

M-1, Sub 12 FNG		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	24.57%	\$ 8,700,000	4.23%	1.04%	\$ 368,010
2	Shareholders Equity	26,709,094	75.43%	26,709,094	9.87%	7.45%	2,636,864
3	Total Capitalization	\$ 35,409,094	100.00%	\$ 35,409,094		8.49%	\$ 3,004,874
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Financial Method
Schedule 1a

Line No.	Item	Total Company Booked (a)
	<u>Rate of Return on Investment</u>	
1	Net Operating Income	\$ 3,251,918
2	Net Investment Including Materials and Supplies	\$ 42,609,890
3	Rate of Return on Investment (L1/L2)	7.63%
	<u>Ratio of Earnings to Fixed Charges (SEC)</u>	
4	Net Income	\$ 2,636,864
5	Add Back:	
6	Federal Income Tax Including Investment Credits	\$ 708,539
7	State Income Tax	67,577
8	Total Net Income Plus Income Taxes	\$ 3,412,980
	<u>Fixed Charges</u>	
9	Interest Expense	\$ 636,351
10	Total Fixed Charges (L9 + L10)	\$ 636,351
11	Earnings as Adjusted (L8+L11)	\$ 4,049,331
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12	Ratio of Earnings to Fixed Charges (L12/L11)	6.36
		=====
13	Common Stock Dividends Paid/Declared	\$ 2,075,000
	<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, 2022 (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-21	8,700,000	25,797,417	34,497,417
3	Jan-22	8,700,000	26,333,513	35,033,513
4	Feb-22	8,700,000	26,766,336	35,466,336
5	Mar-22	8,700,000	27,177,692	35,877,692
6	Apr-22	8,700,000	27,543,578	36,243,578
7	May-22	8,700,000	26,607,649	35,307,649
8	Jun-22	8,700,000	26,661,665	35,361,665
9	Jul-22	8,700,000	26,624,792	35,324,792
10	Aug-22	8,700,000	26,761,370	35,461,370
11	Sep-22	8,700,000	26,576,910	35,276,910
12	Oct-22	8,700,000	26,872,106	35,572,106
13	Nov-22	8,700,000	27,135,918	35,835,918
14	Dec-22	8,700,000	26,359,281	35,059,281
15	Total (Sum of Lines 2 thru 14)	\$ 113,100,000	\$ 347,218,227	\$ 460,318,227
16	13 Month Average (L15/13)	\$ 8,700,000	\$ 26,709,094	\$ 35,409,094
17	13 Month Average Ratio	24.57%	75.43%	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, 2022 (Preliminary)

Line No.	Item	Cost Free Capital						Rate Base (a+b-c-d-e+f) (g)	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)	Working Capital Allowance (f)		
1	<u>Total Company Jurisdictional Data</u>								
	Balance at end of:								
2	Dec-21	61,555,794		22,225,740	1,791,158		900,565	38,439,461	4,454,399
3	Jan-22	61,978,206		22,366,807	1,951,110		732,212	38,392,500	4,878,529
4	Feb-22	62,345,563		22,507,502	2,080,249		706,591	38,464,403	1,354,466
5	Mar-22	63,193,701		22,648,770	2,202,983		1,241,551	39,583,500	2,220,739
6	Apr-22	64,494,148		22,790,023	2,312,150		767,915	40,159,890	3,532,724
7	May-22	65,463,941		22,936,281	2,331,267		814,023	41,010,417	3,265,014
8	Jun-22	66,114,742		23,071,548	2,347,383		857,695	41,553,506	3,916,916
9	Jul-22	66,742,434		23,208,191	2,336,382		869,340	42,067,202	4,335,880
10	Aug-22	67,725,068		23,343,329	2,377,132		893,728	42,898,335	5,302,884
11	Sep-22	66,447,435		23,478,421	2,322,095		992,096	41,639,015	4,029,396
12	Oct-22	66,937,932		23,613,503	2,397,724		951,199	41,877,904	4,519,893
13	Nov-22	67,304,908		23,747,394	2,476,436		970,071	42,051,149	4,890,055
14	Dec-22	68,021,330		23,909,261	2,565,457		1,063,279	42,609,890	3,058,514
15	Total (Sum of Lines 2 thru 14)	\$ 848,325,203	\$ -	\$ 299,846,769	\$ 29,491,526	\$ -	\$ 11,760,266	\$ 530,747,173	\$ 49,759,408
16	13 Month Average (L15/13)	\$ 65,255,785	\$ -	\$ 23,065,136	\$ 2,268,579	\$ -	\$ 904,636	\$ 40,826,706	\$ 3,827,647

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Line No.	Item	Total Company Booked (a)
1	<u>OPERATING REVENUES</u>	
2	Residential Sales	\$ 1,635,002
3	Commercial Sales	8,920,091
4	Industrial Sales	5,637,252
5	Sales for Resale:	
6	Transportation	5,250,744
7	Other Revenue	648,422
8	Unbilled Revenue	1,137,965
9	Total Sales	\$ 23,229,476
10	Total Gas Operating Revenues	\$ 23,229,476
11	<u>OPERATING EXPENSES</u>	
12	Purchased Gas	12,170,078
13	Maintenance	1,408,899
14	Other Operating Expenses (Except Taxes) (A)	3,535,441
15	Total Operating Expenses	\$ 17,114,418
16	Depreciation and Amortization	1,683,521
17	Total Expenses & Depreciation	\$ 18,797,938
18	<u>OPERATING TAXES</u>	
19	Federal Income Tax - Deferred	708,539
20	Total Federal Taxes - Operating	\$ 708,539
21	State Income Taxes	67,577
22	Other Operating Taxes (General)	403,504
23	Total Operating Taxes	\$ 1,179,620
24	Total Operating Expenses, Depreciation & Taxes	\$ 19,977,558
25	Net Operating Income (L15-L35) (Net of Interest on Customer Deposits)	\$ 3,251,918 =====

Line No.	Item	Total Company Booked (a)
26	<u>OTHER INCOME</u>	
27	Miscellaneous Income	\$ 21,298
28	Total Other Income	\$ 21,298
29	<u>INTEREST CHARGES</u>	
30	Interest on Long-term Debt	\$ 368,010
31	Amortization of Debt Discount and Expense	13,920
32	Other Interest Expense (A)	254,420
33	Total Interest Charges	\$ 636,351
34	Net Income Before Extraordinary and Delayed Items	\$ 2,636,864
35	Net Income	\$ 2,636,864
36	Net Income Available for Shareholders (Common) Equity	\$ 2,636,864
37	Shareholders Equity Capital	\$ 26,359,281
38	Shareholders Equity Capital - Simple Average	\$ 26,709,094
39	Rate of Return on Shareholders Equity - Year End	10.00%
40	Rate of Return on Shareholders (Common) Equity - Simple Average	9.87%

Line No.	Item	Total Company Booked (a)
1	<u>ASSETS</u>	
2	Gas Plant in Service	\$ 73,720,239
3	Less: Accumulated Depreciation & Amortization	23,909,261

4	Net Plant in Service	\$ 49,810,978
5	Plus: Materials and Supplies	1,063,279

6	Net Plant in Service and Materials & Supplies	\$ 50,874,257
7	CWIP Allowed in General Rate Cases	3,058,514
8	CIAC	(8,757,423)

9	Current Assets	\$ 7,090,280

10	Total Assets	\$ 52,265,628
		=====
11	<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>	
12	Total Shareholders Equity	\$ 26,359,281
13	Total Long-term Debt	8,700,000

14	Total Capitalization (L15 + L16)	\$ 35,059,281
15	Advances from Parent or Affiliate	(773,916)
16	Accumulated Deferred Income Taxes (Net)	2,565,457
17	Other Liabilities	15,414,806

18	Total Liabilities	\$ 52,265,628
		=====

Natural Gas Operations
N.C. Retail Revenues and Expenses

Line No.	Item	Twelve Months Ended December 31, 2022 (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	\$ 23,229,476	100.00%	\$ 23,229,476	100.00%
3	<u>OPERATING REVENUE DEDUCTIONS</u>				
4	Purchased Gas	12,170,078	52.39%	12,170,078	52.39%
5	Operating & Maintenance Expense	4,944,340	21.28%	4,944,340	21.28%
6	Depreciation and Amortization	1,683,521	7.25%	1,683,521	7.25%
7	Taxes Other Than Income Taxes	403,504	1.74%	403,504	1.74%
8	Taxes - State Income	67,577	0.29%	67,577	0.29%
9	Taxes - Federal Income and ITC Deferral	708,539	3.05%	708,539	3.05%
10	Interest on Customer Deposits	(19,912)	-0.09%	(19,912)	-0.09%
11	Total Operating Expenses	\$ 20,025,224	86.21%	\$ 20,025,224	86.21%
12	Net Operating Income for Return	\$ 3,204,253	13.79%	\$ 3,204,253	13.79%

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)	(109,794)		13,920	13,920
4	Total Long-Term Debt			\$ 8,488,411	\$ 8,590,206		\$ 381,930	\$ 381,930

Line No.	Item	Total Company (a)	% of Total (e)
1	<u>Operating Revenues</u>		
2	Residential	\$ 1,635,002	7.04%
3	Commercial	8,920,091	38.40%
4	Industrial	5,637,252	24.27%
5	Sales for Resale:		0.00%
6	Transportation	5,250,744	22.60%
7	Other	648,422	2.79%
8	Unbilled	1,137,965	4.90%

9	Total Revenue from Sales of Gas	\$ 23,229,476	100.00%
		=====	
10	<u>Dekatherms Sold</u>		
11	Residential	139,664	3.25%
12	Commercial	741,380	17.27%
13	Industrial	462,938	10.78%
14	Sales for Resale:		0.00%
15	Transportation	2,949,418	68.70%

16	Total DTs Sales (Subtotal)	4,293,401	100.00%
	Total DTs Sold (row is tie point for Supp Report)	1,343,982	31.30%
		=====	
17	<u>Revenue Per DT Sold</u>		
18	Residential	11.71	
19	Commercial	12.03	
20	Industrial	12.18	
21	Sales for Resale:		
22	Transportation	1.78	
24	Total Revenue per DT Sold	5.41	

Line No.	Item	N.C. Retail (d)	% of Total (e)	Customers 12/31/2021
25	<u>Period End Number of Customers</u>			
26	Residential	2,833	58.74%	2,781
27	Commercial	1,756	36.41%	1,822
28	Industrial	203	4.21%	214
30	Sales for Resale:		0.00%	
31	Transportation	31	0.64%	31

32	Total Customers - Period End	4,823	100.00%	4,848
		=====		
33	<u>Average Number of Customers</u>			
34	Residential	2,807	58.05%	
35	Commercial	1,789	37.00%	
36	Industrial	209	4.31%	
39	Sales for Resale:		0.00%	
40	Transportation	31	0.64%	

41	Total Customers-Average	4,836	100.00%	
		=====		
42	<u>INFORMATIONAL ONLY</u>			
43	<u>Average DT Usage per Customer</u>			
44	Residential	50		
45	Commercial	414		
46	Industrial	2,220		
49	Sales for Resale:			
50	Transportation	95,143		
67	Total DT Usage per Customer - Average	278		

Line No.	Item	Total Co	NCUC FEE	
Revenue Subject to NCUC Fee				
1	Operating Revenues			
2	Residential Sales	1,635,002	2,210	
3	Commercial Sales	8,920,091	12,057	
4	Industrial Sales	5,637,252	7,620	
5	Public Authority Sales	-	-	
6	Unbilled Revenue	1,137,965	1,538	
7	Transport			
8	Total Sales of Gas	17,330,310	23,425	
Other Gas Revenue Subject to NCUC Fee:				
9	Other Operating Revenues			
10	Gas Transportation for Others	5,250,744	7,097	
11	Other Operating Revenues	648,422	876	
12	Subtotal - Other Operating Revenue		-	
13	Less: Customer Refunds	-	-	
14	Total Gas Revenues	23,229,476	31,399	
		31,399	9,046	Q1 2022 Reg Fee 0.130%
			5,558	Q2 2022 Reg Fee 0.130%
			5,439	Q3 2022 Reg Fee 0.140%
			11,356	Q4 2022 Reg Fee 0.140%
			31,399	0.135% ANNUAL RATE