

		Total Company (Booked)					
Line No.	Item	Average Capital (a)	Average Capital Ratio (b)	Rate Base (c)	Average Embedded Cost (d)	Overall Cost/ Rate % (e)	Total Company Earnings (f)
1	Long-term Debt	\$ 8,700,000	26.30%	\$ 8,700,000	4.23%	1.11%	\$ 368,010
3	Shareholders Equity	24,377,971	73.70%	24,377,971	12.14%	8.95%	2,959,628
4	Total Capitalization	\$ 33,077,971	100.00%	\$ 33,077,971		10.06%	\$ 3,327,638
		=====	=====	=====		=====	=====

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NCUC Form G.S.-1
Rate of Return Calculations
Ratio of Earnings to Fixed Charges - SEC Method
Frontier Natural Gas Company
Twelve Months Ended September 30, 2020 (Preliminary)

Financial Method
Schedule 1a

Line No.	Item	Total Company Booked (a)	Wholesale & Other Operations (b)	N.C. Retail Operations (c)	S.C. Retail Operations (d)	Other Company Operations (e)
<u>Rate of Return on Investment</u>						
1	Net Operating Income	\$ 3,526,693		\$ 3,526,693		
2	Net Investment Including Materials and Supplies	\$ 33,666,642		\$ 33,666,642		
3	Rate of Return on Investment (L1/L2)	10.48%		10.48%		
<u>Ratio of Earnings to Fixed Charges (SEC)</u>						
4	Net Income	\$ 2,959,628		\$ 2,959,628		
5	Add Back:					
6	Federal Income Tax Including Investment Credits	\$ 669,667		\$ 669,667		
7	State Income Tax	20,258		20,258		
8	Total Net Income Plus Income Taxes	\$ 3,649,553		\$ 3,649,553		
<u>Fixed Charges</u>						
9	Interest Expense	\$ 445,653		\$ 445,653		
10	1/3 Rentals included in Fixed Charges	-		-		
11	Total Fixed Charges (L9 + L10)	\$ 445,653		\$ 445,653		
12	Earnings as Adjusted (L8+L11)	\$ 4,095,206		\$ 4,095,206		
13	Ratio of Earnings to Fixed Charges (L12/L11)	9.19		9.19		
14	Common Stock Dividends Paid/Declared	\$ 1,850,000				
<u>Number of Shares Outstanding: (Rounded to thousands)</u>						
15	End of Period	10				
16	Yearly Average	10				

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Line No.	Item	Long-term Debt* (a)	Preferred Stock (b)	Total Shareholder's Equity (c)	Total Capital (col. a+b+c) (d)
1	Total Company				
	Balance at end of:				
2	Sep-19	8,700,000		23,375,042	32,075,042
3	Oct-19	8,700,000		23,561,303	32,261,303
4	Nov-19	8,700,000		23,998,953	32,698,953
5	Dec-19	8,700,000		24,061,605	32,761,605
6	Jan-20	8,700,000		24,455,565	33,155,565
7	Feb-20	8,700,000		24,912,772	33,612,772
8	Mar-20	8,700,000		24,511,308	33,211,308
9	Apr-20	8,700,000		24,676,802	33,376,802
10	May-20	8,700,000		24,806,450	33,506,450
11	Jun-20	8,700,000		24,622,546	33,322,546
12	Jul-20	8,700,000		24,685,773	33,385,773
13	Aug-20	8,700,000		24,760,837	33,460,837
14	Sep-20	8,700,000		24,484,669	33,184,669
15	Total (Sum of Lines 2 thru 14)	\$ 113,100,000	\$ -	\$ 316,913,623	\$ 430,013,623
16	13 Month Average (L15/L13)	\$ 8,700,000	\$ -	\$ 24,377,971	\$ 33,077,971
17	13 Month Average Ratio	26.30%		73.70%	100.00%
18	Net Proceeds		\$ -		
23	Actual Interest Accrued for the Period	\$ 368,010			
24	Average Embedded Cost for the Period (Col. a, L23/L16)	4.23%			

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Line No.	Item	Plant in Service (a)	CWIP Allowed (b)	Cost Free Capital			Working Capital Allowance (f)	Rate Base (a+b-c-d-e+f) (g)	Total Company Booked CWIP (h)
				Accumulated Provision for Depreciation (c)	Accumulated Deferred Income Taxes (d)	Operating Reserves (e)			
1	<u>Total Company Jurisdictional Data</u>								
	Balance at end of:								
2	Sep-19	51,749,404		17,764,861	1,801,094		681,554	32,865,004	1,321,337
3	Oct-19	52,432,440		17,885,863	1,856,669		669,842	33,359,749	2,008,716
4	Nov-19	52,728,284		18,006,866	2,013,388		678,864	33,386,894	2,306,337
5	Dec-19	52,622,127		18,117,933	1,938,510		657,094	33,222,778	643,480
6	Jan-20	52,792,066		18,243,426	2,056,053		775,357	33,267,945	825,498
7	Feb-20	53,127,864		18,368,777	2,192,468		788,449	33,355,069	1,161,296
8	Mar-20	53,665,045		18,494,081	2,281,540		735,942	33,625,366	1,698,477
9	Apr-20	53,942,360		18,617,560	2,330,917		714,024	33,707,906	2,017,231
10	May-20	54,418,666		18,742,862	2,369,600		718,364	34,024,568	2,493,719
11	Jun-20	54,714,987		18,874,950	2,389,320		722,461	34,173,177	1,935,769
12	Jul-20	54,962,792		19,003,107	2,408,185		708,337	34,259,837	2,184,611
13	Aug-20	54,575,408		19,134,170	2,430,581		690,005	33,700,661	2,170,373
14	Sep-20	54,667,648		19,263,295	2,467,529		729,818	33,666,642	2,263,607
15	Total (Sum of Lines 2 thru 14)	\$ 696,399,089	\$ -	\$ 240,517,750	\$ 28,535,853	\$ -	\$ 9,270,110	\$ 436,615,596	\$ 23,030,450
16	13 Month Average (L15/13)	\$ 53,569,161	\$ -	\$ 18,501,365	\$ 2,195,066	\$ -	\$ 713,085	\$ 33,585,815	\$ 1,771,573

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Line No.	Item	Total Company Booked (a)	N.C. Retail Jurisdiction (c)
1	<u>OPERATING REVENUES</u>		
2	Residential Sales	\$ 965,849	\$ 965,849
3	Commercial Sales	7,012,338	7,012,338
4	Industrial Sales	1,496,232	1,496,232
5	Public Street & Highway Lighting	-	
6	Public Authority Sales		
7	Sales for Resale:		
8	Transportation	4,973,121	4,973,121
9	Other Revenue	524,630	524,630
10	Joint Dispatch	-	
11	Provision for Rate Refund	-	
12	Unbilled Revenue	132,504	132,504
13	Deferred Revenue	-	
14	Interdepartmental Sales	-	
15	Total Sales	\$ 15,104,675	\$ 15,104,675
16	All Other Revenues		
17	Total Gas Operating Revenues	\$ 15,104,675	\$ 15,104,675
17A	Other Operating Revenues		
18	<u>OPERATING EXPENSES</u>		
19	Fuel	\$ -	
20	Purchased Gas	\$ 5,096,452	5,096,452
19	Purchased Power - Joint Dispatch	-	
20	Maintenance	616,098	616,098
21	Other Operating Expenses (Except Taxes) (A)	3,258,645	3,258,645
22	Total Operating Expenses	\$ 8,971,194	\$ 8,971,194
23	Depreciation and Amortization	\$ 1,499,872	1,499,872
24	Total Expenses & Depreciation	\$ 10,471,066	\$ 10,471,066
25	<u>OPERATING TAXES</u>		
26	Federal Income Tax Liability	\$ -	-
27	Federal Income Tax - Deferred	669,667	669,667
28	Investment Tax Credit (ITC) Normalization	-	-
29	Amortization of Investment Tax Credits (ITC)	-	-
30	Total Federal Taxes - Operating	\$ 669,667	\$ 669,667
31	State Income Taxes	20,258	20,258
32	State Income Taxes - Deferred	-	-
33	Other Operating Taxes (General)	416,990	416,990
34	Total Operating Taxes	\$ 1,106,915	\$ 1,106,915
35	Total Operating Expenses, Depreciation & Taxes	\$ 11,577,981	\$ 11,577,981
36	Net Operating Income (L15-L35) (Net of Interest on Customer Deposits)	\$ 3,526,693 =====	\$ 3,526,693 =====

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Line No.	Item	Total Company Booked (a)	N.C. Retail Jurisdiction (c)
37	<u>OTHER INCOME</u>		
38	Allow for Equity Funds Used During Construction	\$ -	\$ -
39	Equity and Earnings of Subsidiary Companies	-	-
40	Interest and Dividend Income (A)	-	-
41	Miscellaneous Income	(121,413)	(121,413)
		-----	-----
42	Total Other Income	\$ (121,413)	\$ (121,413)
		-----	-----
43	<u>OTHER DEDUCTIONS</u>		
44	Miscellaneous Income Deductions	\$ -	-
45	Taxes Applicable to Other Income & Deductions	-	-
		-----	-----
46	Total Other Deductions	\$ -	\$ -
		-----	-----
47	<u>INTEREST CHARGES</u>		
48	Interest on Long-term Debt	\$ 368,010	\$ 368,010
49	Amortization of Debt Discount and Expense	33,425	33,425
50	Amortization of Premium on Debt (Cr.)	-	-
51	Interest on Advances from Affiliated Companies	-	-
52	Other Interest Expense	44,218	44,218
53	Allowance for Borrowed Funds Used During Constr.	-	-
		-----	-----
54	Total Interest Charges	\$ 445,653	\$ 445,653
		-----	-----
55	Net Income Before Extraordinary and Delayed Items	\$ 2,959,628	\$ 2,959,628
56	Extraordinary & Delayed Items	-	-
		-----	-----
57	Net Income	\$ 2,959,628	\$ 2,959,628
58	Less Preferred Dividends	-	-
		-----	-----
59	Net Income Available for Shareholders (Common) Equity	\$ 2,959,628	\$ 2,959,628
		=====	=====
			-
60	Shareholders Equity Capital	\$ 24,484,669	\$ 24,484,669
61	Shareholders Equity Capital - Simple Average	\$ 24,377,971	\$ 24,377,971
62	Rate of Return on Shareholders Equity - Year End	12.09%	12.09%
63	Rate of Return on Shareholders (Common) Equity - Simple Average	12.14%	12.14%

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Line No.	Item	Total Company Booked (a)	Allocation Factor (d)	N.C. Retail Operations (e)	
1	<u>ASSETS</u>				
2	Gas Plant in Service	\$ 56,400,670	100.0000%	\$ 56,400,670	
3	Less: Accumulated Depreciation & Amortization	\$ 19,263,295	100.0000%	19,263,295	
4	Net Plant in Service	\$ 37,137,375		\$ 37,137,375	
5	Plus: Materials and Supplies	\$ 729,818	100.0000%	729,818	
6	Net Plant in Service and Materials & Supplies	\$ 37,867,193		\$ 37,867,193	
1	CWIP Allowed in General Rate Cases	\$ 2,263,607		2,263,607	
2	CIAC	\$ (3,996,628)		(3,996,628)	
3	Other Property and Investments (Less Depreciation)	\$ -		\$ -	
4	Current Assets	\$ 2,314,824	100.0000%	2,314,824	
5	Deferred Debits	\$ -			
6	Total Assets	\$ 38,448,994		\$ 38,448,994	39,123,476 B/S ASSETS
7	<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				(674,481.89) IFF - DEF TAX ASSET
8	Total Shareholders' Equity	\$ 24,484,669	100.0000%	\$ 24,484,669	
9	Total Long-term Debt	\$ 8,700,000	100.0000%	8,700,000	
10	Total Capitalization (L15 + L16)	\$ 33,184,669		\$ 33,184,669	
11	Short-term Obligations	\$ -			
12	Advances from Parent or Affiliate	\$ 185,729		185,729	
13	Deferred Credits	\$ -			
14	Operating Reserves	\$ -			
15	Accumulated Deferred Income Taxes (Net)	\$ 2,467,529	100.0000%	2,467,529	
16	Other Liabilities	\$ 2,611,067	100.0000%	2,611,067	
17	Total Liabilities	\$ 38,448,994		\$ 38,448,994	\$ 38,448,994
					674,482 IFF - DEF TAX ASSET
					39,123,476

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		Natural Gas Operations			
		N.C. Retail Revenues and Expenses			
Line No.	Item	Twelve Months Ended September 30, 2020 (Preliminary) End of Period After Increase		Actual	
		Retail Amount (a)	Expenses as a % of Revenue (b)	Retail Amount (d)	Expenses as a % of Revenue (e)
1	<u>OPERATING REVENUES</u>				
2	Gross Operating Revenues	\$ 15,104,675	100.00%	\$ 15,104,675	100.00%
3	<u>OPERATING REVENUE DEDUCTIONS</u>				
4	Fuel Expense	\$ -			
5	Purchased Gas	5,096,452	33.74%	5,096,452	33.74%
6	Operating & Maintenance Expense	3,874,743	25.65%	3,874,743	25.65%
7		-			
8	Depreciation and Amortization	1,499,872	9.93%	1,499,872	9.93%
9	Taxes Other Than Income Taxes	416,990	2.76%	416,990	2.76%
10	Taxes - State Income	-		-	
11	Taxes - Federal Income and ITC Deferral	669,667	4.43%	669,667	4.43%
12	Taxes - Deferred Income	20,258	0.13%	20,258	0.13%
13	Amortization of Investment Tax Credits (ITC)	-			
14	Interest on Customer Deposits	14,764	0.10%	14,764	0.10%
15	Total Operating Expenses	\$ 11,592,745	76.75%	\$ 11,592,745	76.75%
16	Net Operating Income for Return	\$ 3,511,929	23.25%	\$ 3,511,929	23.25%
				430,890	INTEREST NET OF CUSTOMER DEPOSIT
				121,413	Misc Income
The approach and format reflected in this schedule conform to the direction provided NCUC Public Staff and do not necessarily accurately depict the company's views of results or positions which may be proposed or accepted for purposes other than this schedule, including in a rate proceeding.				2,959,627	2,959,628 (1)
				2,959,627	

Line No.	Type Obligation (Bonds, Debentures, Notes, etc.)	Issue Date (a)	Maturity Date (b)	Face Amount (c)	Amount Outstanding (d)	Interest Rate (e)	Interest Booked for 12 Months Ended This Report (f)	Interest Annualized On O/S Long-Term Debt Col. (e)*(d) (g)
1	4.23% Senior Notes	10/19/2016	10/19/2028	8,700,000	8,700,000	4.23	368,010	368,010
1	Total Senior Debt			\$ 8,700,000	\$ 8,700,000		\$ 368,010	\$ 368,010
9	Capital Leases			\$ -	\$ -		\$ -	-
10	Other Long-Term Debt							
11	Unamortized Debt Expense, Discount and Premium			(211,589)	(110,193)		33,425	33,425
12	Return on Prepaid Interest							
13	Current Portion of Long-Term Debt							
14	Total Long-Term Debt			\$ 8,488,411	\$ 8,589,807		\$ 401,435	\$ 401,435
								14,764 Customer Deposit
								29,457 LOC Unused Fee/Interest
								445,656 Interest per Income Statement
								445,656

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Line No.	Item	Total Company (a)	N.C. Retail (d)	% of Total (e)
1	<u>Operating Revenues</u>			
2	Residential	\$ 965,849	\$ 965,849	6.39%
3	Commercial	7,012,338	7,012,338	46.42%
4	Industrial	1,496,232	1,496,232	9.91%
5	Public Street & Highway Lighting	-		
6	Interdepartmental	-		
7	Sales for Resale:	-		
8	Transportation	4,973,121	4,973,121	32.92%
9	Other	524,630	524,630	3.47%
10	Joint Dispatch	-		
11	Provision for Rate Refund	-		
	Unbilled	132,504	132,504	0.88%
12	Mitigation	-		
	Total Revenue from Sales of Gas	\$ 15,104,675	\$ 15,104,675	100.00%
		=====	=====	
13	<u>Dekatherms Sold</u>			
14	Residential	118,322	118,322	2.95%
15	Commercial	873,951	873,951	21.81%
16	Industrial	215,076	215,076	5.37%
17	Public Street & Highway Lighting			
18	Interdepartmental			
19	Sales for Resale:			
20	Transportation	2,799,765	2,799,765	69.87%
21	Special Contract (row is tie point for Supp Report)			
22	Other	-		
23	Joint Dispatch			
24	Mitigation			
	Total DTs Sales (Subtotal)	4,007,115	4,007,115	100.00%
	Total DTs Sold (row is tie point for Supp Report)	1,207,350	1,207,350	30.13%
		=====	=====	
26	<u>Revenue Per DT Sold</u>			
27	Residential	8.16	8.16	
28	Commercial	8.02	8.02	
29	Industrial	6.96	6.96	
30	Public Street & Highway Lighting			
31	Interdepartmental			
32	Sales for Resale:			
33	Transportation	1.78	1.78	
34	Other			
35	Total Revenue per DT Sold	3.77	3.77	

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Line No.	Item	Total Company (a)	N.C. Retail (d)	% of Total (e)	Customers 9/30/2019
36	<u>Period End Number of Customers</u>				
37	Residential	2,425	2,425	55.10%	2,261
38	Commercial	1,745	1,745	39.65%	1,660
39	Industrial	201	201	4.57%	186
40	Public Street & Highway Lighting				
41	Interdepartmental				
42	Sales for Resale:				
43	Transportation	30	30	0.68%	30
44	Other				
45	Total Customers - Period End	4,401	4,401	100.00%	4,137
46	<u>Average Number of Customers</u>				
47	Residential	2,343	2,343	54.88%	
48	Commercial	1,703	1,703	39.88%	
49	Industrial	194	194	4.53%	
50	Public Street & Highway Lighting				
51	Interdepartmental				
52	Sales for Resale:				
53	Special Contract	30	30	0.70%	
54	Other				
55	Total Customers-Average	4,269	4,269	100.00%	
56	<u>INFORMATIONAL ONLY</u>				
57	<u>Average DT Usage per Customer</u>				
58	Residential	51	51		
59	Commercial	513	513		
60	Industrial	1,112	1,112		
61	Public Street & Highway Lighting				
62	Interdepartmental				
63	Sales for Resale:				
64	Special Contract				
65	Other				
67	Total DT Usage per Customer - Average	283	283		

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Line No.	Item	Total Co	NC Retail	NCUC FEE		
	Revenue Subject to NCUC Fee					
1	Operating Revenues	—				
2	Residential Sales	965,849	965,849	1,256		
3	Commercial Sales	7,012,338	7,012,338	9,116		
4	Industrial Sales	1,496,232	1,496,232	1,945		
5	Public Authority Sales		-	-		
6	Unbilled Revenue	132,504	132,504	172		
7	Transport					
8	Total Sales of Gas	9,606,924	9,606,924	12,490		
	Other Gas Revenue Subject to NCUC Fee:					
9	Other Operating Revenues					
10	Gas Transportation for Others	4,973,121	4,973,121	6,465		
11	Other Operating Revenues	524,630	524,630	682		
12	Subtotal - Other Operating Revenue			-		
13	Less: Customer Refunds		-	-		
14	Total Gas Revenues	15,104,675	15,104,675	19,637		
			19,637	6,025	4Q 2019 Reg Fee	0.130%
				6,457	Q1 2020 Reg Fee	0.130%
				3,985	Q2 2020 Reg Fee	0.130%
				3,170	Q3 2020 Reg Fee	0.130%
				19,637	PER G/L	0.130% ANNUAL RATE
	Footnote:					
	The approach and format reflected in this schedule conform to the direction provided NCUC Public Staff and do not necessarily accurately depict the company's views of results or positions which may be proposed or accepted for purposes other than this schedule, including in a rate proceeding.	REVENUE	15,104,675	15,104,676		