



**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

June 8, 2021

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. G-40, Sub 160 - Joint Application of Frontier Natural Gas Company and Ullico Hearthstone Holdco, LLC, for Approval of the Sale and Transfer of Stock

Dear Ms. Campbell:

In connection with the above-referenced docket, we transmit herewith for filing on behalf of the Public Staff the joint confidential testimony and exhibit of Julie G. Perry, Manager, Accounting Division; Neha Patel, Manager, Energy Division; and John R. Hinton, Director, Economic Research Division.

By copy of this letter, we are forwarding a copy of the confidential version to all parties of record by electronic delivery.

Sincerely,

Electronically submitted
/s/ Elizabeth D. Culpepper
Staff Attorney
elizabeth.culpepper@psncuc.nc.gov

/s/ Megan Jost
Staff Attorney
megan.jost@psncuc.nc.gov

Attachment

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BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-40, SUB 160

In the Matter of
Joint Application of Frontier Natural) JOINT TESTIMONY OF
Gas Company and Ullico Infrastructure) JULIE G. PERRY,
Hearthstone Holdco, LLC, for Approval) NEHA PATEL,
of the Sale and Transfer of Stock) AND JOHN R. HINTON

PUBLIC STAFF – NORTH CAROLINA UTILITIES COMMISSION

JOINT TESTIMONY OF

JULIE G. PERRY, NEHA PATEL, AND JOHN R. HINTON

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-40, SUB 160

JUNE 8, 2021

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **PRESENT POSITION.**

3 A. My name is Julie G. Perry, and my business address is 430 North
4 Salisbury Street, Raleigh, North Carolina. I am the Accounting
5 Manager of the Natural Gas and Transportation Section in the
6 Accounting Division of the Public Staff. My qualifications and
7 experience are provided in Appendix A.

8 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
9 **PRESENT POSITION.**

10 A. My name is Neha Patel, and my business address is 430 North
11 Salisbury Street, Raleigh, North Carolina. I am the Manager of the
12 Natural Gas Section of the Energy Division of the Public Staff. My
13 qualifications and experience are provided in Appendix B.

14 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
15 **PRESENT POSITION.**

1 A. My name is John R. Hinton, and my business address is 430 North
2 Salisbury Street, Raleigh, North Carolina. I am the Director of the
3 Economic Research Division of the Public Staff. My qualifications
4 and experience are provided in Appendix C.

5 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY IN**
6 **THIS PROCEEDING.**

7 A. The purpose of our testimony is to present the results of the Public
8 Staff's investigation of the application filed on January 27, 2021
9 (Application), by Frontier Natural Gas Company (Frontier) and Ullico
10 Infrastructure Hearthstone Holdco, LLC (UIHH) (collectively the
11 Applicants), pursuant to N.C. Gen. Stat. § 62-111 for approval of the
12 sale and transfer of stock. More specifically, the Applicants seek (1)
13 authorization for UIHH, a special purpose "merger" subsidiary, to
14 acquire 100% of the stock of GEP Bison Holdings, Inc. (GBH), the
15 parent of Hearthstone Utilities, Inc. (HUI), which is itself the current
16 indirect parent company of Frontier, pursuant to the Stock Purchase
17 and Sale Agreement (Merger Agreement) attached to the Application
18 as Confidential Exhibit B (Merger); and (2) authorization and/or
19 waiver as is necessary and appropriate to effect the proposed
20 transaction.

21 In our testimony, we describe the scope of the Public Staff's
22 investigation of the proposed Merger; discuss the balancing of costs

1 and benefits of the proposed business combination; describe the
2 primary reasons for and major provisions of the Merger-related
3 Regulatory Conditions recommended by the Public Staff, which are
4 attached hereto as Exhibit 1 (Regulatory Conditions); and present
5 the Public Staff's recommendation regarding Commission approval
6 of the transaction.

7 **Q. PLEASE DESCRIBE THE PUBLIC STAFF'S INVESTIGATION.**

8 A. A task force of accountants, engineers, attorneys, and financial
9 analysts conducted an investigation of the proposed Merger. We
10 reviewed the Application to assess potential costs and benefits of the
11 Merger, analyzed the complex and multiple levels of business
12 entities in the proposed ownership chain above Frontier and HUI,
13 and reviewed past merger transactions and Frontier's net book value
14 to determine the appropriate level of rate base going forward. In the
15 course of our investigation, we submitted data requests to the
16 Applicants and reviewed the responses to those data requests. The
17 Public Staff also reviewed the merger applications and related data
18 requests and responses filed in other HUI jurisdictions, as well as the
19 Applicants' submissions to the Federal Trade Commission and the
20 U.S. Department of Justice pursuant to the Hart-Scott-Rodino
21 Antitrust Improvements Act.

1 Q. WHY IS IT IMPORTANT TO IDENTIFY AND BALANCE THE
2 COSTS AND BENEFITS OF A PROPOSED MERGER OR
3 BUSINESS COMBINATION?

4 A. N.C.G.S. § 62-111(a) provides that no merger or combination
5 affecting any public utility shall be made through acquisition or
6 control by stock purchase or otherwise, except after Commission
7 approval, which “shall be given if justified by the public convenience
8 and necessity.”

9 As explained in the Order Approving Merger Subject to Regulatory
10 Conditions and Code of Conduct issued September 29, 2016, in
11 Docket Nos. E-2, Sub 1095, E-7, Sub 1100, and G-9, Sub 682
12 (Duke/Piedmont Merger Order):

13 In prior merger proceedings the Commission has
14 established a three-part test for determining whether a
15 proposed utility merger is justified by the public
16 convenience and necessity. That test is (1) whether the
17 merger would have an adverse impact on the rates and
18 services provided by the merging utilities; (2) whether
19 ratepayers would be protected as much as possible
20 from potential costs and risks of the merger; and (3)
21 whether the merger would result in sufficient benefits to
22 offset potential costs and risks. See Order Approving
23 Merger Subject to Regulatory Conditions and Code of
24 Conduct (Duke/Progress Merger Order), issued June
25 29, 2012, in Docket Nos. E-2, Sub 998 and E-7, Sub
26 986, aff'd, In re Duke Energy Corp., 232 N.C. App. 573,
27 755 S.E.2d 382 (2014). These questions are related to
28 one another and together establish a reasoned
29 framework upon which utility mergers may be
30 evaluated. In making these assessments, the
31 Commission has also examined factors such as
32 whether service quality will be maintained or improved,
33 the extent to which costs can be lowered and rates can

1 be maintained or reduced, and whether effective
2 regulation of the merging utilities will be maintained. See
3 Order Approving Merger and Issuance of Securities,
4 issued April 22, 1997, in Docket No. E-7, Sub 596.

5 Duke/Piedmont Merger Order, p. 68.

6 **Q. WHAT ARE THE REQUIREMENTS OF THE COMMISSION'S**
7 **ORDER REQUIRING FILING OF ANALYSES ISSUED**
8 **NOVEMBER 2, 2000, IN DOCKET NO. M-100, SUB 129 (M-100,**
9 **SUB 129 ORDER)?**

10 A. The M-100, Sub 129 Order requires that merger applications within
11 the electric or natural gas industries be accompanied by a market
12 power analysis and a cost-benefit analysis. An investigation and
13 verification of the cost-benefit analysis and market power analysis is
14 an essential part of the Commission's consideration of a proposed
15 merger and facilitates the application of the statutory standard for
16 approval. The Applicants in this proceeding submitted a cost-benefit
17 analysis (Cost-Benefit Analysis), but not a market power analysis.
18 According to the Application, given the relative size of Frontier's
19 North Carolina operations and the lack of any other Ullico
20 Infrastructure Fund¹ (or the Fund) - owned operations served by
21 Frontier or in proximity to Frontier's service territory, there is no
22 possibility that the Merger will enhance or increase either Frontier's

¹ Ullico Infrastructure Master Fund, L.P. (UIF) and its general partner UIF GP, LLC (UIF GP) are collectively referred to as the Ullico Infrastructure Fund or the Fund in the Application and in this testimony. In the proposed Regulatory Conditions, these entities are collectively referred to as "the Parent Entities."

1 or the Fund's market power in any relevant retail or wholesale
2 market. Frontier, therefore, requested a waiver of the requirement to
3 file a market power analysis, as would otherwise be required by the
4 M-100, Sub 129 Order.

5 The Public Staff reviewed the Application and other information
6 provided by the Applicants, and we performed research on the
7 market power issue. After conducting that research, the Public Staff
8 determined that it was reasonable for the market power analysis
9 requirement to be waived in this proceeding, and recommended that
10 the Commission issue an order granting a waiver of the requirement
11 to file a market power analysis and stating that the Application
12 satisfies the requirements of the M-100, Sub 129 Order. The
13 Commission issued such an order on March 31, 2021. The Cost-
14 Benefit Analysis is discussed later in our testimony.

15 **Q. PLEASE DESCRIBE THE PROPOSED TRANSACTION.²**

16 A. UIHH proposes to pay (i) the total purchase price of [BEGIN
17 CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL], less (ii)
18 debt at HUI of [BEGIN CONFIDENTIAL] [REDACTED] [END
19 CONFIDENTIAL], minus HUI book equity value of [BEGIN
20 CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL], both from
21 the December 31, 2020 Balance Sheet, which results in a [BEGIN

² A corporate organizational chart showing the post-Merger corporate structure is attached to the Application as Exhibit C.

1 **CONFIDENTIAL** [REDACTED] **[END CONFIDENTIAL]** acquisition
2 premium. Per the Application and supporting testimony, Frontier has
3 stated that it will not seek to recover the acquisition premium from its
4 North Carolina ratepayers.

5 Upon the close of the Merger, HUI will become a wholly-owned direct
6 subsidiary of UIHH. According to the Application, there is no proposal
7 to change Frontier's rates, terms, or conditions of service;
8 management; or operational structure as a result of the proposed
9 transaction.

10 **Q. PLEASE DESCRIBE FRONTIER.**

11 A. Frontier is a North Carolina local distribution company (LDC) that
12 provides natural gas service to approximately 4,400 customers in
13 Wilkes, Surry, Yadkin, Watauga, Ashe, and Warren counties.
14 Frontier began providing service in 1998. Frontier's annual customer
15 growth rate has been approximately 7% over the past five years, as
16 compared to approximately 2% annual growth for the other LDCs in
17 the state.

18 Frontier is a wholly owned subsidiary of PHC Utilities, Inc. (PHC),
19 and PHC is wholly owned by HUI. HUI is a holding company and the
20 indirect parent of several natural gas utilities serving approximately
21 82,000 customers in Indiana, Montana, North Carolina, Ohio, and
22 Maine. HUI is owned by GBH, which is owned by an infrastructure

1 fund managed by an investment management subsidiary of
2 BlackRock, Inc. PHC and GBH are intermediary holding companies
3 which do not have employees, do not provide utility service in any of
4 the states in which their utility subsidiaries operate, and do not make
5 operational, regulatory, or financial decisions for any of the operating
6 utilities they hold, including Frontier.

7 **Q. PLEASE DESCRIBE THE ULLICO CORPORATE STRUCTURE.**

8 A. As stated above, UIHH is a special purpose entity established for the
9 purpose of acquiring GBH and its subsidiaries, including HUI and
10 Frontier. UIHH is a wholly-owned subsidiary of UIF.

11 Under the Merger Agreement, the transaction represents an
12 acquisition of GBH by the Ullico Infrastructure Fund through its newly
13 formed subsidiary UIHH, whereby GBH will become a wholly owned
14 subsidiary of UIHH. Following the Merger, GBH and all of its
15 subsidiaries, including PHC and Frontier, will remain as currently
16 structured, but will become indirectly wholly-owned subsidiaries of
17 UIHH. UIF is an infrastructure investment vehicle created and
18 managed under the Ullico Affiliated Group. The Union Labor Life
19 Insurance Company established the Ullico Affiliated Group to provide
20 institutional investors the opportunity to make long-term investments,
21 on a commingled basis, into the ownership, maintenance, and
22 refurbishment of the nation's infrastructure.

1 Q. PLEASE EXPLAIN THE PRIMARY REASONS FOR AND THE
2 MAJOR PROVISIONS OF THE REGULATORY CONDITIONS
3 RECOMMENDED BY THE PUBLIC STAFF.

4 A. As a result of its investigation, the Public Staff developed its
5 recommended Regulatory Conditions, which it believes are
6 necessary to ensure that the Merger meets the Commission's three-
7 part test for determining whether a proposed utility merger is justified
8 by the public convenience and necessity and serves the public
9 interest. The following is a description of the major provisions of our
10 recommended Regulatory Conditions:

11 **Applicability of the Regulatory Conditions**

12 The Regulatory Conditions apply jointly and severally to UIHH, GBH,
13 HUI, PHC, and Frontier (as well as any successor entities).

14 **Commitment of the Parent Entities**

15 The Regulatory Conditions set forth the commitments of UIF GP and
16 UIF, as well as any additional or successor entities with control over
17 any of UIHH, GBH, HUI, PHC, or Frontier (collectively the Parent
18 Entities). The Parent Entities acknowledge and consent to the
19 Regulatory Conditions agreed and entered into by UIHH, GBH, HUI,
20 PHC, and Frontier (collectively the Subsidiary Entities). The Parent
21 Entities further commit not to cause the Subsidiary Entities to violate
22 such Regulatory Conditions, nor to prevent the Subsidiary Entities

1 from taking action to comply with the Regulatory Conditions, for so
2 long as such Regulatory Conditions remain in effect and are
3 applicable to the Subsidiary Entities.

4 **Definition of Affiliate**

5 The Regulatory Conditions state that “Affiliate” shall mean UIHH and
6 any business entity of which ten percent (10%) or more is owned
7 or controlled, directly or indirectly, by UIHH, including, but not
8 limited to, Frontier, PHC, HUI, and GBH.

9 **Regulatory Conditions 1-3: Compliance with Prior Stipulation** 10 **and Regulatory Conditions**

11 These recommended Regulatory Conditions state that Frontier shall
12 continue to remain bound by the terms and conditions of the
13 Stipulation entered into with the Public Staff on June 27, 2014, as
14 amended on September 14, 2015 (collectively, the Sub 124
15 Stipulation), the regulatory conditions attached to the Commission’s
16 Order Granting Conditional Approvals issued August 2, 2016, in
17 Docket No. G-40, Sub 133 (Sub 133 Regulatory Conditions), to the
18 extent that those terms and conditions are ongoing and are not
19 clearly superseded by the Regulatory Conditions approved in this
20 proceeding, and the Agreement and Stipulation of Settlement
21 entered into with Commission Staff, and the modification thereto
22 (collectively, the Sub 142 Stipulation). As the terms and conditions

1 of the Sub 124 and Sub 142 Stipulations were previously agreed to
2 by Frontier, and the Sub 133 Regulatory Conditions and Sub 142
3 Stipulation were determined to be appropriate by the Commission,
4 they should not be abandoned because of new ownership.

5 **Regulatory Conditions 4-23: Ratepayer Protection from**
6 **Potential Costs and Risks Associated with the Merger**

7 These Regulatory Conditions are primarily designed to protect
8 Frontier's ratepayers as much as reasonably possible from potential
9 costs and risks associated with the Merger. Regulatory Condition 4
10 provides that, for regulatory accounting, reporting, and ratemaking
11 purposes, Frontier's rate base as of the Merger closing date will be
12 set at the net book value as of December 31, 2020, as reported in
13 Frontier's financial statements and in its NCUC Form G.S.-1
14 Quarterly Financial and Operational Data Reports provided to the
15 Public Staff and the Commission, plus charges and credits incurred
16 in the normal course of utility business between that date and the
17 Merger closing date. Regulatory Condition 4 effectively prohibits
18 recapture of (1) any past negative acquisition adjustments or asset
19 impairment write downs from prior Frontier mergers, or (2) any
20 portion of the acquisition premium resulting from this proceeding or
21 from past mergers.

1 Regulatory Conditions 5-8 also address removing the impact of all
2 direct and indirect Merger-related costs from Frontier's rates and
3 charges, including (1) estimated transaction fees (such as
4 investment banker and legal fees for transaction structuring, financial
5 market analysis, and fairness opinions based on formal agreements
6 with investment bankers) of \$9.0 million associated with this Merger;
7 and (2) the estimated change-of-control payments (such as merger-
8 related bonuses and/or other severance or personnel type
9 arrangements) that are attributable to the Merger.

10 These recommended Regulatory Conditions are also intended to
11 support the continued viability of Frontier and to insulate and protect
12 Frontier and its North Carolina ratepayers from financial risks of
13 Affiliates. They provide for protections regarding dividend
14 distributions, maintenance of the level of Frontier's common equity
15 capital, and notices of certain investments, default or bankruptcy,
16 and service company formation.

17 Regulatory Conditions 9, 10, 11, and 15 relate to ring fencing.
18 Condition 10 prohibits Frontier from paying any distribution in excess
19 of 100% of Frontier's net income. Based on data responses from the
20 Applicants, the projected cash flow statements provided in this
21 proceeding indicate that Frontier will pay distributions up to 100% of
22 net income during the next five years. While this percentage may be

1 higher than some other LDCs, this policy has been previously
2 approved by this Commission and in other jurisdictions, and we
3 believe it is reasonable for Frontier. Condition 11 protects ratepayers
4 in the event of a downgrade of HUI's or Frontier's long-term debt by
5 a formal credit rating agency or an indicative credit rating associated
6 with a private placement of debt.

7 Regulatory Condition 15 requires that Frontier maintain common
8 equity capital equal to or greater than 45% of total adjusted capital.
9 A common equity capitalization ratio of 45% represents a reasonable
10 minimal level of equity capitalization relative to other LDCs. The
11 projected capital structure provided by Frontier anticipates that by
12 year end 2021 the equity ratio will be 67%, and it is anticipated to
13 decrease to only 48% during the next five years; therefore, the Public
14 Staff does not expect the Merger will lead to any undue financial risk.

15 HUI is not publicly traded and does not make filings with the
16 Securities and Exchange Commission (SEC). A publicly owned and
17 traded corporation makes routine annual and quarterly SEC filings
18 that may describe business operations, a history of events,
19 operational and financial conditions, and insight into any risk, as well
20 as the company's management team and legal proceedings.
21 Notification filings describing unscheduled events such as a
22 bankruptcy, material impairment, completion of acquisition or

1 disposition of assets, departures or appointments of executives, and
2 other events of importance may also be filed with the SEC. In order
3 to address risks and concerns regarding such information no longer
4 being publicly available, Regulatory Conditions 12-14 include
5 provisions that provide for the Commission and the Public Staff to
6 receive the type of information contained in SEC filings.

7 **Regulatory Condition 24: Merger Benefits are Sufficient to**
8 **Offset any Potential Costs and Risks**

9 This Regulatory Condition is designed to provide immediate and
10 tangible benefits to Frontier's ratepayers that will help ensure that the
11 benefits of the Merger will be sufficient to offset potential costs and
12 risks. The Cost-Benefit Analysis states that the Merger will give
13 Frontier the ability to access long-term and consistent capital needed
14 to meet economically feasible customer growth opportunities and
15 ongoing system requirements, and that it will provide industry
16 expertise along with financial stability. The Applicants explained in
17 testimony that while there is no anticipated need for any immediate
18 capital infusion into GBH as a direct result of the Merger, the owners
19 will be looking to find projects to deploy equity that provides the
20 opportunity to expand service to unserved areas and new service
21 territories where extensions are economically feasible, pursue
22 necessary system upgrades, address any infrastructure
23 replacement, and enhance customer service.

1 The Cost-Benefit Analysis states that not all anticipated Merger
2 benefits can be reasonably or readily quantified at this time. The
3 Applicants provided data request responses to the Public Staff that
4 recognize estimated merger-related savings associated with a
5 reduction in HUI's normalized executive management costs (post
6 2022). Therefore, in order to ensure that the Commission's three-part
7 test for determining whether a proposed utility merger is justified by
8 the public convenience and necessity is met, Frontier shall credit a
9 total of \$200,000 to its North Carolina customers through two bill
10 credits in the amount of \$100,000. The first \$100,000 shall be
11 refunded through a one-time bill credit to be completed by January
12 1, 2022, or as soon as practicable after the transaction is
13 consummated. The second \$100,000 shall be refunded through a
14 one-time bill credit to be completed by January 1, 2023.

15 The bill credits shall be allocated to the rate schedules by the non-
16 gas cost margin of each rate schedule. The total allocated credits in
17 each rate class will be divided by the total volume of gas from the
18 latest 12 calendar months of usage prior to the date of closing that is
19 available to arrive at a unit credit rate for each rate schedule.
20 Customers within each rate class will be credited an amount equal
21 to the class unit credit rate times each individual customer's volume
22 from the latest 12 calendar months available. Within 30 days after

1 each bill credit is completed, Frontier shall file a report with the
2 Commission detailing the amount of the bill credit by rate schedule.

3 **Regulatory Conditions 16-23 and 25-37: No Adverse Impact on**
4 **Rates and Services**

5 These Regulatory Conditions are primarily designed to obtain a
6 commitment from the new ownership that there will be no adverse
7 impact on the rates and services provided by Frontier to its North
8 Carolina ratepayers due to the Merger. They provide that after the
9 close of the Merger, Frontier shall continue its commitment to provide
10 safe, reliable, and affordable natural gas service, maintain a level of
11 capital and operational support in North Carolina necessary to
12 provide safe, efficient, and reliable service at reasonable rates, and
13 budget and expend sufficient funds in order for its integrity
14 management program to be in compliance with all federal gas
15 pipeline safety laws and regulations. These Regulatory Conditions
16 also require that Frontier (1) comply with all regulatory reporting
17 requirements; (2) maintain sufficient, adequately trained personnel
18 to ensure that regulatory reporting requirements are complied with in
19 a timely and accurate manner; (3) maintain compliance with all
20 federal gas pipeline safety laws and regulations and complete the
21 required system enhancements and reporting as agreed to in the
22 Sub 142 Stipulation; (4) require staffing for operational,
23 maintenance, customer service, and safety personnel; and (5)

1 require certain notifications to the Public Staff when there is any
2 change in regulatory or operational personnel at the
3 management/supervisor level.

4 These Regulatory Conditions also govern relationships and
5 transactions between Frontier and its Affiliates, including the
6 allocation of costs, the transfer pricing provisions that govern
7 affiliated transactions, and the filing of affiliated transaction reports
8 and agreements with the Commission.

9 **Q. DO THE APPLICANTS AGREE WITH THE REGULATORY**
10 **CONDITIONS?**

11 A. Yes. The Applicants have indicated to the Public Staff that they agree
12 with all the Regulatory Conditions.

13 **Q. WHAT IS THE PUBLIC STAFF'S RECOMMENDATION WITH**
14 **REGARD TO THE PROPOSED MERGER?**

15 A. The Public Staff recommends that the proposed Merger be
16 approved, subject to the provisions of the Regulatory Conditions.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 A. Yes.

QUALIFICATIONS AND EXPERIENCE

JULIE G. PERRY

I graduated from North Carolina State University in 1989 with a Bachelor of Arts degree in Accounting and I am a Certified Public Accountant.

Prior to joining the Public Staff, I was employed by the North Carolina State Auditor's Office. My duties there involved the performance of financial and operational audits of various state agencies, community colleges, and Clerks of Court.

I joined the Public Staff in September 1990, and was promoted to Supervisor of the Natural Gas Section in the Accounting Division in September 2000. I was promoted to Accounting Manager – Natural Gas & Transportation effective December 1, 2016. I have performed numerous audits and/or presented testimony and exhibits before the Commission addressing a wide range of natural gas topics.

Additionally, I have filed testimony and exhibits in numerous water rate cases and performed investigations and analyses addressing a wide range of topics and issues related to the water, electric, transportation, and telephone industries.

QUALIFICATIONS AND EXPERIENCE

NEHA PATEL

I graduated from University Of Mumbai in 1995 with a Bachelor of Science degree in Electronic Engineering. I began working as a Utilities Engineer with the Natural Gas Division of the Public Staff in spring of 2014. In 2020, I became Manager of the Natural Gas Section of the Energy Division.

I have worked on Purchase Gas Cost Adjustment Procedures, Tariff Filings, Customer Utilization Trackers, Special Contract Review and Analysis, Weather Normalization Adjustments, Customer Complaint Resolutions, Integrity Management Riders, Franchise Exchange Filings, Compressed Natural Gas Special Contracts, Peak Day Demand and Capacity Calculations, Fuel and Electric Usage Trackers, Gas Resellers, Annual Review of Gas Cost Proceedings, Renewable Natural Gas Filings, Cost of Service Study, General Rate Case Proceedings, and Rate Design.

QUALIFICATIONS AND EXPERIENCE

JOHN ROBERT HINTON

I received a Bachelor of Science degree in Economics from the University of North Carolina at Wilmington in 1980 and a Master of Economics degree from North Carolina State University in 1983. I joined the Public Staff in May of 1985. I filed testimony on the long-range electrical forecast in Docket No. E-100, Sub 50. In 1986, 1989, and 1992, I developed the long-range forecasts of peak demand for electricity in North Carolina. I filed testimony on electricity weather normalization in Docket Nos. E-7, Sub 620, E-2, Sub 833, and E-7, Sub 989. I filed testimony on customer growth and the level of funding for nuclear decommissioning costs in Docket No. E-2, Sub 1023. I filed testimony on the level of funding for nuclear decommissioning costs in Docket Nos. E-7, Subs 1026, and 1146. I have filed testimony on the Integrated Resource Plans (IRPs) in Docket No. E-100, Subs 114 and 125, and I have reviewed numerous peak demand and energy sales forecasts and the resource expansion plans filed in electric utilities' annual IRPs and IRP updates.

I have been the lead analyst for the Public Staff in numerous avoided cost proceedings, filing testimony in Docket No. E-100, Subs 106, 136, 140, 148. I have filed a Statement of Position in the arbitration case involving EPCOR and Progress Energy Carolinas in Docket No. E-2, Sub 966. I filed testimony on avoided costs in DSM/EE rider cases in Docket Nos. E-7, Sub 1130, E-2, Sub 1145, E-7, Sub 1230, and E-2, Sub 1252.

I have filed testimony on the issuance of certificates of public convenience and necessity (CPCNs) in Docket Nos. E-2, Sub 669; SP-132, Sub 0; E-7, Sub 790; E-7, Sub 791; and E-7, Sub 1134.

I have filed testimony on the issue of fair rate of return in Docket Nos. E-22, Sub 333; E-22, Sub 412; P-26, Sub 93; P-12, Sub 89; G-21, Sub 293; P-31, Sub 125; G-5, Sub 327; G-5, Sub 386; G-9, Sub 351; P-100, Sub 133b; P-100, Sub 133d (1997 and 2002); G-21, Sub 442; W-778, Sub 31; W-218, Sub 319; E-22, Sub 532; and several smaller water utility rate cases. I have filed testimony on credit metrics and the risk of a credit downgrade in Docket No. E-7, Sub 1146.

I have filed testimony on the hedging of natural gas prices in Docket No. E-2, Subs 1001 and 1018. I have filed testimony on the expansion of natural gas in Docket No. G-5, Subs 337 and 372. I performed the financial analysis in the two audit reports on Mid-South Water Systems, Inc., Docket No. W-100, Sub 21. I testified in the application to transfer of the CPCN from North Topsail Water and Sewer, Inc. to Utilities, Inc., in Docket No. W-1000, Sub 5. I have filed testimony on weather normalization of water sales in Docket No. W-274, Sub 160.

With regard to the 1996 Safe Drinking Water Act, I was a member of the Small Systems Working Group that reported to the National Drinking Water Advisory Council of the U.S. Environmental Protection Agency. I have published an article in the National Regulatory Research Institute's Quarterly Bulletin entitled Evaluating Water Utility Financial Capacity.

**DOCKET NO. G-40, SUB 160
REGULATORY CONDITIONS**

These Regulatory Conditions set forth commitments made by Ullico Infrastructure Hearthstone Holdco, LLC (UIHH), GEP Bison Holdings, Inc. (GBH), Hearthstone Utilities, Inc. (HUI), PHC Utilities, Inc. (PHC), and Frontier Natural Gas Company (Frontier), as a precondition of approval of the application by Frontier and UIHH pursuant to N.C. Gen. Stat. § 62-111(a) for authority to engage in their proposed business combination transaction (Merger). These Regulatory Conditions, which become effective only upon closing of the Merger, shall apply jointly and severally to UIHH, GBH, HUI, PHC, and Frontier (as well as any successor entities), and shall be interpreted in the manner that ensures Frontier’s customers (a) are protected from any known adverse effects from the Merger, (b) are protected as much as possible from potential costs and risks resulting from the Merger, and (c) receive sufficient known and expected benefits to offset any potential costs and risks resulting from the Merger.

UIF GP, LLC (UIF GP), and Ullico Infrastructure Master Fund, L.P. (UIF), as well as any additional or successor entities with control over UIHH, GBH, HUI, PHC, or Frontier (collectively the Parent Entities), do hereby acknowledge and consent to these Regulatory Conditions agreed and entered into by UIHH, GBH, HUI, PHC, and Frontier (collectively the Subsidiary Entities). The Parent Entities further commit not to cause the Subsidiary Entities to violate such Regulatory Conditions, nor to prevent the Subsidiary Entities from taking action to comply with the Regulatory Conditions, for so long as such Regulatory Conditions remain in effect and applicable to the Subsidiary Entities. The consent and acknowledgment of the Parent Entities set forth above does not constitute a general consent to expansion of the North Carolina Utilities Commission's jurisdiction over the Parent Entities beyond that established by Chapter 62 of the North Carolina General Statutes.

For purposes of these Regulatory Conditions, the North Carolina Utilities Commission is referred to as “the Commission,” and the Public Staff – North Carolina Utilities Commission is referred to as “the Public Staff.” “Affiliate” shall mean UIHH and any business entity of which ten percent (10%) or more is owned or controlled, directly or indirectly, by UIHH, including, but not limited to, Frontier, PHC, HUI, and GBH.

1. **Compliance with Sub 124 Stipulation.** Frontier shall continue to remain bound by the terms and conditions of the Stipulation entered into with the Public Staff on June 27, 2014, as amended on September 14, 2015 (collectively, the Sub 124 Stipulation), and filed in Docket No. G-40, Sub 124, to the extent that those terms and conditions are ongoing and are not clearly superseded by these Regulatory Conditions. The Sub 124 Stipulation is incorporated herein by reference.
2. **Compliance with Sub 133 Regulatory Conditions.** Frontier shall continue to remain bound by the Regulatory Conditions attached to the Commission's Order Granting Conditional Approvals issued August 2, 2016, in Docket No. G-40, Sub 133 (Sub 133 Regulatory Conditions), to the extent that those conditions are ongoing and are not clearly superseded by these Regulatory Conditions. The Sub 133 Regulatory Conditions, with the exception of Attachment A thereto, are incorporated herein by reference. Attachment A to the Sub 133 Regulatory Conditions is superseded by Attachment A hereto.
3. **Compliance with Sub 142 Stipulation.** Frontier shall continue to remain bound by the terms and conditions of the Agreement and Stipulation of Settlement entered into with the Commission Staff, which was approved by Commission Order Approving Agreement and Stipulation of Settlement issued October 31, 2017, and the Amended Stipulation of Settlement, which was approved by Commission Order Approving Modification to Agreement and Stipulation of Settlement issued September 11, 2018, in Docket No. G-40, Sub 142 (collectively, the Sub 142 Stipulation). The Sub 142 Stipulation is incorporated herein by reference.
4. **Measurement of Frontier Rate Base.** For North Carolina regulatory accounting, reporting, and ratemaking purposes, Frontier's rate base as of the Merger closing date shall be set at its net book value as of December 31, 2020, as reported in its financial statements and incorporated into the NCUC Form G.S.-1 Quarterly Financial and Operational Data Reports (NCUC G.S.-1 Reports) provided to the Public Staff and the Commission, plus charges and credits incurred in the normal course of utility business between December 31, 2020 and the Merger closing date.
5. **Merger-related Direct Expenses.** Direct expenses associated with the Merger will be excluded from the regulated expenses of Frontier for Commission financial reporting and ratemaking purposes. Direct merger expenses are change-in-control payments made to terminated executives, merger-related bonuses, severance payments, regulatory process costs, and transaction fees (such as investment banker and legal fees for transaction structuring, financial market analysis, and fairness opinions based on formal agreements with investment bankers). Frontier will file a summary report of its final accounting for Merger-related direct expenses

within 120 days after the close of the Merger, and supplemental reports within 60 days after each quarter until such expenses cease.

6. **Merger Transition Costs.** Frontier shall report the actual transition costs as identified by category in the Cost-Benefit Analysis, Exhibit D to the Merger application, on its NCUC G.S.-1 Report in accordance with generally accepted accounting principles and identify the North Carolina portions of these costs beginning with the first quarter after the Merger closes.
7. **Non-Consummation of Merger.** If the Merger is not consummated, neither the cost, nor the receipt, of any termination payment shall be allocated to Frontier or included in regulated expenses of Frontier for Commission financial reporting and ratemaking purposes. Frontier's customers shall not otherwise bear any direct expenses or costs associated with a failed merger.
8. **Inclusion of Cost Savings in Future Rate Proceedings.** For purposes of future general rate case proceedings for Frontier, Frontier and the Public Staff shall not be limited to or constrained by the provisions of these Regulatory Conditions in asserting or sustaining arguments regarding the proper treatment of merger cost savings in setting just and reasonable rates for Frontier.
9. **Hold Harmless Commitment.** The Merger shall be effectuated in a manner designed to prevent harm to Frontier's ratepayers, although it is recognized that it is possible that matters not currently foreseeable could have the potential to negatively impact Frontier ratepayers in the future. Notwithstanding this, Frontier, UIHH, GBH, HUI, and PHC (as well as any successor entities exercising control over Frontier) shall take all such actions as may be reasonably necessary and appropriate to hold Frontier's customers harmless from the effects of the Merger.¹
10. **Distributions to HUI and PHC.** Frontier shall not pay to HUI (directly or through PHC) any distribution exceeding 100% of Frontier's net income calculated on a two-year rolling average basis. In addition, Frontier shall limit cumulative distributions paid to HUI (directly or through PHC) subsequent to closure of the Merger to (i) the amount of its retained earnings on the day prior to the closure of the Merger, plus (ii) any future earnings recorded by Frontier subsequent to closure of the Merger. Frontier shall not make any distributions to any Affiliates other than PHC and HUI, unless approved by the Commission. The Commission retains the right to impose future limitations on distributions of Frontier if the public interest

¹ Frontier and UIHH reserve the right to dispute future assertions by the Public Staff that any particular future action or event may cause or represent harm to Frontier's ratepayers attributable to the Merger for which relief should be granted under this Condition.

requires, as provided pursuant to applicable law and prior Commission orders.

11. **Protection Against Debt Downgrade.** To the extent the cost rates of any of HUI's or Frontier's long-term debt (more than one year) are or have been adversely affected as a result of the Merger through a ratings downgrade below BBB rating by any one of the three credit rating agencies² or an indicative credit rating associated with a private placement of debt, a replacement cost rate to remove the effect shall be used for all purposes affecting any of Frontier's North Carolina rates and charges. This replacement cost rate shall be applicable to all financings, refundings, and refinancings taking place following the change in ratings. If a downgrade has occurred and is continuing, a replacement cost calculation will be determined, as part of Frontier's future general rate cases. The replacement rate should be commensurate with a BBB rating and no greater than the prime rate plus 200 basis points. This Regulatory Condition will continue for five years after the consummation of the Merger.
12. **Notice of Certain Investments.** Whenever one of the Parent Entities or UIHH makes any new or increased direct or indirect investment in a business entity where: (a) such investment appears or will appear on the books of UIHH, GBH, PHC, or HUI, or will otherwise have an effect on the books, costs, rates, revenues, charges, obligations, services, capitalization, or indebtedness of Frontier, and (b) the amount of such investment is equal to ten percent (10%) or more of HUI's book capitalization, the investing entity shall file or cause to be filed, as soon as practicable following Board or other approval of the subject transaction and any public announcement thereof (if one is made), a notice of the investment with the Commission. The notice shall include a full description of the investment and an explanation of how it will be accounted for in the investing entity's books and records.
13. **Notice of Certain PHC and HUI Investments.** Frontier shall file a notice with the Commission, subsequent to PHC Board or HUI Board approval and as soon as practicable following any public announcement (if one is made), of any new investment in a regulated utility.
14. **Notice by Frontier of Default or Bankruptcy of Affiliate.** If an Affiliate or Parent Entity of Frontier experiences a default on an obligation that is material to HUI or UIHH or files for bankruptcy, and such bankruptcy is material to HUI or UIHH, Frontier shall notify the Commission of the event in advance, if possible, or, if not, as soon as possible but not later than ten (10) days after such event. For purposes of this section, materiality shall be

² The three rating agencies are Moody's Investors Service, S&P Global Ratings, and Fitch Ratings.

any default or bankruptcy that would be required to be disclosed in the audited financial statements of HUI.

15. **Common Equity Capital.** Until the final order is issued in Frontier's next general rate case, Frontier will maintain common equity capital at levels equal to or greater than 45% of total adjusted capital (including common equity, long-term debt, long-term capital leases, and current maturities of long-term debt). No equity distributions, whether by dividend or other form, will be allowed that would result in equity capital falling below this minimum level during the specified period, without prior approval of the Commission. Notwithstanding the foregoing, Frontier shall maintain the right to petition the Commission for an exception to this Regulatory Condition.
16. **Post-Closing Financial Information.** Frontier shall file pre- and post-Merger closing balance sheets and the closing journal entries, including relevant descriptions and disclosures for the transactions recorded, for HUI, PHC, and itself, as soon as practicable but not later than the end of the second full quarter following the close of the Merger.
17. **Meetings with Public Staff.** HUI and Frontier shall meet annually with the Public Staff to discuss Frontier's financial condition and results, service quality initiatives and results, customer service changes, pipeline safety, and potential new tariffs.
18. **Service Company Formation.** Frontier shall notify the Commission of any plans of any Affiliate to form a service company that, to the best knowledge of UIHH, the Affiliate, or Frontier, could potentially cause federal preemption of the Commission's jurisdiction over Frontier or would affect, take services from, or provide services to Frontier at least sixty (60) days prior to the formation of such service company. Frontier will take all such actions as the Commission finds necessary and appropriate to hold North Carolina ratepayers harmless from any federal preemption that may be triggered by the formation of a service company.
19. **Access to Books and Records.** In accordance with and to the extent provided by North Carolina law, the Commission and the Public Staff shall continue to have access to the books and records of Frontier and its Affiliates.
20. **Changes to Board of Directors or Management.** Frontier shall notify the Commission within ten (10) days of any changes to the Board of Directors or management of UIHH, GBH, HUI, PHC, or Frontier.
21. **Notice and Consultation with Public Staff Regarding Proposed Structural and Organizational Changes.** Upon request, UIHH, HUI, and Frontier shall meet and consult with, and provide requested relevant data to, the Public Staff regarding plans for significant changes in

Frontier's or any of its Affiliates' organization, structure, and activities which are reasonably anticipated to affect Frontier; the expected or potential impact of such changes on Frontier's rates, operations and service; and proposals for assuring that such plans do not adversely affect Frontier's customers. Frontier shall inform the Public Staff promptly of any such events and changes.

22. **Mergers and Acquisitions.** For any proposed merger or other business combination³ that would affect Frontier, Frontier shall file an application for approval pursuant to N.C.G.S. § 62-111(a) at least 180 days before the proposed closing date for such merger or other business combination.
23. **Audited Financial Statements.** By the end of the first quarter of each calendar year, Frontier will provide to the Public Staff audited financial statements of HUI for the preceding calendar year.
24. **Merger-related Cost Savings.** In order to ensure that the Commission's three-part test for determining whether a proposed utility merger is justified by the public convenience and necessity is met,⁴ Frontier shall credit a total of \$200,000 to its North Carolina customers in recognition of Frontier's share of the estimated merger-related savings associated with a reduction in HUI's normalized executive management cost (post 2022), through two bill credits in the amount of \$100,000. The first \$100,000 shall be refunded through a one-time bill credit to be completed by January 1, 2022, or as soon as practicable after the transaction is consummated. The second \$100,000 shall be refunded through a one-time bill credit to be completed by January 1, 2023.

The bill credits shall be allocated to the rate schedules by the non-gas cost margin of each rate schedule. The total allocated credits in each rate class will be divided by the total volume of gas from the latest 12 calendar months of usage prior to the date of closing that is available to arrive at a unit credit rate for each rate schedule. Customers within each rate class will be credited an amount equal to the class unit credit rate times each individual customer's volume from the latest 12 calendar months available. Within 30 days after each bill credit is completed, Frontier shall file a report with the Commission detailing the amount of the bill credit by rate schedule.

³ For purposes of these Regulatory Conditions, a "merger or other business combination" is defined as not simply an investment in a business entity, but as a transaction or other event in which either (1) an acquirer obtains control of one or more business entities, or (2) two or more previously separate business entities merge into one with newly defined or established control authority.

⁴ See Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued June 29, 2012, in Docket Nos. E-2, Sub 998 and E-7, Sub 986, aff'd, In re Duke Energy Corp., 232 N.C. App. 573, 755 S.E.2d 382 (2014)

25. **Obligations with Affiliates.** Frontier will not make a loan to any Affiliate, issue a guarantee for an obligation of any Affiliate, or otherwise assume any obligation of any Affiliate without prior Commission approval.
26. **Capital Budgets.** Frontier shall maintain a level of capital and operational support in North Carolina necessary to provide safe, efficient, and reliable service at reasonable rates. Frontier shall continue to provide to the Public Staff, on a confidential basis and for informational purposes, its five year projected capital budget for new, expanded, or upgraded natural gas facilities in North Carolina by June 30 of every year until relieved of this requirement by future Commission order.
27. **Pipeline Safety.** Frontier shall maintain compliance with all federal gas pipeline safety laws and regulations. Pursuant to the Sub 142 Stipulation, Frontier is required to file with the Commission, within three months after completion of construction of system enhancements contemplated in the Sub 142 Stipulation, a report in Sub 142 providing the details of the work completed and an itemized accounting of all monies spent once all required work is completed. Frontier shall provide a copy of the report to the Public Staff at the time it is filed with the Commission.
28. **Regulatory Reporting Requirements.** Frontier shall comply with all regulatory reporting requirements shown on Attachment A hereto.
29. **Regulatory Staffing.** Frontier shall maintain sufficient, adequately trained personnel to ensure that regulatory reporting requirements are complied with in a timely and accurate manner, including the reporting requirements listed on Attachment A hereto. Frontier shall notify the Public Staff when there is any change in regulatory or operational personnel at the management/supervisor level. Each year by June 30, Frontier shall provide the Public Staff with an updated directory of regulatory and operational personnel, including phone numbers and e-mail addresses.
30. **Operating and Maintenance Manual.** Frontier shall provide a current copy of its Operating and Maintenance Manual to the Public Staff, and promptly notify the Public Staff in writing of any substantive changes.
31. **Right-of-Way Maintenance Expenditures.** Frontier shall budget and expend sufficient funds to maintain its pipeline rights-of-way so as to allow ready access by personnel and vehicles for the purpose of responding to pipeline damage, conducting leak and corrosion surveys, performing maintenance activities, and ensuring system integrity, safety, and reliability.
32. **Customer Access to Service Representatives and Other Services.** Frontier shall continue to utilize a third-party service for after-hours calls

related to service outages and leaks. Frontier on-call personnel, who respond to calls 24 hours a day, are contacted by the third-party service when a call is received. Additionally, Frontier will continue to provide knowledgeable and experienced customer service representatives during normal business hours to handle all types of customer inquiries. Frontier shall also maintain up-to-date and user-friendly online services and automated telephone service 24 hours a day to perform routine customer interactions and to provide general billing and customer information.

33. **Customer Surveys.** Frontier shall continue to informally survey its customers regarding their satisfaction with Frontier's public utility service and shall incorporate this information into its processes, programs, and services
34. **Overall Service Quality.** Upon consummation of the Merger, Frontier shall continue its commitment to provide safe, reliable, and affordable natural gas service.
35. **Charges for and Allocations of the Costs of Affiliate Transactions.** Frontier shall keep on file with the Commission a cost allocation manual (CAM) with respect to goods or services provided between and among Frontier and its Affiliates. Affiliate transactions will be directly charged where practicable. The CAM shall encompass transactions, allocations, and the bases for the allocations occurring (a) at the UIHH level and below, and (b) with any Affiliate with which Frontier has a frequent or continuing cost allocation or transaction relationship, either directly or indirectly through UIHH or a direct or indirect subsidiary of UIHH. The CAM shall be updated annually, and the revised CAM shall be filed with the Commission no later than March 31 of the year that the CAM is to be in effect.
36. **Affiliated Agreements.** Frontier shall file pursuant to N.C.G.S. § 62-153 agreements for the provision and receipt of goods or services between and among Frontier and its Affiliates. All such agreements that involve payment of fees or other compensation by Frontier shall require acceptance and authorization by the Commission, and shall be subject to any other Commission action required or authorized by North Carolina law and the Rules and orders of the Commission. Prior to making any changes to existing agreements, Frontier shall file such changes with the Commission.
37. **Transfer Pricing Between Affiliates.** For untariffed goods and services provided by Frontier to a non-utility Affiliate, the transfer price paid to Frontier shall be set at the higher of market value or Frontier's cost(s). For untariffed goods and services provided to Frontier by a non-utility Affiliate, the transfer price(s) charged by a non-utility Affiliate to Frontier shall be set at the lower of market value or the non-utility Affiliate's cost(s). Services

provided by Frontier to utility Affiliates or by utility Affiliates to Frontier shall be transferred at the supplier's cost, unless otherwise directed by order of the Commission.

Attachment A

Item #	Description	Frequency	Deadline	Requirement	Docket/Statute/ Rule Reference
1.	FERC Form 2 Report	Annually	April 30	One copy filed with PS Acctng. Div. Copies provided to PS Energy Div. and NCUC Fiscal Management Div.	Rule R6-5(9)
2.	Financial & Operating Report	Monthly	45 days	Provided to PS Acctng. Div.	G.S. 62-36. Official NCUC Request.
3.	Deferred Account Report	Monthly	45 days	Filed w/Chief Clerk. Detailed workpapers provided to PS Acctng. Div.	Rule R1-17(k)(5)(c)
4.	Annual Review Of Gas Costs Filing	Annually	December 1	Filed w/Chief Clerk	G.S. 62-133.4(c) and Rule R1-17(k)
5.	Daily Dispatch Report for last day of month	Monthly	3 days	Filed with Chief Clerk and provided to PS Energy Div.	Rule R6-5(7)
6.	Source of Supply, Sales, Customers and Transportation	Monthly	45 days	Filed w/Chief Clerk	G-100, Sub 24A
7.	Customer Bill Format	Each Time Changed		Filed w/Chief Clerk and provided to PS Energy Div.	Rule R6-5(3)
8.	Natural Gas Bond Fund Economic Feasibility Report	Biennially	November 30	Filed w/Chief Clerk	Rule R6-93

Item #	Description	Frequency	Deadline	Requirement	Docket/Rule Reference
9.	Meter Report	Monthly	30 days	Filed w/Chief Clerk and provided to PS Energy Div.	Rule R6-5(7)b
10.	Contracts with Customers	Each Occurrence	Prior to effective date	If term > 1 year, then filed w/ Chief Clerk for approval. If term < 1 year, then provide to PS Acctng. Div. in Annual Review.	Rule R6-5(2)
11.	Incentive Plans	Each Program	Prior to Offer	Filed w/Chief Clerk. Approval required.	G.S 62-140(c), Rule R6-95
12.	Regulatory Fee Report	Quarterly	45 days	Filed w/NCUC Fiscal Management Div.	Rule R15-1
13.	Notice of Supplier Refunds Received	Each Occurrence	1 week	Filed w/Chief Clerk	G-100, Sub 57
14.	Construction Budget	Annually		Filed w/Chief Clerk	Rule R6-5(6)
15.	GS-1 Report	Quarterly	60 days	Filed w/Chief Clerk	G.S. 62-36, Rule R15-1, M-100, Sub 157
16.	Gas Pipeline Safety Reports	Various	Various	Filed w/Chief Clerk, otherwise contact the NCUC Pipeline Safety Div.	G.S. 62-50, Rules Chapter 6, G-100, Sub 92, and G-40, Sub 142

Item #	Description	Frequency	Deadline	Requirement	Docket/Rule Reference
17.	Annual Affiliated Transactions Report	Annually	March 31	Filed w/Chief Clerk	NCUC Final Order Docket No. G-40, Sub 133
18.	Annual Financing Forecast	Annually	March 31	Provided to PS Economic Research Div. and Acctng. Div.	NCUC Final Order Docket No. G-40, Sub 133
19.	Audited Financial Statement of Hearthstone Utilities, Inc.	Annually	March 31	Provided to PS Acctng. Div.	NCUC Final Order Docket No. G-40, Sub 136
20.	Cost Allocation Manual (CAM)	Annually	March 31	Filed w/Chief Clerk	NCUC Final Order Docket No. G-40, Sub 136
21.	Projected Capital Budget	Annually	June 30	Provided to PS Acctng. Div.	NCUC Final Order Docket No. G-40, Sub 136
22.	G-2 Report -- Planned construction of high pressure (>100 psi) pipeline	Each occurrence	30 days prior	Filed w/Chief Clerk	Docket No. G-100, Sub 92
23.	G-3 Report -- Certifies construction of high pressure (>100 psi) pipeline	Each occurrence	60 days from completion	Filed w/Chief Clerk	Docket No. G-100, Sub 92
24.	Residential Disconnection for Non-payment	Monthly	2 weeks from end of month	Filed w/Chief Clerk	Docket No. M-100, Sub 61A