

TABLE 1
COST OF CAPITAL ALLOWANCE FOR VESSELS CARRYING OIL OR COMMINGLED OIL AND NGLS

Year	Portion of Year in Service	Marginal Federal Tax Rate	Weighted Average Cost Of Capital	Remaining Years	Present Value Annuity	After-Tax Cash Flow	Cost of Capital Allowance	Unrecovered Investment Mid-Year	Unrecovered Investment End of Year
1	25%	0.36	0.07	24.00	47.45589	15,087	23,573	722,033	712,951
2	100%	0.37	0.06	23.75	12.85920	55,443	88,005	734,028	698,646
3	100%	0.38	0.05	22.75	13.73979	50,848	82,013	715,899	681,474
4	100%	0.39	0.06	21.75	12.32769	55,280	90,623	701,620	665,448
5	100%	0.40	0.07	20.75	11.14748	59,695	99,492	688,345	650,281
6	100%	0.41	0.08	19.75	10.14918	64,072	108,597	675,792	635,717
7	100%	0.42	0.09	18.75	9.29506	68,393	117,919	663,708	621,527
8	100%	0.43	0.10	17.75	8.55623	72,640	127,439	651,864	607,494
9	100%	0.44	0.11	16.75	7.91020	76,799	137,141	640,035	593,406
10	100%	0.45	0.12	15.75	7.33923	80,854	147,007	628,002	579,047
11	100%	0.44	0.13	14.75	6.82904	84,792	151,414	615,535	564,188
12	100%	0.43	0.14	13.75	6.36790	88,599	155,436	602,388	548,577
13	100%	0.42	0.15	12.75	5.94594	92,261	159,070	588,293	531,925
14	100%	0.41	0.14	11.75	5.99083	88,790	150,491	567,940	511,593
15	100%	0.40	0.13	10.75	5.97916	85,563	142,604	543,830	487,145
16	100%	0.39	0.12	9.75	5.89803	82,595	135,401	515,546	458,193
17	100%	0.38	0.11	8.75	5.73467	79,899	128,869	482,736	424,416
18	100%	0.37	0.10	7.75	5.47734	77,486	122,993	445,131	385,589
19	100%	0.36	0.09	6.75	5.11636	75,486	117,756	402,567	341,610
20	100%	0.35	0.08	5.75	4.64521	73,540	113,139	355,012	292,514
21	100%	0.34	0.07	4.75	4.06155	72,020	109,122	302,578	238,491
22	100%	0.33	0.06	3.75	3.36810	70,809	105,685	245,542	179,899
23	100%	0.32	0.05	2.75	2.57324	69,911	102,811	184,341	117,256
24	100%	0.31	0.06	1.75	1.66350	70,487	102,156	120,722	51,720
25	75%	0.30	0.07	0.75	0.97487	53,053	75,790	53,049	-5