NCUC Form G.S.-1 Rate of Return Calculations Frontier Natural Gas Company Twelve Months Ended June 30, 2022 (Preliminary)

I WEIVE INO	Total Company (Booked)									
Line <u>No.</u>	Item		Average <u>Capital</u> (a)	Average Capital <u>Ratio</u> (b)		<u>Rate Base</u> (c)	Average Embedded <u>Cost</u> (d)	Overall Cost/ <u>Rate %</u> (e)		Total Company <u>Earnings</u> (f)
1	Long-term Debt	\$	8,700,000	24.79%	\$	8,700,000	4.23%	1.05%	\$	368,010
2	Shareholders Equity		26,401,160	75.21%		26,401,160	11.21%	8.43%		2,958,310
3	Total Capitalization	\$	35,101,160	100.00%	\$	35,101,160		9.48%	\$	3,326,320
								=======		

Ratio of Ea Frontier Na	n G.S1 turn Calculations rnings to Fixed Charges - SEC Method atural Gas Company nths Ended June 30, 2022 (Preliminary)	F	inancial Method Schedule 1a Total
Line			Company
<u>No.</u>	Item		Booked (a)
	Rate of Return on Investment		
1	Net Operating Income	\$	3,478,294
2	Net Investment Including		
	Materials and Supplies	\$	41,553,506
3	Rate of Return on Investment (L1/L2)		8.37%
	Ratio of Earnings to Fixed Charges (SEC)		
4	Net Income	\$	2,958,310
5	Add Back:		
6	Federal Income Tax Including	\$	998,410
	Investment Credits		
7	State Income Tax		(3,279)
8	Total Net Income Plus Income Taxes	\$	3,953,441
	Fixed Charges		
9	Interest Expense	\$	485,854
10	Total Fixed Charges (L9 + L10)	\$	485,854
11	Earnings as Adjusted (L8+L11)	\$	4,439,295
12	Ratio of Earnings to Fixed Charges (L12/L11)		9.14
13	Common Stock Dividends Paid/Declared	\$	1,000,000
14 15	Number of Shares Outstanding: (Rounded to thousands) End of Period Yearly Average		10 10

NCUC Form G.S.-1

Capital

Frontier Natural Gas Company

Twelve Months Ended June 30, 2022 (Preliminary)

Line <u>No.</u> 1	Item Total Company	Long-term <u>Debt*</u> (a)	S	Total hareholder's <u>Equity</u> (c)	Total Capital (<u>col. a+b+c)</u> (d)
	Balance at end of:				
2	Sep-21	8,700,000		25,078,418	33,778,418
3	Oct-21	8,700,000		25,305,558	34,005,558
4	Nov-21	8,700,000		25,665,712	34,365,712
5	Dec-21	8,700,000		25,797,417	34,497,417
6	Jan-22	8,700,000		26,333,513	35,033,513
7	Feb-22	8,700,000		26,766,336	35,466,336
8	Mar-22	8,700,000		27,177,692	35,877,692
9	Jan-22	8,700,000		26,333,513	35,033,513
10	Feb-22	8,700,000		26,766,336	35,466,336
11	Mar-22	8,700,000		27,177,692	35,877,692
12	Apr-22	8,700,000		27,543,578	36,243,578
13	May-22	8,700,000		26,607,649	35,307,649
14	Jun-22	8,700,000		26,661,665	35,361,665
15	Total (Sum of Lines 2 thru 14)	\$ 113,100,000	\$	343,215,080	\$ 456,315,080
16	13 Month Average (L15/13)	\$ 8,700,000	\$	26,401,160	\$ 35,101,160
17	13 Month Average Ratio	24.79%		75.21%	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%

N.C. Rate Base Method Schedule 2

NCUC Form G.S1	
Rate Base	
Frontier Natural Gas Company	
Twelve Months Ended June 30, 2022 (Preliminary)	

nths ended June 30, 2022 (Preliminary)				-	Cost Free	Capital			2
		Plant in	CWIP	Accumulated Provision for	Accumulated Deferred	Operating	Working Capital	Rate Base	Total Comp Booked
Item		Service	Allowed	Depreciation	Income Taxes	Reserves	Allowance	<u>(a+b-c-d-e+f)</u>	<u>CWIP</u>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) 🛁
Total Company Jurisdictional Data									<u></u>
Balance at end of:									<u>0</u>
Jun-21		60,299,697		21,383,784	2,819,033		762,151	36,859,031	2,2
Jul-21		60,782,004		21,521,629	2,576,307		741,545	37,425,613	2,7
Aug-21		61,343,608		21,658,963	2,615,273		761,615	37,830,988	3,2(8) 59
Sep-21		62,647,734		21,800,713	2,661,407		800,297	38,985,912	4,129,896
Oct-21		62,867,188		21,941,331	2,727,435		763,081	38,961,502	4,911,052
Nov-21		63,282,004		22,080,303	2,834,892		924,707	39,291,516	5,336,249
Dec-21		61,555,794		22,225,740	1,791,158		900,565	38,439,461	4,454,399
Jan-22		61,978,206		22,366,807	1,951,110		732,212	38,392,500	4,878,529
Feb-22		62,345,563		22,507,502	2,080,249		706,591	38,464,403	1,354,466
Mar-22		63,193,701		22,648,770	2,202,983		1,241,551	39,583,500	2,220,39
Apr-22		64,494,148		22,790,023	2,312,150		767,915	40,159,890	2,2 <mark>20,</mark> 39 3,552 24 3,2651 14
May-22		65,463,941		22,936,281	2,331,267		814,023	41,010,417	3,2
Jun-22		66,114,742		23,071,548	2,347,383		857,695	41,553,506	3,916,916
Total (Sum of Lines 2 thru 14)	\$	816,368,331 \$	- \$	288,933,394 \$	\$ 31,250,647 \$		\$ 10,773,948 \$	\$ 506,958,238	
13 Month Average (L15/13)	\$	62,797,564 \$	- \$	22,225,646 \$	\$ 2,403,896 \$	-	\$ 828,765 \$	\$ 38,996,788	
	Total Company Jurisdictional DataBalance at end of:Jun-21Jul-21Aug-21Sep-21Oct-21Nov-21Dec-21Jan-22Feb-22Mar-22Apr-22Jun-22Total (Sum of Lines 2 thru 14)	Item Total Company Jurisdictional Data Balance at end of: Jun-21 Jul-21 Aug-21 Sep-21 Oct-21 Nov-21 Dec-21 Jan-22 Feb-22 Mar-22 Apr-22 Jun-21 Total (Sum of Lines 2 thru 14)	Item Plant in Service (a) Total Company Jurisdictional Data 60,299,697 Jun-21 60,299,697 Jun-21 60,299,697 Jul-21 60,290,004 Aug-21 61,343,608 Sep-21 62,647,734 Oct-21 63,282,004 Jan-22 61,978,206 Feb-22 61,978,206 Mar-22 61,978,206 Mar-22 63,193,701 Apr-22 63,493,941 Jun-22 65,463,941 Total (Sum of Lines 2 thru 14) \$	Item Plant in cWIP Service Allowed (a) (b) Total Company Jurisdictional Data 60,299,697 Jun-21 60,782,004 Jul-21 60,782,004 Aug-21 62,647,734 Service 62,647,734 Oct-21 62,867,188 Nov-21 63,282,004 Dec-21 61,555,794 Jan-22 61,978,206 Feb-23 63,193,701 Mar-22 64,494,148 May-22 65,463,941 Jun-22 65,463,941 Total (Sum of Lines 2 thru 14) \$ 816,368,331 \$ > > \$	Item Accumulated Provision for Service Allowed (b) Accumulated Provision for Depreciation (c) Total Company Jurisdictional Data 60,299,697 21,383,784 Jun-21 60,782,004 21,521,629 Aug-21 61,343,608 21,658,963 Sep-21 62,647,734 21,800,713 Oct-21 63,282,004 22,080,303 Dec-21 61,978,206 22,366,807 Jan-22 61,978,206 22,366,807 Feb-23 63,193,701 22,648,770 May-22 64,494,148 22,790,023 Jun-22 64,494,148 22,790,023 Total (Sum of Lines 2 thru 14) \$ 816,368,331 \$ - \$ \$ 288,933,394 \$	Item Cost Free Item Service Allowed Provision for Depreciation Accumulated Provision for Depreciation Accumulated Deferred Income Taxes (d) Total Company Jurisdictional Data 60,299,697 21,383,784 2,819,033 Jul-21 60,782,004 21,521,629 2,576,307 Jul-21 60,782,004 21,521,629 2,576,307 Aug-21 61,343,608 21,658,963 2,615,273 Sep-21 62,867,188 21,903,31 2,727,433 Nov-21 63,282,004 22,080,303 2,84,832 Dec-21 61,555,794 22,225,740 1,791,158 Jan-22 63,193,701 22,668,07 1,951,158 Mar-22 63,393,701 22,648,770 2,200,233 Mar-22 63,493,4148 22,790,023 2,312,150 Mar-22 65,463,941 22,970,023 2,312,150 Mar-22 65,463,941 22,901,1548 2,347,383 Jun-22 65,143,742 23,907,1548 2,347,383 Total (Sum of Lines 2 thru	Item Cost Free Capital Item Plant in Service CWIP Accumulated Provision for (b) Accumulated Deferred (b) Accumulated Deferred Deferred (c) Operating Income Taxes (c) Operating Income Taxes (c) Total Company Jurisdictional Data 60,299,697 21,383,784 2,819,033 (c) Jul-21 60,782,004 21,521,629 2,576,307 (c) (c) Aug-21 60,782,004 21,521,629 2,576,307 (c) (c) (c) Sep-21 62,867,188 21,943,31 2,727,435 (c) (c) (c) Nov-21 63,382,004 22,2080,303 2,834,892 (c) <	Item Cost Free Capital Item Accumulated partin Accumulated Nove (a) Accumulated Allowed (b) Accumulated Provision for (c) Accumulated Deferred (b) Accumulated Deferred (c) More Reserves (e) Working Capital Allowance (e) Jun-21 60,299,697 21,383,784 2,819,033 762,151 Jun-21 60,782,004 21,521,629 2,576,307 741,545 Sep-21 61,343,068 21,658,963 2,615,273 761,615 Nov-21 62,647,734 21,800,713 2,614,077 800,297 Oct-21 63,282,004 22,225,740 1,791,158 900,595 Jan-22 63,573,694 22,225,740 1,791,158 900,595 Jan-22 63,595,563 22,205,502 2,080,249 706,591 Mar-22 63,435,563 22,207,502 2,080,249 706,591 Mar-22 64,494,148 22,290,203 2,312,67 767,915 Mar-22 64,494,148 22,290,203 2,312,67 767,915 Mar-22 64,494,148 22,307,502	Ltem Plant in Item CWIP Plant in (a) Accumulated Provision for (b) Accumulated Perreta (b) Operating Depretation Working Capital Beserves Rate Base (a+b-c-d-ef) Jun-21 60,299,697 21,383,784 2,819,033 762,151 36,859,031 Jun-21 60,729,0697 21,383,784 2,819,033 762,151 36,859,031 Jun-21 60,729,0697 21,383,784 2,819,033 762,151 36,859,031 Jun-21 60,729,0697 21,383,784 2,819,033 762,151 37,839,883 Sep 21 60,729,0697 21,383,784 2,819,033 762,151 37,839,893 Oct-21 63,943,608 21,658,963 2,615,273 761,615 37,830,893 Oct-21 62,867,7188 21,903,33 2,727,435 900,555 38,398,501 Oct-21 63,329,004 22,225,740 1,791,188 900,555 38,398,49,461 Jan-22 64,397,206 22,305,687 1,911,10 732,212 38,392,500 Mar-22 64,397,206 22,205,7002 2,080,249

NCUC Form G.S1	N.C. Rate Base Method
Income Statement	Schedule 4
Frontier Natural Gas Company	Page 1 of 2

Twelve Months Ended June 30, 2022 (Preliminary)

Line <u>No.</u>	Item		Total Company <u>Booked</u> (a)
1	OPERATING REVENUES		
2	Residential Sales	\$	1,382,620
3	Commercial Sales		7,476,219
4	Industrial Sales		4,100,328
5	Sales for Resale:		
6	Transportation		5,104,792
7	Other Revenue		614,136
8	Unbilled Revenue		244,593
9	Total Sales	\$	18,922,688
10	Total Gas Operating Revenues	\$	18,922,688
11	OPERATING EXPENSES		
12	Purchased Gas		8,233,522
13	Maintenance		1,102,173
14	Other Operating Expenses (Except Taxes) (A)		2,944,131
15	Total Operating Expenses	\$	12,279,827
16	Depreciation and Amortization		1,696,471
17	Total Expenses & Depreciation	\$	13,976,298
18	OPERATING TAXES		
19	Federal Income Tax - Deferred		998,410
20	Total Federal Taxes - Operating	\$	998,410
21	State Income Taxes		(3,279)
22	Other Operating Taxes (General)		472,966
23	Total Operating Taxes	\$	1,468,096
24	Total Operating Expenses, Depreciation & Taxes	\$	15,444,395
25	Net Operating Income (L15-L35) (Net of Interest on Customer Deposits)	\$ =	3,478,294

NCUC Form G.S1	Financial Method
Income Statement	Schedule 4
Frontier Natural Gas Company	Page 2 of 2
Twelve Months Ended June 30, 2022 (Preliminary)	

Line <u>No.</u>	Item	Total Company <u>Booked</u> (a)
26	OTHER INCOME	
27	Miscellaneous Income	\$ (34,130)
28	Total Other Income	\$ (34,130)
29	INTEREST CHARGES	
30	Interest on Long-term Debt	\$ 368,010
31	Amortization of Debt Discount and Expense	18,776
32	Other Interest Expense (A)	99,068
33	Total Interest Charges	\$ 485,854
34	Net Income Before Extraordinary and Delayed Items	\$ 2,958,310
35	Net Income	\$ 2,958,310
36	Net Income Available for Shareholders (Common) Equity	\$ 2,958,310
37	Shareholders Equity Capital	\$ 26,661,665
38	Shareholders Equity Capital - Simple Average	\$ 26,401,160
39 40	Rate of Return on Shareholders Equity - Year End Rate of Return on Shareholders (Common) Equity - Simple Average	11.10% 11.21%

NCUC Form G.S.-1 Condensed Balance Sheet Frontier Natural Gas Company

Twelve Months Ended June 30, 2022 (Preliminary)

		Total
Line		Company
No.	Item	Booked
		(a)
1	ASSETS	
2	Gas Plant in Service	\$ 69,448,877
3	Less: Accumulated Depreciation & Amortization	23,071,548
4	Net Plant in Service	\$ 46,377,329
5	Plus: Materials and Supplies	857,695
6	Net Plant in Service and Materials & Supplies	\$ 47,235,024
7	CWIP Allowed in General Rate Cases	3,916,916
8	CIAC	(7,251,050)
9	Current Assets	\$ 2,455,718
10	Total Assets	\$ 46,356,607
11	LIABILITIES AND SHAREHOLDERS EQUITY	
12	Total Shareholders Equity	\$ 26,661,665
13	Total Long-term Debt	8,700,000
14	Total Capitalization (L15 + L16)	\$ 35,361,665
15	Advances from Parent or Affiliate	(10,585)
16	Accumulated Deferred Income Taxes (Net)	2,347,383
17	Other Liabilities	8,658,143
18	Total Liabilities	\$ 46,356,607

Financial Method

Schedule 5

N.C. Rate Base Method Schedule 6

Natural Gas Operations N.C. Retail Revenues and Expenses

			Twelve Months Ended June 30, 2022 (Preliminary) End of Period After Increase				Actual		
Line <u>No.</u>	ltem	Am	-	Allocation Factors in Expenses as a % of <u>Revenue</u> (b)		Retail <u>Amount</u> (d)	Allocation Factors in Expenses as a % of Revenue (e)		
1	OPERATING REVENUES	,		(3)		(4)	(0)		
2	Gross Operating Revenues	\$	18,922,688	100.00%	\$	18,922,688	100.00%		
3	OPERATING REVENUE DEDUCTIONS								
4	Purchased Gas		8,233,522	43.51%		8,233,522	43.51%		
5	Operating & Maintenance Expense		4,046,305	21.38%		4,046,305	21.38%		
6	Depreciation and Amortization		1,696,471	8.97%		1,696,471	8.97%		
7	Taxes Other Than Income Taxes		472,966	2.50%		472,966	2.50%		
8	Taxes - State Income		(3,279)	-0.02%		(3,279)	-0.02%		
9	Taxes - Federal Income and ITC Deferral		998,410	5.28%		998,410	5.28%		
10	Interest on Customer Deposits		5,222	0.03%		5,222	0.03%		
11	Total Operating Expenses	\$	15,446,338	81.63%	\$	15,446,338	81.63%		
12	Net Operating Income for Return	=== \$	======= 3,476,350	====== 18.37%	\$	======================================	====== 18.37%		
		===		======					

NCUC Form G.S.-1 Long-Term Debt and Interest Charges Frontier Natural Gas Company Twelve Months Ended June 30, 2022 (Preliminary)

Line <u>No.</u>	Type Obligation (Bonds, Debentures, Notes, etc.)	lssue <u>Date</u> (a)	Maturity <u>Date</u> (b)	Face <u>Amount</u> (c)	Amount <u>Outstanding</u> (d)	Interest <u>Rate</u> (e)	Interest Booked for 12 Months Ended <u>This Report</u> (f)	Interest Annualized On O/S Long- Term Debt <u>Col. (e)*(d)</u> (g)
1	4.23% Senior Notes	10/19/2016	10/19/2028	8,700,000	8,700,000	4.23	368	3,010 368,010
2	Total Senior Debt		\$	8,700,000 \$	8,700,000		\$ 368	3,010 \$ 368,010
3	Unamortized Debt Expense, Discount and Premium			(211,589)	(66,349)		18	8,776 18,776
4	Total Long-Term Debt		\$	8,488,411 \$	8,633,651		\$ 386	5,786 \$ 386,786

OFFICIAL COPY

NCUC Form G.S1	
Statistical Data	
Frontier Natural Gas Company	
Twelve Months Ended June 30, 2022 (Preliminary)	

Line		Total	
No.	Item	Company	<u>% of Total</u>
		(a)	(e)
1	Operating Revenues		
2	Residential	\$ 1,382,620	7.31%
3	Commercial	7,476,219	39.51%
4	Industrial	4,100,328	21.67%
5	Sales for Resale:		0.00%
6	Transportation	5,104,792	26.98%
7	Other	614,136	3.25%
8	Unbilled	244,593	1.29%
9	Total Revenue from Sales of Gas	\$ 18,922,688	100.00%
10	Dekatherms Sold		
11	Residential	137,285	3.27%
12	Commercial	754,347	17.98%
13	Industrial	442,833	10.56%
14	Sales for Resale:		0.00%
15	Transportation	2,860,202	68.19%
16	Total DTs Sales (Subtotal)	4,194,667	100.00%
	Total DTs Sold (row is tie point for Supp Report)	1,334,465	31.81%
17	Revenue Per DT Sold		
18	Residential	10.07	
19	Commercial	9.91	
20	Industrial	9.26	
21	Sales for Resale:		
22	Transportation	1.78	
24	Total Revenue per DT Sold	4.51	

Schedule 8 Page 1 of 2

NCUC Form G.S1	
Statistical Data	
Frontier Natural Gas Company	

Twelve Months Ended June 30, 2022 (Preliminary)

Line				
<u>No.</u>	ltem	N.C. Retail	<u>% of Total</u>	Customers
		(d)	(e)	6/30/2022
25	Period End Number of Customers			
26	Residential	2,710	58.44%	2,65
27	Commercial	1,700	36.66%	1,79
28	Industrial	196	4.23%	20
30	Sales for Resale:		0.00%	
31	Transportation	31	0.67%	ŝ
32	Total Customers - Period End		100.00%	4,6
		============		
33	Average Number of Customers			
34	Residential	2,681	57.55%	
35	Commercial	1,746	37.48%	
36	Industrial	201	4.30%	
39	Sales for Resale:		0.00%	
40	Transportation	31	0.67%	
41	Total Customers-Average		100.00%	
42	INFORMATIONAL ONLY			
43	Average DT Usage per Customer			
44	Residential	51		
45	Commercial	432		
46	Industrial	2,209		
49	Sales for Resale:			
50	Transportation	92,265		
67	Total DT Usage per Customer - Average	287		

Schedule 8				
Page 2 of 2				

2,651 1,791 205 31 4,678

NCUC Form G.S.-1 NCUC Form G.S.-1 vs. NCUC Fee Frontier Natural Gas Company Twelve Months Ended June 30, 2022 (Preliminary)

Line No.	Item	Total Co	NCUC FEE		
	Revenue Subject to NCUC Fee				
1	Operating Revenues				
2	Residential Sales	1,382,620	1,797		
3	Commercial Sales	7,476,219	9,719		
4	Industrial Sales	4,100,328	5,331		
5	Public Authority Sales	-	-		
6	Unbilled Revenue	244,593	318		
7	Transport				
8	Total Sales of Gas	13,203,760	17,165	-	
	Other Gas Revenue Subject to NCUC Fee:				
9	Other Operating Revenues				
10	Gas Transportation for Others	5,104,792	6,636		
11	Other Operating Revenues	614,136	798		
12	Subtotal - Other Operating Revenue		-		REG FEE
13	Less: Customer Refunds	-	-	_	RATES
14	Total Gas Revenues	18,922,688	24,600		
		24,599	3,664	Q3 2021 Reg Fee	0.130%
			6,332	Q4 2021 Reg Fee	0.130%
			9,046	Q1 2022 Reg Fee	0.130%
				Q2 2022 Reg Fee	0.130%
			24,600		0.130% ANNUAL RATE

NC Jurisdictional Revenue

Schedule 9