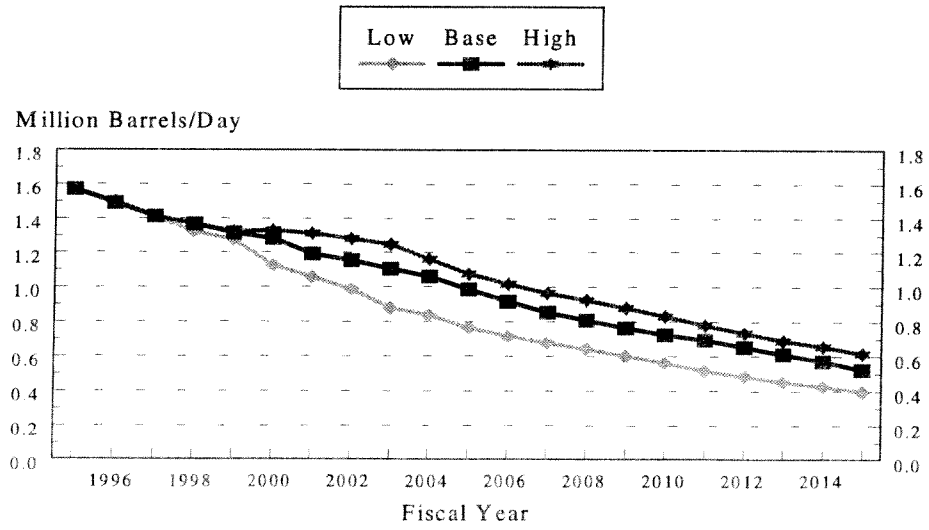


Figure 4

ANS Production: Black Oil and NGLs
FY 1995 Preliminary Actual and FY 1996 - FY 2015 Estimates



REVENUE FORECAST: SHORT-TERM OUTLOOK (FY 1996 - FY 1998)

This section underlines the importance of petroleum revenues to Alaska's total revenues; discusses the current oil markets; sets out the petroleum forecast assumptions; describes the other revenue source assumptions; discusses the methodology used to generate the price and production projections; and finally, concludes with a summary of the short-term oil price assumptions.

General Fund Unrestricted and Restricted Revenues

This section analyzes unrestricted revenues for the remainder of FY 1996 to FY 1998. The Alaska State Legislature has discretionary control over the expenditure of all unrestricted revenues. Other funds which are part of the budget are restricted by either (1) the federal government, (2) State statute, or (3) constitutional dedication.

Due to the nature of the limitation for expenditure of restricted revenues, this publication addresses unrestricted revenues only.

The table on the next three page shows preliminary actual General Fund unrestricted revenues for FY 1995. Additionally, General Fund unrestricted revenues are projected for FY 1996 through FY 1998 for the fall 1995 base case scenario and low and high price alternatives.

Table 3

GENERAL FUND UNRESTRICTED REVENUES

(Millions of Dollars)

TAXES	FY95 Preliminary Actual	Base Case FY96	Base Case FY97	Base Case FY98	Low Price Alternative FY96	Low Price Alternative FY97	Low Price Alternative FY98	High Price Alternative FY96	High Price Alternative FY97	High Price Alternative FY98
Income										
Corporate - General	67.0	65.0	60.0	55.0	30.0	30.0	30.0	75.0	70.0	65.0
Corporate - Petroleum	128.5	120.0	110.0	105.0	75.0	75.0	75.0	175.0	165.0	155.0
Total (1)(2)	195.5	185.0	170.0	160.0	105.0	105.0	105.0	250.0	235.0	220.0
Severance										
Oil & Gas Production	769.8	693.8	673.8	664.6	658.8	587.9	551.7	770.5	766.8	742.9
Oil & Gas Conservation	2.0	1.9	1.8	1.7	1.9	1.8	1.7	1.9	1.8	1.7
Oil & Hazardous Release (3)	22.1	14.0	13.2	12.8	14.0	13.2	12.8	14.0	13.2	12.8
Total	793.9	709.7	688.8	679.1	674.7	602.9	566.2	786.4	781.8	757.4
Property (4)										
Oil & Gas	57.3	53.9	51.5	49.3	53.9	51.5	49.3	53.9	51.5	49.3
Sale/Use										
Alcoholic Beverages	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Fuel Taxes - Aviation (5)	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Fuel Taxes - Highway	24.0	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Fuel Taxes - Marine	7.6	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Tobacco Products	14.4	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Total	66.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Miscellaneous - Other Taxes										
Fish Business (6)	39.0	34.0	34.0	34.0	20.0	20.0	20.0	40.0	40.0	40.0
Salmon Enhancement (7)	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Seafood Marketing (8)	3.2	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Salmon Marketing (9)	4.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Fish Landing (10)	7.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Insurance Companies	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Electric & Telephone Coop (11)	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Gaming (12)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Mining License Tax	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Estate	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	93.8	84.6	84.6	84.6	70.6	70.6	70.6	90.6	90.6	90.6
TOTAL TAXES	1206.5	1097.2	1058.9	1037.0	968.2	894.0	855.1	1244.9	1222.9	1181.3

LICENSES & PERMITS										
Business (13)(14)	3.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-Business	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Total	34.7	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
INTERGOVERNMENTAL RECEIPTS										
Federal Shared Revenues (15)(16)	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Section 8(g) Funds (15)(17)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
RESOURCE SALES AND ROYALTIES										
Sale/Use										
Bonus Sales (15)(18)(19)	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rents (15)(19)	4.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Royalties (15)	633.2	603.4	598.3	603.2	550.3	514.7	496.8	644.7	673.7	676.9
Sale of State Property (13)	19.6	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Gravel, Timber, etc. (13)	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	659.0	618.9	613.8	618.7	565.8	530.2	512.3	660.2	689.2	692.4
INVESTMENT EARNINGS	66.5	37.8	37.8	37.8	30.3	30.3	30.3	45.4	45.4	45.4
FACILITIES RELATED CHARGES										
Airports	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Ferry System (20)	41.5	41.3	41.0	41.0	41.3	41.0	41.0	41.3	41.0	41.0
Other	5.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	47.3	46.8	46.5	46.5	46.8	46.5	46.5	46.8	46.5	46.5
SERVICES RELATED CHARGES										
Court System	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Other	5.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	12.3	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
MISCELLANEOUS REVENUE	49.2	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
TOTAL UNRESRICTED REVENUE (21)	2079.6	1881.3	1837.6	1820.6	1691.7	1581.6	1524.8	2077.9	2084.6	2046.2

FOOTNOTES

(1) Tax settlements in FY 95 that must be paid to the Constitutional Budget Reserve Fund (CBRF) are not included in estimated revenues.

(2) Amounts include that portion ($34.4 million in FY 95) annually shared through the municipal assistance program (AS 29.60.350).

(3) Reflects enactment of the modified conservation surcharge on oil (Ch. 128, SLA 1994).

(4) Amounts represent the State's share of total oil and gas property taxes collected. Estimated total property taxes and the municipalities' share respectively are as follows (millions $): FY 96: $304.5 and $250.6; FY 97: $296.5 and $245; FY 98: $287.7 and $238.4.

(5) Includes amounts annually shared to qualified municipalities (AS 43.40.010).

(6) The $39 million for FY 95 is the remainder after tax credits have been applied. Amounts collected after tax credits are subject to municipal revenue sharing (AS 43.75.130). In FY 95 the shared revenues were $19.4 million.

(7) Provides annual funding, based on collections, for qualified regional aquaculture associations (AS 43.76 and AS 29.60.450).

(8) Provides annual funding, based on collections, for the Alaska Seafood Marketing Institute (AS 16.51.160).

(9) The salmon marketing tax applies to permit holders per AS 43.76 and became effective July 1, 1993.

(10) The fish landing tax per AS 43.77 became effective January 1, 1994. Revenue collections begain in FY 95. Due to pending litigation regarding the constitutionality of the landing tax, it is undetermined at the time of publication whether to share with municipalities or escrow taxes until the litigation is resolved.

(11) 100 percent of tax shared with local taxing authorities (AS 10.25.570).

(12) Reflects enactment of the Gaming Reform Act (AS 05.15).

(13) Most fees charged by various agencies are restricted program receipts and not General Fund unrestricted revenues.

(14) Amounts include that portion of amusement and gaming licenses (AS 43.35.050) and liquor licenses (AS 04.11.610) annually shared to qualified municipalities.

(15) Net of Permanent Fund and Public School Fund contributions.

(16) National forest receipts transferred to organized and unorganized boroughs per Chapter 37, SLA 1991.

(17) The OCS "8(g)" (disputed federal bonus from 1979 Beaufort Sea sale) monies normally deposited in the General Fund are now transferred to the budget reserve fund (CBRF) based on the Alaska Supreme Court opinion of April 4, 1994.

(18) Figures for FY 95 reflect the State's unrestricted General Fund share of actual State lease sales: FY 95 (Sale 78, Cook Inlet, October 31, 1994, $1,654,137).

(19) The Department of Natural Resources projects the following tentative FY 96, FY 97, and FY 98 state lease sales: FY 96 (Sale 67A-W2, Cook Inlet, November 1995—Sale 74W, Cook Inlet, November 1995—Sale 76W, Cook Inlet, November 1995—Sale 78W, Cook Inlet, November 1995—Sale 80, Shaviovik, December 1995); FY 97 (Sale 85A, Cook Inlet, December 1996—Sale 86, Central Beaufort Sea, April 1997); FY 98 (Sale 87, North Slope, March, 1998). Amounts from bonus bids cannot be anticipated prior to sales; therefore, no estimates are provided.

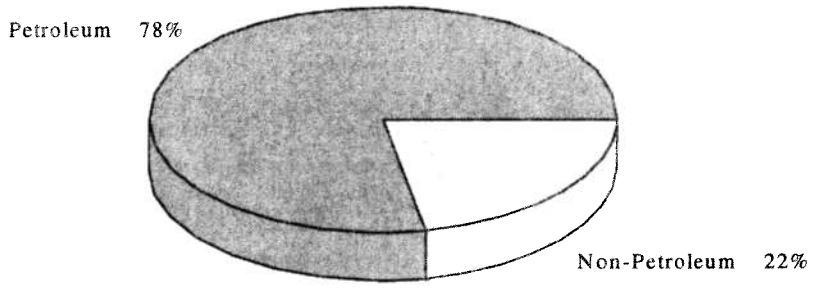
(20) Chapter 193, SLA 1990, established the Alaska Marine Highway System Fund and provided that gross revenues of the State ferry system be deposited in the fund which may then be appropriated for operating and capital expenditures.

(21) The State, per AS 38.05.180, may grant incentive credits against royalties, severance taxes and rentals to companies for drilling exploratory wells. Credits granted for FY 95 have not been deducted from total unrestricted revenues. Additional credits are anticipated in subsequent years.

Petroleum Revenues

Petroleum revenues accounted for 78 percent of General Fund unrestricted revenues in FY 1995. The majority of total State petroleum production revenues continues to come from the Alaska North Slope (96 percent in FY 1995). The figure below shows the relationship of petroleum revenues to all revenues for FY 1995.

Figure 5 FY 1995 General Fund Unrestricted Revenues

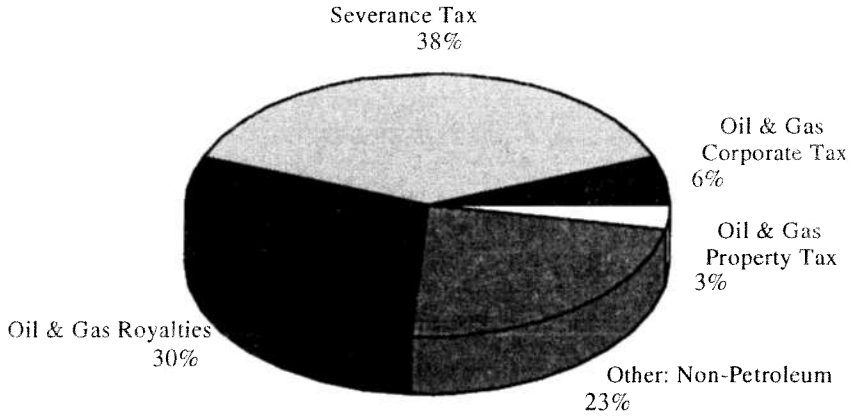


Petroleum revenues consist of: (1) severance taxes (also called production taxes); (2) royalties on oil and gas from State and federal lands; (3) corporate income taxes from corporations producing and transporting oil and gas; (4) oil and gas property taxes; and (5) oil and gas rents and lease bonuses.

Figure 6 below shows detailed petroleum and non-petroleum revenues as percentages of total General Fund unrestricted revenues.

Figure 6

FY 1995 General Fund Unrestricted Revenues



Petroleum revenues will continue to dominate Alaska's General Fund unrestricted revenues in the short term under all three scenarios as shown in Table 4 below.

Table 4 **General Fund Unrestricted Revenues**
Petroleum Revenues as a Percentage of the Total

	Total G.F. Unrestricted from Petroleum	Total G.F. Unrestricted Revenues	Percent
FY 1995 Prelim.Actual	1,623.6	2,079.7	78
Base Case			
FY 1996	1,506.0	1,881.3	80
FY 1997	1,471.1	1,837.6	80
FY 1998	1,458.4	1,820.6	80
Low Price Alternative			
FY 1996	1,374.4	1,691.7	81
FY 1997	1,268.1	1,581.6	80
FY 1998	1,210.2	1,524.8	79
High Price Alternative			
FY 1996	1,679.4	2,077.9	81
FY 1997	1,694.8	2,084.6	81
FY 1998	1,660.4	2,046.2	81

Petroleum revenues comprised more than 75 percent of General Fund unrestricted revenues in FY 1995 for the sixteenth year in a row.

Current Oil Market Situation

World Market

Although the demand for crude oil has increased and production restraint by OPEC has continued, further increases in non-OPEC production have put mild downward pressure on oil prices. According to the International Energy Administration, crude oil demand grew by 1.5 percent(1.1 million bbl/day) in 1995 and is projected to continue to grow by 2.2 percent (1.5 million bbl/day) in FY 1996 and 1.5 percent (1.0 million bbl/day) in FY 1997.

So far this calendar year, OPEC has maintained its production at roughly 25.5 million bbl/day, about 1.0 million bbl/day above its 24.5 million bbl/day quota—a quota which has remained the same since September 1993 and was affirmed at the cartel's November 1995 meeting. The base case scenario for FY 1996 assumes that OPEC market share will not increase. Increased production by OPEC members would certainly put downward pressure on oil prices. Most observers believe that it is in OPEC's best interest to continue with the current quota to preserve what has been a relatively stable world oil price structure.

As long as Saddam Husain refuses to comply with a weapons-monitoring program, it is extremely unlikely that the United Nations embargo on Iraqi production will be lifted. Market depressing rumors about sales of Iraqi crude oil periodically circulate; however, at this time the sanctions remain firmly in place.

Figure 7 OPEC Production

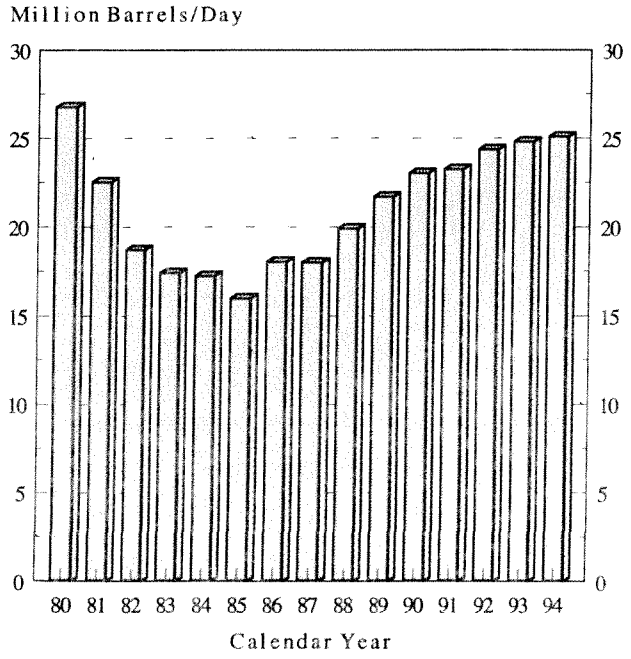


Table 5 OPEC Production
(Thousand bbls/day)

Country	Production October 1995	1995 Quota	Over Quota
Algeria	775	750	25
Gabon	350	287	63
Indonesia	1,330	1,330	0
Iran	3,600	3,600	0
Iraq	670	400	270
Kuwait[1]	2,020	2,000	20
Libya	1,400	1,390	10
Nigeria	1,900	1,865	35
Qatar	430	378	52
Saudi Arabia[1]	8,000	8,000	0
UAE	2,200	2,161	39
Venezuela	2,800	2,359	441
TOTAL	25,475	24,520	955

Source: Platt's Oilgram News (10/6/95).

[1] Share Neutral Zone output.

Alaska North Slope Market

So far in FY 1995, ANS oil prices have averaged $16.60/bbl, just slightly higher than the $16.52/bbl used for our spring 1995 base case projection. BP Exploration announced its official selling prices for November 1995 as $15.94/bbl on the West Coast and $15.91/bbl on the Gulf Coast.

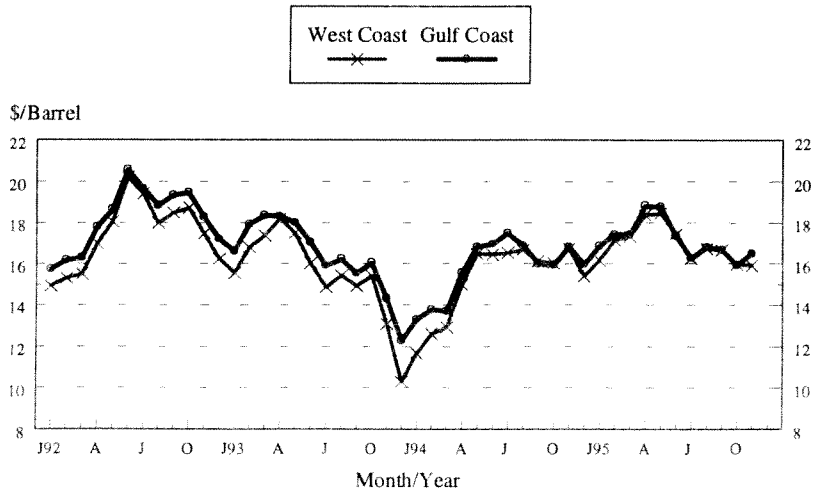
West Coast ANS prices have been particularly strong this past year. In fact, West Coast prices have often been in parity with Gulf Coast prices or, in some months, even higher. The lifting of the ANS export ban on November 28 should keep West Coast oil prices strong because ANS sellers now have access to the Far East markets. At this time, it is expected that exports could occur as soon as the second quarter 1996. The revenue benefits from lifting the ban are incorporated into our West Coast oil price forecast.

Roughly 90 percent of ANS production is sold on the West Coast, while 10 percent is marketed in the eastern half of the U.S. and Caribbean. With the lifting of the ANS export ban, and declining ANS production, shipments via Panama to eastern U.S. destinations will likely cease after 1996. Because of the frequent West Coast-Gulf Coast parity in ANS prices, the greater transportation costs to the more distant Gulf Coast markets result in a Gulf Coast-derived wellhead lower than the West Coast price. Historical ANS spot prices to the two markets are graphed below.

Figure 8

ANS Spot Price

January 1992 - November 1995



Oil Price and Production Forecast Assumptions

ANS Lower 48 Prices

The oil price assumptions used in this forecast are based on spot oil prices as reported in Platt's Oilgram Price Report. Currently, prices reported by the North Slope producers for both severance tax and royalty purposes closely track spot prices. Royalties are reported using a value which is determined by a market basket of crude oils which includes ANS spot price.

Future ANS oil prices reflect the economic fundamentals depicted in the alternative oil market scenarios. The price relationships between ANS sold in the West Coast market and ANS sold in the Gulf Coast market are based on the last twelve months of market data.

Over the next few years, as demand on the West Coast grows and ANS production declines, the West Coast will absorb most of the ANS production. Since the ANS export ban has been lifted, production in excess of West Coast demand is likely to move to the Far East. We believe ANS prices will be determined by the price of foreign sour crude oil imported into both West Coast and Far East markets. The forecast for ANS prices is contained in the table below. (When exports occur we will begin to track the export price of ANS.)

Table 6

Scenarios for ANS Oil Price
West Coast and Gulf Coast
($/bbl)

Fiscal	Base Case		Low Price Alternative		High Price Alternative	
Year	West	Gulf	West	Gulf	West	Gulf
1996	16.36	16.39	15.61	15.64	17.08	17.11
1997	16.41	.	14.67	14.73	17.93	.
1998	16.69	.	14.66	.	18.53	.
2000	18.64	.	14.57	.	20.88	.
2005	22.39	.	14.84	.	27.55	.

In this forecast, West Coast and Gulf Coast oil prices are assumed to converge when the West Coast surplus disappears (this forecast assumes that prices converge in FY 1997). West Coast oil prices are expected to rise to world oil price levels with the lifting of the ANS export ban.

Figure 9 ANS at the U. S. West Coast

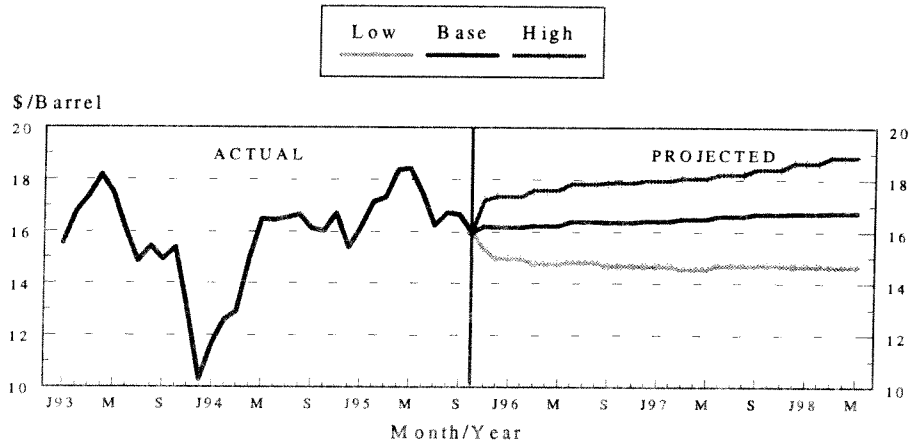
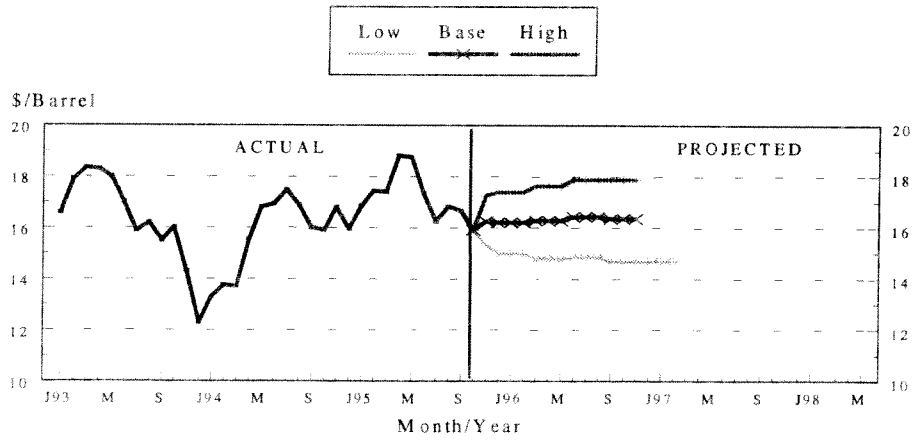


Figure 10 ANS at the U. S. Gulf Coast



The wellhead price determines the value of production, and thus the State's severance tax and royalty income. The discussion that follows describes the assumptions for the various cost deductions from the market price which determine the wellhead value.

Transportation Costs to Lower 48 Markets

The weighted average Lower 48 shipping cost averaged $1.52/bbl in FY 1995, $.17/bbl higher than in FY 1994. This increase can be attributed to tight markets in the higher cost Gulf trade. Also, the Oilspill Pollution Act of 1990 (OPA90) has added to transportation costs.

As ANS production declines and West Coast petroleum demand increases, shipments to the Gulf Coast will diminish which will free up excess tonnage and increase the proportion of tonnage going to the lower cost West Coast. Consequently, average shipping costs are expected to decrease over the next few years. In the longer term, the double hulling requirements of OPA90 will result in increased shipping costs.

Table 7

Marine Transportation Costs
Valdez to Lower 48
($/bbl)

Fiscal Year	Base Case	Low Price Alternative	High Price Alternative
1996	1.49	1.49	1.49
1997	1.38	1.38	1.38
1998	1.38	1.38	1.38
2000	1.47	1.49	1.55
2005	1.87	1.77	1.95

Trans-Alaska Pipeline System Tariff

The Trans-Alaska Pipeline System (TAPS) tariff is determined according to the TAPS Settlement Method (TSM), a ratemaking method approved by the Federal Energy Regulatory Commission (FERC), which allows the TAPS owners to recover their costs including an allowance for profit. The method allows an accelerated recovery of the construction and capital costs, operating costs, taxes, and a fixed per barrel profit of $.35/bbl adjusted for inflation from 1983. The use of the TSM resulted in higher tariffs from 1977 through 1985 in exchange for lower tariffs in the late 1980's and 1990's.

As indicated in Table 8 below, TAPS tariffs have varied between $3.12/bbl and $3.75/bbl, on a fiscal year basis, since 1988. Most of the increased year-to-year tariffs have been due to corrosion repairs, other unexpected maintenance costs, lower-than-expected TAPS throughput, and oil spill mitigation expenditures due to the Exxon Valdez accident.

TAPS tariff filed in FY 1996 averaged $3.41/bbl.(Tariffs are actually filed on a calendar year basis and the average calendar year 1996 filing was $2.84/bbl.) New tariffs take effect January 1 of each year.

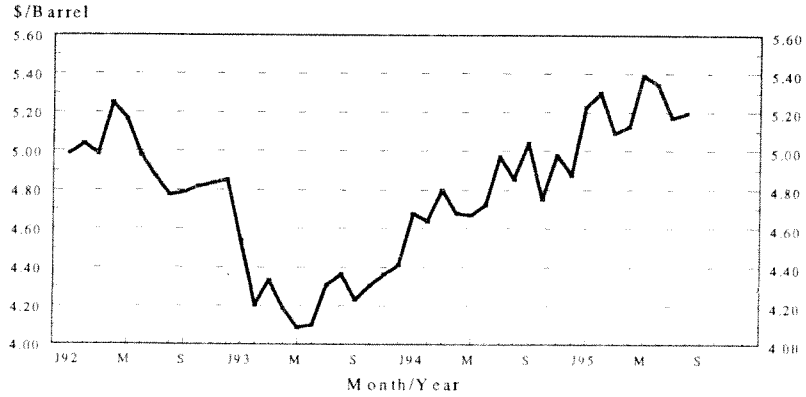
Table 8

Scenarios for TAPS Tariff
($/bbl)

Fiscal Year	Actual	Base Case	Low Price Alternative	High Price Alternative
1985	6.04	.	.	.
1986	5.29	.	.	.
1987	4.20	.	.	.
1988	3.54	.	.	.
1989	3.12	.	.	.
1990	3.48	.	.	.
1991	3.75	.	.	.
1992	3.60	.	.	.
1993	3.24	.	.	.
1994	3.16	.	.	.
1995	3.63	.	.	.
1996	3.41	.	.	.
1997	.	2.77	2.76	2.78
1998	.	2.59	2.57	2.61
2000	.	2.69	2.68	2.62
2005	.	3.53	3.60	3.34

Figure 11

Total Transportation Costs to Lower 48 Pipeline and Tanker



Wellhead Price for ANS

The combination of the wellhead value of ANS and production is the basis for both State severance taxes and royalties. The wellhead value is calculated by subtracting the pipeline and marine transportation costs from the sales price (or transfer price at the refinery gate in the case of oil run through a producer's own refinery).

Table 9

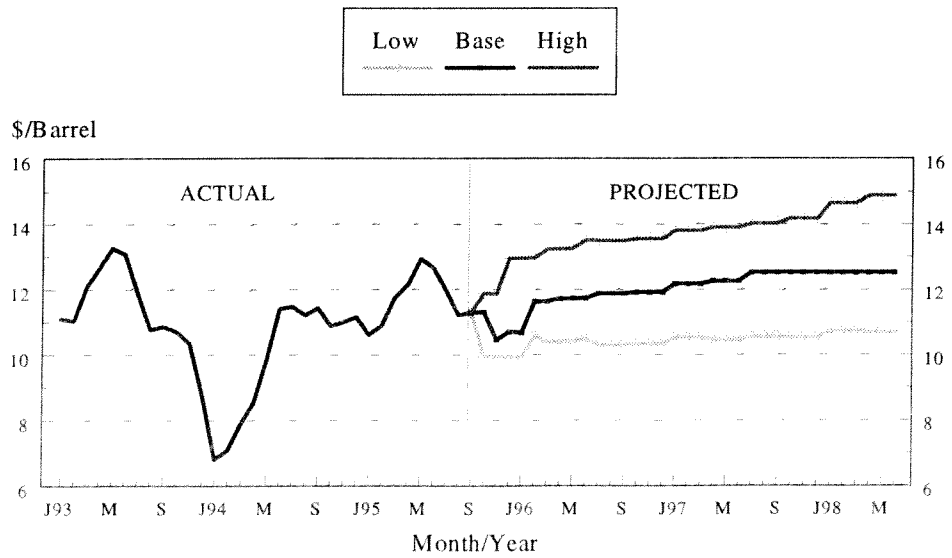
ANS Wellhead Price

($/bbl)

Fiscal Year	Base Case	Low Price Alternative	High Price Alternative
1996	11.33	10.54	12.52
1997	12.05	10.40	13.68
1998	12.51	10.62	14.43
2000	14.23	10.28	16.67
2005	16.61	9.27	22.05

Figure 12

ANS at the Wellhead



Oil Production

Production volumes for this forecast are based on publicly available data, data supplied by the North Slope producers, and independent analyses commissioned by the Department of Revenue.

North Slope production accounts for 97 percent of statewide production. North Slope production for FY 1996 is projected to total approximately 545 million barrels, down 5.2 percent from FY 1995. It is currently projected that total North Slope production will continue to decline at approximately this rate through FY 2010.

The giant Prudhoe Bay field, now on its seventh year of decline, continues to account for about 60 percent of all North Slope production. Although rig activity in the field is expected to add about 300 new wells over the remaining field life, a slight downward revision in field rate has been incorporated to more closely reflect operators' current business plans and recent uncertainty over the timing and extent of the expansion of the miscible injection program.

At the Kuparuk River field, which accounts for about 20 percent of all North Slope production, the highly successful miscible injection program is being expanded with the goal of keeping field rate flat through FY 2000. However, a slight downward revision in total recovery has been made to reflect the downward revision in oil in place by the Kuparuk owners earlier this year.

The Point McIntyre field, currently producing about 150,000 barrels per day, continues to out-perform expectations. The current multi-well rig program and successful secondary recovery program should sustain production at current levels over the short term. The miscible injection program currently being evaluated for Point McIntyre has not been incorporated into this forecast but has the potential to keep the field on plateau for an extended period.

Ongoing development at the Milne Point Unit and plans to more than triple the production capacity of the Milne Point facility over the next 18 months will help soften the overall decline rate in total North Slope production.

Production from known onshore accumulations in the vicinity of Mikkelson Bay and the Colville River Delta has been included in this forecast. At this time it is not clear from industry whether both fields will be developed, but we assume that at least one will be. As a result, we have included in the forecast 50 percent of the total expected production from both fields and have delayed production start-up by two years from the "best guess" by industry to account for this production uncertainty. It is highly unlikely that actual production will be both higher and sooner. Production from the North Star Unit has been reduced and delayed relative to industry expectations to account for development uncertainty.

The seven mature Cook Inlet fields currently are producing a total of approximately 44,000 barrels per day. They are estimated to decline at an annual rate of seven percent over the next 10 years.

This forecast does not incorporate gas produced as part of a major gas sale, speculative oil from ANWR, or oil from known remote accumulations currently deemed uneconomic (Point Thompson, offshore Beaufort, etc).

Figure 13

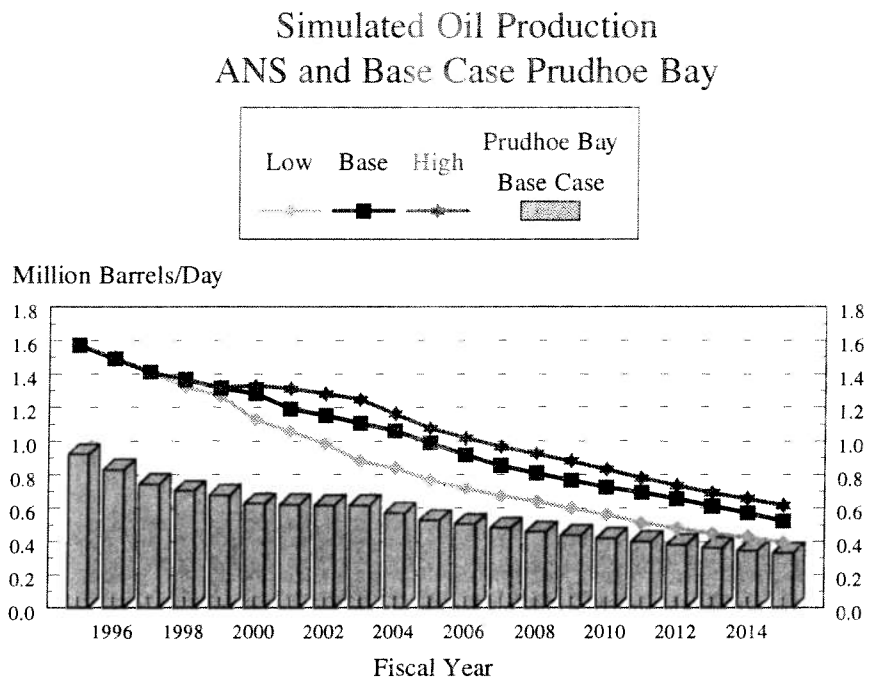
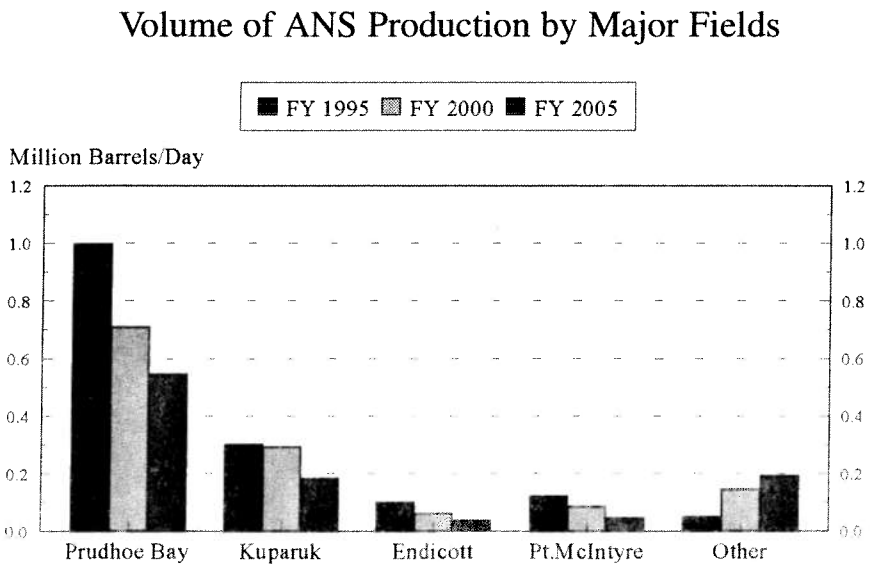


Figure 14



Other Revenue Sources Assumptions

Oil Corporate Taxes

Oil corporate taxes for FY 1995 generated $128.5 million compared to $17.8 million collected in FY 1994. FY 1994 revenues were unusually low. FY 1995 revenues reflect more closely the historic average and the anticipated future trend.

Non-Oil Corporate Taxes

Non-petroleum corporate taxes generated $67 million in FY 1995 compared to $44.3 million in FY 1994. The increase in non-petroleum corporate tax revenue can be attributed to enhanced business activity.

Property Taxes

Revenues from current oil and gas property tax, which are levied at 20 mills on the full and true value of oil and gas property, are expected to continue to decline. The decrease for FY 1995, as compared to previous forecasts, is due in part to adjustments for investment delays and increased mill levies by the North Slope Borough, the Kenai Peninsula Borough, and the City of Valdez. The municipalities in which taxable oil and gas property exist continue to receive the bulk of the property tax assessment.

Alcoholic Beverage Taxes

Alcohol consumption has been fairly steady over the last five years. Current consumption trends for liquor, wine, and beer, given population growth, demographics, and income levels, are expected to continue generating revenues of between $12 and $13 million per year.

Intergovernmental Receipts

Federal Shared Revenues totaled $12.8 million in FY 1991 but dropped to $6.7 million in FY 1992, to $5.6 million in FY 1993, to $4.2 million in FY 1994, and to $4.1 million in FY 1995. This is due primarily to the fact that the U.S. Forest Service (USFS) monies for timber sales were formerly allocated to only organized boroughs. The USFS has since notified the State that additional monies will be set aside for the unorganized borough as well (Chapter 37, SLA 1991). The monies are intended to support roads and schools affected by national forest activities.

Investment Earnings

The projections are based on projected outgoing expenditures and incoming revenues with an assessment of yield on instruments and the length of maturity for the funds invested by the Treasury Division. FY 1995 investment earnings were $66.5 million.

Facilities and Related Charges

The main revenue item in this category is ferry system receipts which amounted to $41.5 million in FY 1995. These revenues provides that the gross revenue of the State ferry system by deposited into the fund. In Chapter 193, SLA 1990, the legislature established the Alaska Marine Highway System Fund. The legislation may be appropriated for operating and capital expenditures.

Short-Term Oil Price Scenarios

Base Case Scenario

SUMMARY: The base case scenario assumes modest growth in global oil consumption over the next two years. The economies of the U.S., Japan, and Europe experience moderate growth while the economies of the developing economies continue to grow rapidly. Economic troubles in the CIS persist. Non-OPEC production increases significantly in 1996 and less so in 1997 keeping the pressure on OPEC to limit production increases to prevent price declines.

Table 11 follows on page 24. It contains specific assumptions about the global fundamentals (barrels produced and barrels consumed) used to develop the base case scenario. The basis for these assumptions is as follows:

1. OECD oil consumption is assumed to grow by .4 million bbl/day in 1996 and .3 million bbl/day in 1997 as moderate economic growth continues in the US, Europe, and Japan. Continued rapid economic expansion in the developing countries causes non-OECD consumption to increase by 1 million bbl/day in both 1996 and 1997.

2. Non-OPEC oil production increases by 1.4 million bbl/day in 1996 and by .6 million bbl/day in 1997 with continued output increases from prolific fields in the North Sea. While economic and political upheaval continues in the CIS, the seven-year decline in production stabilizes.

3. Although there continues to be some active lobbying, the United Nations is assumed to retain the embargo on Iraqi crude oil.

4. A very small increase in OPEC market share will put pressure on the cartel to limit higher production by members. The result is that oil prices for ANS quality oil should stay between $15/bbl and $17/bbl over the period.

Table 10

	Unrestricted General Fund Revenues ($million)	ANS Lower 48 Price ($/bbl)	ANS Production (million bbl/day)
FY 1996	**1,881.3**	**16.36**	**1.489**
FY 1997	**1,837.6**	**16.41**	**1.409**
FY 1998	**1,820.6**	**16.69**	**1.366**

Table 11

Global Market Assumptions
Base Case Scenario

	Actual		Projected									
	1993	1994	Q195	Q295	Q395	Q495	1995	Q196	Q296	Q396	Q496	1996
DEMAND												
OECD												
North America	19.2	19.7	19.6	19.5	20.0	20.2	19.8	19.9	19.6	20.0	20.2	19.9
Europe	13.6	13.6	14.0	13.6	13.8	14.2	13.9	14.3	13.8	14.1	14.6	14.2
Pacific	6.3	6.6	7.3	6.2	6.1	7.0	6.6	7.3	6.2	6.3	7.0	6.7
Total	39.1	40.0	41.0	39.3	39.9	41.4	40.4	41.5	39.5	40.4	41.8	40.8
Non-OECD												
CIS[1]	5.7	4.8	5.1	4.4	4.3	4.7	4.6	5.1	4.5	4.3	4.1	4.5
China	3.0	3.1	3.2	3.3	3.4	3.4	3.3	3.4	3.5	3.5	3.6	3.5
Eastern Europe	1.3	1.4	1.5	1.4	1.3	1.4	1.4	1.6	1.5	1.4	1.5	1.5
West Hemisphere	5.7	5.9	6.0	5.9	5.9	5.9	5.9	5.9	6.1	6.2	6.1	6.1
Africa	2.0	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.1	2.1	2.2	2.1
Middle East	3.9	4.0	3.9	4.0	4.1	4.1	4.0	4.2	4.2	4.3	4.3	4.2
Asia	7.0	7.4	8.0	7.7	7.5	8.5	7.9	8.4	8.2	8.1	8.9	8.4
Total	28.5	28.6	29.8	28.8	28.5	30.1	29.3	30.7	30.1	29.9	30.7	30.3
TOTAL DEMAND	66.7	68.6	70.8	68.1	68.4	71.6	69.7	72.2	69.6	70.3	72.5	71.2
SUPPLY												
Non-OPEC												
OECD	16.8	17.6	18.1	17.6	17.9	19.1	18.2	19.1	18.6	18.7	19.4	19.0
CIS[1]	7.9	7.2	7.1	7.0	7.0	7.1	7.1	7.3	7.1	7.0	6.9	7.1
China	2.9	2.9	3.0	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1
Eastern Europe	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
LDCs	11.2	11.7	12.2	12.1	12.5	12.7	12.4	12.8	12.8	12.9	13.1	12.9
Processing Gain	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	40.6	41.1	42.2	41.4	42.2	43.7	42.4	44.1	43.4	43.5	44.3	43.8
OPEC	24.7	25.0	25.2	25.3	24.4	26.3	25.3	25.2	24.4	25.2	26.8	25.4
OPEC NGLs	2.2	2.3	2.3	2.4	2.4	2.5	2.4	2.3	2.3	2.3	2.3	2.3
TOTAL PRODUCTION	67.4	68.4	69.7	69.1	69.0	72.5	70.1	71.5	70.1	71.0	73.4	71.5
INVENTORY CHANGE	0.8	0.0	(0.7)	0.5	0.6	0.9	0.3	(0.7)	0.5	0.6	0.9	0.3

[1] Commonwealth of Independent States (formerly the Soviet Union)

Source: Actual data from International Energy Association. Projected 1995 and 1996 data generated by Alaska Department of Revenue, Oil and Gas Audit Division.

The alternative price scenarios to the base case scenario are developed around a subjective assessment of the risks which would cause oil prices to be higher or lower. The risk factors that were identified in developing these alternatives are as follows: (1) global economic activity; (2) political instability in OPEC nations and the impact on individual production policy with regard to the need for revenue; (3) events pertaining to Iraq; (4) impact of economic changes in the CIS; and (5) environmental hazards (such as oil spills).

No explicit attempt is made to account for the impact of weather; however, impacts can be expected. Changes in weather may create supply disruptions, or demand spikes (such as the 1994 summer drought in Japan) which add to market volatility.

Low Price Alternative Scenario

SUMMARY: The low price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be lower than our base case.

1. The embargo on Iraqi production is partially lifted in 1996 and then totally lifted by the end of 1997.

2. The U.S. economy begins to plunge rapidly as we enter 1996. This slows global oil consumption growth.

3. Non-OPEC production increases are even greater than anticipated and more oil moves into global markets.

4. Islamic upheaval in key OPEC countries increases the political pressure to produce beyond member quotas.

Table 12

	Unrestricted General Fund Revenues ($million)	ANS Lower 48 Price ($/bbl)	ANS Production (million bbl/day)
FY 1996	1,691.7	15.61	1.486
FY 1997	1,581.6	14.67	1.405
FY 1998	1,524.8	14.66	1.320

High Price Alternative Scenario

SUMMARY: The high price alternative scenario assumes that any one or all of the following events may occur which would cause oil prices to turn out to be higher than our base case.

1. The embargo on Iraqi oil stays in place.

2. Economic growth continues at a high pace in the U.S. and in the major world economies resulting in extremely rapid oil consumption growth.

3. Oil production in the CIS continues to slide through 1997.

4. Serious political unrest occurs in key OPEC countries which disrupts the flow of oil to world markets.

Table 13	Unrestricted General Fund Revenues ($million)	ANS Lower 48 Price ($/bbl)	ANS Production (million bbl/day)
FY 1996	2,077.9	17.08	1.495
FY 1997	2,084.6	17.93	1.409
FY 1998	2,046.2	18.53	1.366

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REVENUE FORECAST: LONG-TERM OUTLOOK (FY 1999 - FY 2015)

This section focuses on the long term, from FY 1999 through FY 2015. It provides revenue projections for this period and also sets out the assumptions behind those projections for the base case scenario, and low and high price alternatives.

The graphs on the adjacent page show the actual General Fund unrestricted revenues from FY 1981 through FY 1995 and revenue projections from FY 1996 through 2015 for the three alternatives provided in this forecast. Projections are provided in both nominal and real dollars.

The assumptions used for the fall 1995 forecast for inflation rate, Alaska oil production, the TAPS tariff, and average ANS Lower 48 price are available on page 30. On subsequent pages, the following tables are provided for the base case scenario, and low and high price alternatives:

1. North Slope and Cook Inlet petroleum production revenues.

2. Detailed revenue projections for each category of revenues.

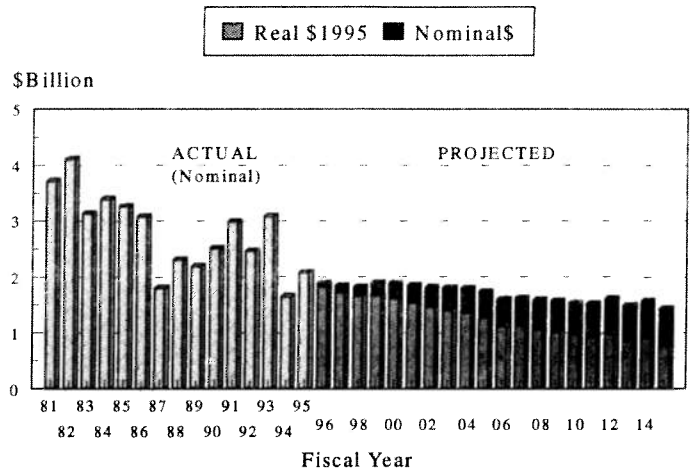
3. The historical and expected prices for West Texas Intermediate (WTI) and ANS Wellhead from FY 1985 - FY 2015 in 1995 constant dollars.

4. Simulated oil production by field.

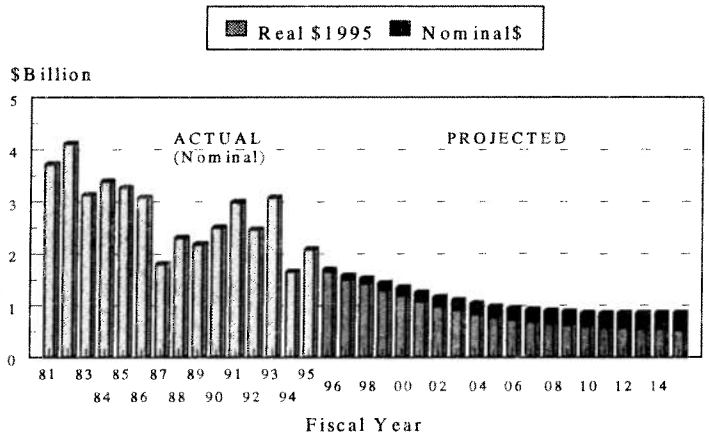
Figure 15

General Fund Unrestricted Revenue Projections
FY 1981 - FY 2015

Base Case Scenario



Low Price Alternative



High Price Alternative

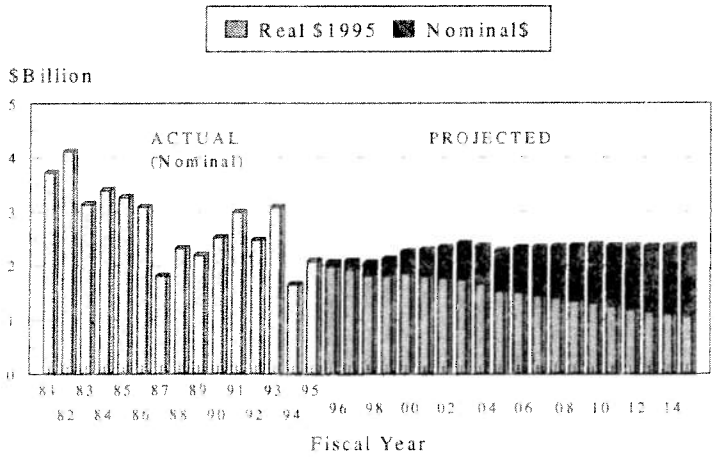


Table 14

Fall 1995 Forecast Assumptions

The following tables are part of the inputs to the Department of Revenue's simulation model. All pertinent assumptions and footnotes are presented below:

1) Investment earnings are a function of expenditures and the resulting general investment fund balance. (Note: Permanent Fund earnings are excluded from the long-range revenue forecast.) Expenditures were assumed to increase at the scenario-specific inflation rate from the FY 1995 base year. The real rate of return for investment earnings was assumed at 3 percent for all cases.
2) Non-petroleum/non-interest revenues beyond FY 1996 were assumed to increase at the scenario-specific inflation rate.

	INFLATION RATE (percent)			ANS PRODUCTION (Millions of Barrels/day)			TAPS TARIFF ($/bbl)			AVERAGE LOWER 48 PRICE ($/bbl)		
FY	Base	Low	High	Base	Low	High	Base	Low	High	Base	Low	High
1996	3.0	2.4	4.0	1.489	1.486	1.495	3.42	3.42	3.42	16.36	15.61	17.08
1997	3.0	2.5	4.0	1.409	1.405	1.409	2.77	2.76	2.78	16.41	14.67	17.93
1998	3.2	2.5	4.0	1.366	1.320	1.366	2.59	2.57	2.61	16.69	14.66	18.53
1999	3.2	2.5	4.0	1.314	1.217	1.320	2.56	2.52	2.57	17.97	14.65	19.85
2000	3.2	2.5	4.0	1.280	1.126	1.329	2.69	2.68	2.62	18.64	14.51	20.88
2001	3.2	2.5	4.1	1.190	1.058	1.310	2.87	2.83	2.73	19.34	14.57	21.98
2002	3.2	2.5	4.1	1.153	0.986	1.279	2.99	3.01	2.83	20.06	14.64	23.26
2003	3.2	2.5	4.1	1.107	0.879	1.246	3.13	3.17	2.93	20.81	14.70	24.61
2004	3.2	2.5	4.1	1.061	0.837	1.161	3.31	3.37	3.12	21.59	14.77	26.04
2005	3.2	2.5	4.1	0.988	0.765	1.076	3.53	3.60	3.34	22.39	14.84	27.55
2006	3.2	2.5	4.1	0.916	0.715	1.017	3.78	3.84	3.56	23.23	14.98	29.40
2007	3.2	2.5	4.1	0.854	0.673	0.965	4.01	4.04	3.74	24.10	15.13	31.37
2008	3.2	2.5	4.1	0.808	0.639	0.925	4.24	4.26	3.97	25.00	15.28	33.48
2009	3.2	2.5	4.1	0.764	0.599	0.880	4.35	4.45	4.20	25.93	15.44	35.73
2010	3.2	2.5	4.1	0.724	0.561	0.830	4.55	4.66	4.43	26.82	15.59	38.12
2011	3.2	2.5	4.1	0.693	0.513	0.778	4.93	5.10	4.78	26.08	15.99	40.13
2012	3.2	2.5	4.1	0.653	0.481	0.733	5.03	5.10	4.93	27.08	16.39	42.24
2013	3.2	2.5	4.1	0.611	0.450	0.690	5.34	5.21	5.15	28.13	16.81	44.46
2014	3.2	2.5	4.1	0.570	0.426	0.656	5.59	5.35	5.40	29.22	17.23	46.80
2015	3.2	2.5	4.1	0.523	0.396	0.615	5.96	5.64	5.77	30.34	17.67	49.27

[1]Inflation rates are consistent with those used by the Long Range Financial Planning Commission.

Table 15

Base Case Scenario Petroleum Production Revenue Forecast
(Millions of Dollars)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1996	728.9	656.1	1.8	13.5	38.8	23.3	1462.4	24.6	0.0	0.1	0.4	26.7	14.7	66.5	1528.9
1997	712.7	630.7	1.7	12.8	45.1	27.0	1430.0	26.3	0.0	0.1	0.4	27.7	16.1	70.6	1500.5
1998	719.1	622.1	1.7	12.4	44.8	26.9	1427.0	25.2	0.0	0.1	0.4	29.2	15.5	70.4	1497.4
1999	762.7	648.5	1.6	12.0	47.0	27.9	1499.8	24.5	0.0	0.1	0.4	30.6	16.0	71.5	1571.2
2000	770.5	638.3	1.6	11.7	46.4	27.5	1495.9	23.3	0.0	0.1	0.3	32.1	16.5	72.3	1568.2
2001	781.6	598.7	1.4	10.8	45.8	27.2	1465.4	22.2	0.0	0.1	0.3	33.5	17.0	73.0	1538.5
2002	802.7	556.8	1.4	10.4	46.1	26.6	1444.1	21.2	0.0	0.1	0.3	35.8	17.3	74.6	1518.7
2003	799.9	533.8	1.3	10.0	45.7	26.2	1417.0	20.2	0.0	0.0	0.3	38.1	17.7	76.3	1493.3
2004	793.5	519.8	1.3	9.6	46.2	26.4	1396.9	19.4	0.0	0.0	0.2	40.4	18.0	78.1	1474.9
2005	761.0	483.6	1.2	8.9	45.3	25.7	1325.8	18.6	0.0	0.0	0.2	42.6	18.4	79.8	1405.6
2006	720.6	443.2	1.1	8.3	43.6	24.8	1241.7	17.9	0.0	0.0	0.2	44.9	18.8	81.9	1323.6
2007	687.1	410.4	1.0	7.7	43.3	24.5	1173.9	17.3	0.0	0.0	0.2	47.1	19.3	83.9	1257.9
2008	662.7	381.9	1.0	7.2	42.5	24.1	1119.4	16.8	0.0	0.0	0.2	49.3	19.7	85.9	1205.4
2009	658.0	358.8	0.9	6.8	42.1	24.2	1090.7	16.2	0.0	0.0	0.2	51.6	20.2	88.2	1178.9
2010	639.3	330.2	0.9	6.4	41.7	24.0	1042.4	15.7	0.0	0.0	0.2	53.8	20.7	90.4	1132.7
2011	626.8	316.8	0.8	6.1	40.9	23.7	1015.1	15.2	0.0	0.0	0.1	56.1	21.2	92.7	1107.7
2012	613.8	304.9	0.8	5.8	40.5	23.7	989.5	14.8	0.0	0.0	0.1	58.4	21.8	95.1	1084.6
2013	584.1	288.5	0.7	5.4	39.0	23.1	940.9	14.3	0.0	0.0	0.1	60.7	22.3	97.5	1038.3
2014	558.3	275.0	0.7	5.0	39.8	24.0	902.8	13.9	0.0	0.0	0.1	63.1	22.9	100.0	1002.8
2015	529.6	256.8	0.6	4.6	33.3	20.3	845.3	13.5	0.0	0.0	0.1	65.5	23.5	102.6	947.9

Table 16

Low Price Alternative Petroleum Production Revenue Forecast
(Millions of Dollars)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1996	659.3	622.5	1.8	13.5	37.9	21.6	1356.6	23.2	0.0	0.1	0.4	26.7	14.7	65.1	1421.7
1997	607.2	550.8	1.7	12.7	41.0	22.2	1235.7	23.1	0.0	0.1	0.4	27.5	14.9	66.0	1301.7
1998	584.2	515.3	1.6	11.9	40.1	21.2	1174.3	21.7	0.0	0.1	0.4	28.6	15.2	66.0	1240.3
1999	540.5	460.6	1.5	11.0	38.0	19.6	1071.0	20.4	0.0	0.1	0.4	29.7	15.6	66.2	1137.2
2000	485.2	409.7	1.4	10.2	35.1	17.6	959.1	18.6	0.0	0.1	0.3	30.8	15.9	65.7	1024.7
2001	447.1	360.7	1.3	9.6	33.1	16.2	867.8	17.2	0.0	0.1	0.3	31.9	16.2	65.6	933.4
2002	409.7	312.4	1.2	8.9	31.0	14.5	777.6	15.9	0.0	0.1	0.3	33.8	16.3	66.3	843.9
2003	371.8	273.0	1.1	8.2	29.1	13.5	696.6	14.7	0.0	0.0	0.3	35.6	16.5	67.1	763.8
2004	335.2	232.4	1.0	7.6	27.8	12.6	616.5	13.7	0.0	0.0	0.2	37.3	16.7	68.0	684.5
2005	298.2	194.3	0.9	6.9	25.9	11.3	537.5	12.7	0.0	0.0	0.2	39.0	16.9	68.9	606.4
2006	274.5	173.6	0.9	6.4	24.0	10.5	489.8	11.8	0.0	0.0	0.2	40.7	17.1	69.8	559.7
2007	252.9	155.0	0.8	6.0	22.6	9.9	447.2	11.1	0.0	0.0	0.2	42.3	17.3	70.9	518.1
2008	234.9	138.8	0.8	5.7	21.4	9.3	410.7	10.4	0.0	0.0	0.2	43.9	17.5	72.0	482.7
2009	217.7	126.5	0.7	5.3	20.3	8.8	379.2	9.8	0.0	0.0	0.2	45.4	17.8	73.2	452.4
2010	201.0	116.1	0.7	4.9	19.4	8.4	350.5	9.2	0.0	0.0	0.2	47.0	18.1	74.5	425.0
2011	181.8	106.9	0.6	4.5	18.7	8.1	320.5	8.9	0.0	0.0	0.1	48.5	18.3	75.9	396.3
2012	180.1	103.6	0.6	4.2	18.8	8.1	315.4	8.3	0.0	0.0	0.1	50.0	18.6	77.1	392.4
2013	172.0	98.5	0.5	3.9	18.1	8.0	301.1	8.0	0.0	0.0	0.1	51.5	18.9	78.5	379.6
2014	166.9	96.3	0.5	3.7	18.5	8.3	294.2	7.6	0.0	0.0	0.1	52.9	19.2	79.9	374.1
2015	159.9	93.1	0.5	3.5	15.4	7.0	279.2	7.3	0.0	0.0	0.1	54.4	19.6	81.5	360.7

Table 17

High Price Alternative Petroleum Production Revenue Forecast
(Millions of Dollars)

	Alaska North Slope							Cook Inlet							
Fiscal Year	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	ANS Total	Oil Royalty	Oil Severance	Cons. Tax	Hazardous Rel. Fund	Gas Royalty	Gas Severance	Cook Inlet Total	State Total
1996	777.7	730.2	1.8	13.5	45.1	25.6	1593.9	25.8	0.0	0.1	0.4	26.7	14.7	67.7	1661.6
1997	803.8	722.4	1.7	12.7	53.9	29.2	1623.7	29.1	0.0	0.1	0.4	28.0	15.2	72.8	1696.4
1998	806.6	698.3	1.6	12.0	54.4	28.8	1601.6	28.4	0.0	0.1	0.4	29.7	15.8	74.3	1676.0
1999	859.1	729.1	1.6	11.7	56.2	29.6	1687.2	28.8	0.0	0.1	0.4	31.5	16.5	77.2	1764.4
2000	963.8	773.4	1.6	12.1	56.6	29.9	1837.4	28.0	0.0	0.1	0.3	33.3	17.2	78.9	1916.3
2001	1001.7	795.7	1.6	11.9	56.9	30.2	1898.1	27.2	0.0	0.1	0.3	35.2	17.9	80.7	1978.7
2002	1040.3	816.3	1.6	11.7	57.4	30.7	1957.9	26.6	0.0	0.1	0.3	38.0	18.4	83.4	2041.3
2003	1078.9	837.0	1.5	11.4	58.0	31.3	2018.1	26.1	0.0	0.0	0.3	40.8	18.9	86.1	2104.2
2004	1066.7	793.0	1.4	10.6	59.9	31.8	1963.5	25.7	0.0	0.0	0.2	43.6	19.5	89.0	2052.5
2005	1040.6	741.1	1.3	9.8	59.9	31.4	1884.1	25.2	0.0	0.0	0.2	46.5	20.1	92.1	1976.1
2006	1088.6	726.6	1.2	9.3	60.1	31.4	1917.2	25.0	0.0	0.0	0.2	49.4	20.7	95.4	2012.6
2007	1102.0	709.6	1.2	8.8	61.7	32.0	1915.2	24.9	0.0	0.0	0.2	52.4	21.4	98.9	2014.1
2008	1124.8	696.3	1.1	8.4	63.2	32.6	1926.6	24.7	0.0	0.0	0.2	55.4	22.1	102.4	2029.0
2009	1138.3	685.7	1.1	7.9	64.3	33.2	1930.5	24.6	0.0	0.0	0.2	58.5	22.9	106.2	2036.7
2010	1148.4	683.2	1.0	7.5	66.2	34.2	1940.5	24.5	0.0	0.0	0.2	61.6	23.7	109.9	2050.4
2011	1128.4	664.6	0.9	7.0	66.8	34.4	1902.1	24.0	0.0	0.0	0.1	64.9	24.5	113.6	2015.7
2012	1127.3	654.3	0.9	6.6	67.5	34.8	1891.3	23.6	0.0	0.0	0.1	68.2	25.4	117.3	2008.7
2013	1116.1	637.9	0.8	6.2	67.3	34.7	1863.0	23.2	0.0	0.0	0.1	71.6	26.3	121.2	1984.2
2014	1114.1	631.4	0.8	5.9	70.2	36.6	1859.0	22.8	0.0	0.0	0.1	75.1	27.3	125.3	1984.3
2015	1110.6	623.1	0.7	5.6	60.5	31.6	1832.1	22.4	0.0	0.0	0.1	78.6	28.3	129.5	1961.5

Table 18

Base Case Scenario Detailed Revenue Projections
(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL & GAS INCOME TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) INCOME FROM PRIOR YEARS	(9) TOTAL PETROLEUM REVENUES	(10) NON-PETRO NON-INTEREST REVENUES	(11) GEN FUND INTEREST REVENUES	(12) TOTAL REVS W/ PERM FUND DEDICATION
1996	709.61	53.90	120.00	818.71	16.06	0.00	9.40	1727.68	337.63	37.80	2103.12
1997	688.79	51.50	110.00	811.76	15.26	0.00	13.40	1690.71	329.05	37.80	2057.56
1998	679.09	49.30	105.00	818.35	14.50	0.00	13.40	1679.64	334.37	37.80	2051.80
1999	706.45	46.10	101.85	864.84	13.77	0.00	13.40	1746.41	349.35	37.80	2133.56
2000	695.90	43.90	98.79	872.24	13.08	0.00	13.40	1737.32	356.12	37.80	2131.24
2001	655.40	41.80	95.83	883.09	12.43	0.00	13.40	1701.95	364.70	27.93	2094.58
2002	612.91	39.80	92.96	905.82	11.81	0.00	0.00	1663.29	375.44	27.49	2066.22
2003	589.37	37.80	90.17	903.95	11.22	0.00	0.00	1632.51	387.08	27.18	2046.77
2004	575.43	35.90	87.46	899.49	10.66	0.00	0.00	1608.94	398.69	26.90	2034.54
2005	538.17	33.90	84.84	867.51	10.12	0.00	0.00	1534.54	410.22	26.74	1971.50
2006	496.54	32.00	82.29	827.04	9.62	0.00	0.00	1447.49	422.70	25.92	1896.11
2007	463.10	30.20	79.82	794.73	9.14	0.00	0.00	1376.99	435.86	24.95	1837.81
2008	434.17	28.30	77.43	771.26	8.68	0.00	0.00	1319.84	449.30	24.21	1793.36
2009	410.97	26.60	75.11	767.86	8.25	0.00	0.00	1288.78	458.92	23.64	1771.34
2010	382.29	24.90	72.85	750.49	7.83	0.00	0.00	1238.37	472.66	23.34	1734.36
2011	368.79	23.40	70.67	738.99	7.44	0.00	0.00	1209.29	487.17	22.85	1719.30
2012	357.06	21.80	68.55	727.49	7.07	0.00	0.00	1181.97	502.01	22.68	1706.65
2013	340.19	20.40	66.49	698.20	6.72	0.00	0.00	1132.00	517.25	22.53	1671.78
2014	327.70	18.90	64.50	675.12	6.38	0.00	0.00	1092.60	533.15	22.12	1647.86
2015	306.08	17.50	62.56	641.83	6.06	0.00	0.00	1034.03	549.56	21.85	1605.44

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES NOMINAL$	REAL 1995$
1996	2103.12	4.17	0.10	0.00	217.54	0.00	1881.30	1826.73
1997	2057.56	4.14	0.00	0.00	215.52	0.00	1837.60	1732.82
1998	2051.80	4.16	0.00	10.00	217.04	0.00	1820.60	1663.68
1999	2133.56	4.39	0.00	10.00	228.97	0.00	1890.20	1674.13
2000	2131.24	4.43	0.00	10.00	230.72	0.00	1886.10	1619.09
2001	2094.58	4.48	0.00	10.00	233.37	0.00	1846.73	1536.51
2002	2066.22	4.59	0.00	10.00	239.13	0.00	1812.50	1461.63
2003	2046.77	4.58	0.00	0.00	238.49	0.00	1803.70	1409.77
2004	2034.54	4.55	0.00	0.00	237.18	0.00	1792.80	1358.13
2005	1971.50	4.39	0.00	0.00	228.71	0.00	1738.40	1276.40
2006	1896.11	4.18	0.00	0.00	218.03	0.00	1673.90	1191.21
2007	1837.81	4.02	0.00	0.00	209.49	0.00	1624.30	1120.35
2008	1793.36	3.90	0.00	0.00	203.25	0.00	1586.21	1060.40
2009	1771.34	3.88	0.00	0.00	202.25	0.00	1565.21	1014.17
2010	1734.36	3.79	0.00	0.00	197.62	0.00	1532.95	962.70
2011	1719.30	3.73	0.00	0.00	194.52	0.00	1521.05	925.83
2012	1706.65	3.67	0.00	0.00	191.43	0.00	1511.55	891.74
2013	1671.78	3.52	0.00	0.00	183.70	0.00	1484.56	848.86
2014	1647.86	3.41	0.00	0.00	177.60	0.00	1466.86	812.93
2015	1605.44	3.24	0.00	0.00	168.84	0.00	1433.36	769.92

Table 19

Low Price Alternative Detailed Revenue Projections

(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL & GAS INCOME TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) INCOME FROM PRIOR YEARS	(9) TOTAL PETROLEUM REVENUES	(10) NON-PETRO NON-INTEREST REVENUES	(11) GEN FUND INTEREST REVENUES	(12) TOTAL REVS W/ PERM FUND DEDICATION
1996	674.70	53.90	75.00	747.10	16.06	0.00	9.40	1576.16	287.12	30.30	1893.58
1997	602.90	51.50	75.00	698.80	15.26	0.00	13.40	1456.86	283.24	30.30	1770.40
1998	565.60	49.30	75.00	674.60	14.50	0.00	13.40	1392.40	293.70	30.30	1716.40
1999	508.60	46.10	72.75	628.60	13.77	0.00	13.40	1283.22	302.51	30.30	1616.03
2000	455.20	43.90	70.57	569.60	13.08	0.00	13.40	1165.75	311.59	30.30	1507.64
2001	404.20	41.80	68.45	529.20	12.43	0.00	13.40	1069.48	320.93	13.22	1403.63
2002	353.60	39.80	66.40	490.30	11.81	0.00	0.00	961.91	330.56	12.45	1304.91
2003	312.60	37.80	64.41	451.20	11.22	0.00	0.00	877.22	340.48	11.70	1229.40
2004	270.50	35.90	62.47	414.00	10.66	0.00	0.00	793.53	350.69	11.05	1155.27
2005	230.60	33.90	60.60	375.90	10.12	0.00	0.00	711.12	361.21	10.41	1082.74
2006	208.70	32.00	58.78	351.00	9.62	0.00	0.00	660.10	372.05	9.78	1041.93
2007	189.10	30.20	57.02	328.90	9.14	0.00	0.00	614.35	383.21	9.44	1007.01
2008	172.10	28.30	55.31	310.60	8.68	0.00	0.00	574.99	394.71	9.15	978.85
2009	159.20	26.60	53.65	293.20	8.25	0.00	0.00	540.89	406.55	8.92	956.36
2010	148.40	24.90	52.04	276.60	7.83	0.00	0.00	509.77	418.75	8.74	937.26
2011	138.50	23.40	50.48	257.90	7.44	0.00	0.00	477.72	431.31	8.59	917.62
2012	135.20	21.80	48.96	257.20	7.07	0.00	0.00	470.23	444.25	8.45	922.93
2013	130.00	20.40	47.49	249.60	6.72	0.00	0.00	454.21	457.58	8.50	920.29
2014	128.10	18.90	46.07	246.00	6.38	0.00	0.00	445.45	471.30	8.49	925.25
2015	123.70	17.50	44.69	237.00	6.06	0.00	0.00	428.95	485.44	8.55	922.94

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES NOMINAL$	REAL 1995$
1996	1893.58	3.82	0.10	0.00	197.96	0.00	1691.70	1652.17
1997	1770.40	3.57	0.00	0.00	185.23	0.00	1581.60	1507.49
1998	1716.40	3.45	0.00	10.00	178.75	0.00	1524.80	1417.84
1999	1616.03	3.21	0.00	10.00	166.63	0.00	1436.19	1303.84
2000	1507.64	2.91	0.00	10.00	151.15	0.00	1343.58	1190.43
2001	1403.63	2.71	0.00	10.00	140.50	0.00	1250.42	1080.49
2002	1304.91	2.51	0.00	10.00	130.25	0.00	1162.16	979.39
2003	1229.40	2.31	0.00	0.00	119.95	0.00	1107.14	909.95
2004	1155.27	2.12	0.00	0.00	110.16	0.00	1042.99	836.03
2005	1082.74	1.93	0.00	0.00	100.13	0.00	980.68	766.64
2006	1041.93	1.80	0.00	0.00	93.54	0.00	946.59	721.69
2007	1007.01	1.69	0.00	0.00	87.69	0.00	917.63	682.31
2008	978.85	1.60	0.00	0.00	82.82	0.00	894.43	648.61
2009	956.36	1.51	0.00	0.00	78.20	0.00	876.66	620.01
2010	937.26	1.42	0.00	0.00	73.78	0.00	862.06	594.60
2011	917.62	1.33	0.00	0.00	68.83	0.00	847.47	570.08
2012	922.93	1.32	0.00	0.00	68.55	0.00	853.05	559.65
2013	920.29	1.28	0.00	0.00	66.49	0.00	852.52	545.46
2014	925.25	1.26	0.00	0.00	65.47	0.00	858.52	535.72
2015	922.94	1.22	0.00	0.00	63.05	0.00	858.68	522.57

Table 20

High Price Alternative Detailed Revenue Projections
(Millions of Dollars)

(1) FY	(2) SEVERANCE TAX	(3) PROPERTY TAX	(4) OIL & GAS INCOME TAX	(5) GROSS ROYALTIES	(6) MINERAL RENTS	(7) BONUS SALES	(8) INCOME FROM PRIOR YEARS	(9) TOTAL PETROLEUM REVENUES	(10) NON-PETRO NON-INTEREST REVENUES	(11) GEN FUND INTEREST REVENUES	(12) TOTAL REVS W/ PERM FUND DEDICATION
1996	786.40	53.90	175.00	875.30	16.06	0.00	9.40	1916.06	353.19	45.40	2314.65
1997	781.80	51.50	165.00	914.70	15.26	0.00	13.40	1941.66	344.44	45.40	2331.50
1998	757.00	49.30	155.00	919.10	14.50	0.00	13.40	1908.30	349.97	45.40	2303.67
1999	788.80	46.10	150.35	975.60	13.77	0.00	13.40	1988.02	360.47	45.40	2393.89
2000	834.60	43.90	145.84	1081.70	13.08	0.00	13.40	2132.52	371.28	45.40	2549.21
2001	857.70	41.80	141.46	1121.00	12.43	0.00	13.40	2187.79	382.42	33.30	2603.52
2002	879.00	39.80	137.22	1162.30	11.81	0.00	0.00	2230.13	393.89	34.15	2658.17
2003	900.50	37.80	133.10	1203.80	11.22	0.00	0.00	2286.42	405.71	35.00	2727.14
2004	856.70	35.90	129.11	1195.90	10.66	0.00	0.00	2228.27	417.88	35.87	2682.02
2005	803.90	33.90	125.24	1172.20	10.12	0.00	0.00	2145.36	430.42	35.21	2610.99
2006	789.50	32.00	121.48	1223.10	9.62	0.00	0.00	2175.70	443.33	34.24	2653.27
2007	773.20	30.20	117.84	1240.90	9.14	0.00	0.00	2171.27	456.63	34.70	2662.60
2008	760.80	28.30	114.30	1268.20	8.68	0.00	0.00	2180.28	470.33	34.77	2685.38
2009	751.00	26.60	110.87	1285.70	8.25	0.00	0.00	2182.42	484.44	35.00	2701.86
2010	749.70	24.90	107.55	1300.70	7.83	0.00	0.00	2190.68	498.97	35.18	2724.83
2011	731.60	23.40	104.32	1284.10	7.44	0.00	0.00	2150.86	513.94	35.47	2700.27
2012	722.10	21.80	101.19	1286.50	7.07	0.00	0.00	2138.66	529.36	35.16	2703.18
2013	706.00	20.40	98.15	1278.20	6.72	0.00	0.00	2109.47	545.24	35.20	2689.91
2014	702.10	18.90	95.21	1282.20	6.38	0.00	0.00	2104.79	561.60	35.03	2701.42
2015	689.50	17.50	92.35	1272.10	6.06	0.00	0.00	2077.52	578.45	35.19	2691.15

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
FY	TOTAL REVS W/ PERM FUND DEDICATION	PUBLIC SCHOOL FUND	NPR-A FUND	OTHER FUNDS	PERMANENT FUND DEDICATION	BUDGET RESERVE	NET GENERAL FUND UNRESTRICTED REVENUES NOMINAL$	REAL 1995$
1996	2314.65	4.46	0.10	0.00	232.20	0.00	**2077.90**	1998.66
1997	2331.50	4.65	0.00	0.00	242.25	0.00	**2084.60**	1927.33
1998	2303.67	4.67	0.00	10.00	243.20	0.00	**2046.20**	1818.08
1999	2393.89	4.95	0.00	10.00	257.73	0.00	**2121.21**	1811.98
2000	2549.21	5.47	0.00	10.00	285.19	0.00	**2248.54**	1846.24
2001	2603.52	5.67	0.00	10.00	295.26	0.00	**2292.59**	1808.14
2002	2658.17	5.87	0.00	10.00	305.86	0.00	**2336.45**	1770.03
2003	2727.14	6.08	0.00	0.00	316.51	0.00	**2404.55**	1749.76
2004	2682.02	6.03	0.00	0.00	314.31	0.00	**2361.68**	1650.77
2005	2610.99	5.91	0.00	0.00	308.00	0.00	**2297.08**	1542.27
2006	2653.27	6.16	0.00	0.00	321.12	0.00	**2325.98**	1500.07
2007	2662.60	6.25	0.00	0.00	325.63	0.00	**2330.72**	1443.82
2008	2685.38	6.38	0.00	0.00	332.63	0.00	**2346.37**	1396.17
2009	2701.86	6.47	0.00	0.00	337.07	0.00	**2358.32**	1347.92
2010	2724.83	6.54	0.00	0.00	340.87	0.00	**2377.42**	1305.23
2011	2700.27	6.46	0.00	0.00	336.45	0.00	**2357.37**	1243.17
2012	2703.18	6.47	0.00	0.00	336.98	0.00	**2359.73**	1195.32
2013	2689.91	6.42	0.00	0.00	334.72	0.00	**2348.76**	1142.83
2014	2701.42	6.44	0.00	0.00	335.68	0.00	**2359.30**	1102.67
2015	2691.15	6.39	0.00	0.00	332.96	0.00	**2351.80**	1055.80

Table 21

Projected and Historical Crude Oil Prices
Alaska North Slope Crude and Domestic Marker
In Nominal and 1995 Constant $/Barrel

	Base Case				Low Price Alternative				High Price Alternative			
FY	Nominal WTI	Real $95 WTI	Nominal ANS Wellhead	Real$95 ANS Wellhead	Nominal WTI	Real$95 WTI	Nominal ANS Wellhead	Real$95 ANS Wellhead	Nominal WTI	Real$95 WTI	Nominal ANS Wellhead	Real$95 ANS Wellhead
1985	28.15	39.28	17.37	24.24	28.15	39.28	17.37	24.24	28.15	35.03	17.37	21.62
1986	23.11	31.12	12.41	16.71	23.11	31.12	12.41	16.71	23.11	27.76	12.41	14.91
1987	16.14	21.17	7.84	10.28	16.14	21.17	7.84	10.28	16.14	18.88	7.84	9.17
1988	18.53	23.58	10.68	13.59	18.53	23.58	10.68	13.59	18.53	21.03	10.68	12.12
1989	19.36	23.96	9.55	11.81	16.93	20.95	9.55	11.81	16.93	18.69	9.55	10.54
1990	20.06	23.81	11.89	14.11	20.06	23.81	11.89	14.11	20.06	21.24	11.89	12.59
1991	24.95	28.43	15.38	17.52	24.95	28.43	15.38	17.52	24.99	26.95	15.38	16.58
1992	20.69	22.52	11.20	12.19	20.69	22.52	11.20	12.19	20.69	21.03	11.20	11.39
1993	20.69	21.84	12.80	13.51	20.69	21.84	12.80	13.51	20.69	21.31	12.80	13.18
1994	16.69	17.11	9.57	9.81	16.69	17.11	9.57	9.81	16.69	16.45	9.57	9.43
1995	18.46	18.46	11.51	11.51	18.46	18.46	11.51	11.51	18.46	18.46	11.51	11.51
1996	17.85	17.33	11.33	11.00	16.85	16.46	10.54	10.30	18.44	17.73	12.52	12.05
1997	17.74	16.72	12.05	11.36	15.85	15.11	10.40	9.91	19.38	17.92	13.68	12.65
1998	18.04	16.48	12.51	11.43	15.85	14.74	10.62	9.88	20.03	17.80	14.43	12.83
1999	19.36	17.15	13.77	12.19	15.84	14.38	10.62	9.64	21.46	18.33	15.74	13.44
2000	20.08	17.24	14.23	12.21	15.69	13.90	10.28	9.10	22.57	18.53	16.67	13.69
2001	20.82	17.32	14.66	12.20	15.75	13.61	10.12	8.74	23.76	18.74	17.58	13.86
2002	21.59	17.41	15.19	12.25	15.83	13.34	9.73	8.20	25.15	19.05	18.65	14.13
2003	22.39	17.50	15.73	12.29	15.89	13.06	9.76	8.02	26.61	19.36	19.81	14.42
2004	23.22	17.59	16.21	12.28	15.97	12.80	9.54	7.65	28.15	19.68	20.92	14.62
2005	24.08	17.68	16.61	12.20	16.04	12.54	9.27	7.24	29.78	20.00	22.05	14.81
2006	24.98	17.78	17.03	12.12	16.20	12.35	9.04	6.89	31.78	20.50	23.49	15.15
2007	25.92	17.88	17.43	12.02	16.36	12.16	8.83	6.57	33.91	21.01	25.13	15.56
2008	26.88	17.97	17.91	11.97	16.52	11.98	8.60	6.23	36.19	21.54	26.80	15.95
2009	27.89	18.07	18.75	12.15	16.69	11.81	8.60	6.08	38.63	22.08	28.82	16.47
2010	28.86	18.12	19.34	12.15	16.85	11.62	8.50	5.86	41.21	22.63	30.88	16.95
2011	29.86	18.18	19.81	12.06	17.29	11.63	8.44	5.68	43.38	22.88	32.44	17.11
2012	30.89	18.22	20.59	12.15	17.72	11.62	8.81	5.78	45.67	23.13	34.32	17.38
2013	31.96	18.27	21.15	12.09	18.17	11.63	9.08	5.81	48.07	23.39	36.23	17.63
2014	33.07	18.33	21.83	12.10	18.63	11.62	9.33	5.82	50.60	23.65	38.21	17.86
2015	34.21	18.38	22.42	12.04	19.10	11.63	9.44	5.74	53.27	23.91	40.20	18.05

Table 22

Base Case Scenario Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Sag River	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.821	0.293	0.026	0.086	0.014	0.000	0.001	0.000	0.021	0.140	0.001	0.003	0.002	0.000	1.489	0.044	1.533
1997	0.073	0.740	0.293	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.409	0.044	1.454
1998	0.069	0.702	0.293	0.073	0.076	0.010	0.000	0.008	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.366	0.041	1.407
1999	0.064	0.678	0.293	0.069	0.068	0.008	0.000	0.011	0.000	0.018	0.094	0.000	0.009	0.001	0.000	1.314	0.039	1.353
2000	0.061	0.643	0.293	0.062	0.058	0.008	0.000	0.011	0.000	0.014	0.083	0.000	0.017	0.001	0.030	1.280	0.035	1.315
2001	0.057	0.596	0.267	0.053	0.050	0.008	0.000	0.008	0.000	0.013	0.073	0.000	0.025	0.000	0.039	1.190	0.032	1.222
2002	0.053	0.554	0.243	0.045	0.045	0.008	0.000	0.007	0.049	0.011	0.064	0.000	0.033	0.001	0.039	1.153	0.029	1.182
2003	0.050	0.535	0.221	0.039	0.042	0.008	0.012	0.005	0.054	0.010	0.057	0.000	0.039	0.001	0.035	1.107	0.027	1.134
2004	0.048	0.528	0.201	0.033	0.039	0.008	0.012	0.004	0.054	0.009	0.050	0.000	0.044	0.001	0.031	1.061	0.025	1.086
2005	0.045	0.496	0.183	0.029	0.036	0.008	0.012	0.003	0.054	0.008	0.043	0.000	0.045	0.001	0.027	0.988	0.023	1.011
2006	0.041	0.464	0.166	0.025	0.033	0.007	0.019	0.003	0.048	0.007	0.037	0.000	0.043	0.001	0.024	0.916	0.021	0.937
2007	0.043	0.434	0.151	0.021	0.030	0.007	0.025	0.002	0.042	0.007	0.032	0.000	0.039	0.001	0.021	0.854	0.019	0.873
2008	0.048	0.406	0.138	0.018	0.028	0.007	0.036	0.002	0.037	0.006	0.027	0.000	0.036	0.001	0.018	0.808	0.018	0.826
2009	0.049	0.379	0.125	0.016	0.027	0.007	0.049	0.001	0.032	0.005	0.023	0.000	0.033	0.000	0.016	0.764	0.017	0.780
2010	0.047	0.355	0.114	0.014	0.025	0.007	0.062	0.001	0.029	0.005	0.020	0.000	0.031	0.000	0.014	0.724	0.015	0.739
2011	0.045	0.339	0.104	0.012	0.024	0.007	0.074	0.001	0.025	0.004	0.017	0.000	0.029	0.000	0.013	0.693	0.014	0.707
2012	0.043	0.323	0.095	0.010	0.023	0.007	0.074	0.000	0.022	0.004	0.015	0.000	0.027	0.000	0.011	0.653	0.013	0.666
2013	0.040	0.309	0.086	0.009	0.021	0.006	0.070	0.000	0.019	0.004	0.013	0.000	0.024	0.000	0.010	0.611	0.012	0.623
2014	0.040	0.295	0.076	0.008	0.021	0.006	0.063	0.000	0.017	0.003	0.011	0.000	0.022	0.000	0.009	0.570	0.011	0.582
2015	0.033	0.275	0.071	0.006	0.020	0.006	0.057	0.000	0.015	0.003	0.010	0.000	0.020	0.000	0.008	0.523	0.010	0.534

Table 23

Low Price Alternative Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Sag River	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.821	0.289	0.026	0.086	0.014	0.000	0.001	0.000	0.020	0.140	0.001	0.003	0.002	0.000	1.486	0.044	1.530
1997	0.073	0.742	0.286	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.405	0.044	1.449
1998	0.069	0.668	0.285	0.073	0.076	0.010	0.000	0.003	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.320	0.041	1.361
1999	0.064	0.602	0.283	0.069	0.068	0.008	0.000	0.000	0.000	0.018	0.094	0.000	0.009	0.001	0.000	1.217	0.039	1.256
2000	0.060	0.542	0.281	0.062	0.058	0.008	0.000	0.000	0.000	0.014	0.083	0.000	0.017	0.001	0.000	1.126	0.035	1.161
2001	0.057	0.497	0.252	0.053	0.050	0.008	0.000	0.000	0.000	0.013	0.073	0.000	0.025	0.000	0.029	1.058	0.032	1.090
2002	0.053	0.459	0.227	0.045	0.045	0.008	0.000	0.000	0.000	0.011	0.064	0.000	0.033	0.000	0.039	0.986	0.029	1.015
2003	0.020	0.422	0.205	0.039	0.041	0.008	0.000	0.000	0.000	0.010	0.057	0.000	0.039	0.000	0.039	0.879	0.027	0.906
2004	0.048	0.388	0.184	0.033	0.038	0.008	0.000	0.000	0.000	0.009	0.050	0.000	0.044	0.000	0.035	0.837	0.025	0.862
2005	0.045	0.356	0.165	0.029	0.035	0.008	0.000	0.001	0.000	0.008	0.043	0.000	0.045	0.000	0.030	0.765	0.023	0.788
2006	0.041	0.343	0.149	0.025	0.032	0.007	0.000	0.003	0.000	0.007	0.037	0.000	0.043	0.000	0.027	0.715	0.021	0.736
2007	0.043	0.329	0.134	0.021	0.029	0.007	0.000	0.008	0.000	0.007	0.032	0.000	0.039	0.000	0.024	0.673	0.019	0.693
2008	0.048	0.316	0.121	0.018	0.028	0.007	0.000	0.011	0.000	0.006	0.027	0.000	0.036	0.000	0.021	0.639	0.018	0.657
2009	0.049	0.303	0.108	0.016	0.026	0.007	0.000	0.010	0.000	0.005	0.023	0.000	0.033	0.000	0.018	0.599	0.017	0.616
2010	0.047	0.291	0.098	0.014	0.025	0.007	0.000	0.008	0.000	0.005	0.020	0.000	0.030	0.000	0.016	0.561	0.015	0.576
2011	0.045	0.280	0.088	0.000	0.023	0.007	0.000	0.007	0.000	0.004	0.017	0.000	0.027	0.000	0.014	0.513	0.014	0.527
2012	0.043	0.268	0.079	0.000	0.022	0.007	0.000	0.005	0.000	0.004	0.015	0.000	0.025	0.000	0.012	0.481	0.013	0.494
2013	0.041	0.257	0.071	0.000	0.021	0.006	0.000	0.004	0.000	0.004	0.013	0.000	0.023	0.000	0.011	0.450	0.012	0.462
2014	0.040	0.247	0.064	0.000	0.020	0.006	0.000	0.003	0.000	0.003	0.011	0.000	0.021	0.000	0.010	0.426	0.011	0.437
2015	0.033	0.237	0.058	0.000	0.019	0.006	0.000	0.003	0.000	0.003	0.010	0.000	0.019	0.000	0.009	0.396	0.010	0.406

Table 24

High Price Alternative Simulated Oil Production
(Millions of bbls/day)

Fiscal Year	NGL's	Prudhoe	Kuparuk	Milne Point	Endicott	Lisburne	West Sak	Sag River	North Star	Niakuk	Point McIntyre	Sag Delta	Schrader Bluff	North Prudhoe	Known Onshore	ANS Total	Cook Inlet	STATE TOTAL
1995	0.075	0.923	0.303	0.017	0.094	0.018	0.000	0.000	0.000	0.017	0.119	0.001	0.003	0.004	0.000	1.571	0.042	1.613
1996	0.083	0.830	0.289	0.026	0.086	0.014	0.000	0.001	0.000	0.020	0.140	0.001	0.003	0.002	0.000	1.495	0.044	1.539
1997	0.073	0.742	0.290	0.058	0.080	0.012	0.000	0.003	0.000	0.025	0.121	0.000	0.003	0.001	0.000	1.409	0.044	1.453
1998	0.069	0.702	0.293	0.073	0.076	0.010	0.000	0.008	0.000	0.022	0.108	0.000	0.004	0.001	0.000	1.366	0.041	1.407
1999	0.064	0.678	0.294	0.069	0.070	0.008	0.000	0.011	0.000	0.018	0.097	0.000	0.009	0.001	0.000	1.320	0.039	1.358
2000	0.060	0.627	0.300	0.062	0.062	0.008	0.000	0.011	0.049	0.014	0.088	0.000	0.017	0.001	0.030	1.329	0.035	1.364
2001	0.057	0.620	0.280	0.056	0.056	0.008	0.012	0.008	0.054	0.013	0.080	0.000	0.025	0.000	0.039	1.310	0.032	1.342
2002	0.053	0.618	0.264	0.051	0.053	0.008	0.012	0.007	0.054	0.012	0.074	0.000	0.033	0.001	0.039	1.279	0.029	1.308
2003	0.050	0.616	0.249	0.046	0.050	0.008	0.012	0.007	0.054	0.011	0.068	0.000	0.039	0.001	0.035	1.246	0.027	1.273
2004	0.048	0.571	0.225	0.043	0.047	0.008	0.019	0.006	0.049	0.010	0.060	0.000	0.044	0.001	0.031	1.161	0.025	1.186
2005	0.045	0.528	0.203	0.040	0.043	0.008	0.025	0.006	0.045	0.009	0.052	0.000	0.045	0.001	0.027	1.076	0.023	1.099
2006	0.041	0.505	0.184	0.034	0.040	0.007	0.036	0.005	0.042	0.008	0.045	0.000	0.043	0.001	0.024	1.017	0.021	1.038
2007	0.043	0.482	0.167	0.030	0.036	0.007	0.049	0.004	0.039	0.008	0.039	0.000	0.039	0.001	0.021	0.965	0.019	0.984
2008	0.048	0.460	0.151	0.026	0.034	0.007	0.062	0.003	0.037	0.007	0.034	0.000	0.037	0.001	0.018	0.925	0.018	0.943
2009	0.049	0.438	0.136	0.022	0.032	0.007	0.074	0.003	0.032	0.006	0.029	0.000	0.035	0.001	0.016	0.880	0.017	0.897
2010	0.047	0.419	0.124	0.019	0.030	0.007	0.074	0.002	0.029	0.006	0.025	0.000	0.034	0.000	0.014	0.830	0.015	0.846
2011	0.045	0.400	0.112	0.016	0.029	0.007	0.070	0.002	0.025	0.005	0.022	0.000	0.032	0.000	0.012	0.778	0.014	0.792
2012	0.043	0.381	0.102	0.014	0.027	0.007	0.071	0.000	0.022	0.005	0.019	0.000	0.031	0.000	0.011	0.733	0.013	0.746
2013	0.041	0.363	0.092	0.012	0.026	0.006	0.072	0.000	0.020	0.004	0.016	0.000	0.028	0.000	0.010	0.690	0.012	0.702
2014	0.040	0.348	0.084	0.011	0.025	0.006	0.073	0.000	0.018	0.004	0.014	0.000	0.026	0.000	0.009	0.656	0.011	0.667
2015	0.033	0.332	0.076	0.009	0.023	0.006	0.074	0.000	0.016	0.003	0.012	0.000	0.024	0.000	0.007	0.615	0.010	0.626

METHODOLOGY

The Department of Revenue uses a variety of models and techniques to prepare the revenue forecast. The main petroleum forecasting model is a marketing and production simulation model which projects severance taxes and royalties on a taxpayer specific and field-by-field basis.

The key input assumptions for this model are oil prices, inflation, transportation costs, production rates, and the number of producing wells. The oil prices and inflation rates are developed by a pricing panel which is composed of State economists from the Departments of Revenue, Labor, Natural Resources, and the Office of Management and Budget, and the University of Alaska. A member of the Legislative Finance Division also attends the price assumption development session.

The production and well assumptions are developed through consultation with the oil producing companies, the Department of Natural Resources, and the Alaska Oil and Gas Conservation Commission. Initial production assumptions are tested with an investment model to ensure that production is consistent with assumed prices. The investment model also evaluates the impact of increasing or decreasing oil prices on production. This exercise results in the low and high production alternatives. Transportation cost estimates are based on current costs and trended to relect oil price and inflation assumptions.

Revenue estimates for the other revenue sources are generated from a variety of spreadsheet models and are based predominately on trend extrapolation based on current collections.

In this forecast we discuss only three of the many possible future price and production outcomes affecting Alaska oil revenues: the base case, the low price alternative, and the high price alternative.

To assist in examining a greater number of possible future oil revenue outcomes, a revenue matrix has been developed for both FY 1996 and FY 1997. The Alaska State Revenue Matrices on the pages that follow provide an estimate of State General Fund unrestricted revenues for various alternative ANS price and production levels.

Table 25

Alaska State Revenue Matrix[1]
Unrestricted General Fund
(Millions of Dollars)

FY 1996

Alaska North Slope Production
Millions of barrels/day

Avg ANS[2] Lower 48	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
$10.00	1,270	1,280	1,290	1,310	1,320	1,340	1,350	1,360	1,380
$11.00	1,310	1,330	1,340	1,360	1,370	1,390	1,410	1,420	1,440
$12.00	1,350	1,370	1,390	1,410	1,430	1,450	1,470	1,490	1,510
$13.00	1,420	1,440	1,470	1,490	1,510	1,540	1,560	1,580	1,610
$14.00	1,510	1,540	1,570	1,600	1,630	1,660	1,680	1,710	1,740
$15.00	1,600	1,640	1,670	1,700	1,740	1,770	1,810	1,840	1,880
$16.00	1,690	1,730	1,770	1,810	1,850	1,890	1,930	1,970	2,010
$17.00	1,780	1,830	1,870	1,920	1,960	2,010	2,060	2,100	2,150
$18.00	1,870	1,920	1,970	2,030	2,080	2,130	2,180	2,230	2,280
$19.00	1,960	2,020	2,080	2,130	2,190	2,250	2,300	2,360	2,420
$20.00	2,050	2,110	2,180	2,240	2,300	2,360	2,430	2,490	2,550
$21.00	2,140	2,210	2,280	2,350	2,410	2,480	2,550	2,620	2,690
$22.00	2,230	2,310	2,380	2,450	2,530	2,600	2,680	2,750	2,820
$23.00	2,320	2,400	2,480	2,560	2,640	2,720	2,800	2,880	2,960
$24.00	2,410	2,500	2,580	2,670	2,750	2,840	2,920	3,010	3,090
$25.00	2,500	2,590	2,680	2,780	2,870	2,960	3,050	3,140	3,230
$26.00	2,590	2,690	2,790	2,880	2,980	3,070	3,170	3,270	3,360
$27.00	2,680	2,790	2,890	2,990	3,090	3,190	3,290	3,400	3,500
$28.00	2,770	2,880	2,990	3,100	3,200	3,310	3,420	3,530	3,630
$29.00	2,860	2,980	3,090	3,200	3,320	3,430	3,540	3,660	3,770

[1] Assumptions other than price and production are based on the Department of Revenue's base case scenario fall 1995 forecast.

Table 26

Alaska State Revenue Matrix[1]
Unrestricted General Fund
(Millions of Dollars)

FY 1997

Alaska North Slope Production
Millions of barrels/day

Avg ANS Lower 48[2]	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70
$10.00	970	990	1,000	1,020	1,030	1,040	1,060	1,070	1,090
$11.00	1,230	1,260	1,280	1,310	1,330	1,350	1,380	1,400	1,430
$12.00	1,330	1,360	1,380	1,410	1,440	1,470	1,490	1,520	1,550
$13.00	1,420	1,450	1,480	1,520	1,550	1,580	1,610	1,640	1,670
$14.00	1,520	1,550	1,590	1,620	1,660	1,690	1,730	1,760	1,800
$15.00	1,610	1,650	1,690	1,730	1,760	1,800	1,840	1,880	1,920
$16.00	1,700	1,750	1,790	1,830	1,870	1,910	1,960	2,000	2,040
$17.00	1,800	1,840	1,890	1,940	1,980	2,030	2,070	2,120	2,170
$18.00	1,890	1,940	1,990	2,040	2,090	2,140	2,190	2,240	2,290
$19.00	1,990	2,040	2,090	2,150	2,200	2,250	2,310	2,360	2,410
$20.00	2,080	2,140	2,190	2,250	2,310	2,360	2,420	2,480	2,540
$21.00	2,170	2,230	2,290	2,360	2,420	2,480	2,540	2,600	2,660
$22.00	2,270	2,330	2,400	2,460	2,520	2,590	2,650	2,720	2,780
$23.00	2,360	2,430	2,500	2,570	2,630	2,700	2,770	2,840	2,910
$24.00	2,460	2,530	2,600	2,670	2,740	2,810	2,890	2,960	3,030
$25.00	2,550	2,630	2,700	2,780	2,850	2,930	3,000	3,080	3,150
$26.00	2,640	2,720	2,800	2,880	2,960	3,040	3,120	3,200	3,280
$27.00	2,740	2,820	2,900	2,990	3,070	3,150	3,230	3,320	3,400
$28.00	2,830	2,920	3,000	3,090	3,180	3,260	3,350	3,440	3,520
$29.00	2,930	3,020	3,110	3,200	3,290	3,380	3,470	3,560	3,650

[1] Assumptions other than price and production are based on the Department of Revenue's base case scenario fall 1995 forecast.

HISTORICAL REVENUES, PRICES, AND PRODUCTION

This section contains historical revenues, prices, and production. Table 27 on pages 48 and 49 shows General Fund unrestricted revenues by type from FY 1980 - FY 1994. Table 28 on the next page shows historical petroleum revenues by type from statehood to the present (FY 1959 - FY 1994). And finally, historical crude oil prices (FY 1981 - FY 1994) and historical crude oil production for the North Slope and Cook Inlet (FY 1978 - FY 1995) are depicted on page 51 in Tables 29 and 30.

Table 27

Historical General Fund Unrestricted Revenues
-Tax Portion-

($ millions)	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY91	FY92	FY93	FY94
Corporate - General	17.9	34.8	34.8	30.3	39.5	36.0	11.2	20.5	23.4	38.0	45.3	37.9	33.7	37.6	44.3
Corporate - Petroleum	547.5	860.1	668.9	236.0	265.1	168.6	133.9	120.4	158.0	166.0	117.2	185.1	165.5	834.7	17.8
Fiduciary	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Individual	100.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Income	666.0	894.9	703.7	266.3	304.6	204.6	145.1	140.9	181.4	204.0	162.5	223.0	199.2	872.3	62.1
Alaska Business License	4.2	5.4	5.5	6.9	19.9	38.8	2.1	1.5	1.4	1.0	0.1	0.0	0.0	0.1	0.2
Fish	14.6	20.7	22.8	20.5	19.0	18.7	21.1	26.5	22.5	26.7	25.1	31.1	30.1	42.2	33.9
Salmon Enhancement	0.0	0.0	2.4	2.6	2.2	2.6	4.3	4.4	5.8	9.5	6.5	6.2	4.2	6.8	5.0
Seafood Marketing	0.0	0.0	0.0	0.9	1.1	1.0	1.1	1.4	2.7	3.3	3.3	3.3	2.8	3.6	2.1
Salmon Marketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
Fish Landing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Insurance Companies	10.4	10.6	12.5	13.8	16.2	17.5	21.1	23.7	23.7	19.4	22.7	24.4	25.5	26.3	26.1
Other	2.1	1.2	1.4	1.6	2.0	2.1	2.2	2.3	2.4	3.2	4.6	4.1	4.1	4.0	4.5
Total Gross Receipts	31.3	37.9	44.6	46.3	60.4	80.7	51.9	59.8	58.5	62.1	62.3	69.1	66.7	83.0	75.6
Gravel, Timber, etc.	1.6	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil & Gas Production	506.2	1169.9	1581.1	1493.0	1392.4	1388.7	1107.4	647.3	816.4	696.4	972.3	1253.8	1022.2	989.4	662.8
Oil & Hazardous Release	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.9	28.0	28.7	26.1	27.0
Oil & Gas Conservation	0.3	0.3	0.6	0.7	0.7	0.7	0.5	1.2	2.3	2.4	2.4	2.3	2.3	2.1	2.3
Total Severance	508.1	1172.9	1581.7	1493.7	1393.1	1389.4	1107.9	648.5	818.7	698.8	1001.6	1284.1	1053.2	1017.6	692.1
Oil & Gas Property	168.9	143.0	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Vehicle Registration	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Property	169.0	143.2	142.7	152.6	131.0	128.4	113.5	102.5	96.2	89.7	89.8	85.0	69.0	66.9	61.5
Alcoholic Beverages	7.4	8.3	9.0	10.4	13.0	13.9	13.3	12.6	12.1	11.8	12.0	12.2	12.0	11.9	12.0
Fuel Taxes - Aviation	4.0	4.1	6.3	8.7	8.1	8.0	8.1	8.5	9.0	10.1	9.4	10.7	10.7	6.4	6.9
Fuel Taxes - Highway	18.9	15.6	20.3	23.7	20.2	23.7	22.7	18.3	19.3	20.0	22.9	19.1	23.2	25.6	25.5
Fuel Taxes - Marine	3.2	3.5	3.7	4.3	3.9	4.3	5.3	5.4	5.3	7.2	9.2	10.0	9.4	8.8	8.1
Tobacco Products	1.6	1.7	1.9	2.0	2.0	2.0	4.9	6.6	6.1	6.4	11.0	14.0	14.3	14.0	14.1
Total Sale/Use	35.1	33.2	41.2	49.1	47.2	51.9	54.3	51.4	51.8	55.5	64.5	66.0	69.6	66.7	66.6
Estate	0.2	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
School	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other	2.8	0.5	0.3	0.7	0.7	0.5	0.7	1.1	0.3	0.7	1.1	3.3	1.0	0.9	1.6
Total Taxes	**1412.3**	**2282.6**	**2514.2**	**2008.7**	**1937.0**	**1855.5**	**1473.4**	**1004.2**	**1206.9**	**1111.8**	**1381.8**	**1730.5**	**1458.7**	**2107.4**	**959.5**

- Non-Tax Portion-

($ millions)	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY91	FY92	FY93	FY94
Business	8.1	9.1	10.8	10.8	10.8	11.9	11.3	10.0	8.6	8.1	6.7	5.8	5.3	6.9	5.6
Non-Business	10.7	12.2	13.0	14.9	15.9	17.0	18.0	19.2	19.7	20.2	21.1	23.3	27.1	25.8	30.1
Total Licenses & Permits	18.8	21.3	23.8	25.7	26.7	28.9	29.3	29.2	28.3	28.3	27.8	29.1	32.4	32.7	35.7
Intergovernmental Receipts															
Federal Shared Revenues	4.8	8.5	21.7	33.3	14.0	10.5	14.5	9.7	6.9	6.1	10.0	14.8	11.4	10.3	4.3
State Resource Revenue															
Bonus Sales	342.4	7.6	5.0	36.2	10.1	11.5	34.7	0.5	5.6	11.4	0.0	18.9	2.6	38.3	0.6
Investment Earnings	119.9	227.8	324.7	375.8	282.7	233.5	195.2	161.9	132.6	100.7	117.9	125.0	101.8	70.9	31.7
Rents	3.0	5.4	3.5	4.3	6.0	5.1	6.2	6.0	6.0	5.3	5.3	5.9	3.9	6.0	4.6
Royalties	688.2	1118.5	1157.3	1078.4	1047.5	1034.0	830.7	439.3	694.8	605.9	747.4	951.6	702.4	711.3	512.1
Sale of State Property	5.7	4.8	5.2	6.3	7.0	8.5	8.7	7.0	3.8	4.9	4.3	4.7	1.0	4.0	9.0
Gravel, Timber, etc.	0.0	0.0	1.2	4.0	2.9	3.1	2.9	7.2	1.1	0.5	0.8	0.4	0.6	0.6	0.4
Total Sale/Use	1159.2	1364.1	1496.9	1505.0	1356.2	1295.7	1078.4	621.9	843.9	728.7	875.7	1106.5	812.3	831.1	558.4
Airports	0.8	1.1	1.6	1.4	1.5	1.6	1.5	1.5	1.8	1.2	1.5	1.3	3.4	1.2	0.5
Ferry System	21.1	24.4	29.2	30.4	32.0	33.4	32.3	31.3	29.8	33.1	34.0	40.7	42.3	40.8	40.4
Other	4.1	3.7	3.6	5.5	4.3	7.9	5.2	4.1	0.7	1.4	1.7	1.5	2.3	1.4	6.1
Total Facilities Charges	26.0	29.2	34.4	37.3	37.8	42.9	39.0	36.9	32.3	35.7	37.2	43.5	48.0	43.4	47.0
Court System	2.8	2.9	3.5	4.2	4.1	4.5	5.1	5.3	5.5	6.0	5.8	6.4	6.2	6.8	6.6
Other	2.0	4.1	6.1	5.9	4.8	5.2	4.1	4.8	2.0	1.9	3.2	7.3	32.2	4.9	4.8
Total Services Charges	4.8	7.0	9.6	10.1	8.9	9.7	9.2	10.1	7.5	7.9	9.0	13.7	38.4	11.7	11.4
Total State Resource Revenue	1190.0	1400.3	1540.9	1552.4	1402.9	1348.3	1126.6	668.9	883.7	772.3	921.9	1163.7	898.7	886.2	616.8
Miscellaneous Revenue	6.7	5.5	7.8	10.9	9.5	16.8	13.0	16.9	16.1	10.0	10.9	14.9	61.4	45.0	36.2
Sub-Total Non-Tax Revenue	1220.3	1435.6	1594.2	1622.3	1453.1	1404.5	1183.4	724.7	935.0	816.7	970.6	1222.5	1003.9	974.2	693.0
Less: Native Claims	131.4														
Plus: Income from prior years							418.7	70.5	163.9	257.7	154.8	33.6			
Total Non-Tax Revenue	**1088.9**	**1435.6**	**1594.2**	**1622.3**	**1453.1**	**1404.5**	**1602.1**	**795.2**	**1098.9**	**1074.4**	**1125.4**	**1256.1**	**1003.9**	**974.2**	**693.0**
Total Tax Revenue	**1412.3**	**2282.6**	**2514.2**	**2008.7**	**1937.0**	**1855.5**	**1473.4**	**1004.2**	**1206.9**	**1111.8**	**1381.8**	**1730.5**	**1458.7**	**2107.4**	**959.5**
Total General Fund Unrestricted Revenue	**2501.2**	**3718.2**	**4108.4**	**3631.0**	**3390.1**	**3260.0**	**3075.5**	**1799.4**	**2305.8**	**2186.2**	**2507.2**	**2986.6**	**2462.6**	**3081.6**	**1652.5**

Table 28

Historical Petroleum Revenues
(Millions of Dollars)

FY	Corporate Non-Petroleum	Corporate Petroleum	Severance Tax	Oil/Gas Property Tax	Reserve Tax	Fed. Min. Rents & Royalties (1)	Bonus Sales	Rents (1)	Royalties (1)	Oil/Gas[2] Special Settlements	Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total Unrestricted Revenues
59	1.4	.	.	.	.	3.1	.	.	.	.	3.1	25.4	12
60	1.7	.	.	.	.	5.8	4.0	0.1	.	.	9.9	48.0	21
61	1.4	.	.	.	.	2.4	1.6	0.2	.	.	4.2	40.5	10
62	1.8	.	0.2	.	.	4.5	20.3	1.0	.	.	26.0	68.9	38
63	2.2	.	0.3	.	.	8.6	17.9	1.0	.	.	27.8	71.6	39
64	1.8	.	0.3	.	.	8.7	4.7	1.2	.	.	14.9	67.0	22
65	1.9	.	0.3	.	.	8.3	5.9	1.9	0.1	.	16.5	83.0	20
66	4.1	.	0.3	.	.	7.7	10.8	2.5	0.3	.	21.6	86.5	25
67	3.5	.	0.5	.	.	7.7	8.6	2.8	1.9	.	21.5	86.6	25
68	3.8	0.1	10.2	.	.	7.5	21.8	2.9	9.5	.	43.0	112.7	38
69	4.2	0.1	5.6	.	.	7.8	0.8	3.3	16.9	.	34.5	112.4	31
70	4.9	0.4	7.9	.	.	8.2	900.0	3.1	19.3	.	938.9	1067.3	88
71	5.2	0.9	10.5	.	.	8.6	0.2	2.9	23.9	.	47.0	220.4	21
72	5.3	1.2	11.4	.	.	7.9	0.3	3.0	24.6	.	48.4	219.2	22
73	5.9	0.9	12.0	.	.	6.7	3.8	3.4	23.5	.	50.3	208.2	24
74	7.0	1.2	14.8	.	.	7.1	24.8	3.6	28.7	.	80.2	254.9	31
75	14.8	2.5	26.6	6.6	.	9.8	1.0	3.9	40.0	.	90.4	333.4	27
76	26.2	4.9	28.0	83.4	223.1	5.1	.	3.7	43.3	.	391.5	709.8	55
77	30.8	5.0	23.8	139.1	270.6	2.0*	.	2.8*	34.3*	.	477.6*	874.3	55
78	25.1	8.4	107.7	173.0	.	1.0*	.	1.8*	149.6*	.	441.5*	764.9	58
79	24.8	232.6	173.8	163.4	.	1.0*	.	1.6*	249.2*	.	821.6*	1133.0	73
80	17.9	547.5	506.5	168.9	.	1.2*	342.4*	1.8*	688.2*	.	2256.5*	2501.2	90
81	34.8	860.1	1170.2	143.0	.	1.2*	7.6*	3.7*	1118.5*	.	3304.3*	3718.2	89
82	34.8	668.9	1581.7	142.7	.	17.1*	5.0*	2.1*	1157.3*	.	3574.8*	4108.4	87
83	30.1	236.0	1493.7	152.6	.	27.2*	36.2*	2.5*	1078.4*	.	3026.6*	3631.0	83
84	39.5	265.1	1393.1	131.0	.	11.0*	10.1*	3.8*	1047.5*	.	2861.6*	3390.1	84
85	36.0	168.6	1389.4	128.4	.	8.2*	11.5*	3.4*	1034.0*	.	2743.5*	3260.0	84
86	11.2	133.9	1108.4	113.5	.	14.3*	34.7*	4.2*	830.7*	418.2*	2657.9*	3075.5	86
87	20.5	120.4	648.5	102.5	.	9.0*	0.5*	3.8*	439.3*	70.5*	1394.5*	1799.4	77
88	23.4	158.0	818.7	96.2	.	6.7*	5.6*	5.7*	694.8*	163.9*	1949.6*	2305.8	85
89	38.0	166.0	698.8	89.7	.	5.6*	11.4*	5.3*	605.9*	257.7*	1840.4*	2186.2	84
90	45.3	117.2	1001.6	89.8	0.0	6.3*	0.0*	4.2*	747.4*	154.8*	2121.4*	2507.2	85
91	37.9	185.1	1284.8	85.0	0.0	7.1*	18.9*	5.8*	951.6*	33.5*	2571.8*	2986.6	86
92	33.7	165.5	1053.2	69.0	0.0	5.8*	2.6*	4.2*	702.4*	4.7*	2007.4*	2462.6	82
93	37.6	834.7	1017.6	66.9	0.0	5.4*	38.3*	6.0*	711.3*	4.7*	2684.9*	3081.6	87
94	44.3	17.8	692.1	61.5	0.0	4.0*	0.6*	4.5*	512.1*	0.1*	1292.7*	1652.5	78

* Net of Permanent Fund contribution and Constitutional Budget Reserve Fund deposits.

(1) These categories are primarily composed of oil/gas revenues; however, they include some additional revenues from other minerals (mostly coal).

(2) Not subject to budget reserve fund.

Table 29

Historical Crude Oil Spot Prices For Alaska North Slope Crude and Domestic Marker

($/Barrel Nominal)

FY	ANS at West Coast	ANS at Gulf Coast	ANS at Lower 48	WTI
1981	.	34.92	34.92	.
1982	.	32.04	32.04	32.98
1983	.	30.31	30.31	32.52
1984	.	29.23	29.23	30.59
1985	.	27.89	27.89	28.15
1986	.	22.03	22.03	23.11
1987	.	15.05	14.98	16.14
1988	16.12	16.97	16.45	18.53
1989	14.61	15.21	14.80	16.93
1990	17.22	17.66	17.34	20.06
1991	21.57	22.21	21.72	24.95
1992	16.64	17.81	16.88	20.69
1993	17.83	18.53	17.93	20.69
1994	14.05	15.03	14.22	16.69
1995	16.77	17.10	16.83	18.46

Source: Platt's Oilgram Price Report

Table 30

Historical Crude Oil Production For Alaska North Slope Crude and Cook Inlet

(Million bbl/day)

FY	ANS	Cook Inlet	TOTAL
1978	0.702	0.144	0.846
1979	1.197	0.131	1.328
1980	1.422	0.109	1.531
1981	1.511	0.093	1.604
1982	1.570	0.080	1.650
1983	1.627	0.073	1.700
1984	1.657	0.065	1.722
1985	1.694	0.055	1.749
1986	1.802	0.045	1.847
1987	1.849	0.047	1.896
1988	2.005	0.043	2.048
1989	1.960	0.043	2.003
1990	1.853	0.033	1.886
1991	1.799	0.040	1.839
1992	1.791	0.042	1.833
1993	1.687	0.041	1.728
1994	1.601	0.038	1.639
1995	1.571	0.042	1.613

Source: Alaska Department of Revenue, Oil & Gas Audit Division

In accordance with AS 37.07.060(b)(4), the Revenue Sources Book is compiled biannually by the Department of Revenue to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Within the publication are shown prior year actuals, revised current year estimates, and future year projections.

Anticipated State income is projected through the use of a number of data sources: 1) econometric models developed by the Department of Revenue to forecast unrestricted non-petroleum revenues, 2) a petroleum revenue model created by the Department's Oil and Gas Audit Division, and 3) estimates from individual State agencies.

The Department of Revenue thanks the various State agencies for their cooperation in computing anticipated revenues for publication in this document.

This publication was released by the Department of Revenue, produced at a cost of $1.83 per copy to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature, and printed in Anchorage, Alaska. This publication is required by AS 37.07.060.