

		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	26.11%	\$ 8,700,000	4.23%	1.10%	\$ 368,010
3	Shareholders Equity	24,620,840	73.89%	24,620,840	11.99%	8.86%	2,953,074
4	Total Capitalization	\$ 33,320,840	100.00%	\$ 33,320,840		9.97%	\$ 3,321,084
		=====	=====	=====		=====	=====

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.

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, 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	\$ 3,358,182		\$ 3,358,182		
2	Net Investment Including Materials and Supplies	\$ 34,589,847		\$ 34,589,847		
3	Rate of Return on Investment (L1/L2)	9.71%		9.71%		
<u>Ratio of Earnings to Fixed Charges (SEC)</u>						
4	Net Income	\$ 2,953,074		\$ 2,953,074		
5	Add Back:					
6	Federal Income Tax Including Investment Credits	\$ 741,579		\$ 741,579		
7	State Income Tax	77,312		77,312		
8	Total Net Income Plus Income Taxes	\$ 3,771,965		\$ 3,771,965		
<u>Fixed Charges</u>						
9	Interest Expense	\$ 444,295		\$ 444,295		
10	1/3 Rentals included in Fixed Charges	-		-		
11	Total Fixed Charges (L9 + L10)	\$ 444,295		\$ 444,295		
12	Earnings as Adjusted (L8+L11)	\$ 4,216,260		\$ 4,216,260		
13	Ratio of Earnings to Fixed Charges (L12/L11)	9.49		9.49		
14	Common Stock Dividends Paid/Declared	\$ 2,750,000				
<u>Number of Shares Outstanding: (Rounded to thousands)</u>						
15	End of Period	10				
16	Yearly Average	10				

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.

Line No.	Item	Long-term <u>Debt*</u> (a)	Preferred <u>Stock</u> (b)	Total Shareholder's <u>Equity</u> (c)	Total Capital (<u>col. a+b+c</u>) (d)
1	<u>Total Company</u>				
	Balance at end of:				
2	Dec-19	8,700,000	0	24,061,605	32,761,605
3	Jan-20	8,700,000	0	24,455,565	33,155,565
4	Feb-20	8,700,000	0	24,912,772	33,612,772
5	Mar-20	8,700,000	0	24,511,308	33,211,308
6	Apr-20	8,700,000	0	24,676,802	33,376,802
7	May-20	8,700,000	0	24,806,450	33,506,450
8	Jun-20	8,700,000	0	24,622,546	33,322,546
9	Jul-20	8,700,000	0	24,685,773	33,385,773
10	Aug-20	8,700,000	0	24,760,837	33,460,837
11	Sep-20	8,700,000	0	24,484,669	33,184,669
12	Oct-20	8,700,000	0	24,782,435	33,482,435
13	Nov-20	8,700,000	0	25,045,480	33,745,480
14	Dec-20	8,700,000	0	24,264,679	32,964,679
15	Total (Sum of Lines 2 thru 14)	\$ 113,100,000	\$ -	\$ 320,070,920	\$ 433,170,920
16	13 Month Average (L15/L13)	\$ 8,700,000	\$ -	\$ 24,620,840	\$ 33,320,840
17	13 Month Average Ratio	26.11%	0.00%	73.89%	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%			

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.

Line No.	Item	Cost Free Capital					Rate Base (a+b-c-d-e+f)	Total Company Booked CWIP (h)
		Plant in Service (a)	CWIP Allowed (b)	Accumulated Provision for Depreciation (c)	Accumulated Deferred Income Taxes (d)	Operating Reserves (e)		
1	Total Company Jurisdictional Data							
	Balance at end of:							
2	Dec-19	52,622,127		18,117,933	1,938,510		33,222,778	643,480
3	Jan-20	52,792,066		18,243,426	2,056,053	775,357	33,267,945	825,498
4	Feb-20	53,127,864		18,368,777	2,192,468	788,449	33,355,069	1,161,296
5	Mar-20	53,665,045		18,494,081	2,281,540	735,942	33,625,366	1,698,477
6	Apr-20	53,942,360		18,617,560	2,330,917	714,024	33,707,906	2,017,231
7	May-20	54,418,666		18,742,862	2,369,600	718,364	34,024,568	2,493,719
8	Jun-20	54,714,987		18,874,950	2,389,320	722,461	34,173,177	1,935,769
9	Jul-20	54,962,792		19,003,107	2,408,185	708,337	34,259,837	2,184,611
10	Aug-20	54,575,408		19,134,170	2,430,581	690,005	33,700,661	2,170,373
11	Sep-20	54,667,648		19,263,295	2,467,529	729,818	33,666,642	2,263,607
12	Oct-20	54,835,148		19,392,051	2,503,726	722,217	33,661,588	2,436,626
13	Nov-20	55,975,282		19,534,536	2,582,210	726,229	34,584,765	2,464,069
14	Dec-20	55,827,378		19,658,350	2,302,118	722,937	34,589,847	985,070
15	Total (Sum of Lines 2 thru 14)	\$ 706,126,769	\$ -	\$ 245,445,097	\$ 30,252,757	\$ -	\$ 9,411,233	\$ 23,279,824
16	13 Month Average (L15/13)	\$ 54,317,444	\$ -	\$ 18,880,392	\$ 2,327,135	\$ -	\$ 723,941	\$ 1,790,756

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.

Line No.	Item	Total Company Booked (a)	N.C. Retail Jurisdiction (c)
1	<u>OPERATING REVENUES</u>		
2	Residential Sales	\$ 863,370	\$ 863,370
3	Commercial Sales	6,365,758	6,365,758
4	Industrial Sales	1,404,905	1,404,905
5	Public Street & Highway Lighting	-	
6	Public Authority Sales		
7	Sales for Resale:		
8	Transportation	5,025,156	5,025,156
9	Other Revenue	504,904	504,904
10	Joint Dispatch	-	
11	Provision for Rate Refund	-	0
12	Unbilled Revenue	566,300	566,300
13	Deferred Revenue	-	0
14	Interdepartmental Sales	-	0
15	Total Sales	\$ 14,730,392	\$ 14,730,392
16	All Other Revenues		
17	Total Gas Operating Revenues	\$ 14,730,392	\$ 14,730,392
17A	Other Operating Revenues		
18	<u>OPERATING EXPENSES</u>		
19	Fuel	\$ -	
20	Purchased Gas	\$ 4,773,787	4,773,787
19	Purchased Power - Joint Dispatch	-	
20	Maintenance	620,950	620,950
21	Other Operating Expenses (Except Taxes) (A)	3,133,340	3,133,340
22	Total Operating Expenses	\$ 8,528,078	\$ 8,528,078
23	Depreciation and Amortization	\$ 1,601,827	1,601,827
24	Total Expenses & Depreciation	\$ 10,129,905	\$ 10,129,905
25	<u>OPERATING TAXES</u>		
26	Federal Income Tax Liability	\$ -	-
27	Federal Income Tax - Deferred	741,579	741,579
28	Investment Tax Credit (ITC) Normalization	-	-
29	Amortization of Investment Tax Credits (ITC)	-	-
30	Total Federal Taxes - Operating	\$ 741,579	\$ 741,579
31	State Income Taxes	77,312	77,312
32	State Income Taxes - Deferred	-	-
33	Other Operating Taxes (General)	423,413	423,413
34	Total Operating Taxes	\$ 1,242,304	\$ 1,242,304
35	Total Operating Expenses, Depreciation & Taxes	\$ 11,372,210	\$ 11,372,210
36	Net Operating Income (L15-L35) (Net of Interest on Customer Deposits)	\$ 3,358,182 =====	\$ 3,358,182 =====

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.

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	39,187	39,187
		-----	-----
42	Total Other Income	\$ 39,187	\$ 39,187
		-----	-----
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	42,860	42,860
53	Allowance for Borrowed Funds Used During Constr.	-	-
		-----	-----
54	Total Interest Charges	\$ 444,295	\$ 444,295
		-----	-----
55	Net Income Before Extraordinary and Delayed Items	\$ 2,953,074	\$ 2,953,074
56	Extraordinary & Delayed Items	-	-
		-----	-----
57	Net Income	\$ 2,953,074	\$ 2,953,074
58	Less Preferred Dividends	-	-
		-----	-----
59	Net Income Available for Shareholders (Common) Equity	\$ 2,953,074	\$ 2,953,074
		=====	=====
			-
60	Shareholders Equity Capital	\$ 24,264,679	\$ 24,264,679
61	Shareholders Equity Capital - Simple Average	\$ 24,620,840	\$ 24,620,840
62	Rate of Return on Shareholders Equity - Year End	12.17%	12.17%
63	Rate of Return on Shareholders (Common) Equity - Simple Average	11.99%	11.99%

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.

Line No.	Item	Total Company Booked (a)	Allocation Factor (d)	N.C. Retail Operations (e)
1	<u>ASSETS</u>			
2	Gas Plant in Service	\$ 59,343,188	100.0000%	\$ 59,343,188
3	Less: Accumulated Depreciation & Amortization	\$ 19,658,350	100.0000%	19,658,350
4	Net Plant in Service	\$ 39,684,838		\$ 39,684,838
5	Plus: Materials and Supplies	\$ 722,937	100.0000%	722,937
6	Net Plant in Service and Materials & Supplies	\$ 40,407,775		\$ 40,407,775
1	CWIP Allowed in General Rate Cases	\$ 985,070		985,070
2	CIA/C	\$ (4,500,880)		(4,500,880)
3	Other Property and Investments (Less Depreciation)	\$ -		\$ -
4	Current Assets	\$ 3,527,403	100.0000%	3,527,403
5	Deferred Debits	\$ -		
6	Total Assets	\$ 40,419,368		\$ 40,419,368
7	<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
8	Total Shareholders' Equity	\$ 24,264,679	100.0000%	\$ 24,264,679
9	Total Long-term Debt	\$ 8,700,000	100.0000%	8,700,000
10	Total Capitalization (L15 + L16)	\$ 32,964,679		\$ 32,964,679
11	Short-term Obligations	\$ -		
12	Advances from Parent or Affiliate	\$ 129,743		129,743
13	Deferred Credits	\$ -		
14	Operating Reserves	\$ -		
15	Accumulated Deferred Income Taxes (Net)	\$ 2,302,118	100.0000%	2,302,118
16	Other Liabilities	\$ 5,022,827	100.0000%	5,022,827
17	Total Liabilities	\$ 40,419,368		\$ 40,419,368

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.

		Natural Gas Operations			
		N.C. Retail Revenues and Expenses			
Line No.	Item	Twelve Months Ended December 31, 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	\$ 14,730,392	100.00%	\$ 14,730,392	100.00%
3	<u>OPERATING REVENUE DEDUCTIONS</u>				
4	Fuel Expense	\$ -			0.00%
5	Purchased Gas	4,773,787	32.41%	4,773,787	32.41%
6	Operating & Maintenance Expense	3,754,290	25.49%	3,754,290	25.49%
7		-	0.00%		0.00%
8	Depreciation and Amortization	1,601,827	10.87%	1,601,827	10.87%
9	Taxes Other Than Income Taxes	423,413	2.87%	423,413	2.87%
10	Taxes - State Income	-	0.00%	-	0.00%
11	Taxes - Federal Income and ITC Deferral	741,579	5.03%	741,579	5.03%
12	Taxes - Deferred Income	77,312	0.52%	77,312	0.52%
13	Amortization of Investment Tax Credits (ITC)	-	0.00%		0.00%
14	Interest on Customer Deposits	14,862	0.10%	14,862	0.10%
15	Total Operating Expenses	\$ 11,387,072	77.30%	\$ 11,387,072	77.30%
16	Net Operating Income for Return	\$ 3,343,320	22.70%	\$ 3,343,320	22.70%

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.

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			0	0		0	0
11	Unamortized Debt Expense, Discount and Premium			(211,589)	(101,837)		33,425	33,425
12	Return on Prepaid Interest				0			0
13	Current Portion of Long-Term Debt							0
14	Total Long-Term Debt			\$ 8,488,411	\$ 8,598,163		\$ 401,435	\$ 401,435

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.

Line No.	Item	Total Company (a)	N.C. Retail (d)	% of Total (e)
1	<u>Operating Revenues</u>			
2	Residential	\$ 863,370	\$ 863,370	5.86%
3	Commercial	6,365,758	6,365,758	43.22%
4	Industrial	1,404,905	1,404,905	9.54%
5	Public Street & Highway Lighting	-	0	0.00%
6	Interdepartmental	-	0	0.00%
7	Sales for Resale:	-	0	0.00%
8	Transportation	5,025,156	5,025,156	34.11%
9	Other	504,904	504,904	3.43%
10	Joint Dispatch	-	0	0.00%
11	Provision for Rate Refund	-	0	0.00%
	Unbilled	566,300	566,300	3.84%
12	Mitigation	-	-	0.00%
	Total Revenue from Sales of Gas	\$ 14,730,392	\$ 14,730,392	100.00%
		=====	=====	
13	<u>Dekatherms Sold</u>			
14	Residential	114,952	114,952	2.87%
15	Commercial	679,039	679,039	16.94%
16	Industrial	388,099	388,099	9.68%
17	Public Street & Highway Lighting			0.00%
18	Interdepartmental			0.00%
19	Sales for Resale:			0.00%
20	Transportation	2,827,066	2,827,066	70.52%
21	Special Contract (row is tie point for Supp Report)			0.00%
22	Other		-	
23	Joint Dispatch			0.00%
24	Mitigation			
	Total DTs Sales (Subtotal)	4,009,156	4,009,156	100.00%
	Total DTs Sold (row is tie point for Supp Report)	1,182,090	1,182,090	29.48%
		=====	=====	
26	<u>Revenue Per DT Sold</u>			
27	Residential	7.51	7.51	
28	Commercial	9.37	9.37	
29	Industrial	3.62	3.62	
30	Public Street & Highway Lighting			
31	Interdepartmental	0.00	0.00	
32	Sales for Resale:			
33	Transportation	1.78	1.78	
34	Other	0.00		
35	Total Revenue per DT Sold	3.67	3.67	

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.

Line No.	Item	Total Company (a)	N.C. Retail (d)	% of Total (e)	Customers 12/31/2019
36	<u>Period End Number of Customers</u>				
37	Residential	2,494	2,494	55.53%	2,336
38	Commercial	1,765	1,765	39.30%	1,696
39	Industrial	202	202	4.50%	193
40	Public Street & Highway Lighting	0		0.00%	
41	Interdepartmental	0		0.00%	
42	Sales for Resale:	0		0.00%	
43	Transportation	30	30	0.67%	29
44	Other	0		0.00%	
		-----	-----		
45	Total Customers - Period End	4,491	4,491	100.00%	4,254
		=====	=====		
46	<u>Average Number of Customers</u>				
47	Residential	2,415	2,415	55.23%	
48	Commercial	1,731	1,731	39.58%	
49	Industrial	198	198	4.52%	
50	Public Street & Highway Lighting	0	0	0.00%	
51	Interdepartmental	0	0	0.00%	
52	Sales for Resale:	0	0	0.00%	
53	Special Contract	30	30	0.67%	
54	Other			0.00%	
		-----	-----		
55	Total Customers-Average	4,373	4,373	100.00%	
		=====	=====		
56	<u>INFORMATIONAL ONLY</u>				
57	<u>Average DT Usage per Customer</u>				
58	Residential	48	48		
59	Commercial	392	392		
60	Industrial	1,965	1,965		
61	Public Street & Highway Lighting				
62	Interdepartmental				
63	Sales for Resale:				
64	Transportation	95,833	95,833		
65	Other				
67	Total DT Usage per Customer - Average	270	270		

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.

OFFICIAL COPY

Feb 26 2021

Line No.	Item	Total Co	NC Retail	NCUC FEE
Revenue Subject to NCUC Fee				
1	Operating Revenues			
2	Residential Sales	863,370	863,370	1,122
3	Commercial Sales	6,365,758	6,365,758	8,275
4	Industrial Sales	1,404,905	1,404,905	1,826
5	Public Authority Sales	0	-	-
6	Unbilled Revenue	566,300	566,300	736
7	Transport			
8	Total Sales of Gas	9,200,332	9,200,332	11,960
Other Gas Revenue Subject to NCUC Fee:				
9	Other Operating Revenues			
10	Gas Transportation for Others	5,025,156	5,025,156	6,533
11	Other Operating Revenues	504,904	504,904	656
12	Subtotal - Other Operating Revenue	0	-	-
13	Less: Customer Refunds	0	-	-
14	Total Gas Revenues	14,730,392	14,730,392	19,150
			19,150	6,457
				3,862
				3,293
				5,536
				19,148

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.

Q1 2020 Reg Fee	0.130%
Q2 2020 Reg Fee	0.130%
Q3 2020 Reg Fee	0.130%
Q4 2020 Reg Fee	0.130%
PER G/L	0.130% ANNUAL RATE