

		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	25.65%	\$ 8,700,000	4.23%	1.08%	\$ 368,010
2	Shareholders Equity	25,218,454	74.35%	25,218,454	13.61%	10.12%	3,432,737
3	Total Capitalization	\$ 33,918,454	100.00%	\$ 33,918,454		11.21%	\$ 3,800,747

NCUC Form G.S.-1
Rate of Return Calculations
Ratio of Earnings to Fixed Charges - SEC Method
Frontier Natural Gas Company
Twelve Months Ended December 31, 2021 (Preliminary)

Line No.	Item	Total Company Booked (a)
	<u>Rate of Return on Investment</u>	
1	Net Operating Income	\$ 3,922,614
2	Net Investment Including Materials and Supplies	\$ 38,439,461
3	Rate of Return on Investment (L1/L2)	10.20%
	<u>Ratio of Earnings to Fixed Charges (SEC)</u>	
4	Net Income	\$ 3,432,737
5	Add Back:	
6	Federal Income Tax Including Investment Credits	\$ 686,290
7	State Income Tax	(0)
8	Total Net Income Plus Income Taxes	\$ 4,119,027
	<u>Fixed Charges</u>	
9	Interest Expense	\$ 501,292
10	Total Fixed Charges (L9 + L10)	\$ 501,292
11	Earnings as Adjusted (L8+L11)	\$ 4,620,319
		=====
12	Ratio of Earnings to Fixed Charges (L12/L11)	9.22
		=====
13	Common Stock Dividends Paid/Declared	\$ 1,900,000
	<u>Number of Shares Outstanding: (Rounded to thousands)</u>	
14	End of Period	10
15	Yearly Average	10

Capital

Schedule 2

Frontier Natural Gas Company

Twelve Months Ended December 31, 2021 (Preliminary)

Line No.	Item	Long-term Debt* (a)	Total Shareholder's Equity (c)	Total Capital (col. a+b+c) (d)
1	<u>Total Company</u>			
	Balance at end of:			
2	Dec-20	8,700,000	24,264,679	32,964,679
3	Jan-21	8,700,000	24,918,837	33,618,837
4	Feb-21	8,700,000	25,468,906	34,168,906
5	Mar-21	8,700,000	24,900,287	33,600,287
6	Apr-21	8,700,000	25,330,970	34,030,970
7	May-21	8,700,000	25,488,777	34,188,777
8	Jun-21	8,700,000	25,103,355	33,803,355
9	Jul-21	8,700,000	25,193,198	33,893,198
10	Aug-21	8,700,000	25,323,795	34,023,795
11	Sep-21	8,700,000	25,078,418	33,778,418
12	Oct-21	8,700,000	25,305,558	34,005,558
13	Nov-21	8,700,000	25,665,712	34,365,712
14	Dec-21	8,700,000	25,797,417	34,497,417
15	Total (Sum of Lines 2 thru 14)	\$ 113,100,000	\$ 327,839,908	\$ 440,939,908
16	13 Month Average (L15/13)	\$ 8,700,000	\$ 25,218,454	\$ 33,918,454
17	13 Month Average Ratio	25.65%	74.35%	100.00%
18	Net Proceeds			
19	Actual Interest Accrued for the Period	\$ 368,010		
20	Average Embedded Cost for the Period (Col. a, L23/L16)	4.23%		

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Rate Base

Schedule 3

Frontier Natural Gas Company

Twelve Months Ended December 31, 2021 (Preliminary)

Line No.	Item	Plant in Service (a)	CWIP Allowed (b)	Accumulated Provision for Depreciation (c)	Cost Free Capital		Working Capital Allowance (f)	Rate Base (a+b-c-d-e+f) (g)	Total Company Booked CWIP (h)
					Accumulated Deferred Income Taxes (d)	Operating Reserves (e)			
1	<u>Total Company Jurisdictional Data</u>								
	Balance at end of:								
2	Dec-20	55,827,378		19,658,350	2,302,118		722,937	34,589,847	985,198
3	Jan-21	56,180,426		19,791,497	2,497,295		727,345	34,618,979	1,322,193
4	Feb-21	56,507,469		19,925,600	2,661,416		741,168	34,661,621	1,499,065
5	Mar-21	57,314,880		20,060,229	2,579,846		736,770	35,411,575	2,311,625
6	Apr-21	58,008,559		20,195,704	2,752,682		743,756	35,803,930	2,663,007
7	May-21	58,645,943		20,330,563	2,799,766		783,066	36,298,681	3,313,003
8	Jun-21	60,299,697		21,383,784	2,819,033		762,151	36,859,031	2,219,343
9	Jul-21	60,782,004		21,521,629	2,576,307		741,545	37,425,613	2,702,258
10	Aug-21	61,343,608		21,658,963	2,615,273		761,615	37,830,988	3,268,059
11	Sep-21	62,647,734		21,800,713	2,661,407		800,297	38,985,912	4,129,193
12	Oct-21	62,867,188		21,941,331	2,727,435		763,081	38,961,502	4,911,662
13	Nov-21	63,282,004		22,080,303	2,834,892		924,707	39,291,516	5,336,244
14	Dec-21	61,555,794		22,225,740	1,791,158		900,565	38,439,461	4,454,399
15	Total (Sum of Lines 2 thru 14)	\$ 775,262,685	\$ -	\$ 272,574,407	\$ 33,618,627	\$ -	\$ 10,109,003	\$ 479,178,655	\$ 39,116,651
16	13 Month Average (L15/13)	\$ 59,635,591	\$ -	\$ 20,967,262	\$ 2,586,048	\$ -	\$ 777,616	\$ 36,859,897	\$ 3,008,918

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Line No.	Item	Total Company Booked (a)
1	<u>OPERATING REVENUES</u>	
2	Residential Sales	\$ 1,154,180
3	Commercial Sales	6,277,357
4	Industrial Sales	3,379,219
5	Sales for Resale:	
6	Transportation	5,220,461
7	Other Revenue	526,210
8	Unbilled Revenue	354,954
9	Total Sales	\$ 16,912,381
10	Total Gas Operating Revenues	\$ 16,912,381
11	<u>OPERATING EXPENSES</u>	
12	Purchased Gas	6,321,070
13	Maintenance	951,039
14	Other Operating Expenses (Except Taxes) (A)	2,868,123
15	Total Operating Expenses	\$ 10,140,231
16	Depreciation and Amortization	1,682,525
17	Total Expenses & Depreciation	\$ 11,822,756
18	<u>OPERATING TAXES</u>	
19	Federal Income Tax - Deferred	686,290
20	Total Federal Taxes - Operating	\$ 686,290
21	State Income Taxes	(0)
22	Other Operating Taxes (General)	480,722
23	Total Operating Taxes	\$ 1,167,011
24	Total Operating Expenses, Depreciation & Taxes	\$ 12,989,767
25	Net Operating Income (L15-L35) (Net of Interest on Customer Deposits)	\$ 3,922,614 =====

Line No.	Item	Total Company Booked (a)
26	<u>OTHER INCOME</u>	
27	Miscellaneous Income	\$ 11,416
28	Total Other Income	\$ 11,416
29	<u>INTEREST CHARGES</u>	
30	Interest on Long-term Debt	\$ 368,010
31	Amortization of Debt Discount and Expense	30,266
32	Other Interest Expense (A)	103,017
33	Total Interest Charges	\$ 501,292
34	Net Income Before Extraordinary and Delayed Items	\$ 3,432,737
35	Net Income	\$ 3,432,737
36	Net Income Available for Shareholders (Common) Equity	\$ 3,432,737
37	Shareholders Equity Capital	\$ 25,797,417
38	Shareholders Equity Capital - Simple Average	\$ 25,218,454
39	Rate of Return on Shareholders Equity - Year End	13.31%
40	Rate of Return on Shareholders (Common) Equity - Simple Average	13.61%

Line No.	Item	Total Company Booked (a)
1	<u>ASSETS</u>	
2	Gas Plant in Service	\$ 61,614,414
3	Less: Accumulated Depreciation & Amortization	22,225,740

4	Net Plant in Service	\$ 39,388,673
5	Plus: Materials and Supplies	900,565

6	Net Plant in Service and Materials & Supplies	\$ 40,289,238
7	CWIP Allowed in General Rate Cases	4,454,399
8	CIAC	(4,513,018)

9	Current Assets	\$ 6,078,522

10	Total Assets	\$ 46,309,141
		=====
11	<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	
12	Total Shareholders' Equity	\$ 25,797,417
13	Total Long-term Debt	8,700,000

14	Total Capitalization (L15 + L16)	\$ 34,497,417
15	Advances from Parent or Affiliate	824,290
16	Accumulated Deferred Income Taxes (Net)	1,791,158
17	Other Liabilities	9,196,277

18	Total Liabilities	\$ 46,309,141
		=====

		Natural Gas Operations N.C. Retail Revenues and Expenses			
Line No.	Item	Twelve Months Ended December 31, 2021 (Preliminary) End of Period After Increase		Actual	
		Retail Amount (a)	Allocation Factors in Expenses as a % of Revenue (b)	Retail Amount (d)	Allocation Factors in Expenses as a % of Revenue (e)
1	<u>OPERATING REVENUES</u>				
2	Gross Operating Revenues	\$ 16,912,381	100.00%	\$ 16,912,381	100.00%
3	<u>OPERATING REVENUE DEDUCTIONS</u>				
4	Purchased Gas	6,321,070	37.38%	6,321,070	37.38%
5	Operating & Maintenance Expense	3,819,162	22.58%	3,819,162	22.58%
6	Depreciation and Amortization	1,682,525	9.95%	1,682,525	9.95%
7	Taxes Other Than Income Taxes	480,722	2.84%	480,722	2.84%
8	Taxes - State Income	-	0.00%	-	0.00%
9	Taxes - Federal Income and ITC Deferral	686,290	4.06%	686,290	4.06%
10	Interest on Customer Deposits	9,456	0.06%	9,456	0.06%
11	Total Operating Expenses	\$ 12,999,223	76.86%	\$ 12,999,223	76.86%
12	Net Operating Income for Return	\$ 3,913,158	23.14%	\$ 3,913,158	23.14%

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
2	Total Senior Debt			\$ 8,700,000	\$ 8,700,000		\$ 368,010	\$ 368,010
3	Unamortized Debt Expense, Discount and Premium			(211,589)	(71,571)		30,266	30,266
4	Total Long-Term Debt			\$ 8,488,411	\$ 8,628,429		\$ 398,276	\$ 398,276

Line No.	Item	Total Company (a)	% of Total (e)
1	<u>Operating Revenues</u>		
2	Residential	\$ 1,154,180	6.82%
3	Commercial	6,277,357	37.12%
4	Industrial	3,379,219	19.98%
5	Sales for Resale:		0.00%
6	Transportation	5,220,461	30.87%
7	Other	526,210	3.11%
8	Unbilled	354,954	2.10%

9	Total Revenue from Sales of Gas	\$ 16,912,381	100.00%
		=====	
10	<u>Dekatherms Sold</u>		
11	Residential	132,844	3.18%
12	Commercial	735,050	17.61%
13	Industrial	420,649	10.08%
14	Sales for Resale:		0.00%
15	Transportation	2,884,488	69.12%

16	Total DTs Sales (Subtotal)	4,173,031	100.00%
	Total DTs Sold (row is tie point for Supp Report)	1,288,543	30.88%
		=====	
17	<u>Revenue Per DT Sold</u>		
18	Residential	8.69	
19	Commercial	8.54	
20	Industrial	8.03	
21	Sales for Resale:		
22	Transportation	1.81	
24	Total Revenue per DT Sold	4.05	

Frontier Natural Gas Company

Twelve Months Ended December 31, 2021 (Preliminary)

Line No.	Item	N.C. Retail (d)	% of Total (e)	Customers 12/31/2020
25	<u>Period End Number of Customers</u>			
26	Residential	2,781	57.36%	2,494
27	Commercial	1,822	37.58%	1,765
28	Industrial	214	4.41%	202
30	Sales for Resale:		0.00%	
31	Transportation	31	0.64%	30

32	Total Customers - Period End	4,848	100.00%	4,491
		=====		
33	<u>Average Number of Customers</u>			
34	Residential	2,638	56.48%	
35	Commercial	1,794	38.41%	
36	Industrial	208	4.45%	
39	Sales for Resale:		0.00%	
40	Transportation	31	0.65%	

41	Total Customers-Average	4,670	100.00%	
		=====		
42	<u>INFORMATIONAL ONLY</u>			
43	<u>Average DT Usage per Customer</u>			
44	Residential	50		
45	Commercial	410		
46	Industrial	2,022		
49	Sales for Resale:			
50	Transportation	94,573		
67	Total DT Usage per Customer - Average	276		

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Line No.	Item	Total Co	NCUC FEE	
Revenue Subject to NCUC Fee				
1	Operating Revenues	—		
2	Residential Sales	1,154,180	1,500	
3	Commercial Sales	6,277,357	8,161	
4	Industrial Sales	3,379,219	4,393	
5	Public Authority Sales	-	-	
6	Unbilled Revenue	354,954	461	
7	Transport			
8	Total Sales of Gas	11,165,711	14,516	
Other Gas Revenue Subject to NCUC Fee:				
9	Other Operating Revenues			
10	Gas Transportation for Others	5,220,461	6,787	
11	Other Operating Revenues	526,210	684	
12	Subtotal - Other Operating Revenue		-	
13	Less: Customer Refunds	-	-	
14	Total Gas Revenues	16,912,381	21,987	
		21,986	7,837	Q1 2021 Reg Fee 0.130%
			4,154	Q2 2021 Reg Fee 0.130%
			3,664	Q3 2021 Reg Fee 0.130%
			6,332	Q4 2021 Reg Fee 0.130%
			21,987	0.130% ANNUAL RATE