



3000 Spenard Road
P.O. Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

August 1, 2022

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Tariff Advice Letter TA334-4, Interim and Permanent Rate Increase

Dear Commissioners:

ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc. (“ENSTAR” or “Company”)¹ transmits this filing in compliance with the Alaska Public Utilities Regulatory Act (AS 42.05) and Sections 3 AAC 48.200 - 3 AAC 48.430 of the Alaska Administrative Code, and as required by Order U-16-066(19) and Order U-16-066(22).

I. INTERIM TARIFF SHEETS

<u>Tariff Sheet</u>		<u>Cancels Sheet</u>		<u>Schedule or Rule Number</u>
<u>Number</u>	<u>Revision</u>	<u>Number</u>	<u>Revision</u>	
201	16th	201	15th	Rates – Section 2001 G1
202	15th	202	14th	Rates – Section 2002 G2
203	15th	203	14th	Rates – Section 2003 G3
204	Tenth	204	Ninth	Rates – Section 2004 G4
211	14th	211	13th	Rates – Section 2101 PPT
212	Ninth	212	Eighth	Rates – Section 2145 MSFT
213	Eighth	213	Seventh	Rates – Section 2150 VLFT
214	Seventh	214	Sixth	Rates – Section 2050 VLFT
214.1	Second	214.1	First	Rates – Section 2050 VLFT
216	12th	216	11th	Rates – Section 2201 IIT
218	Ninth	218	Eighth	Rates – Section 2251 ITS

¹ The terms “ENSTAR Natural Gas Company,” “ENSTAR,” and “Company” are used collectively to include Alaska Pipeline Company and ENSTAR, which are regulated as a single entity.

II. PERMANENT TARIFF SHEETS

<u>Tariff Sheet</u>		<u>Cancels Sheet</u>		<u>Schedule or Rule Number</u>
<u>Number</u>	<u>Revision</u>	<u>Number</u>	<u>Revision</u>	
5	Sixth	5	Fifth	Index
165	Fifth	165	Fourth	Section 1640 – Terms and Conditions for Firm Transportation Service
201	17th	201	16th	Rates – Section 2001 G1
202	16th	202	15th	Rates – Section 2002 G2
203	16th	203	15th	Rates – Section 2003 G3
204	11th	204	Tenth	Rates – Section 2004 G4
212	Tenth	212	Ninth	Rates – Section 2145 MSFT
213	Ninth	213	Eighth	Rates – Section 2150 VLFT
214	Eighth	214	Seventh	Rates – Section 2150 VLFT
214.2	Original	--	--	Rates – Schedule 2160 SCPPFT
214.3	Original	--	--	Rates – Schedule 2160c SCPPFT
214.4	Original	--	--	Rates – Schedule 2160c(2) SCPPFT
214.5	Original	--	--	Rates – Schedule 2160c(2) SCPPFT
216	13th	216	12th	Rates – Section 2201 IIT
218	Tenth	218	Ninth	Rates – Section 2251 ITS

III. REQUEST

Since its last rate case in Docket U-16-066, ENSTAR has shown a steadfast commitment to system reliability and pipeline, employee, and customer safety. ENSTAR has risen to the challenges presented by a changing and increasingly risky operating environment to demonstrate industry-leading safety, reliability, and resiliency while delivering excellent service. In this rate filing, ENSTAR requests interim and permanent rate relief to allow it an opportunity to recover its reasonable and necessary, prudently-incurred costs and the opportunity to earn a fair return of and on its prudent capital investments necessary to provide utility service to its customers. Despite an overall inflation rate increase of 10.1% from the end of 2015 to the end of 2021, ENSTAR seeks Regulatory Commission of Alaska (“RCA” or “Commission”) approval for a modest 1.40% overall revenue requirement increase (5.68% excluding the cost of gas).

The test year for ENSTAR’s currently-effective rates was 2015. In the intervening years, ENSTAR weathered a global pandemic and a magnitude 7.1 earthquake that rocked Southcentral Alaska. ENSTAR excelled in spite of these challenges. Over the past six years, ENSTAR has improved its reliability metrics, improved its employee safety metrics, and seen increased customer satisfaction scores. In 2021, ENSTAR celebrated its 60th year of serving customers in Alaska.

The Commission observed in Order U-16-066(19) that “[d]uring this proceeding it was undisputed that ENSTAR operates a safe and reliable utility whose cost to distribute gas to its

customers is well below the average cost nationwide.”² This statement is a source of pride and a guiding principle in ENSTAR’s ongoing operations. If ENSTAR’s filing is approved, its cost of natural gas delivery service (customer charge and service charge, excluding gas commodity cost) for an average G1 Gas Sales customer will be \$3.02 per Mcf.³ In comparison, this is less than half of the national average cost for natural gas distribution service during 2021 of \$6.13 per Mcf.

ENSTAR’s proposals in this docket have taken into consideration Commission precedent including its decisions in Order U-16-066(19) and other dockets. The modest revenue requirement increase requested in this filing reflects an increase in ENSTAR’s normalized operations and maintenance expenses, mainly due to labor inflation, materials and supplies inflation, safety-related costs, increased federal regulation, and additional regulatory changes and compliance efforts. Prudently incurred capital investment placed in service by the end of the test year is also reflected. The just and reasonable rates requested by ENSTAR in this filing will allow it to continue providing safe, efficient, and reliable service during the rate effective period.

IV. SUMMARY OF RATE CHANGES

ENSTAR is filing this rate case, including a lead-lag study, based on a 2021 test year as required by Order U-16-066(19) and Order U-16-066(22). ENSTAR’s revenue requirement study demonstrates that due to its prudent capital investments in its transmission and distribution system, increased operating expenses, and other factors, ENSTAR is underearning, and an adjustment is necessary to reflect the investments it has made on its customers’ behalf. ENSTAR is therefore requesting interim and permanent increases to its base rates. Base rates recover ENSTAR’s costs of delivering gas to over 150,000 residential and commercial, and several transport customers, in Anchorage, the Matanuska-Susitna Valley, the Kenai Peninsula, and surrounding areas. This filing requests a permanent revenue increase of approximately \$5.04 million, representing a 1.40% increase in ENSTAR’s total revenues including gas costs (which represents a 5.68% increase in base rates), with an across-the-board interim rate increase of 1.5% (approximately \$1.3 million).

V. COMPONENTS OF THE BASE RATE FILING

Included with this tariff advice letter are the revised tariff sheets identified above and the prefiled testimony of ENSTAR’s witnesses, who address ENSTAR’s request for both interim and permanent rate relief.

Attachment A is an index of the attachments, testimony, and exhibits supporting ENSTAR’s rate request. The revenue requirement study required by 3 AAC 48.275(a) with rate base calculated on a 13-month average (with certain adjustments) is included as Attachment B. Page 38 of Attachment B is the schedule of proposed rates. Attachment C contains the cost-of-service (“COS”) study information required by 3 AAC 48.275(h). Attachment D contains the rate schedules with the interim increase applied on an across-the-board basis, and rate schedules with

² Order U-16-066(19) at 10.

³ Mcf is one thousand cubic feet.

the requested permanent rates are included as Attachment E. The supporting testimony of ENSTAR's witnesses, along with their attachments and exhibits, are also included as required by 3 AAC 48.275(a) and (h).

VI. PROPOSED COST OF CAPITAL

ENSTAR is proposing to use its actual capital structure as of December 31, 2021, which consists of 45.89% debt and 54.11% equity. The Company proposes an overall rate of return of 8.32%, which was calculated using ENSTAR's current actual cost of debt, 2.86%, and a proposed 12.95% cost of equity, as recommended by ENSTAR witnesses Mr. Mark A. Moses and Mr. Dylan W. D'Ascendis. The Commission typically approves the use of a public utility's actual capital structure and actual cost of debt.

ENSTAR is a unique transmission and distribution utility operating in an increasingly challenging environment. As described in more detail by Mr. D'Ascendis, ENSTAR's requested rate of return is appropriate based on his quantitative modeling, the unique risks ENSTAR faces to its operations, and the increased risks that have arisen since ENSTAR's last rate case. Mr. John D. Sims' prefiled testimony identifies some of the business and operational risks presented by ENSTAR, including: (1) ENSTAR's provision of not only distribution, but also transmission services; (2) remote geographic location and relatively harsh operating environment; (3) lack of gas supply diversity; and (4) small size. The Commission considered these risk factors, and others, and determined that they increased ENSTAR's risk in its determination of a fair and reasonable return on equity for ENSTAR in Order U-16-066(19).

If the revenue requirement and rates included in this filing are approved, it will enable ENSTAR to maintain its financial integrity and better position the Company to address these significant challenges.

VII. RATE BASE AND REVENUE REQUIREMENT ADJUSTMENTS

ENSTAR's revenue requirement is calculated using the 2021 test year with pro forma adjustments, including those for known and measurable changes, as necessary to arrive at the "normalized" test year data included in this filing. Normalizing test year data is a standard regulatory practice followed by the Commission and is intended to produce rates that more accurately portray ENSTAR's expected annual costs and revenues for the period when the rates will be in effect. ENSTAR's filing includes a calculation of its rate base beginning with the 13-month average test-year balances. Schedules A through U of the 275(a) filing (Attachment B) show the pro forma adjustments to ENSTAR's revenues, expenses, and rate base. The adjustments are discussed in the prefiled direct testimony of Mr. Daniel M. Dieckgraeff, Dr. Bruce H. Fairchild, Ms. Chelsea N. Guintu, and Mr. Moses.

A. 2021 SAFETY AND RELIABILITY IMPROVEMENTS

ENSTAR is committed to providing safe and reliable service to its customers. Since its last test year in 2015, ENSTAR has deployed over \$100 million in capital additions. In 2021,

ENSTAR placed approximately \$4 million, or 18% of its 2021 capital expenditures, into facilities that meet the Commission's stated standard for annualizing pro forma adjustments for test year plant.⁴ Mr. Sims describes these investments in his prefiled testimony, including:

- MP39 Station Rebuild – Installation of above-ground valves and upgrading of pigging facilities to address safety concerns with maintenance of underground valves and improved ability for internal inspection of this section of pipeline. All of the gas supplied to customers in the Mat-Su Valley and Matanuska Electric Association, Inc.'s ("MEA") power plant flow through this station. ENSTAR's test year investment for this project was approximately \$1.1 million.
- Bernice Lake Reg Station – Replacement of 1966 era station building, elimination of buried valves, installation of water bath heater, separator, new odorization system, and fencing to secure the site to ensure this critical station can continue to reliably serve system needs. ENSTAR invested approximately \$1.7 million for this project during the test year.

B. LEAD-LAG STUDY TO DETERMINE CASH WORKING CAPITAL

The Commission required ENSTAR to file a lead-lag study with this rate case in Order U-16-066(19) and reaffirmed the requirement in Order U-16-066(22). The lead-lag study is used to determine ENSTAR's cash working capital requirement for rate base. The lead-lag study in this case, which is presented in the prefiled testimony of Mr. Harold Walker, III, measured the level of funding ENSTAR requires to operate on a day-to-day basis in a sufficient amount to cover the cost of service. This was measured by calculating the lag between: (1) the amount of time elapsed between the provision of the cost of service and the receipt of the revenue requirement from ENSTAR's customers (known as the revenue lag), and (2) the amount of time elapsed between when ENSTAR receives goods and services used in providing service and the payment by ENSTAR for those cost-of-service items (known as the expense lead). The difference between these two elapsed periods of time is known as the net lag. The net lag was multiplied by the average daily cost of service (or revenue requirement) to determine ENSTAR's cash working capital requirement of \$9,834,683. The summary calculation of ENSTAR's cash working capital requirements is found at Exhibit HW-2 to Mr. Walker's testimony.

VIII. WEATHER NORMALIZATION

The 2021 test year weather, as measured in heating degree days ("HDD"), was anomalously cold for recent years, departing significantly from the normal range of temperature fluctuations. There is a strong correlation between HDD and ENSTAR's General Service customer usage. As such, 2021 was not representative of the revenues that ENSTAR is likely to earn in the rate-effective period. Therefore, as described in detail by Mr. Dieckgraeff in his

⁴ See Order U-16-066(19) at 26 ("We have allowed annualizing pro forma adjustments for plant placed in service during the test year that provides a benefit to ratepayers, such as a reduction in costs or an increase in safety and reliability"); see also Order U-19-070(21) at 48 ("In all of the relevant cases cited above, the adjustment must be for plant primarily built to benefit ratepayers").

prefiled testimony, ENSTAR proposes to weather normalize the test year use per consuming customer for its General Service customer classes, to arrive at a normalized use per customer. ENSTAR does not propose to weather normalize its medium transportation, large transportation, and power plant customer volumes. The overall impact of ENSTAR's adjustment is a reduction of 3,000,535 Mcf to test year volumes and \$3,641,825 to test year revenue (excluding gas cost).

IX. COST-OF-SERVICE STUDY

Attachment C to this TA filing contains the COS study information required by 3 AAC 48.275(h), which is sponsored in testimony by Dr. Fairchild. The COS study is an engineering, accounting, and economic analysis designed to allocate ENSTAR's total cost of providing service to specific customers or customer classes. Many of a utility's operating expenses and much of its capital investment are incurred to serve all customers. Because these joint and common costs cannot be directly tied to specific customers, they must be apportioned among customers and/or customer classes. This apportionment is accomplished through a COS study, in which operating and capital costs are allocated using factors developed from operating data reflecting cost causation. The sum of the costs allocated to each customer and/or customer class in the COS study represents class revenue requirements, or that portion of the utility's total costs for which a particular customer or customer class is responsible.

The COS study presented here follows the methodology approved by the Commission in Order U-16-066(19), the statutory final order in ENSTAR's last rate case. Most capacity-related costs, which are primarily related to transmission activities, are apportioned between customer classes using an allocation factor. This is calculated by weighting equally the relative contributions of each customer class to the test year coincident system peak demand and average day demand, which is the equivalent of volumes. As approved in Order U-16-066(19), administrative and general expenses and general plant are apportioned using a payroll allocator, uncollectible accounts expenses are borne solely by the general service customer classes, and none of the measuring and regulating expenses or related plant are allocated to the mid-sized firm transport class.

X. RATE DESIGN

The vast majority of the costs ENSTAR incurs to provide service to its General Service customers, other than the cost of gas, are essentially fixed. This means ENSTAR incurs substantially all of these costs regardless of how much gas is sold. For its General Service rate classes, ENSTAR is proposing to increase the portion of its costs that are recovered via the customer charge, decreasing the volumetric charge, as addressed by Mr. Dieckgraeff and Dr. Fairchild. ENSTAR is not proposing to move to a completely decoupled rate but recognizes the benefit for both the Company and ratepayers by taking a meaningful step in that direction. For ratepayers, this will allow more transparency on their monthly bill and greater predictability on utility costs. For ENSTAR, this helps to mitigate the losses experienced by the consistent trend of declining use per customer, while maintaining the same infrastructure and system reliability required to serve these customers.

ENSTAR developed and proposes straight fixed variable (“SFV”) rates for its transportation customers, which will recover fixed costs through a monthly service charge and variable costs through a volumetric charge. This proposed change in rate design is addressed by Mr. Sims, Mr. Dieckgraeff, and Dr. Fairchild. Currently, ENSTAR’s electric utility transport customers are being driven by federal, state and local governments, and their own boards, to reduce their dependency on fossil fuels. They are looking to increase investments in renewable energy resources, while at the same time maintaining reliability and continuity of service. As explained in Ms. Johansen’s testimony, this will impact the volumes transported on ENSTAR’s system during the rate-effective period. However, decreases in volume do not equate to decreases in ENSTAR’s costs on its transportation system. The SFV rate design proposed by ENSTAR allows full recovery of fixed costs via fixed charges.

ENSTAR has also developed a rate schedule and classification for members of the tight power pool between Chugach Electric Association, Inc. and MEA, described by Mr. Dieckgraeff in his testimony. The rate schedule allows these customers to: (1) move gas to the major pool member power plants for the same marginal transportation rate, and (2) effectively share the contracted demand between the members of the pool so that they can move loads among the most efficient units available without incurring penalties for exceeding individual contracted demands.

XI. TRISUMMIT UTILITIES INC. ACQUISITION

On June 24, 2022, a United States subsidiary of TriSummit Utilities Inc. along with an indirect AltaGas subsidiary, SEMCO Energy, Inc. (“SEMCO”), filed a joint application for Commission approval of the transfer of ENSTAR’s certificates. The application was part of a proposed transaction for the sale of SEMCO’s Alaska utility business interests, which include ENSTAR and APC. The application is pending before the Commission in Dockets U-22-032 and U-22-033. ENSTAR does not know if the transaction will close, and if it does, how it will impact this proceeding. If the transaction closes while this rate case is pending, ENSTAR may supplement its testimony and rate filing if required.

XII. INTERIM RATE RELIEF

If the Commission suspends ENSTAR’s permanent rate increase request pending additional investigation, ENSTAR requests the Commission allow an across-the-board interim and refundable increase of 1.5% to base rates (approximately 0.4% on total revenues including gas cost) which is expected to generate an increase in annual revenue of approximately \$1.3 million effective for billings on or after October 1, 2022, which is the beginning of the first month following the statutory 45-day review period.⁵ Mr. Dieckgraeff sponsors ENSTAR’s request for interim rate relief in his prefiled testimony.

⁵ In calculating the amount of the across-the-board interim increase request, ENSTAR recalculated its revenue requirement request utilizing its last authorized return on equity (11.875% set in Order U-16-066(19)) in accordance with Commission precedent. Given the historical preference that rate increases be implemented incrementally to mitigate the impact on its customers, ENSTAR is requesting interim rates sufficient to recover only approximately one-half of the deficiency that calculation produces.

The refundable nature of the rates fully protects customers against over-recovery; ENSTAR, by contrast, has no protection against an under-recovery. The interim rate increase ENSTAR has requested is consistent with Alaska Supreme Court precedent and should be granted.

A. ENSTAR’s current rates do not afford a reasonable return.

In *Alaska Public Utilities Commission v. Greater Anchorage Area Borough*, the Alaska Supreme Court stated, “Rates which do not afford a reasonable return on the value of property used in the public service have been held to be confiscatory.”⁶ Similarly, the United States Supreme Court has made clear that rates—whether permanent or interim—cannot be confiscatory. Specifically, the Court has explained that:

The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economic management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.⁷

The Court has also recognized that:

From the . . . company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt⁸

In keeping with state, federal, and Commission precedent, in the event the Commission suspends this TA filing into a docket, ENSTAR is entitled to rates throughout the proceeding that include a return sufficient to support its continued financial integrity. The rates in effect today do not meet that legal standard. ENSTAR’s continued success depends on adequate earnings, and consistent earnings require interim rates established at the requested level. As explained in Mr. Dieckgraef’s prefiled testimony, ENSTAR’s current rates result in an effective return on equity of 10.68% and do not afford ENSTAR the opportunity to earn the 11.875% return on equity authorized in its last adjudicated rate case.

B. ENSTAR has demonstrated the need for interim rate relief under Alaska law.

Alaska law, in particular *Greater Anchorage Area Borough*, echoes the legal standard set

⁶ 534 P.2d 549, 558 n.26 (Alaska 1975).

⁷ *Bluefield Waterworks and Improvement Company v. Public Service Commission of West Virginia*, 262 U.S. 679, 693 (1923).

⁸ *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591, 603 (1944).

forth in U.S. Supreme Court precedent.⁹ The Alaska Supreme Court has held that utilities should be protected against irreparable harm if, in fact, interim and refundable rates are too low. In this case, ENSTAR has demonstrated through its supporting schedules, at Exhibit DMD-7 to Mr. Dieckgraeff's prefiled testimony, that its currently effective rates are confiscatorily low, at an effective return on equity of 10.68%. This evidence is not "frivolous or obviously without merit."¹⁰ Indeed, the evidence shows that the revenue resulting from ENSTAR's current rates is below the amount necessary for ENSTAR to recover its current costs of providing service (including its opportunity to earn its authorized return on its capital investments). Moreover, the currently effective rates are likely to remain in effect for at least 450 days, the statutory deadline for adjudicating ENSTAR's rate case. The period of time the confiscatory rate levels will remain in effect would be unreasonably long if an interim rate increase were not granted.

ENSTAR's requested interim rate relief is essential to avoid continuation of confiscatory rates and meets the standards set out in *Greater Anchorage Area Borough*. Since the refundable nature of the rates protects consumers in the event that the permanent rate approved is less than the interim rate, ENSTAR respectfully requests approval of the requested interim rate increase.

XIII. CONCLUSION

ENSTAR is committed to providing safe, efficient, and reliable service to its customers in Southcentral Alaska. The modest revenue requirement and rate increase presented in this filing will allow ENSTAR the opportunity to recover its prudently incurred operations and maintenance expenses and allow it the opportunity to earn a return on and of its prudent capital investment that is used and useful in providing service to its customers.

ENSTAR respectfully requests that this filing become effective immediately upon the expiration of the statutory notice period. If the Commission suspends ENSTAR's permanent base rate increase request pending additional investigation, ENSTAR requests that the Commission allow an across-the-board interim increase of 1.5% to base rates effective for billings on or after October 1, 2022. ENSTAR further requests that the Commission approve permanent rates consistent with this filing.

⁹ 534 P.2d 549, 559 (Alaska 1975) (affirming superior court injunction where there was a "substantial showing that the existing rates are confiscatory . . .").

¹⁰ See Order U-10-101(7) at 5; see also Order U-80-027(1) ("[T]he 'not frivolous or obviously without merit standard' . . . is not intended to be difficult to pass. Therefore, in assessing [the utility's] instant interim rate increase requests, the Commission must focus first on whether the existing rates, as supplemented with the interim increases that have previously been granted, qualify as 'confiscatorily low.'") (quoting, in part, *Municipality of Anchorage d/b/a Anchorage Telephone Utility v. Alaska Public Utilities Commission*, No. 76-2322, Memorandum of Decision and Order, March 30, 1976, Slip Op. at 7).

Sincerely,

ENSTAR Natural Gas Company

A handwritten signature in cursive script that reads "Chelsea Guintu".

Chelsea N. Guintu
Supervisor of Rates and Regulatory Affairs
Phone: 907-334-7620
Fax: 907-334-7657
Chelsea.Guintu@enstarnaturalgas.com

Attachments:

Attachment A – TA334-4 Filing Index
Attachment B – 3 AAC 48.275(a) Filing
Attachment C – 3 AAC 48.275(h) Filing / Rate Design
Attachment D – Interim Rate Tariff Sheets
Attachment E – Permanent Rate Tariff Sheets
Supporting Testimony

Attachment A

ATTACHMENT A

TA334-4 Filing Index

Tariff Advice Letter 334-4

Attachment A – TA334-4 Filing Index

Attachment B – 3 AAC 48.275(a) Filing

Attachment C – 3 AAC 48.275(h) Filing / Rate Design

Attachment D – Interim Rate Tariff Sheets

Attachment E – Permanent Rate Tariff Sheets

Prefiled Direct Testimony of John D. Sims, including 5 exhibits:

- Exhibit JDS-1: Resume of John D. Sims
- Exhibit JDS-2: AGA Safety Awards
- Exhibit JDS-3: PHMSA Civil Penalty Notices
- Exhibit JDS-4: Excerpt of Senate Bill 241
- Exhibit JDS-5: Excerpt of July 2022 AK Economic Trends

Prefiled Direct Testimony of Chelsea N. Guintu, including 3 exhibits:

- Exhibit CNG-1: Resume of Chelsea N. Guintu
- Exhibit CNG-2: Cost Allocation Manual
- Exhibit CNG-3: Year End Capital Plant Calculation

Prefiled Direct Testimony of Daniel M. Dieckgraeff, including 8 exhibits:

- Exhibit DMD-1: Resume of Daniel M. Dieckgraeff
- Exhibit DMD-2: April 4, 2018 Letter in Docket I-18-002
- Exhibit DMD-3: TA303-4
- Exhibit DMD-4: Letter Order L1800240
- Exhibit DMD-5: Calculation of Weather Normalization Adjustment
- Exhibit DMD-6: Calculation of Travel and Conferences Normalization Adjustment
- Exhibit DMD-7: Calculation of Normalized Rate of Return at Current Rates
- Exhibit DMD-8: Calculation of Interim Rates

Prefiled Direct Testimony of Inna B. Johansen, including 2 exhibits:

- Exhibit IBJ-1: Resume of Inna B. Johansen
- Exhibit IBJ-2: 2021-2022 Winter Update to the Regulatory Commission of Alaska, presented at the January 12, 2022 Public Meeting

Prefiled Testimony of Mark A. Moses, including 6 exhibits:

- Exhibit MAM-1: Resume of Mark A. Moses
- Exhibit MAM-2: Certificate of Public Convenience and Necessity of ENSTAR Natural Gas Company/A Division of SEMCO Energy, Inc.

- Exhibit MAM-3: Select Alaska Statutes
- Exhibit MAM-4: SEMCO Energy, Inc.'s Affiliated Transactions Policy Manual
- Exhibit MAM-5: Audit Report regarding SEMCO Energy, Inc.'s Affiliated Transaction Manual by Deloitte & Touche LLP dated March 28, 2022
- Exhibit MAM-6: Summary of Costs to ENSTAR to Perform All Corporate and Shared Services Activities

Prefiled Testimony of Jillian Fan, including 4 exhibits:

- Exhibit JF-1: Resume of Jillian Fan
- Exhibit JF-2: Organizational Chart of AltaGas, Ltd. Showing Ownership of ENSTAR
- Exhibit JF-3: Select Alaska Statutes
- Exhibit JF-4: Summary of Costs to ENSTAR to Perform All Corporate and Shared Services Activities

Prefiled Testimony of Bruce H. Fairchild, including 1 exhibit:

- Exhibit BHF-1: Curriculum Vitae

Prefiled Direct Testimony of Dylan W. D'Ascendis, including 2 exhibits:

- Exhibit DWD-1: Curriculum Vitae
- Exhibit DWD-2: Schedules in Support of Common Equity Cost Rate

Prefiled Direct Testimony of Harold Walker III, including 2 exhibits:

- Exhibit HW-1: Professional Qualifications
- Exhibit HW-2: Lead-Lag Study

Attachment B

ENSTAR NATURAL GAS COMPANY

TEST YEAR AND NORMALIZED OPERATING REVENUES AND EXPENSES
For the Year Ended December 31, 2021

OPERATING REVENUE	Test Year Books	Summary of Adjustments	Normalized
<u>Gas Sales</u>			
Residential & Commercial (G1)	228,869,749	(15,207,111)	213,662,638
Residential & Commercial (G2)	22,327,850	(1,462,125)	20,865,725
Residential & Commercial (G3)	45,427,722	(2,791,017)	42,636,705
Residential & Commercial (G4)	77,382,674	(4,095,835)	73,286,839
Total Gas Sales	374,007,996	(23,556,089)	350,451,907
<u>Transport Revenue</u>			
CEA - International	34,800	(34,800)	-
HEA - Bernice Lake	43,200	-	43,200
HEA - Soldotna	160,884	-	160,884
MEA - Eklutna	2,231,783	-	2,231,783
Hilcorp Alaska	79,937	-	79,937
Interior Gas Utility (Titan)	283,223	-	283,223
Helena Energy	-	-	-
Furie Operating Alaska	-	-	-
CEA VLFT Plants	5,155,686	-	5,155,686
Cook Inlet Energy	82,326	-	82,326
Bluecrest Energy	12,720	-	12,720
Vision Resources	40,119	-	40,119
Total Transport Revenues	8,124,677	(34,800)	8,089,877
Miscellaneous Revenues	1,862,255	42,431	1,904,686
Total Operating Revenue	383,994,928	(23,548,458)	360,446,470
OPERATING EXPENSES			
Cost of Purchased Gas	291,609,567	(19,914,264)	271,695,303
Production and Gathering	307,538	6,666	314,204
Transmission Expense	3,836,221	291,382	4,127,602
Distribution Expense	9,061,239	293,488	9,354,726
Customer Accounting	6,130,588	124,678	6,255,266
Uncollectible Accounts	994,441	(46,558)	947,883
Sales	37,493	(1,239)	36,254
Administrative and General	16,552,026	1,502,665	18,054,691
Depreciation and Amortization	19,262,988	(650,378)	18,612,610
Total Operating Expenses	347,792,100	(18,393,562)	329,398,539
STATE AND FEDERAL TAXES			
Ad Valorem & Miscellaneous	4,511,377	-	4,511,377
State Income Tax	2,526,804	79,965	2,606,769
Federal Income Tax	5,114,358	(533,216)	4,581,142
Total State and Federal Taxes	12,152,538	(453,252)	11,699,287
NET UTILITY OPERATING INCOME	<u>24,050,289</u>		<u>19,348,644</u>

ENSTAR NATURAL GAS COMPANY

TEST YEAR AND NORMALIZED RATE BASE
For the Year Ended December 31, 2021

		Summary of	
PLANT IN SERVICE	Test Year Books	Adjustments	Normalized
Gas Utility Plant	632,168,344	2,762,277	634,930,621
Depreciation Reserve	(353,310,320)	(50,755)	(353,361,075)
Acquisition Adjustment	130,474,079	(130,474,079)	-
Completed Not Classified	-	-	-
Construction Work in Progress	5,809,690	(5,809,690)	-
Total Plant in Service	415,141,793	(133,572,247)	281,569,546
OTHER ASSETS			
Gas Stored Underground	50,681,790	-	50,681,790
Unamortized Software	4,431,788	-	4,431,788
ROU Finance	2,132,944	(2,132,944)	-
ROU Assets	672,877	(672,877)	-
Total Other Assets	57,919,398	(2,805,821)	55,113,577
WORKING CAPITAL			
Cash Working Capital	-	9,834,683	9,834,683
Materials and Supplies	10,971,509	-	10,971,509
Prepayments	2,631,557	-	2,631,557
Total Working Capital	13,603,066	9,834,683	23,437,748
REGULATORY ASSETS			
2015 TY Rate Case	552,545	(552,545)	-
Homer CIAC Surcharge	2,314,400	(2,314,400)	-
Homer Uncollected Carrying Cost	616,959	(616,959)	-
Earthquake Costs	1,016,184	-	1,016,184
2021 TY Rate Case	4,759	(4,759)	-
Def Bad Debt	314,257	(51,278)	262,979
Other Deferred Assets	2,052,254	(2,052,254)	-
Total Regulatory Assets	6,871,357	(5,592,195)	1,279,163
NON-INVESTOR SUPPLIED CAPITAL			
Construction Advances	(35,005,610)	-	(35,005,610)
Deferred Income Taxes	(44,644,965)	13,001,077	(31,643,889)
Net Asset Retirement Obligation	(1,572,962)	-	(1,572,962)
Total Non-Investor Supplied Capital	(81,223,537)	13,001,077	(68,222,460)
TOTAL RATE BASE	<u>412,312,078</u>		<u>293,177,574</u>

ENSTAR NATURAL GAS COMPANY
REQUESTED WEIGHTED COST OF CAPITAL
For the Year Ended December 31, 2021

Component	December 31, 2021	Percent of Total	Amount	Component Cost	Weighted Cost	Return
Long-term Debt	152,642,347	45.89%	134,539,189	2.86%	1.31%	3,845,824
Common Equity	<u>180,004,474</u>	<u>54.11%</u>	<u>158,638,385</u>	12.95%	<u>7.01%</u>	<u>20,543,671</u>
Total	332,646,820	100.00%	293,177,574		8.32%	<u><u>24,389,495</u></u>
LT Debt-Due 2030 2.45%			76,753,000	2.45%		1,880,449
LT Debt-Due 2050 3.15%			76,753,000	3.15%		2,417,720
Amortization of Debt Expense			(863,653)			65,138
Loss on Reacquired Debt			<u>-</u>			<u>-</u>
			152,642,347	2.86%		4,363,306

ENSTAR NATURAL GAS COMPANY

NORMALIZED TEST YEAR REVENUE REQUIREMENT AND REVENUE DEFICIENCY
For the Year Ended December 31, 2021

OPERATING EXPENSES	Test Year Books	Summary of Adjustments	Normalized
Cost of Purchased Gas	291,609,567	(19,914,264)	271,695,303
Production and Gathering	307,538	6,666	314,204
Transmission Expense	3,836,221	291,382	4,127,602
Distribution Expense	9,061,239	293,488	9,354,726
Customer Accounting	6,130,588	124,678	6,255,266
Uncollectible Accounts	994,441	(46,558)	947,883
Sales	37,493	(1,239)	36,254
Administrative and General	16,552,026	1,502,665	18,054,691
Depreciation and Amortization	19,262,988	(650,378)	18,612,610
Total Operating Expenses	347,792,100	(18,393,562)	329,398,539
STATE AND FEDERAL TAXES			
Ad Valorem & Miscellaneous	4,511,377	-	4,511,377
State Income Tax	2,526,804	79,965	2,606,769
Federal Income Tax	5,114,358	(533,216)	4,581,142
Total State and Federal Taxes	12,152,538	(453,252)	11,699,287
RATE BASE			
Plant In Service	415,141,793	(133,572,247)	281,569,546
Other Assets	57,919,398	(2,805,821)	55,113,577
Working Capital	13,603,066	9,834,683	23,437,748
Regulatory Assets	6,871,357	(5,592,195)	1,279,163
Non-Investor Supplied Capital	(81,223,537)	13,001,077	(68,222,460)
Total Rate Base	412,312,078	(119,134,504)	293,177,574
REQUESTED RATE OF RETURN			8.32%
RETURN ON INVESTMENT			24,389,495
REVENUE REQUIREMENT			365,487,320
NORMALIZED OPERATING REVENUE			360,446,470
REVENUE REQUIREMENT WITHOUT COST OF GAS			93,792,018
NORMALIZED OPERATING REVENUE WITHOUT COST OF GAS			88,751,167
DEFICIENCY (SURPLUS)			5,040,851
PERCENT CHANGE (W/O COST OF GAS)			5.68%
PERCENT CHANGE (W/ COST OF GAS)			1.40%

ENSTAR NATURAL GAS COMPANY

13-MONTH AVERAGE AND TEST YEAR BALANCE OF RATE BASE ITEMS
For the Year Ended December 31, 2021

	PLANT IN SERVICE					OTHER ASSETS				WORKING CAPITAL	
	Gas Utility Plant	Depreciation Reserve	Acquisition Adjustment	Completed Not Classified	Construction Work in Progress	Gas Stored Underground	Unamortized Software	ROU Finance	ROU Assets	Materials and Supplies	Prepayments
1/1/2021	628,606,029	(346,785,189)	130,474,079	-	1,648,967	52,305,718	5,249,045	2,137,836	760,051	10,815,274	3,457,308
1/31/2021	628,073,986	(348,124,722)	130,474,079	-	2,554,323	52,700,011	5,102,709	2,155,640	738,944	11,152,153	3,120,435
2/28/2021	628,078,328	(349,320,280)	130,474,079	-	3,567,920	51,122,192	4,963,103	2,154,140	717,595	11,082,730	2,770,413
3/31/2021	627,955,269	(350,298,400)	130,474,079	-	4,782,931	46,412,189	4,840,647	2,145,368	704,657	11,179,911	2,535,334
4/30/2021	628,021,074	(351,424,576)	130,474,079	-	5,845,678	39,169,273	4,677,512	2,197,455	692,858	11,307,434	2,586,220
5/31/2021	628,094,113	(352,431,315)	130,474,079	-	7,517,325	40,954,181	4,533,047	2,139,960	681,112	10,829,914	2,267,970
6/30/2021	629,066,787	(353,455,364)	130,474,079	-	8,478,347	47,682,436	4,368,147	2,082,465	669,290	11,129,619	2,057,602
7/31/2021	630,236,943	(354,669,869)	130,474,079	-	9,236,583	55,311,076	4,244,528	2,225,160	657,520	10,995,517	1,707,821
8/31/2021	631,787,473	(355,896,727)	130,474,079	-	9,506,022	61,985,368	4,100,056	2,164,621	645,738	11,175,125	1,397,980
9/30/2021	634,582,257	(356,094,956)	130,474,079	-	7,702,222	60,654,648	3,753,561	2,174,089	633,881	11,082,979	1,424,614
10/31/2021	637,643,620	(357,341,669)	130,474,079	-	7,415,462	56,715,511	3,641,988	2,112,300	624,588	10,682,907	3,868,137
11/30/2021	639,803,395	(358,469,793)	130,474,079	-	6,887,296	48,022,728	3,504,928	2,050,512	615,236	10,586,764	3,620,057
12/31/2021	646,239,194	(358,721,297)	130,474,079	-	382,897	45,827,934	4,633,967	1,988,723	605,934	10,609,287	3,396,346
Average	632,168,344	(353,310,320)	130,474,079	-	5,809,690	50,681,790	4,431,788	2,132,944	672,877	10,971,509	2,631,557

	REGULATORY ASSETS					Non-Investor Supplied Capital				
	2015 TY Rate Case	Homer CIAC Surcharge	Homer Uncollected Carrying Cost	Earthquake Costs	2021 TY Rate Case	Def Bad Debt	Other Deferred Assets	Construction Advances	Deferred Income Taxes	Net Asset Retirement Obligation
1/1/2021	759,749	2,388,695	645,003	1,016,184	4,759	201,789	2,293,848	(34,007,798)	(47,086,616)	(1,616,664)
1/31/2021	725,215	2,371,623	640,329	1,016,184	4,759	201,789	2,253,583	(33,299,929)	(46,135,935)	(1,616,664)
2/28/2021	690,681	2,352,202	635,655	1,016,184	4,759	201,789	2,213,317	(33,411,977)	(45,312,781)	(1,616,664)
3/31/2021	656,147	2,331,407	630,981	1,016,184	4,759	235,438	2,173,052	(33,540,737)	(44,323,462)	(1,601,544)
4/30/2021	621,613	2,304,732	626,307	1,016,184	4,759	235,438	2,132,786	(34,395,859)	(43,924,947)	(1,601,544)
5/31/2021	587,079	2,297,583	621,633	1,016,184	4,759	235,438	2,092,520	(34,821,702)	(43,657,175)	(1,601,544)
6/30/2021	552,545	2,296,533	616,959	1,016,184	4,759	282,792	2,052,255	(35,221,073)	(43,651,611)	(1,586,424)
7/31/2021	518,011	2,296,053	612,285	1,016,184	4,759	282,792	2,011,989	(35,438,112)	(43,885,376)	(1,586,424)
8/31/2021	483,477	2,301,143	607,611	1,016,184	4,759	282,792	1,971,723	(35,992,661)	(43,984,259)	(1,586,424)
9/30/2021	448,943	2,301,988	602,937	1,016,184	4,759	481,316	1,931,455	(36,255,662)	(44,132,239)	(1,571,303)
10/31/2021	414,409	2,298,197	598,263	1,016,184	4,759	481,316	1,891,189	(36,197,682)	(44,038,894)	(1,571,303)
11/30/2021	379,875	2,289,381	593,589	1,016,184	4,759	481,316	1,850,924	(36,252,175)	(44,157,568)	(1,571,303)
12/31/2021	345,341	2,257,670	588,915	1,016,184	4,759	481,331	1,810,658	(36,237,563)	(46,093,681)	(1,320,700)
Average	552,545	2,314,400	616,959	1,016,184	4,759	314,257	2,052,254	(35,005,610)	(44,644,965)	(1,572,962)

ENSTAR NATURAL GAS COMPANY
SUMMARY OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

	Schedule A	Schedule B	Schedule C	Schedule D	Schedule E	Schedule F	Schedule G
	REMOVE DISALLOWED REG ASSETS	REMOVAL OF MISC. REVENUES AND EXPENSES	REMOVAL OF OTHER ASSETS	NORMALIZE GAS COST REVENUES	REMOVAL OF ACQUISITION ADJUSTMENT	REMOVAL OF CWIP	INCOME TAX ADJUSTMENT
OPERATING REVENUE							
Residential & Commercial (G1)	-	-	-	(12,469,099)	-	-	-
Residential & Commercial (G2)	-	-	-	(1,281,426)	-	-	-
Residential & Commercial (G3)	-	-	-	(2,447,013)	-	-	-
Residential & Commercial (G4)	-	-	-	(3,716,726)	-	-	-
CEA - International	-	-	-	-	-	-	-
HEA - Bernice Lake	-	-	-	-	-	-	-
HEA - Soldotna	-	-	-	-	-	-	-
MEA - Eklutna	-	-	-	-	-	-	-
Hilcorp Alaska	-	-	-	-	-	-	-
Interior Gas Utility (Titan)	-	-	-	-	-	-	-
Helena Energy	-	-	-	-	-	-	-
Furie Operating Alaska	-	-	-	-	-	-	-
CEA VLFT Plants	-	-	-	-	-	-	-
Cook Inlet Energy	-	-	-	-	-	-	-
Bluecrest Energy	-	-	-	-	-	-	-
Vision Resources	-	-	-	-	-	-	-
Miscellaneous Revenues	-	42,431	-	-	-	-	-
OPERATING EXPENSES							
Cost of Purchased Gas	-	-	-	(19,914,264)	-	-	-
Production and Gathering	-	-	-	-	-	-	-
Transmission Expense	-	-	-	-	-	-	-
Distribution Expense	-	-	-	-	-	-	-
Customer Accounting	-	-	-	-	-	-	-
Uncollectible Accounts	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-
Administrative and General	(465,786)	(573,234)	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-	-
STATE AND FEDERAL TAXES							
Ad Valorem & Miscellaneous	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	79,965
Federal Income Tax	-	-	-	-	-	-	(533,216)
PLANT IN SERVICE							
Gas Utility Plant	-	-	-	-	-	-	-
Depreciation Reserve	-	-	-	-	-	-	-
Acquisition Adjustment	-	-	-	-	(130,474,079)	-	-
Completed Not Classified	-	-	-	-	-	-	-
Construction Work in Progress	-	-	-	-	-	(5,809,690)	-
OTHER ASSETS							
Gas Stored Underground	-	-	-	-	-	-	-
Unamortized Software	-	-	-	-	-	-	-
ROU Finance	-	-	-	-	-	-	-
ROU Assets	-	-	-	-	-	-	-
WORKING CAPITAL							
Cash Working Capital	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-
REGULATORY ASSETS							
2015 TY Rate Case	-	-	(552,545)	-	-	-	-
Homer CIAC Surcharge	-	-	(2,314,400)	-	-	-	-
Homer Uncollected Carrying Cost	-	-	(616,959)	-	-	-	-
Earthquake Costs	-	-	-	-	-	-	-
2021 TY Rate Case	-	-	(4,759)	-	-	-	-
Def Bad Debt	-	-	-	-	-	-	-
Other Deferred Assets	(1,630,249)	-	(422,004)	-	-	-	-
NON-INVESTOR SUPPLIED CAPITAL							
Construction Advances	-	-	-	-	-	-	-
Deferred Income Taxes	-	-	-	-	13,001,077	-	-
Net Asset Retirement Obligation	-	-	-	-	-	-	-

TESTIMONY WITNESS	Guintu	Guintu	Guintu	Dieckgraeff	Moses	Guintu	Fairchild
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ENSTAR NATURAL GAS COMPANY
SUMMARY OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

	Schedule H	Schedule I	Schedule J	Schedule K	Schedule L	Schedule M	Schedule N
	UNCOLLECTIBLE ACCOUNT ADJUSTMENT	REMOVAL OF CEA IGT REVENUES	EARTHQUAKE DEFERRAL	AMORTIZATION OF BAD DEBTS FROM COVID-19	RATE CASE EXPENSE	PENSION EXPENSES	REMOVAL OF ROU LEASE
OPERATING REVENUE							
Residential & Commercial (G1)	-	-	-	-	-	-	-
Residential & Commercial (G2)	-	-	-	-	-	-	-
Residential & Commercial (G3)	-	-	-	-	-	-	-
Residential & Commercial (G4)	-	-	-	-	-	-	-
CEA - International	-	(34,800)	-	-	-	-	-
HEA - Bernice Lake	-	-	-	-	-	-	-
HEA - Soldotna	-	-	-	-	-	-	-
MEA - Eklutna	-	-	-	-	-	-	-
Hilcorp Alaska	-	-	-	-	-	-	-
Interior Gas Utility (Titan)	-	-	-	-	-	-	-
Helena Energy	-	-	-	-	-	-	-
Furie Operating Alaska	-	-	-	-	-	-	-
CEA VLFT Plants	-	-	-	-	-	-	-
Cook Inlet Energy	-	-	-	-	-	-	-
Bluecrest Energy	-	-	-	-	-	-	-
Vision Resources	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-
OPERATING EXPENSES							
Cost of Purchased Gas	-	-	-	-	-	-	-
Production and Gathering	-	-	-	-	-	-	-
Transmission Expense	-	-	-	-	-	-	-
Distribution Expense	-	-	-	-	-	-	-
Customer Accounting	-	-	-	-	-	-	-
Uncollectible Accounts	(46,558)	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-
Administrative and General	-	-	338,728	87,660	285,592	717,637	755,096
Depreciation and Amortization	-	-	-	-	-	-	(721,279)
STATE AND FEDERAL TAXES							
Ad Valorem & Miscellaneous	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	-
Federal Income Tax	-	-	-	-	-	-	-
PLANT IN SERVICE							
Gas Utility Plant	-	-	-	-	-	-	-
Depreciation Reserve	-	-	-	-	-	-	-
Acquisition Adjustment	-	-	-	-	-	-	-
Completed Not Classified	-	-	-	-	-	-	-
Construction Work in Progress	-	-	-	-	-	-	-
OTHER ASSETS							
Gas Stored Underground	-	-	-	-	-	-	-
Unamortized Software	-	-	-	-	-	-	-
ROU Finance	-	-	-	-	-	-	(2,132,944)
ROU Assets	-	-	-	-	-	-	(672,877)
WORKING CAPITAL							
Cash Working Capital	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-
REGULATORY ASSETS							
2015 TY Rate Case	-	-	-	-	-	-	-
Homer CIAC Surcharge	-	-	-	-	-	-	-
Homer Uncollected Carrying Cost	-	-	-	-	-	-	-
Earthquake Costs	-	-	-	-	-	-	-
2021 TY Rate Case	-	-	-	-	-	-	-
Def Bad Debt	-	-	-	(51,278)	-	-	-
Other Deferred Assets	-	-	-	-	-	-	-
NON-INVESTOR SUPPLIED CAPITAL							
Construction Advances	-	-	-	-	-	-	-
Deferred Income Taxes	-	-	-	-	-	-	-
Net Asset Retirement Obligation	-	-	-	-	-	-	-
TESTIMONY WITNESS	Dieckgraeff	Dieckgraeff	Guintu	Guintu	Guintu	Moses	Guintu

ENSTAR NATURAL GAS COMPANY

**SUMMARY OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021**

	Schedule O	Schedule P	Schedule Q	Schedule R	Schedule S	Schedule T	Schedule U	Total
	WEATHER NORMALIZATION	YEAR-END PLANT ADJUSTMENT	TRAVEL AND CONFERENCES	PAYROLL ADJUSTMENT	CRITICAL POSITION ADDITIONS	MAINTENANCE CONTRACTS	CASH WORKING CAPITAL	
OPERATING REVENUE								
Residential & Commercial (G1)	(2,738,012)	-	-	-	-	-	-	(15,207,111)
Residential & Commercial (G2)	(180,699)	-	-	-	-	-	-	(1,462,125)
Residential & Commercial (G3)	(344,004)	-	-	-	-	-	-	(2,791,017)
Residential & Commercial (G4)	(379,109)	-	-	-	-	-	-	(4,095,835)
CEA - International	-	-	-	-	-	-	-	(34,800)
HEA - Bernice Lake	-	-	-	-	-	-	-	-
HEA - Soldotna	-	-	-	-	-	-	-	-
MEA - Eklutna	-	-	-	-	-	-	-	-
Hilcorp Alaska	-	-	-	-	-	-	-	-
Interior Gas Utility (Titan)	-	-	-	-	-	-	-	-
Helena Energy	-	-	-	-	-	-	-	-
Furie Operating Alaska	-	-	-	-	-	-	-	-
CEA VLFT Plants	-	-	-	-	-	-	-	-
Cook Inlet Energy	-	-	-	-	-	-	-	-
Bluecrest Energy	-	-	-	-	-	-	-	-
Vision Resources	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-	-	42,431
OPERATING EXPENSES								
Cost of Purchased Gas	-	-	-	-	-	-	-	(19,914,264)
Production and Gathering	-	-	-	6,666	-	-	-	6,666
Transmission Expense	-	-	-	68,115	188,251	35,016	-	291,382
Distribution Expense	-	-	-	293,488	-	-	-	293,488
Customer Accounting	-	-	-	124,678	-	-	-	124,678
Uncollectible Accounts	-	-	-	-	-	-	-	(46,558)
Sales	-	-	-	(1,239)	-	-	-	(1,239)
Administrative and General	-	-	204,887	101,238	35,247	15,600	-	1,502,665
Depreciation and Amortization	-	70,901	-	-	-	-	-	(650,378)
STATE AND FEDERAL TAXES								
Ad Valorem & Miscellaneous	-	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	-	79,965
Federal Income Tax	-	-	-	-	-	-	-	(533,216)
PLANT IN SERVICE								
Gas Utility Plant	-	2,762,277	-	-	-	-	-	2,762,277
Depreciation Reserve	-	(50,755)	-	-	-	-	-	(50,755)
Acquisition Adjustment	-	-	-	-	-	-	-	(130,474,079)
Completed Not Classified	-	-	-	-	-	-	-	-
Construction Work in Progress	-	-	-	-	-	-	-	(5,809,690)
OTHER ASSETS								
Gas Stored Underground	-	-	-	-	-	-	-	-
Unamortized Software	-	-	-	-	-	-	-	-
ROU Finance	-	-	-	-	-	-	-	(2,132,944)
ROU Assets	-	-	-	-	-	-	-	(672,877)
WORKING CAPITAL								
Cash Working Capital	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	9,834,683	9,834,683
Prepayments	-	-	-	-	-	-	-	-
REGULATORY ASSETS								
2015 TY Rate Case	-	-	-	-	-	-	-	(552,545)
Homer CIAC Surcharge	-	-	-	-	-	-	-	(2,314,400)
Homer Uncollected Carrying Cost	-	-	-	-	-	-	-	(616,959)
Earthquake Costs	-	-	-	-	-	-	-	-
2021 TY Rate Case	-	-	-	-	-	-	-	(4,759)
Def Bad Debt	-	-	-	-	-	-	-	(51,278)
Other Deferred Assets	-	-	-	-	-	-	-	(2,052,254)
NON-INVESTOR SUPPLIED CAPITAL								
Construction Advances	-	-	-	-	-	-	-	-
Deferred Income Taxes	-	-	-	-	-	-	-	13,001,077
Net Asset Retirement Obligation	-	-	-	-	-	-	-	-

TESTIMONY WITNESS	Dieckgraeff	Guintu	Dieckgraeff	Guintu	Guintu	Guintu	Guintu
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ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule A

REMOVE DISALLOWED REG ASSETS

Testimony Witness: Guintu

Line No.	Description	Amount
1	Annual Amortization:	
2	Administrative and General	<u>(465,786)</u>
3	Removal of Asset from Rate Base:	
4	Other Deferred Assets	<u>(1,630,249)</u>

To remove the costs associated with Bullet Line amortization and asset per Docket U-09-069.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule B

REMOVAL OF MISC. REVENUES AND EXPENSES

Testimony Witness: Guintu

Line No.	Description	Amount
1	Lobbying Expense	(50,000)
2	Charitable Contributions	(262,010)
3	Club Dues	-
3	Miscellaneous Expenses	(261,177)
4	Penalties	<u>(46)</u>
5	Administrative and General	<u>(573,234)</u>
6	Asset Disposal Proceeds	183,092
7	Homer Surcharge	<u>(140,661)</u>
8	Miscellaneous Revenues	<u>42,431</u>

To remove miscellaneous revenues and expenses including charitable contributions, penalties, lobbying expenses, club dues, asset disposal, and others.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule C

REMOVAL OF OTHER ASSETS

Testimony Witness: Guintu

Line No.	Description	Amount
5	Other Deferred Assets	(422,004)
6	Homer CIAC Surcharge	(2,314,400)
7	Homer Uncollected Carrying Cost	(616,959)
8	2021 TY Rate Case	(4,759)
9	2015 TY Rate Case	<u>(552,545)</u>
10	Total	<u><u>(3,910,668)</u></u>

To remove the unamortized amount of the Anchor Point litigation costs as agreed upon in the U-14-111 stipulation. Remove other regulatory assets from rate base.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule D

NORMALIZE GAS COST REVENUES

Testimony Witness: Dieckgraeff

Line No.	Description	Amount
1	G1 Sales Customers:	
2	Test Year GCA Revenue	171,415,306
3	GCA Revenue at Current Rate and Weather Normalized	<u>158,946,207</u>
4	Residential & Commercial (G1)	<u>(12,469,099)</u>
5	G2 Sales Customers:	
6	Test Year GCA Revenue	17,892,667
7	GCA Revenue at Current Rate and Weather Normalized	<u>16,611,241</u>
8	Residential & Commercial (G2)	<u>(1,281,426)</u>
9	G3 Sales Customers:	
10	Test Year GCA Revenue	36,491,625
11	GCA Revenue at Current Rate and Weather Normalized	<u>34,044,611</u>
12	Residential & Commercial (G3)	<u>(2,447,013)</u>
13	G4 Sales Customers:	
14	Test Year GCA Revenue	65,809,969
15	GCA Revenue at Current Rate and Weather Normalized	<u>62,093,243</u>
16	Residential & Commercial (G4)	<u>(3,716,726)</u>
17	Weather Normalized Cost of Gas	271,695,303
18	Test Year Cost of Gas	<u>291,609,567</u>
19	Cost of Purchased Gas	<u>(19,914,264)</u>

To update revenues to reflect current GCA rate.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule E

REMOVAL OF ACQUISITION ADJUSTMENT

Testimony Witness: Moses

Line No.	Description	Amount
1	Acquisition Adjustment	<u>(130,474,079)</u>
2	Deferred Income Taxes Related to Acquisition Adjustment:	
3	Deferred Taxes in 2020	(12,952,275)
4	Deferred Taxes in 2021	<u>(13,049,878)</u>
5	Average	(13,001,077)
6	Deferred Income Taxes	<u>13,001,077</u>

Remove the acquisition adjustment from rate base.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule F

REMOVAL OF CWIP

Testimony Witness: **Guintu**

Line No.	Description	Amount
1	Construction Work in Progress	<u>(5,809,690)</u>

Remove construction work in progress from rate base.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule G

INCOME TAX ADJUSTMENT

Testimony Witness: Fairchild

Line No.	Description	Amount
1	After Tax Return on Equity	20,543,671
2	Amortization of Excess ADIT	(695,069)
3	After Tax Net Requested Return on Equity	19,848,602
4	Composite Gross Up State/Federal Income Tax Factor	0.3971554
5	Income Tax Provision before Excess ADIT Amort.	7,882,979
6	State Taxable Income	27,731,581
7	State Income Tax Rate	9.4%
8	State Income Taxes as Calculated	2,606,769
9	State Income Taxes on Books	2,526,804
10	State Income Tax	79,965
11	Taxable Federal Income	25,124,813
12	Federal Income Tax Rate	21.0%
13	At Tax Rate	5,276,211
14	Amortization of Excess Deferred Taxes	(695,069)
15	Federal Income Taxes as Calculated	4,581,142
16	Federal Income Taxes on Books	5,114,358
17	Federal Income Tax	(533,216)
18	Excess Deferred Income Tax Reg. Liab (2017):	
19	Protected (19.87 years remaining life)	(18,419,491)
20	Unprotected (15 years amortization)	3,478,972
21	Total	(14,940,519)
22	Annual Excess Deferred Amortization:	
23	Protected (19.87 years remaining life)	(927,000)
24	Unprotected (15 years amortization)	231,931
25	Total	(695,069)

To recalculate federal and state income tax at the normalized revenues.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule H

UNCOLLECTIBLE ACCOUNT ADJUSTMENT

Testimony Witness: Dieckgraeff

Line No.	Description	Amount
1	Revenues at Requested Rate Increase:	
2	G1 Sales Customers	216,212,356
3	G2 Sales Customers	21,075,194
4	G3 Sales Customers	43,323,059
5	G4 Sales Customers	<u>74,302,910</u>
6	Total Normalized Retail Revenues	354,913,519
7	Other Income Related to Gas Sales	<u>1,988,218</u>
8	Total Normalized Retail and Other Income Revenues	356,901,736
9	Uncollectible Account Expense Ratio	<u>0.2657%</u>
10	Normalized Uncollectible Account Expense	948,433
11	Test Year Uncollectible Expense	<u>994,441</u>
12	Difference	(46,008)
13	Adjustment to Uncollectibles for Miscoded Entry	<u>(550)</u>
14	Uncollectible Accounts	<u><u>(46,558)</u></u>

To adjust uncollectibles (bad debt) with the new GCA sales revenues. This adjustment also reduces the pro forma by \$550 for a entry that was miscoded to uncollectibles during the test year.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule I

REMOVAL OF CEA IGT REVENUES

Testimony Witness: Dieckgraeff

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	CEA - International	<u>(34,800)</u>

To reflect the decommissioning of Chugach's International Generation Turbine ("IGT") power plant and removing the revenues from revenue requirement.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule J

EARTHQUAKE DEFERRAL

Testimony Witness: Guintu

Line No.	Description	Amount
1	Earthquake Deferral Account	1,016,184
2	Amortization Period (Years)	<u>3</u>
3	Administrative and General	<u><u>338,728</u></u>

To amortize expenses from the 2018 earthquake over three years per Order U-19-101(5).

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule K

AMORTIZATION OF BAD DEBTS FROM COVID-19

Testimony Witness: Guintu

Line No.	Description	Amount
1	True-Up of Regulatory Asset:	
2	COVID Bad Debts as of June 30, 2022	262,979
3	Test Year 13-Month Average	<u>314,257</u>
4	Def Bad Debt	<u>(51,278)</u>
5	Amortization of Regulatory Asset:	
6	COVID Bad Debts as of June 30, 2022	262,979
7	Amortization Period (Years)	<u>3</u>
8	Administrative and General	<u>87,660</u>

To recover a regulatory asset for the bad debts associated with the COVID-19 pandemic and amortize it over 3 years.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule L

RATE CASE EXPENSE

Testimony Witness: Guintu

Line No.	Description	Amount
1	Revenue Requirement Study Costs	2,100,000
2	Amortization (years)	<u>3</u>
3	Annual Amortization Amount	700,000
4	Amount of U-16-066 Rate Case Expenses in Test Year	<u>414,408</u>
5	Administrative and General	<u><u>285,592</u></u>

This adjustment reflects the projected legal and consulting costs that ENSTAR will incur for the preparation and presentation of this rate case. The expense is based on outside legal and consulting fees and direct in-house costs associated with the rate case. This adjustment nets against previous rate case expense in test year.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule M

PENSION EXPENSES

Testimony Witness: Moses

Line No.	Description	Amount
	5 Year Average Pension Expense	1,010,627
	Test year Pension Expense	<u>(115,148)</u>
	Difference	1,125,775
	A&G Allocation to Capital and Reimbursable Projects %	36.25%
	Allocation to Reimbursable Construction	<u>408,139</u>
	Administrative and General	<u><u>717,637</u></u>

This is a five year average expense of pension costs from 2017-2021 giving a more representative cost of pension expense that is anticipated in the rate effective period.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule N

REMOVAL OF ROU LEASE

Testimony Witness: Guintu

Line No.	Description	Amount
1	Removal from Rate Base:	
2	ROU Finance	(2,132,944)
3	ROU Assets	(672,877)
4	Removal of Amortization Expense:	
5	Depreciation and Amortization (389-398)	(721,279)
6	Inclusion of Lease Payment:	
7	Administrative and General	755,096

This adjustment removes the assets and accumulated amortization associated with ROU Finance leases. Prior to ASC 842, these leases were classified as operating leases and were not included on the balance sheet.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule O

WEATHER NORMALIZATION

Testimony Witness: Dieckgraeff

Line No.	Description	Amount
1	G1 Weather Normalization Adjustment:	
2	Normalized Volumes (Mcf)	18,973,894
3	Test Year Volumes (Mcf)	20,829,042
4	Excess Weather-related Volumes	(1,855,148)
5	G1 Volumetric Rate per Mcf	1.4759
6	Residential & Commercial (G1)	(2,738,012)
7	G2 Weather Normalization Adjustment:	
8	Normalized Volumes (Mcf)	1,982,935
9	Test Year Volumes (Mcf)	2,173,969
10	Excess Weather-related Volumes	(191,034)
11	G2 Volumetric Rate per Mcf	0.9459
12	Residential & Commercial (G2)	(180,699)
13	G3 Weather Normalization Adjustment:	
14	Normalized Volumes (Mcf)	4,064,009
15	Test Year Volumes (Mcf)	4,433,588
16	Excess Weather-related Volumes	(369,579)
17	G3 Volumetric Rate per Mcf	0.9308
18	Residential & Commercial (G3)	(344,004)
19	G4 Weather Normalization Adjustment:	
20	Normalized Volumes (Mcf)	7,412,260
21	Test Year Volumes (Mcf)	7,997,034
22	Excess Weather-related Volumes	(584,774)
23	G3 Volumetric Rate per Mcf	0.6483
24	Residential & Commercial (G4)	(379,109)

To adjust test year 2021 gas sales volumes for gas sales customers to reflect a weather normalization adjustment based on a 10 year historical average.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule P

YEAR-END PLANT ADJUSTMENT

Testimony Witness: **Guintu**

Line No.	Description	Amount
1	Year End Treatment to Gas Utility Plant:	
2	Gas Utility Plant (366)	208,325
3	Gas Utility Plant (367)	283,732
4	Gas Utility Plant (369)	1,809,842
5	Gas Utility Plant (376)	178,180
6	Gas Utility Plant (379)	37,233
7	Gas Utility Plant (380)	115,909
8	Gas Utility Plant (381)	54,335
9	Gas Utility Plant (389-398)	74,721
10	Total Addition to Gas Plant	<u>2,762,277</u>
11	Year End Treatment to Accumulated Depreciation:	
12	Depreciation Reserve (366)	(2,527)
13	Depreciation Reserve (367)	(2,920)
14	Depreciation Reserve (369)	(27,068)
15	Depreciation Reserve (376)	(2,984)
16	Depreciation Reserve (379)	(416)
17	Depreciation Reserve (380)	(8,267)
18	Depreciation Reserve (381)	(1,650)
19	Depreciation Reserve (389-398)	(4,923)
20	Total Addition to Accum Depr.	<u>(50,755)</u>
21	Year End Treatment to Depreciation Expense:	
22	Depreciation and Amortization (366)	3,780
23	Depreciation and Amortization (367)	4,909
24	Depreciation and Amortization (369)	42,764
25	Depreciation and Amortization (376)	3,480
26	Depreciation and Amortization (379)	773
27	Depreciation and Amortization (380)	2,988
28	Depreciation and Amortization (381)	3,065
29	Depreciation and Amortization (389-398)	9,143
30	Total Addition to Depr Expense	<u>70,901</u>

To adjust test year 2021 capital expenditures to reflect year-end treatment for projects that qualify for annualized treatment pursuant to Commission precedent.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule Q

TRAVEL AND CONFERENCES

Testimony Witness: Dieckgraeff

Line No.	Description	Amount
1	Test Year Travel and Conf. Expense:	
2	Travel and Lodging	57,831
3	Meals Out of Town	15,369
4	Training, Conferences, and Meetings	82,884
5	Total Test Year Expenses	156,084
6	5 Year Norm. Travel and Conf. Expense (2015-2019):	
7	Travel and Lodging	216,524
8	Meals Out of Town	19,592
9	Training, Conferences, and Meetings	124,855
10	Total Normalized Expenses	360,971
11	Administrative and General	204,887

To normalize test year 2021 expenditures to normalize travel and conferences that were impacted by the COVID-19 pandemic.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule R

PAYROLL ADJUSTMENT

Testimony Witness: Guintu

Line No.	Description	Amount
1	Increase to Production and Gathering	6,666
2	Increase to Transmission Expense	68,115
3	Increase to Distribution Expense	293,488
4	Increase to Customer Accounting	124,678
5	Decrease to Sales	(1,239)
6	Increase to Administrative and General	101,238
	Total Adjustment	<u>592,946</u>

To adjust test year payroll expenditures to reflect known and measurable changes consistent with prior Commission precedent.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule S

CRITICAL POSITION ADDITIONS

Testimony Witness: Guintu

Line No.	Description	Amount
1	Addition of OT Systems & Compliance Engineer	
2	Salary	130,000
3	Benefits and Payroll Taxes	58,251
4	Transmission Expense (852)	<u>188,251</u>
5	Addition of Safety Assistant	
6	Salary	52,000
7	Benefits and Payroll Taxes	23,884
8	Total New Position Addition	75,884
	Less: Safety Temp Salary, Benefits, and Payroll Taxes in Test	
9	Year	<u>(40,637)</u>
10	Administrative and General	<u>35,247</u>

To adjust test year expenses to add two new critical full-time employees added in 2022 that are not included in the payroll normalizing pro forma adjustment. This pro forma removes the salary, benefits, and payroll taxes included in the test year for the safety temp position, as that temp will now be replaced with a full-time Safety Assistant.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule T

MAINTENANCE CONTRACTS

Testimony Witness: Guintu

Line No.	Description	Amount
1	New Contract for a Lease Circuit	
2	Monthly Charge	2,918
3	Months	<u>12</u>
4	Transmission Expense (852)	<u><u>35,016</u></u>
5	Contract Renewal for Janitorial Services	
6	Increase over prior month charges	1,300
7	Months	<u>12</u>
8	Administrative and General	<u><u>15,600</u></u>

To adjust test year 2021 expenses to reflect new contractual commitments that are known and measurable. To reflect costs increase from inflation on an existing janitorial contract.

ENSTAR NATURAL GAS COMPANY
EXPLANATION OF PRO FORMA ADJUSTMENTS
For the Year Ended December 31, 2021

Schedule U

CASH WORKING CAPITAL

Testimony Witness: Guintu

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Cash Working Capital	<u>9,834,683</u>

To reflect the results of the lead-lag study performed on the 2021 test year.

ENSTAR NATURAL GAS COMPANY

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES & OTHER CREDITS

For The Years Ended December 31, 2021 and 2020

<u>ASSETS & OTHER DEBITS</u>	<u>2020</u>	<u>2021</u>
UTILITY PLANT		
Utility Plant	652,242,586	669,586,274
Accumulated Provision for Depreciation	(360,625,846)	(374,456,855)
Net Utility Plant	291,616,739	295,129,419
Net Goodwill in Subsidiary	130,474,079	130,474,079
CURRENT ASSETS		
Cash	2,379,776	3,335,699
Receivables	38,695,540	38,129,646
Accrued Revenues	28,621,304	34,274,785
Materials and Supplies	10,815,274	10,609,287
Gas in Storage	52,305,718	45,827,934
Prepayments	3,457,308	3,396,346
Other Current Assets	46,735	272,247
Total Current Assets	136,321,655	135,845,944
DEFERRED DEBITS		
Deferred Taxes	30,059,115	30,497,186
Unamortized Debt Expenses	814,463	863,653
Other Deferred Charges	25,744,693	16,955,472
Total Deferred Debits	56,618,270	48,316,312
TOTAL ASSETS AND OTHER DEBITS	615,030,744	609,765,753
<u>LIABILITIES & OTHER CREDITS</u>		
CAPITAL		
Common Stock	1,900,500	1,900,500
Other Paid-in Capital	107,716,932	107,716,932
Retained Earnings	76,229,346	70,387,041
Total Capital	185,846,778	180,004,474
LONG-TERM DEBT	153,506,000	153,506,000
OTHER NONCURRENT LIABILITIES	6,888,213	5,996,331
CURRENT LIABILITIES		
Payable (Receivable)	126,810,801	134,996,378
Cur Maturities of LTD & Capital Lease	839,350	817,375
Customer Advance Payments	668,301	651,863
Taxes Accrued	11,714,563	10,203,117
Other Current Liabilities	2,928,199	3,083,518
Total Current Liabilities	142,961,214	149,752,250
OTHER DEFERRED CREDITS		
Customer Advances	33,922,783	36,142,496
Accumulated Deferred Income Taxes	77,145,731	76,590,867
Other Deferred Credits	14,760,025	7,773,336
Total Deferred Credits	125,828,539	120,506,698
Total Liabilities and Other Credits	615,030,744	609,765,753

ENSTAR NATURAL GAS COMPANY

COMPARATIVE STATEMENT OF INCOME & OPERATING EXPENSES
For The Years Ended December 31, 2021 and 2020

	2020	2021
OPERATING REVENUE	<u>382,662,252</u>	<u>384,072,724</u>
OPERATING EXPENSES		
Operating Expenses	326,938,758	328,266,443
Depreciation and Amortization Expense	18,500,713	19,262,988
State and Federal Income Taxes	7,604,155	7,641,162
Property and Other Taxes	<u>4,406,105</u>	<u>4,511,377</u>
Total Operating Expenses	<u>357,449,731</u>	<u>359,681,969</u>
NET UTILITY OPERATING INCOME	25,212,521	24,390,754
OTHER INCOME AND (DEDUCTIONS)		
Interest Income and Other Income	280,641	87,535
Interest Expense	(6,064,528)	(4,943,399)
Amortization of Debt Expenses	(156,627)	(65,138)
Other Deductions	<u>(238,673)</u>	<u>(312,057)</u>
Total Interest Charges	<u>(6,179,187)</u>	<u>(5,233,059)</u>
NET INCOME	<u><u>19,033,334</u></u>	<u><u>19,157,695</u></u>

ENSTAR NATURAL GAS COMPANY

**COMPARATIVE STATEMENT OF CHANGES IN EQUITY POSITION
For The Years Ended December 31, 2021 and 2020**

	2020	2021
Beginning Paid-in-Capital	109,617,432	109,617,432
Beginning Retained Earnings	57,196,012	76,229,346
Beginning Equity	166,813,444	185,846,778
Net Income	19,033,334	19,157,695
Dividends	-	(25,000,000)
Changes in Stockholders Equity	19,033,334	(5,842,305)
ENDING STOCKHOLDER'S EQUITY	185,846,778	180,004,474

ENSTAR NATURAL GAS COMPANY

**PLANT IN SERVICE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2020**

Acct. No.	Description	Plant Investment	Accumulated Depreciation	Net Plant
301.0	Organization (Includes ARO)	1,951,742	(1,263,024)	688,719
302.0	Franchises and Consents	25,280	(17,570)	7,710
332.0	Field Lines	211,248	(229,625)	(18,377)
334.0	Field M&R Station Equipment	<u>188,663</u>	<u>(144,533)</u>	<u>44,130</u>
	Total Production and Gathering	2,376,933	(1,654,752)	722,182
365.1	Land and Land Rights	166,276	-	166,276
365.2	Rights-of-Way	170,899	(166,743)	4,157
366.0	Structures and Improvements	9,773,636	(2,860,802)	6,912,834
367.0	Mains	169,373,598	(103,049,364)	66,324,234
368.0	Compressor Station Equipment	18,974,428	(5,183,243)	13,791,185
369.0	M&R Station Equipment	24,469,127	(8,081,827)	16,387,300
370.0	Communication Equipment	<u>6,535,897</u>	<u>(4,123,389)</u>	<u>2,412,507</u>
	Total Transmission	229,463,860	(123,465,367)	105,998,493
374.0	Land and Land Rights	353,338	35,854	389,192
375.0	Structures and Improvements	72,739	(68,616)	4,123
376.0	Mains	181,776,624	(95,312,215)	86,464,409
376.1	Cathodic Protection Main/Svc	2,084,532	(612,309)	1,472,222
378.0	M&R Station Equipment - General	1,786,817	(1,238,543)	548,274
379.0	M&R Station Equipment - City Gate	1,703,547	(636,077)	1,067,470
380.0	Services	108,775,669	(70,848,474)	37,927,195
381.0	Meters	26,320,311	(5,498,583)	20,821,728
382.0	Meter Installations	29,374,478	(15,132,923)	14,241,555
383.0	House Regulators	255,348	(406,662)	(151,313)
385.0	Industrial M&R Station Equipment	2,462,323	(560,764)	1,901,560
387.0	Other Equipment	<u>6,193,149</u>	<u>(2,733,980)</u>	<u>3,459,168</u>
	Total Distribution	361,158,875	(193,013,290)	168,145,584
389-398	General Plant	34,673,716	(28,651,779)	6,021,936
107.0	Construction Work in Progress	<u>1,648,967</u>	<u>-</u>	<u>1,648,967</u>
	TOTAL	<u><u>629,322,351</u></u>	<u><u>(346,785,189)</u></u>	<u><u>282,537,162</u></u>

ENSTAR NATURAL GAS COMPANY

**PLANT IN SERVICE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2021**

Acct. No.	Description	Plant Investment	Accumulated Depreciation	Net Plant
301.0	Organization (Includes ARO)	2,287,791	(962,392)	1,325,399
302.0	Franchises and Consents	25,280	(17,570)	7,710
332.0	Field Lines	211,248	(234,019)	(22,771)
334.0	Field M&R Station Equipment	<u>188,663</u>	<u>(148,986)</u>	<u>39,677</u>
	Total Production and Gathering	2,712,982	(1,362,966)	1,350,016
365.1	Land and Land Rights	166,276	-	166,276
365.2	Rights-of-Way	170,899	(169,118)	1,781
366.0	Structures and Improvements	10,252,083	(3,018,232)	7,233,851
367.0	Mains	169,558,714	(105,938,478)	63,620,236
368.0	Compressor Station Equipment	18,968,910	(5,508,496)	13,460,414
369.0	M&R Station Equipment	28,517,788	(8,008,646)	20,509,143
370.0	Communication Equipment	<u>6,655,776</u>	<u>(4,449,982)</u>	<u>2,205,794</u>
	Total Transmission	234,290,447	(127,092,952)	107,197,495
374.0	Land and Land Rights	353,338	34,680	388,018
375.0	Structures and Improvements	72,739	(69,364)	3,374
376.0	Mains	186,650,504	(98,341,758)	88,308,746
376.1	Cathodic Protection Main/Svc	2,261,119	(673,784)	1,587,336
378.0	M&R Station Equipment - General	1,859,685	(1,266,296)	593,389
379.0	M&R Station Equipment - City Gate	1,957,736	(512,725)	1,445,011
380.0	Services	113,680,051	(74,552,560)	39,127,491
381.0	Meters	26,789,027	(5,763,544)	21,025,483
382.0	Meter Installations	31,014,379	(15,213,476)	15,800,903
383.0	House Regulators	246,575	(407,466)	(160,891)
385.0	Industrial M&R Station Equipment	2,443,792	(601,125)	1,842,667
387.0	Other Equipment	<u>6,310,217</u>	<u>(2,914,463)</u>	<u>3,395,754</u>
	Total Distribution	373,639,161	(200,281,882)	173,357,279
389-398	General Plant	35,596,604	(29,983,496)	5,613,108
107.0	Construction Work in Progress	<u>382,897</u>	<u>-</u>	<u>382,897</u>
	TOTAL	<u><u>646,622,091</u></u>	<u><u>(358,721,296)</u></u>	<u><u>287,900,795</u></u>

ENSTAR NATURAL GAS COMPANY

**DEPRECIATION EXPENSE
For the Year Ended December 31, 2020**

Acct. No.	Description	Depreciation Method	Asset Life, Years	Depreciation Rate	Depreciation Expense
301.0	Organization	Straight Line	0	0.00%	-
302.0	Franchises and Consents	Straight Line	0	0.00%	-
332.0	Field Lines	Unit of Production	48	2.08%	4,394
334.0	Field M&R Station Equipment	Unit of Production	42	2.36%	4,053
	Total Production and Gathering				<u>8,447</u>
365.1	Land and Land Rights	Straight Line	0	0.00%	-
365.2	Rights-of-Way	Straight Line	72	1.39%	2,376
366.0	Structures and Improvements	Straight Line	53	1.87%	162,278
367.0	Mains	Straight Line	57 / 36	2.27%	2,935,131
368.0	Compressor Station Equipment	Straight Line	46	2.16%	404,770
369.0	M&R Station Equipment	Straight Line	41	2.42%	566,488
370.0	Communication Equipment	Straight Line	19	5.22%	335,964
	Total Transmission				<u>4,407,007</u>
374.0	Land and Land Rights	Straight Line	46	2.19%	1,175
375.0	Structures and Improvements	Straight Line	36	2.77%	748
376.0	Mains	Straight Line	50	2.05%	3,683,684
376.1	Cathodic Protection Main/Svc	Straight Line	34	2.93%	58,717
378.0	M&R Station Equipment - General	Straight Line	37	2.67%	46,386
379.0	M&R Station Equipment - City Gate	Straight Line	48 / 45	2.17%	37,242
380.0	Services	Straight Line	36	3.71%	3,877,093
381.0	Meters	Straight Line	41	4.05%	855,247
382.0	Meter Installations	Straight Line	41	2.43%	688,722
383.0	House Regulators	Straight Line	52	1.92%	4,935
385.0	Industrial M&R Station Equipment	Straight Line	38	2.63%	64,759
387.0	Other Equipment	Straight Line	34	2.91%	176,174
	Total Distribution				<u>9,494,882</u>
389.0	Land and Land Rights	--	0	0.00%	-
390.0	Structures and Improvements	Straight Line	38 / 61	2.13%	218,204
391.0	Office Furniture and Equipment	Straight Line	17 / 7	10.14%	605,540
392.0	Transportation Equipment	Straight Line	10	10.37%	475,850
393.0	Stores Equipment	Straight Line	17	5.80%	3,191
394.0	Tools, Shop, and Garage Eqp.	Straight Line	16 / 27	4.88%	212,696
395.0	Laboratory Equipment	Straight Line	0	0.00%	-
396.0	Power Operated Equipment	Straight Line	14	6.90%	304,576
397.0	Communications Equipment	Straight Line	9 / 18	8.65%	167,665
398.0	Miscellaneous Equipment	Straight Line	9 / 13	9.37%	136,436
	Total General Plant				<u>2,124,157</u>
TOTAL DEPRECIATION EXPENSE					<u><u>16,034,493</u></u>

ENSTAR NATURAL GAS COMPANY

DEPRECIATION EXPENSE
For the Year Ended December 31, 2021

Acct. No.	Description	Depreciation Method	Asset Life, Years	Depreciation Rate	Depreciation Expense
301.0	Organization	Straight Line	0	0.00%	-
302.0	Franchises and Consents	Straight Line	0	0.00%	-
332.0	Field Lines	Unit of Production	48	2.08%	4,394
334.0	Field M&R Station Equipment	Unit of Production	42	2.36%	4,452
	Total Production and Gathering				<u>8,846</u>
365.1	Land and Land Rights	Straight Line	0	0.00%	-
365.2	Rights-of-Way	Straight Line	72	1.39%	2,376
366.0	Structures and Improvements	Straight Line	53	1.87%	184,438
367.0	Mains	Straight Line	57 / 36	2.27%	2,999,232
368.0	Compressor Station Equipment	Straight Line	46	2.16%	408,592
369.0	M&R Station Equipment	Straight Line	41	2.42%	610,043
370.0	Communication Equipment	Straight Line	19	5.22%	341,651
	Total Transmission				<u>4,546,333</u>
374.0	Land and Land Rights	Straight Line	46	2.19%	1,175
375.0	Structures and Improvements	Straight Line	36	2.77%	748
376.0	Mains	Straight Line	50	2.05%	3,789,479
376.1	Cathodic Protection Main/Svc	Straight Line	34	2.93%	61,475
378.0	M&R Station Equipment - General	Straight Line	37	2.67%	47,858
379.0	M&R Station Equipment - City Gate	Straight Line	48 / 45	2.17%	37,836
380.0	Services	Straight Line	36	3.71%	4,018,725
381.0	Meters	Straight Line	41	4.05%	933,748
382.0	Meter Installations	Straight Line	41	2.43%	726,900
383.0	House Regulators	Straight Line	52	1.92%	4,857
385.0	Industrial M&R Station Equipment	Straight Line	38	2.63%	64,609
387.0	Other Equipment	Straight Line	34	2.91%	180,483
	Total Distribution				<u>9,867,892</u>
389.0	Land and Land Rights	--	0	0.00%	-
390.0	Structures and Improvements	Straight Line	38 / 61	2.13%	221,329
391.0	Office Furniture and Equipment	Straight Line	17 / 7	10.14%	634,303
392.0	Transportation Equipment	Straight Line	10	10.37%	481,881
393.0	Stores Equipment	Straight Line	17	5.80%	3,191
394.0	Tools, Shop, and Garage Eqp.	Straight Line	16 / 27	4.88%	224,812
395.0	Laboratory Equipment	Straight Line	0	0.00%	-
396.0	Power Operated Equipment	Straight Line	14	6.90%	305,140
397.0	Communications Equipment	Straight Line	9 / 18	8.65%	191,589
398.0	Miscellaneous Equipment	Straight Line	9 / 13	9.37%	138,431
	Total General Plant				<u>2,200,676</u>
	TOTAL DEPRECIATION EXPENSE				<u><u>16,623,746</u></u>

ENSTAR NATURAL GAS COMPANY

LONG-TERM DEBT OUTSTANDING

At December 31, 2021

Description	Date of Issue	Date of Maturity	Face Amount	Amount Outstanding	Interest Rate	Annual Expense
ENSTAR Natural Gas Company	8/1/2020	3/31/2030	55,789,683	55,495,419	2.45%	1,366,847
ENSTAR Natural Gas Company	8/1/2020	3/31/2050	55,789,683	55,456,179	3.15%	1,757,375
Alaska Pipeline Company	8/1/2020	3/31/2030	20,963,318	20,852,749	2.45%	513,601
Alaska Pipeline Company	8/1/2020	3/31/2050	20,963,318	20,838,001	3.15%	660,345

At December 31, 2020

Description	Date of Issue	Date of Maturity	Face Amount	Amount Outstanding	Interest Rate	Annual Expense
ENSTAR Natural Gas Company	8/1/2020	3/31/2030	55,789,683	55,501,527	2.45%	949,199
ENSTAR Natural Gas Company	8/1/2020	3/31/2050	55,789,683	55,485,857	3.15%	1,220,399
Alaska Pipeline Company	8/1/2020	3/31/2030	20,963,318	20,854,982	2.45%	356,668
Alaska Pipeline Company	8/1/2020	3/31/2050	20,963,318	20,849,172	3.15%	458,573

ENSTAR Natural Gas Company

**Effective Proposed Rate Increases 3 AAC 48-275(a)(4)
For the Year Ended December 31, 2021**

	Existing Tariff Rates \$	Increase \$	Interim Change in \$	Change in %	Permanent Increase \$	Proposed Change in \$	Change in %	
GENERAL SERVICE								
G1								
Monthly Customer Charge	16.00	16.25	0.25	1.56%	27.00	11.00	68.75%	
Base Rate (per Ccf)	0.14759	0.14980	0.00221	1.50%	0.06555	-0.08204	-55.59%	
G2								
Monthly Customer Charge	35.00	35.50	0.50	1.43%	46.00	11.00	31.43%	
Base Rate (per Ccf)	0.09459	0.09600	0.00142	1.50%	0.06797	-0.02662	-28.14%	
G3								
Monthly Customer Charge	110.00	112.00	2.00	1.82%	150.00	40.00	36.36%	
Base Rate (per Ccf)	0.09308	0.09448	0.00140	1.50%	0.06728	-0.02580	-27.72%	
G4								
Monthly Customer Charge	530.00	538.00	8.00	1.51%	620.00	90.00	16.98%	
Base Rate (per Ccf)	0.06483	0.06580	0.00097	1.50%	0.06361	-0.00122	-1.88%	
LARGE TRANSPORTATION FIRM								
Chugach International								
Monthly Customer Charge	2,900	*	*	*	*	*	*	
Base Rate (per Mcf)	0.7671	*	*	*	*	*	*	
MID-SIZED FIRM TRANSPORTATION								
Monthly Customer Charge	9,000	9,140	140	1.56%	21,100	12,100	134.44%	
Base Rate (per Mcf)	0.1605	0.1629	0.0024	1.50%	0.0052	-0.1552	-96.75%	
VERY LARGE FIRM TRANSPORTATION								
Base Rate (per Mcf)	0.1736	0.1762	0.00260	1.50%	0.0057	-0.16786	-96.70%	
Customer Charge per Delivery Point	2,500	2,540	40	1.60%	1,700	-800	-32.00%	
Demand Charge per Mcf of Contracted Peak Demand per Month	4.20	4.26	0.06	1.50%	8.32	4.12	98.10%	
SOUTH CENTRAL POWER POOL FIRM TRANSPORTATION								
Base Rate (per Mcf)					0.0057	New	NA	
Customer Charge per Delivery Point					1,700	New	NA	
Demand Charge per Mcf of Contracted Peak Demand per Month					8.32	New	NA	
INTERRUPTIBLE INDUSTRIAL TRANSPORTATION								
	Mcf/Month							
	< 100000	17,400	17,660	260	1.49%	24,000	6,600	37.93%
Remaining Volumes		0.1744	0.1770	0.0026	1.50%	0.2403	0.066	37.77%
INTERRUPTIBLE STORAGE TRANSPORTATION								
	Mcf/Month							
All Volumes		0.1744	0.1770	0.0026	1.50%	0.2403	0.066	37.77%
Minimum charge for each Year		15,900	16,100	200	1.26%	24,000	8,100	50.94%

* The Chugach Int. Power Plant is decommissioned and metering facilities removed in July 2022

Attachment C

ENSTAR NATURAL GAS COMPANY
COST OF SERVICE STUDY
For the Year Ended December 31, 2021

	<u>Total System</u>	<u>G1</u>	<u>G2</u>	<u>G3</u>	<u>G4</u>	<u>VLFT</u>	<u>MSFT</u>	<u>IIT/ITS</u>
Normalized Revenues (net of gas cost)	86,803,281	54,716,431	4,254,484	8,592,094	11,206,316	7,387,469	444,106	202,382
Allocated Expenses (net of gas costs)	<u>91,844,132</u>	<u>57,266,149</u>	<u>4,463,953</u>	<u>9,278,448</u>	<u>12,222,386</u>	<u>7,832,715</u>	<u>513,818</u>	<u>266,663</u>
Revenues Under (Over) of Allocated Costs	<u>5,040,851</u>	<u>2,549,718</u>	<u>209,469</u>	<u>686,354</u>	<u>1,016,071</u>	<u>445,246</u>	<u>69,712</u>	<u>64,281</u>
Percent of Normalized Base Rate Revenues	6%	5%	5%	8%	9%	6%	16%	32%

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G1				G2			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	COST OF SERVICE											
	Production and Gathering											
756	Field M&R Station Expense	Commodity	14,087	E.1	-	-	8,241	8,241	-	-	861	861
800	Natural Gas Well Head Purchases	Commodity	-	E.1	-	-	-	-	-	-	-	-
807	Purchased Gas Expenses	Commodity	300,117	E	-	-	103,961	103,961	-	-	10,865	10,865
	Total		314,204		-	-	112,202	112,202	-	-	11,726	11,726
	Transmission Expense											
850	Operation Supervision & Engnr.	Allocation	126,655	T	-	50,546	-	50,546	-	5,220	-	5,220
851	System Control & Load Dispatching	Capacity	366,038	S	-	146,082	-	146,082	-	15,087	-	15,087
852	Communication System Expenses	Capacity	336,582	S	-	134,326	-	134,326	-	13,873	-	13,873
853	Compressor Station Labor & Expenses	Capacity	327,405	S	-	130,664	-	130,664	-	13,495	-	13,495
856	Mains Expenses	Capacity	747,713	S	-	298,404	-	298,404	-	30,818	-	30,818
857	M&R Station Expenses	Capacity	441,995	S	-	176,395	-	176,395	-	18,218	-	18,218
859	Other Expenses	Capacity	27,068	S	-	10,802	-	10,802	-	1,116	-	1,116
860	Rents	Capacity	227,250	S	-	90,693	-	90,693	-	9,366	-	9,366
861	Maintenance Supervision & Engnr.	Capacity	88,005	S	-	35,122	-	35,122	-	3,627	-	3,627
862	Maint. of Structure and Improvements	Capacity	538,025	S	-	214,719	-	214,719	-	22,176	-	22,176
863	Maintenance of Mains	Capacity	551,416	S	-	220,064	-	220,064	-	22,727	-	22,727
864	Maint. of Compressor Station Equip.	Capacity	47,363	S	-	18,902	-	18,902	-	1,952	-	1,952
865	Maintenance of M&R Station Equip.	Capacity	63,523	S	-	25,351	-	25,351	-	2,618	-	2,618
866	Maintenance of Communication Equip.	Capacity	238,565	S	-	95,209	-	95,209	-	9,833	-	9,833
	Total		4,127,602		-	1,647,279	-	1,647,279	-	170,126	-	170,126
	Distribution Expense											
870	Operation Supervision & Engnr.	Allocation	723,516	J	301,175	177,959	-	479,133	19,516	18,342	-	37,858
871	Distribution Load Dispatching	Capacity	380,177	D.1	-	229,926	-	229,926	-	23,529	-	23,529
874	Mains and Services Expenses	Allocation	2,584,629	K	592,350	1,057,138	-	1,649,488	38,384	109,311	-	147,695
875	M&R Station Expenses - General	Capacity	525,018	D.2	-	241,089	-	241,089	-	24,671	-	24,671
876	M&R Station Expenses - Industrial	Capacity	23,703	D.2	-	10,885	-	10,885	-	1,114	-	1,114
878	Meter and House Regulator Expenses	Customer	1,534,045	B.1	1,125,126	-	-	1,125,126	72,909	-	-	72,909
879	Customer Installations Expenses	Customer	1,209,608	B.1	887,172	-	-	887,172	57,489	-	-	57,489
880	Other Expenses	Allocation	317,673	J	132,236	78,136	-	210,372	8,569	8,053	-	16,622
881	Rents	Allocation	345,687	J	143,897	85,026	-	228,924	9,325	8,763	-	18,088
882	Temporary Service Line Expense	Allocation	-	B.1	-	-	-	-	-	-	-	-
885	Maintenance Supervision & Engnr.	Allocation	-	L	-	-	-	-	-	-	-	-
887	Maintenance of Mains	Allocation	538,050	U	-	320,087	-	320,087	-	33,098	-	33,098
889	Maint. M&R Stn. Equip. General	Capacity	62,719	D.2	-	28,801	-	28,801	-	2,947	-	2,947
890	Maint. M&R Stn. Equip. Indust.	Capacity	-	D.2	-	-	-	-	-	-	-	-
892	Maintenance of Services	Customer	845,308	B.1	619,980	-	-	619,980	40,175	-	-	40,175
893	Maint. of Meter & House Regulators	Customer	264,592	B.1	194,062	-	-	194,062	12,575	-	-	12,575
	Total		9,354,726		3,995,998	2,229,047	-	6,225,045	258,942	229,828	-	488,770

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G3				G4			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	COST OF SERVICE											
	Production and Gathering											
756	Field M&R Station Expense	Commodity	14,087	E.1	-	-	1,765	1,765	-	-	3,219	3,219
800	Natural Gas Well Head Purchases	Commodity	-	E.1	-	-	-	-	-	-	-	-
807	Purchased Gas Expenses	Commodity	300,117	E	-	-	22,267	22,267	-	-	40,613	40,613
	Total		314,204		-	-	24,033	24,033	-	-	43,832	43,832
	Transmission Expense											
850	Operation Supervision & Engnr.	Allocation	126,655	T	-	10,569	-	10,569	-	18,467	-	18,467
851	System Control & Load Dispatching	Capacity	366,038	S	-	30,546	-	30,546	-	53,370	-	53,370
852	Communication System Expenses	Capacity	336,582	S	-	28,088	-	28,088	-	49,075	-	49,075
853	Compressor Station Labor & Expenses	Capacity	327,405	S	-	27,322	-	27,322	-	47,737	-	47,737
856	Mains Expenses	Capacity	747,713	S	-	62,397	-	62,397	-	109,020	-	109,020
857	M&R Station Expenses	Capacity	441,995	S	-	36,885	-	36,885	-	64,445	-	64,445
859	Other Expenses	Capacity	27,068	S	-	2,259	-	2,259	-	3,947	-	3,947
860	Rents	Capacity	227,250	S	-	18,964	-	18,964	-	33,134	-	33,134
861	Maintenance Supervision & Engnr.	Capacity	88,005	S	-	7,344	-	7,344	-	12,832	-	12,832
862	Maint. of Structure and Improvements	Capacity	538,025	S	-	44,899	-	44,899	-	78,446	-	78,446
863	Maintenance of Mains	Capacity	551,416	S	-	46,016	-	46,016	-	80,399	-	80,399
864	Maint. of Compressor Station Equip.	Capacity	47,363	S	-	3,952	-	3,952	-	6,906	-	6,906
865	Maintenance of M&R Station Equip.	Capacity	63,523	S	-	5,301	-	5,301	-	9,262	-	9,262
866	Maintenance of Communication Equip.	Capacity	238,565	S	-	19,908	-	19,908	-	34,784	-	34,784
	Total		4,127,602		-	344,452	-	344,452	-	601,822	-	601,822
	Distribution Expense											
870	Operation Supervision & Engnr.	Allocation	723,516	J	52,188	37,058	-	89,246	37,756	64,250	-	102,005
871	Distribution Load Dispatching	Capacity	380,177	D.1	-	47,182	-	47,182	-	79,540	-	79,540
874	Mains and Services Expenses	Allocation	2,584,629	K	102,644	221,599	-	324,243	74,258	388,946	-	463,204
875	M&R Station Expenses - General	Capacity	525,018	D.2	-	49,472	-	49,472	-	83,401	-	83,401
876	M&R Station Expenses - Industrial	Capacity	23,703	D.2	-	2,234	-	2,234	-	3,765	-	3,765
878	Meter and House Regulator Expenses	Customer	1,534,045	B.1	194,964	-	-	194,964	141,047	-	-	141,047
879	Customer Installations Expenses	Customer	1,209,608	B.1	153,731	-	-	153,731	111,217	-	-	111,217
880	Other Expenses	Allocation	317,673	J	22,914	16,271	-	39,185	16,577	28,210	-	44,787
881	Rents	Allocation	345,687	J	24,935	17,706	-	42,641	18,039	30,698	-	48,737
882	Temporary Service Line Expense	Allocation	-	B.1	-	-	-	-	-	-	-	-
885	Maintenance Supervision & Engnr.	Allocation	-	L	-	-	-	-	-	-	-	-
887	Maintenance of Mains	Allocation	538,050	U	-	67,097	-	67,097	-	117,768	-	117,768
889	Maint. M&R Stn. Equip. General	Capacity	62,719	D.2	-	5,910	-	5,910	-	9,963	-	9,963
890	Maint. M&R Stn. Equip. Indust.	Capacity	-	D.2	-	-	-	-	-	-	-	-
892	Maintenance of Services	Customer	845,308	B.1	107,431	-	-	107,431	77,721	-	-	77,721
893	Maint. of Meter & House Regulators	Customer	264,592	B.1	33,627	-	-	33,627	24,328	-	-	24,328
	Total		9,354,726		692,435	464,529	-	1,156,963	500,942	806,541	-	1,307,483

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	VLFT				MSFT			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	COST OF SERVICE											
	Production and Gathering											
756	Field M&R Station Expense	Commodity	14,087	E.1	-	-	-	-	-	-	-	-
800	Natural Gas Well Head Purchases	Commodity	-	E.1	-	-	-	-	-	-	-	-
807	Purchased Gas Expenses	Commodity	300,117	E	-	-	108,950	108,950	-	-	7,787	7,787
	Total		314,204		-	-	108,950	108,950	-	-	7,787	7,787
	Transmission Expense											
850	Operation Supervision & Engnr.	Allocation	126,655	T	-	37,987	-	37,987	-	2,667	-	2,667
851	System Control & Load Dispatching	Capacity	366,038	S	-	109,785	-	109,785	-	7,709	-	7,709
852	Communication System Expenses	Capacity	336,582	S	-	100,950	-	100,950	-	7,089	-	7,089
853	Compressor Station Labor & Expenses	Capacity	327,405	S	-	98,198	-	98,198	-	6,895	-	6,895
856	Mains Expenses	Capacity	747,713	S	-	224,260	-	224,260	-	15,747	-	15,747
857	M&R Station Expenses	Capacity	441,995	S	-	132,567	-	132,567	-	9,309	-	9,309
859	Other Expenses	Capacity	27,068	S	-	8,118	-	8,118	-	570	-	570
860	Rents	Capacity	227,250	S	-	68,159	-	68,159	-	4,786	-	4,786
861	Maintenance Supervision & Engnr.	Capacity	88,005	S	-	26,395	-	26,395	-	1,853	-	1,853
862	Maint. of Structure and Improvements	Capacity	538,025	S	-	161,369	-	161,369	-	11,331	-	11,331
863	Maintenance of Mains	Capacity	551,416	S	-	165,385	-	165,385	-	11,613	-	11,613
864	Maint. of Compressor Station Equip.	Capacity	47,363	S	-	14,205	-	14,205	-	997	-	997
865	Maintenance of M&R Station Equip.	Capacity	63,523	S	-	19,052	-	19,052	-	1,338	-	1,338
866	Maintenance of Communication Equip.	Capacity	238,565	S	-	71,552	-	71,552	-	5,024	-	5,024
	Total		4,127,602		-	1,237,984	-	1,237,984	-	86,929	-	86,929
	Distribution Expense											
870	Operation Supervision & Engnr.	Allocation	723,516	J	-	15,274	-	15,274	-	-	-	-
871	Distribution Load Dispatching	Capacity	380,177	D.1	-	-	-	-	-	-	-	-
874	Mains and Services Expenses	Allocation	2,584,629	K	-	-	-	-	-	-	-	-
875	M&R Station Expenses - General	Capacity	525,018	D.2	-	126,384	-	126,384	-	-	-	-
876	M&R Station Expenses - Industrial	Capacity	23,703	D.2	-	5,706	-	5,706	-	-	-	-
878	Meter and House Regulator Expenses	Customer	1,534,045	B.1	-	-	-	-	-	-	-	-
879	Customer Installations Expenses	Customer	1,209,608	B.1	-	-	-	-	-	-	-	-
880	Other Expenses	Allocation	317,673	J	-	6,706	-	6,706	-	-	-	-
881	Rents	Allocation	345,687	J	-	7,297	-	7,297	-	-	-	-
882	Temporary Service Line Expense	Allocation	-	B.1	-	-	-	-	-	-	-	-
885	Maintenance Supervision & Engnr.	Allocation	-	L	-	-	-	-	-	-	-	-
887	Maintenance of Mains	Allocation	538,050	U	-	-	-	-	-	-	-	-
889	Maint. M&R Stn. Equip. General	Capacity	62,719	D.2	-	15,098	-	15,098	-	-	-	-
890	Maint. M&R Stn. Equip. Indust.	Capacity	-	D.2	-	-	-	-	-	-	-	-
892	Maintenance of Services	Customer	845,308	B.1	-	-	-	-	-	-	-	-
893	Maint. of Meter & House Regulators	Customer	264,592	B.1	-	-	-	-	-	-	-	-
	Total		9,354,726		-	176,465	-	176,465	-	-	-	-

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	Customer	IIT/ITS Capacity	Commodity	Total
	COST OF SERVICE							
	Production and Gathering							
756	Field M&R Station Expense	Commodity	14,087	E.1	-	-	-	-
800	Natural Gas Well Head Purchases	Commodity	-	E.1	-	-	-	-
807	Purchased Gas Expenses	Commodity	300,117	E	-	-	5,673	5,673
	Total		314,204		-	-	5,673	5,673
	Transmission Expense							
850	Operation Supervision & Engrn.	Allocation	126,655	T	-	1,197	-	1,197
851	System Control & Load Dispatching	Capacity	366,038	S	-	3,459	-	3,459
852	Communication System Expenses	Capacity	336,582	S	-	3,181	-	3,181
853	Compressor Station Labor & Expenses	Capacity	327,405	S	-	3,094	-	3,094
856	Mains Expenses	Capacity	747,713	S	-	7,067	-	7,067
857	M&R Station Expenses	Capacity	441,995	S	-	4,177	-	4,177
859	Other Expenses	Capacity	27,068	S	-	256	-	256
860	Rents	Capacity	227,250	S	-	2,148	-	2,148
861	Maintenance Supervision & Engrn.	Capacity	88,005	S	-	832	-	832
862	Maint. of Structure and Improvements	Capacity	538,025	S	-	5,085	-	5,085
863	Maintenance of Mains	Capacity	551,416	S	-	5,211	-	5,211
864	Maint. of Compressor Station Equip.	Capacity	47,363	S	-	448	-	448
865	Maintenance of M&R Station Equip.	Capacity	63,523	S	-	600	-	600
866	Maintenance of Communication Equip.	Capacity	238,565	S	-	2,255	-	2,255
	Total		4,127,602		-	39,010	-	39,010
	Distribution Expense							
870	Operation Supervision & Engrn.	Allocation	723,516	J	-	-	-	-
871	Distribution Load Dispatching	Capacity	380,177	D.1	-	-	-	-
874	Mains and Services Expenses	Allocation	2,584,629	K	-	-	-	-
875	M&R Station Expenses - General	Capacity	525,018	D.2	-	-	-	-
876	M&R Station Expenses - Industrial	Capacity	23,703	D.2	-	-	-	-
878	Meter and House Regulator Expenses	Customer	1,534,045	B.1	-	-	-	-
879	Customer Installations Expenses	Customer	1,209,608	B.1	-	-	-	-
880	Other Expenses	Allocation	317,673	J	-	-	-	-
881	Rents	Allocation	345,687	J	-	-	-	-
882	Temporary Service Line Expense	Allocation	-	B.1	-	-	-	-
885	Maintenance Supervision & Engrn.	Allocation	-	L	-	-	-	-
887	Maintenance of Mains	Allocation	538,050	U	-	-	-	-
889	Maint. M&R Stn. Equip. General	Capacity	62,719	D.2	-	-	-	-
890	Maint. M&R Stn. Equip. Indust.	Capacity	-	D.2	-	-	-	-
892	Maintenance of Services	Customer	845,308	B.1	-	-	-	-
893	Maint. of Meter & House Regulators	Customer	264,592	B.1	-	-	-	-
	Total		9,354,726		-	-	-	-

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G1				G2			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
901-910	Customer Accounting	Customer	6,255,266	C	5,113,425	-	-	5,113,425	261,491	-	-	261,491
904	Uncollectible Accounts	Customer	947,883	C.1	790,639	-	-	790,639	40,432	-	-	40,432
911-912	Sales	Customer	36,254	C	29,636	-	-	29,636	1,516	-	-	1,516
920-931	Administrative and General	Allocation	18,054,691	F	10,032,205	3,129,706	-	13,161,911	512,975	322,814	-	835,789
	Depreciation and Amortization	Allocation	18,612,610		6,527,757	4,975,623	-	11,503,379	391,653	513,996	-	905,649
	TOTAL OPERATING EXPENSES		57,703,236		26,489,660	11,981,655	112,202	38,583,517	1,467,008	1,236,764	11,726	2,715,499
	Ad Valorem & Miscellaneous											
	Ad Valorem	Allocation	4,405,888	N	903,817	1,551,230	-	2,455,047	57,933	160,273	-	218,206
	Miscellaneous	Allocation	105,489	M	43,252	23,375	483	67,110	2,497	2,413	51	4,961
	Total		4,511,377		947,069	1,574,605	483	2,522,157	60,430	162,686	51	223,166
	RETURN ON INVESTMENT	Allocation	24,389,495	P	3,281,965	10,229,144	3,825	13,514,934	201,173	1,057,043	400	1,258,616
	INCOME TAXES	Allocation	7,187,910	P	967,239	3,014,665	1,127	3,983,032	59,289	311,525	118	370,931
	REVENUE REQUIREMENT W/O GAS COST		93,792,018		31,685,933	26,800,069	117,638	58,603,640	1,787,900	2,768,018	12,294	4,568,212
	OTHER REVENUES											
	Miscellaneous Revenues	Allocation	(1,904,686)	O.1	(708,563)	(599,305)	(2,631)	(1,310,499)	(39,981)	(61,899)	(275)	(102,155)
	CEA - International & HEA - Bernice Lake	Allocation	(43,200)	O	(14,594)	(12,344)	(54)	(26,992)	(823)	(1,275)	(6)	(2,104)
	TOTAL COST OF SERVICE		91,844,132		30,962,776	26,188,420	114,953	57,266,149	1,747,096	2,704,844	12,014	4,463,953
	GAS UTILITY PLANT											
	Production and Gathering Plant											
301	Organization	Capacity	2,838,496	D	-	1,282,361	-	1,282,361	-	131,227	-	131,227
302	Franchises and Consents	Capacity	25,280	D	-	11,421	-	11,421	-	1,169	-	1,169
332	Field Lines	Capacity	211,248	D	-	95,437	-	95,437	-	9,766	-	9,766
334	Field M&R Station Equipment	Capacity	188,663	D	-	85,233	-	85,233	-	8,722	-	8,722
	Total		3,263,687		-	1,474,452	-	1,474,452	-	150,884	-	150,884
	Transmission Plant											
365.1	Land and Land Rights	Capacity	166,276	S	-	66,359	-	66,359	-	6,853	-	6,853
365.2	Rights-of-Way	Capacity	170,899	S	-	68,204	-	68,204	-	7,044	-	7,044
366	Structures and Improvements	Capacity	10,071,338	S	-	4,019,356	-	4,019,356	-	415,106	-	415,106
367	Mains	Capacity	169,614,929	S	-	67,691,384	-	67,691,384	-	6,990,948	-	6,990,948
368	Compressor Station Equipment	Capacity	18,916,307	S	-	7,549,283	-	7,549,283	-	779,666	-	779,666
369	M&R Station Equipment	Capacity	27,018,234	S	-	10,782,669	-	10,782,669	-	1,113,599	-	1,113,599
370	Communication Equipment	Capacity	6,545,043	S	-	2,612,052	-	2,612,052	-	269,764	-	269,764
	Total		232,503,027		-	92,789,307	-	92,789,307	-	9,582,981	-	9,582,981

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G3				G4			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
901-910	Customer Accounting	Customer	6,255,266	C	458,141	-	-	458,141	297,334	-	-	297,334
904	Uncollectible Accounts	Customer	947,883	C.1	70,838	-	-	70,838	45,974	-	-	45,974
911-912	Sales	Customer	36,254	C	2,655	-	-	2,655	1,723	-	-	1,723
920-931	Administrative and General	Allocation	18,054,691	F	898,517	652,732	-	1,551,250	583,089	1,134,958	-	1,718,047
	Depreciation and Amortization	Allocation	18,612,610		939,123	1,040,956	-	1,980,079	664,104	1,820,482	-	2,484,586
	TOTAL OPERATING EXPENSES		57,703,236		3,061,710	2,502,668	24,033	5,588,411	2,093,168	4,363,803	43,832	6,500,803
	Ad Valorem & Miscellaneous											
	Ad Valorem	Allocation	4,405,888	N	152,725	324,645	-	477,370	110,179	568,113	-	678,292
	Miscellaneous	Allocation	105,489	M	5,624	4,882	104	10,610	3,920	8,512	189	12,621
	Total		4,511,377		158,349	329,527	104	487,980	114,099	576,625	189	690,913
	RETURN ON INVESTMENT	Allocation	24,389,495	P	498,270	2,141,465	819	2,640,555	354,860	3,749,677	1,494	4,106,031
	INCOME TAXES	Allocation	7,187,910	P	146,847	631,119	241	778,207	104,582	1,105,080	440	1,210,102
	REVENUE REQUIREMENT W/O GAS COST		93,792,018		3,865,176	5,604,780	25,197	9,495,152	2,666,708	9,795,185	45,956	12,507,849
	OTHER REVENUES											
	Miscellaneous Revenues	Allocation	(1,904,686)	O.1	(86,433)	(125,334)	(563)	(212,331)	(59,633)	(219,041)	(1,028)	(279,701)
	CEA - International & HEA - Bernice Lake	Allocation	(43,200)	O	(1,780)	(2,582)	(12)	(4,373)	(1,228)	(4,512)	(21)	(5,761)
	TOTAL COST OF SERVICE		91,844,132		3,776,962	5,476,864	24,622	9,278,448	2,605,846	9,571,633	44,907	12,222,386
	GAS UTILITY PLANT											
	Production and Gathering Plant											
301	Organization	Capacity	2,838,496	D	-	263,145	-	263,145	-	443,613	-	443,613
302	Franchises and Consents	Capacity	25,280	D	-	2,344	-	2,344	-	3,951	-	3,951
332	Field Lines	Capacity	211,248	D	-	19,584	-	19,584	-	33,015	-	33,015
334	Field M&R Station Equipment	Capacity	188,663	D	-	17,490	-	17,490	-	29,485	-	29,485
	Total		3,263,687		-	302,563	-	302,563	-	510,064	-	510,064
	Transmission Plant											
365.1	Land and Land Rights	Capacity	166,276	S	-	13,876	-	13,876	-	24,244	-	24,244
365.2	Rights-of-Way	Capacity	170,899	S	-	14,262	-	14,262	-	24,918	-	24,918
366	Structures and Improvements	Capacity	10,071,338	S	-	840,461	-	840,461	-	1,468,445	-	1,468,445
367	Mains	Capacity	169,614,929	S	-	14,154,495	-	14,154,495	-	24,730,593	-	24,730,593
368	Compressor Station Equipment	Capacity	18,916,307	S	-	1,578,580	-	1,578,580	-	2,758,080	-	2,758,080
369	M&R Station Equipment	Capacity	27,018,234	S	-	2,254,692	-	2,254,692	-	3,939,376	-	3,939,376
370	Communication Equipment	Capacity	6,545,043	S	-	546,189	-	546,189	-	954,296	-	954,296
	Total		232,503,027		-	19,402,554	-	19,402,554	-	33,899,950	-	33,899,950

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	VLFT				MSFT			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
901-910	Customer Accounting	Customer	6,255,266	C	82,834	-	-	82,834	8,906	-	-	8,906
904	Uncollectible Accounts	Customer	947,883	C.1	-	-	-	-	-	-	-	-
911-912	Sales	Customer	36,254	C	480	-	-	480	52	-	-	52
920-931	Administrative and General	Allocation	18,054,691	F	206	732,235	-	732,442	83	38,024	-	38,106
	Depreciation and Amortization	Allocation	18,612,610		47	1,585,808	-	1,585,855	19	105,668	-	105,686
	TOTAL OPERATING EXPENSES		57,703,236		83,568	3,732,492	108,950	3,925,010	9,059	230,620	7,787	247,467
	Ad Valorem & Miscellaneous											
	Ad Valorem	Allocation	4,405,888	N	1	525,214	-	525,215	0	35,852	-	35,852
	Miscellaneous	Allocation	105,489	M	359	8,354	469	9,182	39	529	34	601
	Total		4,511,377		360	533,567	469	534,396	39	36,380	34	36,453
	RETURN ON INVESTMENT	Allocation	24,389,495	P	12,496	2,592,167	3,572	2,608,235	1,344	176,151	255	177,750
	INCOME TAXES	Allocation	7,187,910	P	3,683	763,946	1,053	768,682	396	51,914	75	52,385
	REVENUE REQUIREMENT W/O GAS COST		93,792,018		100,107	7,622,173	114,044	7,836,324	10,838	495,066	8,151	514,055
	OTHER REVENUES											
	Miscellaneous Revenues	Allocation	(1,904,686)	O.1	-	-	-	-	-	-	-	-
	CEA - International & HEA - Bernice Lake	Allocation	(43,200)	O	(46)	(3,511)	(53)	(3,609)	(5)	(228)	(4)	(237)
	TOTAL COST OF SERVICE		91,844,132		100,061	7,618,663	113,992	7,832,715	10,833	494,838	8,147	513,818
	GAS UTILITY PLANT											
	Production and Gathering Plant											
301	Organization	Capacity	2,838,496	D	-	672,240	-	672,240	-	45,909	-	45,909
302	Franchises and Consents	Capacity	25,280	D	-	5,987	-	5,987	-	409	-	409
332	Field Lines	Capacity	211,248	D	-	50,030	-	50,030	-	3,417	-	3,417
334	Field M&R Station Equipment	Capacity	188,663	D	-	44,681	-	44,681	-	3,051	-	3,051
	Total		3,263,687		-	772,937	-	772,937	-	52,786	-	52,786
	Transmission Plant											
365.1	Land and Land Rights	Capacity	166,276	S	-	49,871	-	49,871	-	3,502	-	3,502
365.2	Rights-of-Way	Capacity	170,899	S	-	51,258	-	51,258	-	3,599	-	3,599
366	Structures and Improvements	Capacity	10,071,338	S	-	3,020,679	-	3,020,679	-	212,106	-	212,106
367	Mains	Capacity	169,614,929	S	-	50,872,305	-	50,872,305	-	3,572,159	-	3,572,159
368	Compressor Station Equipment	Capacity	18,916,307	S	-	5,673,535	-	5,673,535	-	398,385	-	398,385
369	M&R Station Equipment	Capacity	27,018,234	S	-	8,103,531	-	8,103,531	-	569,015	-	569,015
370	Communication Equipment	Capacity	6,545,043	S	-	1,963,043	-	1,963,043	-	137,841	-	137,841
	Total		232,503,027		-	69,734,221	-	69,734,221	-	4,896,607	-	4,896,607

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	Customer	IIT/ITS Capacity	Commodity	Total
901-910	Customer Accounting	Customer	6,255,266	C	33,134	-	-	33,134
904	Uncollectible Accounts	Customer	947,883	C.1	-	-	-	-
911-912	Sales	Customer	36,254	C	192	-	-	192
920-931	Administrative and General	Allocation	18,054,691	F	83	17,064	-	17,146
	Depreciation and Amortization	Allocation	18,612,610		19	47,355	-	47,374
	TOTAL OPERATING EXPENSES		57,703,236		33,427	103,429	5,673	142,529
	Ad Valorem & Miscellaneous							
	Ad Valorem	Allocation	4,405,888	N	0	15,906	-	15,907
	Miscellaneous	Allocation	105,489	M	144	237	24	404
	Total		4,511,377		144	16,143	24	16,311
	RETURN ON INVESTMENT	Allocation	24,389,495	P	4,998	78,190	186	83,374
	INCOME TAXES	Allocation	7,187,910	P	1,473	23,044	55	24,571
	REVENUE REQUIREMENT W/O GAS COST		93,792,018		40,043	220,805	5,938	266,786
	OTHER REVENUES							
	Miscellaneous Revenues	Allocation	(1,904,686)	O.1	-	-	-	-
	CEA - International & HEA - Bernice Lake	Allocation	(43,200)	O	(18)	(102)	(3)	(123)
	TOTAL COST OF SERVICE		91,844,132		40,024	220,704	5,935	266,663
	GAS UTILITY PLANT							
	Production and Gathering Plant							
301	Organization	Capacity	2,838,496	D	-	-	-	-
302	Franchises and Consents	Capacity	25,280	D	-	-	-	-
332	Field Lines	Capacity	211,248	D	-	-	-	-
334	Field M&R Station Equipment	Capacity	188,663	D	-	-	-	-
	Total		3,263,687		-	-	-	-
	Transmission Plant							
365.1	Land and Land Rights	Capacity	166,276	S	-	1,571	-	1,571
365.2	Rights-of-Way	Capacity	170,899	S	-	1,615	-	1,615
366	Structures and Improvements	Capacity	10,071,338	S	-	95,185	-	95,185
367	Mains	Capacity	169,614,929	S	-	1,603,046	-	1,603,046
368	Compressor Station Equipment	Capacity	18,916,307	S	-	178,780	-	178,780
369	M&R Station Equipment	Capacity	27,018,234	S	-	255,352	-	255,352
370	Communication Equipment	Capacity	6,545,043	S	-	61,858	-	61,858
	Total		232,503,027		-	2,197,407	-	2,197,407

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G1				G2			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	353,338	G	117,515	113,867	-	231,381	7,615	11,770	-	19,385
375	Structures and Improvements	Allocation	72,739	G	24,192	23,441	-	47,633	1,568	2,423	-	3,991
376	Mains	Allocation	184,859,410	S.1	-	109,973,317	-	109,973,317	-	11,371,499	-	11,371,499
377	Cathodic Protection Main/Svc	Capacity	-	S.1	-	-	-	-	-	-	-	-
378	M&R Station Equipment - General	Capacity	1,792,422	D.2	-	823,084	-	823,084	-	84,228	-	84,228
379	M&R Station Equipment - City Gate	Capacity	1,758,935	D.2	-	807,707	-	807,707	-	82,654	-	82,654
380	Services	Customer	110,404,978	B.1	80,975,106	-	-	80,975,106	5,247,215	-	-	5,247,215
381	Meters	Customer	17,850,139	B.1	13,091,954	-	-	13,091,954	848,363	-	-	848,363
382	Meter Installations	Customer	38,389,190	B.1	28,156,055	-	-	28,156,055	1,824,522	-	-	1,824,522
383	House Regulators	Customer	252,969	B.1	185,537	-	-	185,537	12,023	-	-	12,023
385	Industrial M&R Station Equipment	Capacity	2,456,621	D.2	-	1,128,086	-	1,128,086	-	115,440	-	115,440
387	Other Equipment	Allocation	6,202,154	G	2,062,741	1,998,705	-	4,061,447	133,666	206,606	-	340,273
	Total		364,392,895		124,613,100	114,868,206	-	239,481,306	8,074,973	11,874,621	-	19,949,594
389-398	General Plant	Allocation	34,771,013	F	19,320,737	6,027,411	-	25,348,148	987,924	621,699	-	1,609,623
	Completed Not Classified	Allocation	-	H	-	-	-	-	-	-	-	-
	Construction Work in Progress	Allocation	-	H	-	-	-	-	-	-	-	-
	TOTAL GROSS GAS UTILITY PLANT		634,930,621		143,933,837	215,159,376	-	359,093,213	9,062,897	22,230,185	-	31,293,081
	DEPRECIATION RESERVE											
	Production and Gathering Plant											
301	Organization	Capacity	(1,260,834)	D	-	(569,613)	-	(569,613)	-	(58,290)	-	(58,290)
302	Franchises and Consents	Capacity	(17,570)	D	-	(7,938)	-	(7,938)	-	(812)	-	(812)
332	Field Lines	Capacity	(231,818)	D	-	(104,730)	-	(104,730)	-	(10,717)	-	(10,717)
334	Field M&R Station Equipment	Capacity	(146,756)	D	-	(66,301)	-	(66,301)	-	(6,785)	-	(6,785)
	Total		(1,656,978)		-	(748,581)	-	(748,581)	-	(76,604)	-	(76,604)
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	(167,928)	S	-	(67,018)	-	(67,018)	-	(6,921)	-	(6,921)
366	Structures and Improvements	Capacity	(2,953,312)	S	-	(1,178,633)	-	(1,178,633)	-	(121,725)	-	(121,725)
367	Mains	Capacity	(104,489,431)	S	-	(41,700,541)	-	(41,700,541)	-	(4,306,698)	-	(4,306,698)
368	Compressor Station Equipment	Capacity	(5,323,082)	S	-	(2,124,381)	-	(2,124,381)	-	(219,399)	-	(219,399)
369	M&R Station Equipment	Capacity	(8,254,104)	S	-	(3,294,119)	-	(3,294,119)	-	(340,206)	-	(340,206)
370	Communication Equipment	Capacity	(4,292,513)	S	-	(1,713,093)	-	(1,713,093)	-	(176,923)	-	(176,923)
	Total		(125,480,371)		-	(50,077,785)	-	(50,077,785)	-	(5,171,872)	-	(5,171,872)

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G3				G4			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	353,338	G	20,363	23,854	-	44,217	14,732	41,819	-	56,550
375	Structures and Improvements	Allocation	72,739	G	4,192	4,911	-	9,103	3,033	8,609	-	11,642
376	Mains	Allocation	184,859,410	S.1	-	23,052,808	-	23,052,808	-	40,461,785	-	40,461,785
377	Cathodic Protection Main/Svc	Capacity	-	S.1	-	-	-	-	-	-	-	-
378	M&R Station Equipment - General	Capacity	1,792,422	D.2	-	168,900	-	168,900	-	284,733	-	284,733
379	M&R Station Equipment - City Gate	Capacity	1,758,935	D.2	-	165,744	-	165,744	-	279,414	-	279,414
380	Services	Customer	110,404,978	B.1	14,031,532	-	-	14,031,532	10,151,125	-	-	10,151,125
381	Meters	Customer	17,850,139	B.1	2,268,601	-	-	2,268,601	1,641,221	-	-	1,641,221
382	Meter Installations	Customer	38,389,190	B.1	4,878,939	-	-	4,878,939	3,529,673	-	-	3,529,673
383	House Regulators	Customer	252,969	B.1	32,150	-	-	32,150	23,259	-	-	23,259
385	Industrial M&R Station Equipment	Capacity	2,456,621	D.2	-	231,487	-	231,487	-	390,244	-	390,244
387	Other Equipment	Allocation	6,202,154	G	357,436	418,705	-	776,141	258,587	734,043	-	992,630
	Total		364,392,895		21,593,213	24,066,409	-	45,659,621	15,621,631	42,200,647	-	57,822,277
389-398	General Plant	Allocation	34,771,013	F	1,730,429	1,257,078	-	2,987,507	1,122,954	2,185,783	-	3,308,737
	Completed Not Classified	Allocation	-	H	-	-	-	-	-	-	-	-
	Construction Work in Progress	Allocation	-	H	-	-	-	-	-	-	-	-
	TOTAL GROSS GAS UTILITY PLANT		634,930,621		23,323,641	45,028,604	-	68,352,245	16,744,585	78,796,444	-	95,541,029
	DEPRECIATION RESERVE											
	Production and Gathering Plant											
301	Organization	Capacity	(1,260,834)	D	-	(116,887)	-	(116,887)	-	(197,049)	-	(197,049)
302	Franchises and Consents	Capacity	(17,570)	D	-	(1,629)	-	(1,629)	-	(2,746)	-	(2,746)
332	Field Lines	Capacity	(231,818)	D	-	(21,491)	-	(21,491)	-	(36,230)	-	(36,230)
334	Field M&R Station Equipment	Capacity	(146,756)	D	-	(13,605)	-	(13,605)	-	(22,936)	-	(22,936)
	Total		(1,656,978)		-	(153,611)	-	(153,611)	-	(258,960)	-	(258,960)
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	(167,928)	S	-	(14,014)	-	(14,014)	-	(24,485)	-	(24,485)
366	Structures and Improvements	Capacity	(2,953,312)	S	-	(246,456)	-	(246,456)	-	(430,606)	-	(430,606)
367	Mains	Capacity	(104,489,431)	S	-	(8,719,722)	-	(8,719,722)	-	(15,235,013)	-	(15,235,013)
368	Compressor Station Equipment	Capacity	(5,323,082)	S	-	(444,215)	-	(444,215)	-	(776,128)	-	(776,128)
369	M&R Station Equipment	Capacity	(8,254,104)	S	-	(688,811)	-	(688,811)	-	(1,203,484)	-	(1,203,484)
370	Communication Equipment	Capacity	(4,292,513)	S	-	(358,213)	-	(358,213)	-	(625,867)	-	(625,867)
	Total		(125,480,371)		-	(10,471,432)	-	(10,471,432)	-	(18,295,583)	-	(18,295,583)

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	VLFT				MSFT			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	353,338	G	-	1,804	-	1,804	-	-	-	-
375	Structures and Improvements	Allocation	72,739	G	-	371	-	371	-	-	-	-
376	Mains	Allocation	184,859,410	S.1	-	-	-	-	-	-	-	-
377	Cathodic Protection Main/Svc	Capacity	-	S.1	-	-	-	-	-	-	-	-
378	M&R Station Equipment - General	Capacity	1,792,422	D.2	-	431,477	-	431,477	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	1,758,935	D.2	-	423,416	-	423,416	-	-	-	-
380	Services	Customer	110,404,978	B.1	-	-	-	-	-	-	-	-
381	Meters	Customer	17,850,139	B.1	-	-	-	-	-	-	-	-
382	Meter Installations	Customer	38,389,190	B.1	-	-	-	-	-	-	-	-
383	House Regulators	Customer	252,969	B.1	-	-	-	-	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	2,456,621	D.2	-	591,365	-	591,365	-	-	-	-
387	Other Equipment	Allocation	6,202,154	G	-	31,663	-	31,663	-	-	-	-
	Total		364,392,895		-	1,480,097	-	1,480,097	-	-	-	-
389-398	General Plant	Allocation	34,771,013	F	398	1,410,191	-	1,410,588	159	73,229	-	73,388
	Completed Not Classified	Allocation	-	H	-	-	-	-	-	-	-	-
	Construction Work in Progress	Allocation	-	H	-	-	-	-	-	-	-	-
	TOTAL GROSS GAS UTILITY PLANT		634,930,621		398	73,397,445	-	73,397,843	159	5,022,623	-	5,022,782
	DEPRECIATION RESERVE											
	Production and Gathering Plant											
301	Organization	Capacity	(1,260,834)	D	-	(298,603)	-	(298,603)	-	(20,393)	-	(20,393)
302	Franchises and Consents	Capacity	(17,570)	D	-	(4,161)	-	(4,161)	-	(284)	-	(284)
332	Field Lines	Capacity	(231,818)	D	-	(54,901)	-	(54,901)	-	(3,749)	-	(3,749)
334	Field M&R Station Equipment	Capacity	(146,756)	D	-	(34,756)	-	(34,756)	-	(2,374)	-	(2,374)
	Total		(1,656,978)		-	(392,421)	-	(392,421)	-	(26,800)	-	(26,800)
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	(167,928)	S	-	(50,366)	-	(50,366)	-	(3,537)	-	(3,537)
366	Structures and Improvements	Capacity	(2,953,312)	S	-	(885,782)	-	(885,782)	-	(62,198)	-	(62,198)
367	Mains	Capacity	(104,489,431)	S	-	(31,339,330)	-	(31,339,330)	-	(2,200,589)	-	(2,200,589)
368	Compressor Station Equipment	Capacity	(5,323,082)	S	-	(1,596,543)	-	(1,596,543)	-	(112,106)	-	(112,106)
369	M&R Station Equipment	Capacity	(8,254,104)	S	-	(2,475,639)	-	(2,475,639)	-	(173,835)	-	(173,835)
370	Communication Equipment	Capacity	(4,292,513)	S	-	(1,287,446)	-	(1,287,446)	-	(90,402)	-	(90,402)
	Total		(125,480,371)		-	(37,635,105)	-	(37,635,105)	-	(2,642,667)	-	(2,642,667)

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	IIT/ITS			
					Customer	Capacity	Commodity	Total
	Distribution Plant							
374	Land and Land Rights	Allocation	353,338	G	-	-	-	-
375	Structures and Improvements	Allocation	72,739	G	-	-	-	-
376	Mains	Allocation	184,859,410	S.1	-	-	-	-
377	Cathodic Protection Main/Svc	Capacity	-	S.1	-	-	-	-
378	M&R Station Equipment - General	Capacity	1,792,422	D.2	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	1,758,935	D.2	-	-	-	-
380	Services	Customer	110,404,978	B.1	-	-	-	-
381	Meters	Customer	17,850,139	B.1	-	-	-	-
382	Meter Installations	Customer	38,389,190	B.1	-	-	-	-
383	House Regulators	Customer	252,969	B.1	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	2,456,621	D.2	-	-	-	-
387	Other Equipment	Allocation	6,202,154	G	-	-	-	-
	Total		364,392,895		-	-	-	-
389-398	General Plant	Allocation	34,771,013	F	159	32,862	-	33,021
	Completed Not Classified	Allocation	-	H	-	-	-	-
	Construction Work in Progress	Allocation	-	H	-	-	-	-
	TOTAL GROSS GAS UTILITY PLANT		634,930,621		159	2,230,269	-	2,230,428
	DEPRECIATION RESERVE							
	Production and Gathering Plant							
301	Organization	Capacity	(1,260,834)	D	-	-	-	-
302	Franchises and Consents	Capacity	(17,570)	D	-	-	-	-
332	Field Lines	Capacity	(231,818)	D	-	-	-	-
334	Field M&R Station Equipment	Capacity	(146,756)	D	-	-	-	-
	Total		(1,656,978)		-	-	-	-
	Transmission Plant							
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-
365.2	Rights-of-Way	Capacity	(167,928)	S	-	(1,587)	-	(1,587)
366	Structures and Improvements	Capacity	(2,953,312)	S	-	(27,912)	-	(27,912)
367	Mains	Capacity	(104,489,431)	S	-	(987,539)	-	(987,539)
368	Compressor Station Equipment	Capacity	(5,323,082)	S	-	(50,309)	-	(50,309)
369	M&R Station Equipment	Capacity	(8,254,104)	S	-	(78,010)	-	(78,010)
370	Communication Equipment	Capacity	(4,292,513)	S	-	(40,569)	-	(40,569)
	Total		(125,480,371)		-	(1,185,926)	-	(1,185,926)

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G1				G2			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	35,271	G	11,731	11,366	-	23,097	760	1,175	-	1,935
375	Structures and Improvements	Allocation	(68,988)	G	(22,944)	(22,232)	-	(45,176)	(1,487)	(2,298)	-	(3,785)
376	Mains	Allocation	(96,915,248)	S.1	-	(57,655,119)	-	(57,655,119)	-	(5,961,675)	-	(5,961,675)
377	Cathodic Protection Main/Svc	Allocation	(642,855)	S.1	-	(382,436)	-	(382,436)	-	(39,545)	-	(39,545)
378	M&R Station Equipment - General	Capacity	(1,260,776)	D.2	-	(578,951)	-	(578,951)	-	(59,245)	-	(59,245)
379	M&R Station Equipment - City Gate	Capacity	(632,917)	D.2	-	(290,637)	-	(290,637)	-	(29,742)	-	(29,742)
380	Services	Customer	(72,732,603)	B.1	(53,344,789)	-	-	(53,344,789)	(3,456,761)	-	-	(3,456,761)
381	Meters	Customer	(5,626,604)	B.1	(4,126,760)	-	-	(4,126,760)	(267,415)	-	-	(267,415)
382	Meter Installations	Customer	(15,136,632)	B.1	(11,101,767)	-	-	(11,101,767)	(719,398)	-	-	(719,398)
383	House Regulators	Customer	(407,158)	B.1	(298,625)	-	-	(298,625)	(19,351)	-	-	(19,351)
385	Industrial M&R Station Equipment	Capacity	(585,406)	D.2	-	(268,820)	-	(268,820)	-	(27,509)	-	(27,509)
387	Other Equipment	Allocation	(2,823,659)	G	(939,106)	(909,952)	-	(1,849,058)	(60,854)	(94,062)	-	(154,916)
	Total		(196,797,575)		(69,822,261)	(60,096,780)	-	(129,919,041)	(4,524,507)	(6,212,900)	-	(10,737,407)
389-398	General Plant	Allocation	(29,426,150)	F	(16,350,830)	(5,100,901)	-	(21,451,731)	(836,064)	(526,134)	-	(1,362,198)
	TOTAL DEPRECIATION RESERVE		(353,361,075)		(86,173,090)	(116,024,048)	-	(202,197,138)	(5,360,571)	(11,987,511)	-	(17,348,082)
	NET GAS UTILITY PLANT IN SERVICE		281,569,546		57,760,747	99,135,328	-	156,896,075	3,702,325	10,242,674	-	13,945,000
	Other Assets											
	Gas Stored Underground	Allocation	50,681,790	S.1	-	30,150,721	-	30,150,721	-	3,117,655	-	3,117,655
	Unamortized Software	Allocation	4,431,788	B	3,120,857	-	-	3,120,857	202,233	-	-	202,233
	ROU Finance	Allocation	-	B	-	-	-	-	-	-	-	-
	ROU Assets	Allocation	-	B	-	-	-	-	-	-	-	-
	Total		55,113,577		3,120,857	30,150,721	-	33,271,579	202,233	3,117,655	-	3,319,888
	Working Capital											
	Cash Working Capital	Allocation	9,834,683	R	4,337,626	2,142,868	17,767	6,498,260	241,467	221,214	1,857	464,538
	Materials and Supplies	Allocation	10,971,509	Q	5,036,659	2,278,154	21,334	7,336,147	278,932	235,154	2,230	516,316
	Prepayments	Allocation	2,631,557	Q	1,208,061	546,424	5,117	1,759,602	66,903	56,403	535	123,840
	Total		23,437,748		10,582,347	4,967,445	44,217	15,594,009	587,302	512,771	4,621	1,104,695
	Regulatory Assets											
	2015 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer CIAC Surcharge	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer Uncollected Carrying Cost	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Earthquake Costs	Allocation	1,016,184	O.1	378,031	319,740	1,403	699,174	21,331	33,024	147	54,501
	2021 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Def Bad Debt	Allocation	262,979	O.1	97,831	82,746	363	180,940	5,520	8,546	38	14,104
	Other Deferred Assets	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Total		1,279,163		475,862	402,485	1,767	880,114	26,851	41,570	185	68,606

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G3				G4			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	35,271	G	2,033	2,381	-	4,414	1,471	4,174	-	5,645
375	Structures and Improvements	Allocation	(68,988)	G	(3,976)	(4,657)	-	(8,633)	(2,876)	(8,165)	-	(11,041)
376	Mains	Allocation	(96,915,248)	S.1	-	(12,085,772)	-	(12,085,772)	-	(21,212,682)	-	(21,212,682)
377	Cathodic Protection Main/Svc	Allocation	(642,855)	S.1	-	(80,167)	-	(80,167)	-	(140,707)	-	(140,707)
378	M&R Station Equipment - General	Capacity	(1,260,776)	D.2	-	(118,803)	-	(118,803)	-	(200,279)	-	(200,279)
379	M&R Station Equipment - City Gate	Capacity	(632,917)	D.2	-	(59,640)	-	(59,640)	-	(100,541)	-	(100,541)
380	Services	Customer	(72,732,603)	B.1	(9,243,694)	-	-	(9,243,694)	(6,687,359)	-	-	(6,687,359)
381	Meters	Customer	(5,626,604)	B.1	(715,093)	-	-	(715,093)	(517,335)	-	-	(517,335)
382	Meter Installations	Customer	(15,136,632)	B.1	(1,923,737)	-	-	(1,923,737)	(1,391,729)	-	-	(1,391,729)
383	House Regulators	Customer	(407,158)	B.1	(51,746)	-	-	(51,746)	(37,436)	-	-	(37,436)
385	Industrial M&R Station Equipment	Capacity	(585,406)	D.2	-	(55,163)	-	(55,163)	-	(92,994)	-	(92,994)
387	Other Equipment	Allocation	(2,823,659)	G	(162,730)	(190,624)	-	(353,355)	(117,727)	(334,188)	-	(451,916)
	Total		(196,797,575)		(12,098,944)	(12,592,444)	-	(24,691,388)	(8,752,993)	(22,085,383)	-	(30,838,376)
389-398	General Plant	Allocation	(29,426,150)	F	(1,464,434)	(1,063,845)	-	(2,528,279)	(950,338)	(1,849,793)	-	(2,800,131)
	TOTAL DEPRECIATION RESERVE		(353,361,075)		(13,563,378)	(24,281,333)	-	(37,844,711)	(9,703,331)	(42,489,719)	-	(52,193,050)
	NET GAS UTILITY PLANT IN SERVICE		281,569,546		9,760,263	20,747,271	-	30,507,534	7,041,254	36,306,725	-	43,347,979
	Other Assets											
	Gas Stored Underground	Allocation	50,681,790	S.1	-	6,320,249	-	6,320,249	-	11,093,164	-	11,093,164
	Unamortized Software	Allocation	4,431,788	B	540,789	-	-	540,789	391,234	-	-	391,234
	ROU Finance	Allocation	-	B	-	-	-	-	-	-	-	-
	ROU Assets	Allocation	-	B	-	-	-	-	-	-	-	-
	Total		55,113,577		540,789	6,320,249	-	6,861,038	391,234	11,093,164	-	11,484,398
	Working Capital											
	Cash Working Capital	Allocation	9,834,683	R	508,990	447,692	3,805	960,487	348,889	780,945	6,941	1,136,775
	Materials and Supplies	Allocation	10,971,509	Q	582,144	475,849	4,569	1,062,563	397,988	829,720	8,334	1,236,042
	Prepayments	Allocation	2,631,557	Q	139,629	114,134	1,096	254,860	95,459	199,011	1,999	296,469
	Total		23,437,748		1,230,763	1,037,675	9,471	2,277,910	842,336	1,809,676	17,274	2,669,286
	Regulatory Assets											
	2015 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer CIAC Surcharge	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer Uncollected Carrying Cost	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Earthquake Costs	Allocation	1,016,184	O.1	46,114	66,868	301	113,282	31,815	116,862	548	149,226
	2021 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Def Bad Debt	Allocation	262,979	O.1	11,934	17,305	78	29,316	8,234	30,243	142	38,618
	Other Deferred Assets	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Total		1,279,163		58,048	84,173	378	142,599	40,049	147,105	690	187,844

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	VLFT				MSFT			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Distribution Plant											
374	Land and Land Rights	Allocation	35,271	G	-	180	-	180	-	-	-	-
375	Structures and Improvements	Allocation	(68,988)	G	-	(352)	-	(352)	-	-	-	-
376	Mains	Allocation	(96,915,248)	S.1	-	-	-	-	-	-	-	-
377	Cathodic Protection Main/Svc	Allocation	(642,855)	S.1	-	-	-	-	-	-	-	-
378	M&R Station Equipment - General	Capacity	(1,260,776)	D.2	-	(303,498)	-	(303,498)	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	(632,917)	D.2	-	(152,358)	-	(152,358)	-	-	-	-
380	Services	Customer	(72,732,603)	B.1	-	-	-	-	-	-	-	-
381	Meters	Customer	(5,626,604)	B.1	-	-	-	-	-	-	-	-
382	Meter Installations	Customer	(15,136,632)	B.1	-	-	-	-	-	-	-	-
383	House Regulators	Customer	(407,158)	B.1	-	-	-	-	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	(585,406)	D.2	-	(140,921)	-	(140,921)	-	-	-	-
387	Other Equipment	Allocation	(2,823,659)	G	-	(14,415)	-	(14,415)	-	-	-	-
	Total		(196,797,575)		-	(611,363)	-	(611,363)	-	-	-	-
389-398	General Plant	Allocation	(29,426,150)	F	(337)	(1,193,422)	-	(1,193,758)	(135)	(61,973)	-	(62,107)
	TOTAL DEPRECIATION RESERVE		(353,361,075)		(337)	(39,832,312)	-	(39,832,648)	(135)	(2,731,440)	-	(2,731,574)
	NET GAS UTILITY PLANT IN SERVICE		281,569,546		61	33,565,133	-	33,565,195	24	2,291,183	-	2,291,208
	Other Assets											
	Gas Stored Underground	Allocation	50,681,790	S.1	-	-	-	-	-	-	-	-
	Unamortized Software	Allocation	4,431,788	B	117,225	-	-	117,225	12,560	-	-	12,560
	ROU Finance	Allocation	-	B	-	-	-	-	-	-	-	-
	ROU Assets	Allocation	-	B	-	-	-	-	-	-	-	-
	Total		55,113,577		117,225	-	-	117,225	12,560	-	-	12,560
	Working Capital											
	Cash Working Capital	Allocation	9,834,683	R	13,233	674,187	17,252	704,672	1,435	42,195	1,233	44,862
	Materials and Supplies	Allocation	10,971,509	Q	15,889	709,684	20,715	746,289	1,722	43,849	1,481	47,052
	Prepayments	Allocation	2,631,557	Q	3,811	170,220	4,969	179,000	413	10,517	355	11,286
	Total		23,437,748		32,933	1,554,092	42,936	1,629,961	3,570	96,561	3,069	103,200
	Regulatory Assets											
	2015 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer CIAC Surcharge	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Homer Uncollected Carrying Cost	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Earthquake Costs	Allocation	1,016,184	O.1	-	-	-	-	-	-	-	-
	2021 TY Rate Case	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Def Bad Debt	Allocation	262,979	O.1	-	-	-	-	-	-	-	-
	Other Deferred Assets	Allocation	-	O.1	-	-	-	-	-	-	-	-
	Total		1,279,163		-	-	-	-	-	-	-	-

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	Customer	IIT/ITS Capacity	Commodity	Total
	Distribution Plant							
374	Land and Land Rights	Allocation	35,271	G	-	-	-	-
375	Structures and Improvements	Allocation	(68,988)	G	-	-	-	-
376	Mains	Allocation	(96,915,248)	S.1	-	-	-	-
377	Cathodic Protection Main/Svc	Allocation	(642,855)	S.1	-	-	-	-
378	M&R Station Equipment - General	Capacity	(1,260,776)	D.2	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	(632,917)	D.2	-	-	-	-
380	Services	Customer	(72,732,603)	B.1	-	-	-	-
381	Meters	Customer	(5,626,604)	B.1	-	-	-	-
382	Meter Installations	Customer	(15,136,632)	B.1	-	-	-	-
383	House Regulators	Customer	(407,158)	B.1	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	(585,406)	D.2	-	-	-	-
387	Other Equipment	Allocation	(2,823,659)	G	-	-	-	-
	Total		(196,797,575)		-	-	-	-
389-398	General Plant	Allocation	(29,426,150)	F	(135)	(27,811)	-	(27,946)
	TOTAL DEPRECIATION RESERVE		(353,361,075)		(135)	(1,213,737)	-	(1,213,872)
	NET GAS UTILITY PLANT IN SERVICE		281,569,546		24	1,016,532	-	1,016,556
	Other Assets							
	Gas Stored Underground	Allocation	50,681,790	S.1	-	-	-	-
	Unamortized Software	Allocation	4,431,788	B	46,890	-	-	46,890
	ROU Finance	Allocation	-	B	-	-	-	-
	ROU Assets	Allocation	-	B	-	-	-	-
	Total		55,113,577		46,890	-	-	46,890
	Working Capital							
	Cash Working Capital	Allocation	9,834,683	R	5,293	18,896	898	25,088
	Materials and Supplies	Allocation	10,971,509	Q	6,356	19,666	1,079	27,100
	Prepayments	Allocation	2,631,557	Q	1,524	4,717	259	6,500
	Total		23,437,748		13,173	43,279	2,236	58,688
	Regulatory Assets							
	2015 TY Rate Case	Allocation	-	O.1	-	-	-	-
	Homer CIAC Surcharge	Allocation	-	O.1	-	-	-	-
	Homer Uncollected Carrying Cost	Allocation	-	O.1	-	-	-	-
	Earthquake Costs	Allocation	1,016,184	O.1	-	-	-	-
	2021 TY Rate Case	Allocation	-	O.1	-	-	-	-
	Def Bad Debt	Allocation	262,979	O.1	-	-	-	-
	Other Deferred Assets	Allocation	-	O.1	-	-	-	-
	Total		1,279,163		-	-	-	-

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G1				G2			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Non-Investor Supplied Assets											
	Construction Advances	Customer	(35,005,610)	B.1	(25,674,413)	-	-	(25,674,413)	(1,663,711)	-	-	(1,663,711)
	Deferred Income Taxes	Allocation	(31,643,889)	N	(6,491,379)	(11,141,216)	-	(17,632,595)	(416,082)	(1,151,112)	-	(1,567,194)
	Net Asset Retirement Obligation	Allocation	(1,572,962)	N	(322,675)	(553,810)	-	(876,485)	(20,683)	(57,220)	-	(77,902)
			(68,222,460)		(32,488,467)	(11,695,027)	-	(44,183,493)	(2,100,475)	(1,208,332)	-	(3,308,807)
	TOTAL RATE BASE		<u>293,177,574</u>		<u>39,451,346</u>	<u>122,960,952</u>	<u>45,984</u>	<u>162,458,283</u>	<u>2,418,236</u>	<u>12,706,340</u>	<u>4,806</u>	<u>15,129,381</u>
	DEPRECIATION AND AMORT.											
	Production and Gathering Plant											
301	Organization	Capacity	-	D	-	-	-	-	-	-	-	-
302	Franchises and Consents	Capacity	-	D	-	-	-	-	-	-	-	-
332	Field Lines	Capacity	4,394	D	-	1,985	-	1,985	-	203	-	203
334	Field M&R Station Equipment	Capacity	4,452	D	-	2,012	-	2,012	-	206	-	206
	Total		<u>8,846</u>		-	<u>3,997</u>	-	<u>3,997</u>	-	<u>409</u>	-	<u>409</u>
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	2,376	S	-	948	-	948	-	98	-	98
366	Structures and Improvements	Capacity	188,218	S	-	75,116	-	75,116	-	7,758	-	7,758
367	Mains	Capacity	3,004,141	S	-	1,198,918	-	1,198,918	-	123,820	-	123,820
368	Compressor Station Equipment	Capacity	408,592	S	-	163,064	-	163,064	-	16,841	-	16,841
369	M&R Station Equipment	Capacity	652,807	S	-	260,528	-	260,528	-	26,906	-	26,906
370	Communication Equipment	Capacity	341,651	S	-	136,349	-	136,349	-	14,082	-	14,082
	Total		<u>4,597,786</u>		-	<u>1,834,924</u>	-	<u>1,834,924</u>	-	<u>189,505</u>	-	<u>189,505</u>
	Distribution Plant											
374	Land and Land Rights	Allocation	1,175	G	391	379	-	769	25	39	-	64
375	Structures and Improvements	Allocation	748	G	249	241	-	490	16	25	-	41
376	Mains	Allocation	3,792,959	S.1	-	2,256,441	-	2,256,441	-	233,321	-	233,321
377	Cathodic Protection Main/Svc	Allocation	61,475	S.1	-	36,571	-	36,571	-	3,782	-	3,782
378	M&R Station Equipment - General	Capacity	47,858	D.2	-	21,976	-	21,976	-	2,249	-	2,249
379	M&R Station Equipment - City Gate	Capacity	38,609	D.2	-	17,729	-	17,729	-	1,814	-	1,814
380	Services	Customer	4,021,712	B.1	2,949,673	-	-	2,949,673	191,140	-	-	191,140
381	Meters	Customer	936,813	B.1	687,093	-	-	687,093	44,524	-	-	44,524
382	Meter Installations	Customer	726,900	B.1	533,135	-	-	533,135	34,547	-	-	34,547
383	House Regulators	Customer	4,857	B.1	3,562	-	-	3,562	231	-	-	231
385	Industrial M&R Station Equipment	Capacity	64,609	D.2	-	29,669	-	29,669	-	3,036	-	3,036
387	Other Equipment	Allocation	180,483	G	60,026	58,162	-	118,188	3,890	6,012	-	9,902
	Total		<u>9,878,197</u>		<u>4,234,129</u>	<u>2,421,168</u>	-	<u>6,655,297</u>	<u>274,373</u>	<u>250,278</u>	-	<u>524,651</u>
389-398	General Plant	Allocation	4,127,781	F	2,293,628	715,534	-	3,009,162	117,280	73,804	-	191,084
	TOTAL DEPRECIATION AND AMORT.		<u>18,612,610</u>		<u>6,527,757</u>	<u>4,975,623</u>	-	<u>11,503,379</u>	<u>391,653</u>	<u>513,996</u>	-	<u>905,649</u>

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	G3				G4			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Non-Investor Supplied Assets											
	Construction Advances	Customer	(35,005,610)	B.1	(4,448,915)	-	-	(4,448,915)	(3,218,572)	-	-	(3,218,572)
	Deferred Income Taxes	Allocation	(31,643,889)	N	(1,096,897)	(2,331,660)	-	(3,428,556)	(791,324)	(4,080,292)	-	(4,871,616)
	Net Asset Retirement Obligation	Allocation	(1,572,962)	N	(54,525)	(115,903)	-	(170,427)	(39,335)	(202,824)	-	(242,159)
			(68,222,460)		(5,600,336)	(2,447,562)	-	(8,047,898)	(4,049,231)	(4,283,116)	-	(8,332,347)
	TOTAL RATE BASE		<u>293,177,574</u>		<u>5,989,527</u>	<u>25,741,806</u>	<u>9,849</u>	<u>31,741,182</u>	<u>4,265,643</u>	<u>45,073,554</u>	<u>17,964</u>	<u>49,357,160</u>
	DEPRECIATION AND AMORT.											
	Production and Gathering Plant											
301	Organization	Capacity	-	D	-	-	-	-	-	-	-	-
302	Franchises and Consents	Capacity	-	D	-	-	-	-	-	-	-	-
332	Field Lines	Capacity	4,394	D	-	407	-	407	-	687	-	687
334	Field M&R Station Equipment	Capacity	4,452	D	-	413	-	413	-	696	-	696
	Total		<u>8,846</u>		-	820	-	820	-	1,383	-	1,383
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	2,376	S	-	198	-	198	-	346	-	346
366	Structures and Improvements	Capacity	188,218	S	-	15,707	-	15,707	-	27,443	-	27,443
367	Mains	Capacity	3,004,141	S	-	250,698	-	250,698	-	438,017	-	438,017
368	Compressor Station Equipment	Capacity	408,592	S	-	34,097	-	34,097	-	59,575	-	59,575
369	M&R Station Equipment	Capacity	652,807	S	-	54,477	-	54,477	-	95,182	-	95,182
370	Communication Equipment	Capacity	341,651	S	-	28,511	-	28,511	-	49,814	-	49,814
	Total		<u>4,597,786</u>		-	383,689	-	383,689	-	670,377	-	670,377
	Distribution Plant											
374	Land and Land Rights	Allocation	1,175	G	68	79	-	147	49	139	-	188
375	Structures and Improvements	Allocation	748	G	43	51	-	94	31	89	-	120
376	Mains	Allocation	3,792,959	S.1	-	472,999	-	472,999	-	830,198	-	830,198
377	Cathodic Protection Main/Svc	Allocation	61,475	S.1	-	7,666	-	7,666	-	13,456	-	13,456
378	M&R Station Equipment - General	Capacity	47,858	D.2	-	4,510	-	4,510	-	7,602	-	7,602
379	M&R Station Equipment - City Gate	Capacity	38,609	D.2	-	3,638	-	3,638	-	6,133	-	6,133
380	Services	Customer	4,021,712	B.1	511,125	-	-	511,125	369,774	-	-	369,774
381	Meters	Customer	936,813	B.1	119,061	-	-	119,061	86,135	-	-	86,135
382	Meter Installations	Customer	726,900	B.1	92,383	-	-	92,383	66,834	-	-	66,834
383	House Regulators	Customer	4,857	B.1	617	-	-	617	447	-	-	447
385	Industrial M&R Station Equipment	Capacity	64,609	D.2	-	6,088	-	6,088	-	10,263	-	10,263
387	Other Equipment	Allocation	180,483	G	10,401	12,184	-	22,586	7,525	21,361	-	28,886
	Total		<u>9,878,197</u>		<u>733,699</u>	<u>507,215</u>	<u>-</u>	<u>1,240,914</u>	<u>530,795</u>	<u>889,241</u>	<u>-</u>	<u>1,420,035</u>
389-398	General Plant	Allocation	4,127,781	F	205,425	149,232	-	354,657	133,310	259,481	-	392,791
	TOTAL DEPRECIATION AND AMORT.		<u>18,612,610</u>		<u>939,123</u>	<u>1,040,956</u>	<u>-</u>	<u>1,980,079</u>	<u>664,104</u>	<u>1,820,482</u>	<u>-</u>	<u>2,484,586</u>

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	VLFT				MSFT			
					Customer	Capacity	Commodity	Total	Customer	Capacity	Commodity	Total
	Non-Investor Supplied Assets											
	Construction Advances	Customer	(35,005,610)	B.1	-	-	-	-	-	-	-	-
	Deferred Income Taxes	Allocation	(31,643,889)	N	(7)	(3,772,181)	-	(3,772,188)	(3)	(257,492)	-	(257,495)
	Net Asset Retirement Obligation	Allocation	(1,572,962)	N	(0)	(187,508)	-	(187,509)	(0)	(12,799)	-	(12,800)
			(68,222,460)		(7)	(3,959,690)	-	(3,959,697)	(3)	(270,292)	-	(270,295)
	TOTAL RATE BASE		<u>293,177,574</u>		<u>150,212</u>	<u>31,159,536</u>	<u>42,936</u>	<u>31,352,684</u>	<u>16,151</u>	<u>2,117,453</u>	<u>3,069</u>	<u>2,136,673</u>
	DEPRECIATION AND AMORT.											
	Production and Gathering Plant											
301	Organization	Capacity	-	D	-	-	-	-	-	-	-	-
302	Franchises and Consents	Capacity	-	D	-	-	-	-	-	-	-	-
332	Field Lines	Capacity	4,394	D	-	1,041	-	1,041	-	71	-	71
334	Field M&R Station Equipment	Capacity	4,452	D	-	1,054	-	1,054	-	72	-	72
	Total		<u>8,846</u>		-	<u>2,095</u>	-	<u>2,095</u>	-	<u>143</u>	-	<u>143</u>
	Transmission Plant											
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-	-	-	-	-
365.2	Rights-of-Way	Capacity	2,376	S	-	712	-	712	-	50	-	50
366	Structures and Improvements	Capacity	188,218	S	-	56,452	-	56,452	-	3,964	-	3,964
367	Mains	Capacity	3,004,141	S	-	901,027	-	901,027	-	63,268	-	63,268
368	Compressor Station Equipment	Capacity	408,592	S	-	122,548	-	122,548	-	8,605	-	8,605
369	M&R Station Equipment	Capacity	652,807	S	-	195,795	-	195,795	-	13,748	-	13,748
370	Communication Equipment	Capacity	341,651	S	-	102,471	-	102,471	-	7,195	-	7,195
	Total		<u>4,597,786</u>		-	<u>1,379,006</u>	-	<u>1,379,006</u>	-	<u>96,831</u>	-	<u>96,831</u>
	Distribution Plant											
374	Land and Land Rights	Allocation	1,175	G	-	6	-	6	-	-	-	-
375	Structures and Improvements	Allocation	748	G	-	4	-	4	-	-	-	-
376	Mains	Allocation	3,792,959	S.1	-	-	-	-	-	-	-	-
377	Cathodic Protection Main/Svc	Allocation	61,475	S.1	-	-	-	-	-	-	-	-
378	M&R Station Equipment - General	Capacity	47,858	D.2	-	11,520	-	11,520	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	38,609	D.2	-	9,294	-	9,294	-	-	-	-
380	Services	Customer	4,021,712	B.1	-	-	-	-	-	-	-	-
381	Meters	Customer	936,813	B.1	-	-	-	-	-	-	-	-
382	Meter Installations	Customer	726,900	B.1	-	-	-	-	-	-	-	-
383	House Regulators	Customer	4,857	B.1	-	-	-	-	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	64,609	D.2	-	15,553	-	15,553	-	-	-	-
387	Other Equipment	Allocation	180,483	G	-	921	-	921	-	-	-	-
	Total		<u>9,878,197</u>		-	<u>37,299</u>	-	<u>37,299</u>	-	<u>-</u>	-	<u>-</u>
389-398	General Plant	Allocation	4,127,781	F	47	167,408	-	167,456	19	8,693	-	8,712
	TOTAL DEPRECIATION AND AMORT.		<u>18,612,610</u>		<u>47</u>	<u>1,585,808</u>	<u>-</u>	<u>1,585,855</u>	<u>19</u>	<u>105,668</u>	<u>-</u>	<u>105,686</u>

ENSTAR NATURAL GAS COMPANY
COST ALLOCATION BY CUSTOMER CLASS
For the Year Ended December 31, 2021

Acct No.	Description	Cost Classification	Total	Alloc. Factor	Customer	IIT/ITS Capacity	Commodity	Total
	Non-Investor Supplied Assets							
	Construction Advances	Customer	(35,005,610)	B.1	-	-	-	-
	Deferred Income Taxes	Allocation	(31,643,889)	N	(3)	(114,242)	-	(114,245)
	Net Asset Retirement Obligation	Allocation	(1,572,962)	N	(0)	(5,679)	-	(5,679)
			(68,222,460)		(3)	(119,921)	-	(119,923)
	TOTAL RATE BASE		<u>293,177,574</u>		<u>60,085</u>	<u>939,890</u>	<u>2,236</u>	<u>1,002,211</u>
	DEPRECIATION AND AMORT.							
	Production and Gathering Plant							
301	Organization	Capacity	-	D	-	-	-	-
302	Franchises and Consents	Capacity	-	D	-	-	-	-
332	Field Lines	Capacity	4,394	D	-	-	-	-
334	Field M&R Station Equipment	Capacity	4,452	D	-	-	-	-
	Total		<u>8,846</u>		-	-	-	-
	Transmission Plant							
365.1	Land and Land Rights	Capacity	-	S	-	-	-	-
365.2	Rights-of-Way	Capacity	2,376	S	-	22	-	22
366	Structures and Improvements	Capacity	188,218	S	-	1,779	-	1,779
367	Mains	Capacity	3,004,141	S	-	28,392	-	28,392
368	Compressor Station Equipment	Capacity	408,592	S	-	3,862	-	3,862
369	M&R Station Equipment	Capacity	652,807	S	-	6,170	-	6,170
370	Communication Equipment	Capacity	341,651	S	-	3,229	-	3,229
	Total		<u>4,597,786</u>		-	43,454	-	43,454
	Distribution Plant							
374	Land and Land Rights	Allocation	1,175	G	-	-	-	-
375	Structures and Improvements	Allocation	748	G	-	-	-	-
376	Mains	Allocation	3,792,959	S.1	-	-	-	-
377	Cathodic Protection Main/Svc	Allocation	61,475	S.1	-	-	-	-
378	M&R Station Equipment - General	Capacity	47,858	D.2	-	-	-	-
379	M&R Station Equipment - City Gate	Capacity	38,609	D.2	-	-	-	-
380	Services	Customer	4,021,712	B.1	-	-	-	-
381	Meters	Customer	936,813	B.1	-	-	-	-
382	Meter Installations	Customer	726,900	B.1	-	-	-	-
383	House Regulators	Customer	4,857	B.1	-	-	-	-
385	Industrial M&R Station Equipment	Capacity	64,609	D.2	-	-	-	-
387	Other Equipment	Allocation	180,483	G	-	-	-	-
	Total		<u>9,878,197</u>		-	-	-	-
389-398	General Plant	Allocation	4,127,781	F	19	3,901	-	3,920
	TOTAL DEPRECIATION AND AMORT.		<u>18,612,610</u>		<u>19</u>	<u>47,355</u>	<u>-</u>	<u>47,374</u>

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	G1		G2	
		Customer	Capacity	Commodity	Commodity
A	Customers				
	Number of Customers	138,360		5,645	
	Allocation Factor	0.93072		0.03797	
B	Weighted Delivery Points				
	Delivery Points	138,360		5,645	
	Customer Weighting Factor	1.0000		1.5882	
	Weighted Delivery Points	138,360		8,966	
	Allocation Factor	0.70420		0.04563	
B.1	Weighted Delivery Points (Ex. Large Customers)				
	Delivery Points	138,360		8,966	
	Allocation Factor	0.73344		0.04753	
C	Combined Customer Factor				
	One-half Factor A	0.4654		0.0190	
	One-half Factor B	0.3521		0.0228	
	Allocation factor	0.8175		0.0418	
C.1	Combined Factor (Ex. Large Customers)				
	Combined Customer Factor	0.8175		0.0418	
	Allocation Factor	0.8341		0.0427	
D	Peak Demand				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	134,822		13,797	
	Allocation Factor	0.4518		0.0462	
D.1	Peak Demand (Ex. Large Customers)				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	134,822		13,797	
	Allocation Factor	0.6048		0.0619	
D.2	Peak Demand (Ex. MSFT)				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	134,822		13,797	
	Allocation Factor	0.4592		0.0470	
E	Commodity				
	Annual Volumes		18,973,894		1,982,935
	Allocation Factor		0.3464		0.0362
E.1	Commodity (Ex. Large Customers)				
	Annual Volumes		18,973,894		1,982,935
	Allocation Factor		0.5850		0.0611

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	G3		G4	
		Customer	Capacity	Commodity	Commodity
A	Customers				
	Number of Customers	3,636		1,009	
	Allocation Factor	0.02446		0.00679	
B	Weighted Delivery Points				
	Delivery Points	3,636		1,009	
	Customer Weighting Factor	6.5943		17.1889	
	Weighted Delivery Points	23,975		17,345	
	Allocation Factor	0.12202		0.08828	
B.1	Weighted Delivery Points (Ex. Large Customers)				
	Delivery Points	23,975		17,345	
	Allocation Factor	0.12709		0.09194	
C	Combined Customer Factor				
	One-half Factor A	0.0122		0.0034	
	One-half Factor B	0.0610		0.0441	
	Allocation factor	0.0732		0.0475	
C.1	Combined Factor (Ex. Large Customers)				
	Combined Customer Factor	0.0732		0.0475	
	Allocation Factor	0.0747		0.0485	
D	Peak Demand				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	27,666		46,640	
	Allocation Factor	0.0927		0.1563	
D.1	Peak Demand (Ex. Large Customers)				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	27,666		46,640	
	Allocation Factor	0.1241		0.2092	
D.2	Peak Demand (Ex. MSFT)				
	3-Day Average 12/13/2021 - 12/15/2021				
	Peak Demand	27,666		46,640	
	Allocation Factor	0.0942		0.1589	
E	Commodity				
	Annual Volumes		4,064,009		7,412,260
	Allocation Factor		0.0742		0.1353
E.1	Commodity (Ex. Large Customers)				
	Annual Volumes		4,064,009		7,412,260
	Allocation Factor		0.1253		0.2285

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	VLFT Capacity	Commodity	Customer	MSFT Capacity	Commodity
A	Customers						
	Number of Customers		<u>5</u>			<u>2</u>	
	Allocation Factor		0.00003			0.00001	
B	Weighted Delivery Points						
	Delivery Points		5			2	
	Customer Weighting Factor		<u>1,039.4125</u>			<u>278.4141</u>	
	Weighted Delivery Points		<u>5,197</u>			<u>557</u>	
	Allocation Factor		0.02645			0.00283	
B.1	Weighted Delivery Points (Ex. Large Customers)						
	Delivery Points						
C	Combined Customer Factor						
	One-half Factor A		0.0000			0.0000	
	One-half Factor B		<u>0.0132</u>			<u>0.0014</u>	
	Allocation factor		0.0132			0.0014	
C.1	Combined Factor (Ex. Large Customers)						
	Combined Customer Factor						
D	Peak Demand						
	3-Day Average 12/13/2021 - 12/15/2021						
	Peak Demand		<u>70,677</u>			<u>4,827</u>	
	Allocation Factor		0.2368			0.0162	
D.1	Peak Demand (Ex. Large Customers)						
	3-Day Average 12/13/2021 - 12/15/2021						
	Peak Demand						
D.2	Peak Demand (Ex. MSFT)						
	3-Day Average 12/13/2021 - 12/15/2021						
	Peak Demand		<u>70,677</u>				
	Allocation Factor		0.2407				
E	Commodity						
	Annual Volumes			<u>19,884,497</u>			<u>1,421,223</u>
	Allocation Factor			0.3630			0.0259
E.1	Commodity (Ex. Large Customers)						
	Annual Volumes						
	Allocation Factor						

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	IIT/ITS Capacity	Commodity
	Customers			
	Number of Customers	<u>2</u>		
A	Allocation Factor	0.00001		
	Weighted Delivery Points			
	Delivery Points	<u>2</u>		
	Customer Weighting Factor	<u>1,039.4125</u>		
	Weighted Delivery Points	<u>2,079</u>		
B	Allocation Factor	0.01058		
	Weighted Delivery Points (Ex. Large Customers)			
	Delivery Points			
B.1	Allocation Factor			
	Combined Customer Factor			
	One-half Factor A	0.0000		
	One-half Factor B	<u>0.0053</u>		
C	Allocation factor	0.0053		
	Combined Factor (Ex. Large Customers)			
	Combined Customer Factor			
C.1	Allocation Factor			
	Peak Demand			
	3-Day Average 12/13/2021 - 12/15/2021			
	Peak Demand	<u>-</u>		
D	Allocation Factor	-		
	Peak Demand (Ex. Large Customers)			
	3-Day Average 12/13/2021 - 12/15/2021			
	Peak Demand	<u>-</u>		
D.1	Allocation Factor	-		
	Peak Demand (Ex. MSFT)			
	3-Day Average 12/13/2021 - 12/15/2021			
	Peak Demand	<u>-</u>		
D.2	Allocation Factor	-		
	Commodity			
	Annual Volumes			<u>1,035,351</u>
E	Allocation Factor			0.0189
	Commodity (Ex. Large Customers)			
	Annual Volumes			
E.1	Allocation Factor			

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS

For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	G1 Capacity	Commodity	Customer	G2 Capacity	Commodity
	Payroll						
	Distribution Expense Accounts	3,995,998	2,229,047	-	258,942	229,828	-
	Distribution Allocation Factor	0.4272	0.2383	-	0.0277	0.0246	-
	Weighted on 56% Payroll	0.2392	0.1334	-	0.0155	0.0138	-
	Transmission Expense Accounts	-	1,647,279	-	-	170,126	-
	Transmission Allocation Factor	-	0.3991	-	-	0.0412	-
	Weighted on 10% Payroll	-	0.0399	-	-	0.0041	-
	Number of Customers	0.9307	-	-	0.0380	-	-
	Weighted on 34% Payroll	0.3164	-	-	0.0129	-	-
	Sum of Factors	0.5557	0.1733	-	0.0284	0.0179	-
F	Allocation Factor	0.5557	0.1733	-	0.0284	0.0179	-
	Distribution Plant (Accts 376-386)						
	Amount	57,710,175	55,918,617	-	3,739,640	5,780,308	-
G	Allocation Factor	0.3326	0.3223	-	0.0216	0.0333	-
	Gross Plant (Ex. General Plant)						
	Amount	124,613,100	209,131,965	-	8,074,973	21,608,486	-
H	Allocation Factor	0.2076	0.3485	-	0.0135	0.0360	-
	Production and Gathering Expense (Ex. Purchased Gas and Accts 756 and 807)						
	Amount	-	-	112,202	-	-	11,726
I	Allocation Factor	-	-	0.3571	-	-	0.0373
	Distribution Expense (Accts 871-879)						
	Amount	2,604,647	1,539,038	-	168,782	158,625	-
J	Allocation Factor	0.4163	0.2460	-	0.0270	0.0254	-
	Distribution Expense (Accts 376 and 380)						
	Amount	30,579,990	54,574,639	-	1,981,594	5,643,146	-
K	Allocation Factor	0.2292	0.4090	-	0.0149	0.0423	-
	Distribution Expense (Accts 887-893)						
	Amount	814,042	348,888	-	52,750	36,045	-
L	Allocation Factor	0.4759	0.2039	-	0.0308	0.0211	-
	O&M Expense and Ad Valorem Taxes (Ex. Purchased Gas and A&G)						
	Amount	10,042,876	5,427,556	112,202	579,881	560,227	11,726
M	Allocation Factor	0.4100	0.2216	0.0046	0.0237	0.0229	0.0005
	Total Net Plant						
	Amount	57,760,747	99,135,328	-	3,702,325	10,242,674	-
N	Allocation Factor	0.2051	0.3521	-	0.0131	0.0364	-

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS

For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	G3 Capacity	Commodity	Customer	G4 Capacity	Commodity
F	Payroll						
	Distribution Expense Accounts	692,435	464,529	-	500,942	806,541	-
	Distribution Allocation Factor	0.0740	0.0497	-	0.0535	0.0862	-
	Weighted on 56% Payroll	0.0415	0.0278	-	0.0300	0.0483	-
	Transmission Expense Accounts	-	344,452	-	-	601,822	-
	Transmission Allocation Factor	-	0.0835	-	-	0.1458	-
	Weighted on 10% Payroll	-	0.0083	-	-	0.0146	-
	Number of Customers	0.0245	-	-	0.0068	-	-
	Weighted on 34% Payroll	0.0083	-	-	0.0023	-	-
	Sum of Factors	0.0498	0.0362	-	0.0323	0.0629	-
	Allocation Factor	0.0498	0.0362	-	0.0323	0.0629	-
G	Distribution Plant (Accts 376-386)						
	Amount	10,000,137	11,714,297	-	7,234,609	20,536,624	-
	Allocation Factor	0.0576	0.0675	-	0.0417	0.1184	-
H	Gross Plant (Ex. General Plant)						
	Amount	21,593,213	43,771,525	-	15,621,631	76,610,661	-
	Allocation Factor	0.0360	0.0729	-	0.0260	0.1277	-
I	Production and Gathering Expense (Ex. Purchased Gas and Accts 756 and 807)						
	Amount	-	-	24,033	-	-	43,832
	Allocation Factor	-	-	0.0765	-	-	0.1395
J	Distribution Expense (Accts 871-879)						
	Amount	451,339	320,487	-	326,521	555,652	-
	Allocation Factor	0.0721	0.0512	-	0.0522	0.0888	-
K	Distribution Expense (Accts 376 and 380)						
	Amount	5,298,963	11,440,036	-	3,833,540	20,079,301	-
	Allocation Factor	0.0397	0.0857	-	0.0287	0.1505	-
L	Distribution Expense (Accts 887-893)						
	Amount	141,059	73,007	-	102,049	127,731	-
	Allocation Factor	0.0825	0.0427	-	0.0597	0.0747	-
M	O&M Expense and Ad Valorem Taxes (Ex. Purchased Gas and A&G)						
	Amount	1,305,956	1,133,625	24,033	910,179	1,976,476	43,832
	Allocation Factor	0.0533	0.0463	0.0010	0.0372	0.0807	0.0018
N	Total Net Plant						
	Amount	9,760,263	20,747,271	-	7,041,254	36,306,725	-
	Allocation Factor	0.0347	0.0737	-	0.0250	0.1289	-

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS

For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	VLFT Capacity	Commodity	Customer	MSFT Capacity	Commodity
F	Payroll						
	Distribution Expense Accounts	-	176,465	-	-	-	-
	Distribution Allocation Factor	-	0.0189	-	-	-	-
	Weighted on 56% Payroll	-	0.0106	-	-	-	-
	Transmission Expense Accounts	-	1,237,984	-	-	86,929	-
	Transmission Allocation Factor	-	0.2999	-	-	0.0211	-
	Weighted on 10% Payroll	-	0.0300	-	-	0.0021	-
	Number of Customers	0.0000	-	-	0.0000	-	-
	Weighted on 34% Payroll	0.0000	-	-	0.0000	-	-
	Sum of Factors	0.0000	0.0406	-	0.0000	0.0021	-
	Allocation Factor	0.0000	0.0406	-	0.0000	0.0021	-
G	Distribution Plant (Accts 376-386)						
	Amount	-	885,850	-	-	-	-
	Allocation Factor	-	0.0051	-	-	-	-
H	Gross Plant (Ex. General Plant)						
	Amount	-	71,987,255	-	-	4,949,394	-
	Allocation Factor	-	0.1199	-	-	0.0082	-
I	Production and Gathering Expense (Ex. Purchased Gas and Accts 756 and 807)						
	Amount	-	-	108,950	-	-	7,787
	Allocation Factor	-	-	0.3468	-	-	0.0248
J	Distribution Expense (Accts 871-879)						
	Amount	-	132,090	-	-	-	-
	Allocation Factor	-	0.0211	-	-	-	-
K	Distribution Expense (Accts 376 and 380)						
	Amount	-	-	-	-	-	-
	Allocation Factor	-	-	-	-	-	-
L	Distribution Expense (Accts 887-893)						
	Amount	-	15,098	-	-	-	-
	Allocation Factor	-	0.0088	-	-	-	-
M	O&M Expense and Ad Valorem Taxes (Ex. Purchased Gas and A&G)						
	Amount	83,315	1,939,663	108,950	8,958	122,780	7,787
	Allocation Factor	0.0034	0.0792	0.0044	0.0004	0.0050	0.0003
N	Total Net Plant						
	Amount	61	33,565,133	-	24	2,291,183	-
	Allocation Factor	0.0000	0.1192	-	0.0000	0.0081	-

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	IIT/ITS Capacity	Commodity
	Payroll			
	Distribution Expense Accounts	-	-	-
	Distribution Allocation Factor	-	-	-
	Weighted on 56% Payroll	-	-	-
	Transmission Expense Accounts	-	39,010	-
	Transmission Allocation Factor	-	0.0095	-
	Weighted on 10% Payroll	-	0.0009	-
	Number of Customers	0.0000	-	-
	Weighted on 34% Payroll	0.0000	-	-
	Sum of Factors	0.0000	0.0009	-
F	Allocation Factor	0.0000	0.0009	-
	Distribution Plant (Accts 376-386)			
	Amount	-	-	-
G	Allocation Factor	-	-	-
	Gross Plant (Ex. General Plant)			
	Amount	-	2,197,407	-
H	Allocation Factor	-	0.0037	-
	Production and Gathering Expense (Ex. Purchased Gas and Accts 756 and 807)			
	Amount	-	-	5,673
I	Allocation Factor	-	-	0.0181
	Distribution Expense (Accts 871-879)			
	Amount	-	-	-
J	Allocation Factor	-	-	-
	Distribution Expense (Accts 376 and 380)			
	Amount	-	-	-
K	Allocation Factor	-	-	-
	Distribution Expense (Accts 887-893)			
	Amount	-	-	-
L	Allocation Factor	-	-	-
	O&M Expense and Ad Valorem Taxes (Ex. Purchased Gas and A&G)			
	Amount	33,326	54,917	5,673
M	Allocation Factor	0.0014	0.0022	0.0002
	Total Net Plant			
	Amount	24	1,016,532	-
N	Allocation Factor	0.0000	0.0036	-

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	G1 Capacity	Commodity	Customer	G2 Capacity	Commodity
	Revenue Requirement (Ex. Gas Costs and Other Revenue)						
	Amount	31,685,933	26,800,069	117,638	1,787,900	2,768,018	12,294
O	Allocation Factor	0.3378	0.2857	0.0013	0.0191	0.0295	0.0001
	Revenue Requirement (Ex. Gas Costs, Other Revenue and Large Customers)						
	Amount	31,685,933	26,800,069	117,638	1,787,900	2,768,018	12,294
O.1	Allocation Factor	0.3720	0.3146	0.0014	0.0210	0.0325	0.0001
	Total Rate Base						
	Amount	39,451,346	122,960,952	45,984	2,418,236	12,706,340	4,806
P	Allocation Factor	0.1346	0.4194	0.0002	0.0082	0.0433	0.0000
	O&M Expense (Ex. Purchased Gas)						
	Amount	26,489,660	11,981,655	112,202	1,467,008	1,236,764	11,726
Q	Allocation Factor	0.4591	0.2076	0.0019	0.0254	0.0214	0.0002
	O&M Expense and Ad Valorem (Ex. Purchased Gas)						
	Amount	27,393,477	13,532,885	112,202	1,524,941	1,397,037	11,726
R	Allocation Factor	0.4411	0.2179	0.0018	0.0246	0.0225	0.0002
	Joint Peak and Average Day Demand						
	1/2 of Allocation Factor D		0.2259			0.0231	
	1/2 of allocation Factor V		0.1732			0.0181	
S	Allocation Factor		0.3991			0.0412	
	Joint Peak and Average Day Demand (Ex. Large Customers)						
	1/2 of Allocation Factor D.1		0.3024			0.0309	
	1/2 of allocation Factor V.1		0.2925			0.0306	
S.1	Allocation Factor		0.5949			0.0615	
	Transmission Expense (Accts 851-866)						
	Amount	-	1,596,733	-	-	164,905	-
T	Allocation Factor	-	0.3991	-	-	0.0412	-
	Distribution Plant (Acct 376)						
	Amount	-	54,574,639	-	-	5,643,146	-
U	Allocation Factor	-	0.5949	-	-	0.0615	-
	Average Day Demand						
	Annual Volume / 365		51,983			5,433	
V	Allocation Factor		0.3464			0.0362	
	Average Day Demand (Ex. Large Customers)						
	Annual Volume / 365		51,983			5,433	
V.1	Allocation Factor		0.5850			0.0611	

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	G3			G4		
		Customer	Capacity	Commodity	Customer	Capacity	Commodity
O	Revenue Requirement (Ex. Gas Costs and Other Revenue)						
	Amount	<u>3,865,176</u>	<u>5,604,780</u>	<u>25,197</u>	<u>2,666,708</u>	<u>9,795,185</u>	<u>45,956</u>
	Allocation Factor	0.0412	0.0598	0.0003	0.0284	0.1044	0.0005
O.1	Revenue Requirement (Ex. Gas Costs, Other Revenue and Large Customers)						
	Amount	<u>3,865,176</u>	<u>5,604,780</u>	<u>25,197</u>	<u>2,666,708</u>	<u>9,795,185</u>	<u>45,956</u>
	Allocation Factor	0.0454	0.0658	0.0003	0.0313	0.1150	0.0005
P	Total Rate Base						
	Amount	<u>5,989,527</u>	<u>25,741,806</u>	<u>9,849</u>	<u>4,265,643</u>	<u>45,073,554</u>	<u>17,964</u>
	Allocation Factor	0.0204	0.0878	0.0000	0.0145	0.1537	0.0001
Q	O&M Expense (Ex. Purchased Gas)						
	Amount	<u>3,061,710</u>	<u>2,502,668</u>	<u>24,033</u>	<u>2,093,168</u>	<u>4,363,803</u>	<u>43,832</u>
	Allocation Factor	0.0531	0.0434	0.0004	0.0363	0.0756	0.0008
R	O&M Expense and Ad Valorem (Ex. Purchased Gas)						
	Amount	<u>3,214,435</u>	<u>2,827,313</u>	<u>24,033</u>	<u>2,203,346</u>	<u>4,931,916</u>	<u>43,832</u>
	Allocation Factor	0.0518	0.0455	0.0004	0.0355	0.0794	0.0007
S	Joint Peak and Average Day Demand						
	1/2 of Allocation Factor D		0.0464			0.0781	
	1/2 of allocation Factor V		<u>0.0371</u>			<u>0.0677</u>	
	Allocation Factor		0.0835			0.1458	
S.1	Joint Peak and Average Day Demand (Ex. Large Customers)						
	1/2 of Allocation Factor D.1		0.0621			0.1046	
	1/2 of allocation Factor V.1		<u>0.0627</u>			<u>0.1143</u>	
	Allocation Factor		0.1247			0.2189	
T	Transmission Expense (Accts 851-866)						
	Amount	<u>-</u>	<u>333,882</u>	<u>-</u>	<u>-</u>	<u>583,356</u>	<u>-</u>
	Allocation Factor	-	0.0835	-	-	0.1458	-
U	Distribution Plant (Acct 376)						
	Amount	<u>-</u>	<u>11,440,036</u>	<u>-</u>	<u>-</u>	<u>20,079,301</u>	<u>-</u>
	Allocation Factor	-	0.1247	-	-	0.2189	-
V	Average Day Demand						
	Annual Volume / 365		<u>11,134</u>			<u>20,308</u>	
	Allocation Factor		0.0742			0.1353	
V.1	Average Day Demand (Ex. Large Customers)						
	Annual Volume / 365		<u>11,134</u>			<u>20,308</u>	
	Allocation Factor		0.1253			0.2285	

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	VLFT Capacity	Commodity	Customer	MSFT Capacity	Commodity
	Revenue Requirement (Ex. Gas Costs and Other Revenue)						
	Amount	100,107	7,622,173	114,044	10,838	495,066	8,151
O	Allocation Factor	0.0011	0.0813	0.0012	0.0001	0.0053	0.0001
	Revenue Requirement (Ex. Gas Costs, Other Revenue and Large Customers)						
	Amount						
O.1	Allocation Factor						
	Total Rate Base						
	Amount	150,212	31,159,536	42,936	16,151	2,117,453	3,069
P	Allocation Factor	0.0005	0.1063	0.0001	0.0001	0.0072	0.0000
	O&M Expense (Ex. Purchased Gas)						
	Amount	83,568	3,732,492	108,950	9,059	230,620	7,787
Q	Allocation Factor	0.0014	0.0647	0.0019	0.0002	0.0040	0.0001
	O&M Expense and Ad Valorem (Ex. Purchased Gas)						
	Amount	83,569	4,257,706	108,950	9,059	266,472	7,787
R	Allocation Factor	0.0013	0.0686	0.0018	0.0001	0.0043	0.0001
	Joint Peak and Average Day Demand						
	1/2 of Allocation Factor D		0.1184			0.0081	
	1/2 of allocation Factor V		0.1815			0.0130	
S	Allocation Factor		0.2999			0.0211	
	Joint Peak and Average Day Demand (Ex. Large Customers)						
	1/2 of Allocation Factor D.1						
	1/2 of allocation Factor V.1						
S.1	Allocation Factor						
	Transmission Expense (Accts 851-866)						
	Amount	-	1,199,997	-	-	84,262	-
T	Allocation Factor	-	0.2999	-	-	0.0211	-
	Distribution Plant (Acct 376)						
	Amount	-	-	-	-	-	-
U	Allocation Factor	-	-	-	-	-	-
	Average Day Demand						
	Annual Volume / 365		54,478			3,894	
V	Allocation Factor		0.3630			0.0259	
	Average Day Demand (Ex. Large Customers)						
	Annual Volume / 365						
V.1	Allocation Factor						

ENSTAR NATURAL GAS COMPANY

ALLOCATION FACTORS
For the Year Ended December 31, 2021

Alloc. Factor	Description	Customer	IIT/ITS Capacity	Commodity
O	Revenue Requirement (Ex. Gas Costs and Other Revenue)			
	Amount	40,043	220,805	5,938
	Allocation Factor	0.0004	0.0024	0.0001
O.1	Revenue Requirement (Ex. Gas Costs, Other Revenue and Large Customers)			
	Amount			
	Allocation Factor			
P	Total Rate Base			
	Amount	60,085	939,890	2,236
	Allocation Factor	0.0002	0.0032	0.0000
Q	O&M Expense (Ex. Purchased Gas)			
	Amount	33,427	103,429	5,673
	Allocation Factor	0.0006	0.0018	0.0001
R	O&M Expense and Ad Valorem (Ex. Purchased Gas)			
	Amount	33,428	119,336	5,673
	Allocation Factor	0.0005	0.0019	0.0001
S	Joint Peak and Average Day Demand			
	1/2 of Allocation Factor D		-	
	1/2 of allocation Factor V		0.0095	
	Allocation Factor		0.0095	
S.1	Joint Peak and Average Day Demand (Ex. Large Customers)			
	1/2 of Allocation Factor D.1			
	1/2 of allocation Factor V.1			
	Allocation Factor			
T	Transmission Expense (Accts 851-866)			
	Amount	-	37,813	-
	Allocation Factor	-	0.0095	-
U	Distribution Plant (Acct 376)			
	Amount	-	-	-
	Allocation Factor	-	-	-
V	Average Day Demand			
	Annual Volume / 365		2,837	
	Allocation Factor		0.0189	
V.1	Average Day Demand (Ex. Large Customers)			
	Annual Volume / 365			
	Allocation Factor			

ENSTAR NATURAL GAS COMPANY
CUSTOMER WEIGHTINGS FOR PROPOSED CUSTOMER CLASSES
For the Year Ended December 31, 2021

Meter Size	Cost	G1	G2	G3	G4	MSFT	VLFT/IIT/ITS	Totals
G1	269	140,287						37,790,925
G2*	428		5,743					2,457,052
G3L	1,110			1,232				1,367,741
G3M	1,764			2,045				3,607,544
G3H	3,665			448				1,641,808
G4L	4,368				583			2,546,677
G4XL	5,386				16			86,184
FNG/Cosmo	75,000				2	2		300,000
Power/Ind	280,000						7	1,960,000
Total Meters	150,365	140,287	5,743	3,725	601	2	7	
Total Cost of Meters		<u>37,790,925</u>	<u>2,457,052</u>	<u>6,617,093</u>	<u>2,782,861</u>	<u>150,000</u>	<u>1,960,000</u>	
Average Meter Cost		<u>269</u>	<u>428</u>	<u>1,776</u>	<u>4,630</u>	<u>75,000</u>	<u>280,000</u>	
Meter Weighting Factor		<u>1.0000</u>	<u>1.5882</u>	<u>6.5943</u>	<u>17.1889</u>	<u>278.4141</u>	<u>1039.4125</u>	

ENSTAR NATURAL GAS COMPANY

RATE DESIGN

For the Year Ended December 31, 2021

	GAS SALES CUSTOMERS			
	G1	G2	G3	G4
Customer	30,962,776	1,747,096	3,776,962	2,605,846
Capacity	26,188,420	2,704,844	5,476,864	9,571,633
Commodity	<u>114,953</u>	<u>12,014</u>	<u>24,622</u>	<u>44,907</u>
Total	57,266,149	4,463,953	9,278,448	12,222,386
Customers	138,360	5,645	3,636	1,009
Volumes	18,973,894	1,982,935	4,064,009	7,412,260
% Capacity in Fixed Cost	50%	50%	50%	50%
Customer	30,962,776	1,747,096	3,776,962	2,605,846
50% Capacity	<u>13,094,210</u>	<u>1,352,422</u>	<u>2,738,432</u>	<u>4,785,816</u>
RR Amount Allocated to Customer Charge	44,056,985	3,099,518	6,515,394	7,391,663
Fixed Charge as % of Total RR	77%	69%	70%	60%
New Rates				
Customer Charge	\$ 27.00	\$ 46.00	\$ 150.00	\$ 620.00
Volume Charge	\$ 0.6555	\$ 0.6797	\$ 0.6728	\$ 0.6361
Current Rates				
Customer Charge	\$ 16.00	\$ 35.00	\$ 110.00	\$ 530.00
Volume Charge	\$ 1.4759	\$ 0.9459	\$ 0.9308	\$ 0.6483
% Change in Customer Charge	69%	31%	36%	17%
% Change in Volume Charge	-56%	-28%	-28%	-2%

ENSTAR NATURAL GAS COMPANY

RATE DESIGN

For the Year Ended December 31, 2021

	LARGE CUSTOMERS		
	VLFT	MSFT	IIT/ITS
Customer	100,061	10,833	40,024
Capacity	7,618,663	494,838	220,704
Commodity	<u>113,992</u>	<u>8,147</u>	<u>5,935</u>
	7,832,715	513,818	266,663
 Number of Customer Locations	 5	 2	 2
Volumes	19,884,497	1,421,223	1,035,351
IIT Volumes Imputed by TY Minimum Bills			74,557
IIT & ITS Volumes with Imputed Volumes		0.005733	1,109,908
 Customer/Capacity		505,671	
% in Fixed Cost		<u>100%</u>	
Fixed Amount Alloc to Customer Charge		505,671	
Contracted Peak Demand	76,300		
 Customer Charge	\$ 1,700	\$ 21,100	
Volume Charge	\$ 0.0057	\$ 0.0052	\$ 0.2403
Capacity Charge	\$ 8.32		
ITS Annual Minimum			\$ 24,000
IIT Monthly Minimum			\$ 24,000
Current IIT/ITS per Mcf Rate			\$ 0.1744
 International			
Normalized Revenues	-		
Percent of Normalized Base Rate Revenues			
for Total System	<u>6%</u>		
Revenue	-		
 Current Customer Charge	-		
% Change	<u>6%</u>		
Customer Charge	-		
 Remaining Revenue Requirement	-		
Volumes	-		
 Volume Charge	0.0000		

Attachment D

Contains the following tariff sheets:

Tariff Sheet 201, Revision 16

Tariff Sheet 202, Revision 15

Tariff Sheet 203, Revision 15

Tariff Sheet 204, Revision 10

Tariff Sheet 211, Revision 14

Tariff Sheet 212, Revision 9

Tariff Sheet 213, Revision 8

Tariff Sheet 214, Revision 7

Tariff Sheet 214.1, Revision 2

Tariff Sheet 216, Revision 12

Tariff Sheet 218, Revision 9



ENSTAR Natural Gas Company

§2001 Schedule G1 - General Service 1

§2001a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 400 cubic feet per hour (CFH) or less. The maximum capacity of a G1 meter can be increased to 590 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G1 rate.

§2001b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2001c Monthly Rate

Service Charge (Base):	\$0.14980 per hundred cubic feet (Ccf)	I
------------------------	--	----------

Customer Charge:	\$16.25	I
------------------	---------	----------

§2001d Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated or the service is no longer required. Otherwise, the service is to be continuous and, if seasonally disconnected, will be subject to a reconnection charge as set forth in the Section 2501k.

§2001e Rates shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

Effective:

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.



ENSTAR Natural Gas Company

§2002 Schedule G2 - General Service 2

§2002a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 401 cubic feet per hour (CFH), but no more than 649 CFH. The maximum capacity of a G2 meter can be increased to 839 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G2 rate.

§2002b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2002c Monthly Rate

Service Charge (Base):	\$0.09600 per hundred cubic feet (Ccf)	I
------------------------	--	----------

Customer Charge:	\$35.50	I
------------------	---------	----------

§2002d Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated or the service is no longer required. Otherwise, the service is to be continuous and, if seasonally disconnected, will be subject to a reconnection charge as set forth in the Section 2501k.

§2002e Gas Sales Service

Rates shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2002f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

Effective:

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ENSTAR Natural Gas Company

§2003 Schedule G3 – General Service 3

§2003a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 650 cubic feet per hour (CFH), but no more than 3,000 CFH. The maximum capacity of a G3 meter can be increased to 3,190 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G3 rate.

§2003b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2003c Monthly Rate

Service Charge (Base):	\$0.09448 per hundred cubic feet (Ccf)	I
Customer Charge:	\$112.00	I

§2003d Service Term

Service under this schedule shall be for not less than twelve (12) consecutive months, except for Construction Heat provided under Section 601b(2) or Temporary Service under Section 603. Following the twelve (12) consecutive months, service is to be continuous and may not be seasonally disconnected, but service may be discontinued at the request of the Customer when the premises are vacated or the service is no longer required on a permanent basis. The Customer Charge on this service shall not be subject to cancellation for seasonal periods.

§2003e Gas Sales Service

Rates for Customers taking Gas Sales Service shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2003f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

Effective:

Issued By: ENSTAR Natural Gas Company, A Division of SEMCO ENERGY, Inc.



ENSTAR Natural Gas Company

§2004 Schedule G4 – General Service 4

§2004a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity over 3,000 cubic feet per hour and the Customer does not qualify for service under the rate schedules set out in Sections 2045 through 2251.

§2004b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2004c Monthly Rate

Service Charge (Base):	\$0.06580 per hundred cubic feet (Ccf)	I
Customer Charge:	\$538.00	I

§2004d Service Term

Service under this schedule shall be for not less than twelve (12) consecutive months, except for Construction Heat provided under Section 601b(2) or Temporary Service under Section 603. Following the twelve (12) consecutive months, service is to be continuous and may not be seasonally disconnected, but service may be discontinued at the request of the Customer when the premises are vacated or the service is no longer required on a permanent basis. The Customer Charge on this service shall not be subject to cancellation for seasonal periods.

§2004e Gas Sales Service

Rates for Customers taking Gas Sales Service shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2004f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

Effective:

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ENSTAR Natural Gas Company

§2101 Transportation Service to Power Plants

§2101a Rates

	(Volumetric) <u>Rate Per Mcf</u>	Monthly Customer <u>Charge</u>	
§2101a(1)	Reserved for Future Use		D

§2101b The power plant named above is subject to varying interruptions of service as provided under Section 1200 above.

§2101c Transportation Service

The Customer at the location listed above in Section 2101a may take Transportation Service under this rate schedule subject to Sections 1605 and 1640 and may be subject to the additional fees set out in Section 2561.

D Listing and rate for Chugach International Power Plant has been deleted as the plant and supporting facilities have been decommissioned and service ceased.

Effective:

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ENSTAR Natural Gas Company

§2145 Schedule MSFT – Mid-Sized Firm Transportation Service

§2145a Application

§2145a(1) This rate schedule applies to firm transportation service to:

§2145a(1)(a) Interior Alaska Natural Gas Utility (Interior Gas Utility or IGU) LNG Plant #1 located along the Company's Beluga to Anchorage Pipeline.

§2145a(1)(b) Alaska Electric and Energy Cooperative, Inc. Soldotna Combustion Turbine power plant located along the Company's Kenai to Anchorage Pipeline.

§2145a(2) This service shall be supplied under Sections 1605 and 1640, and

§2145a(3) The Firm Transportation Service Agreement between the Customer and the Company.

§2145b Monthly Rate

Service Charge (Base)-Volumetric Rate:
\$0.1629 per thousand cubic feet (Mcf)

I

Customer charge:
\$9,140 per Month

I

§2145c Rate Adjustments

Rates for service under this Schedule are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

Effective:

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ENSTAR Natural Gas Company

§2150 Schedule VLFT – Very Large Firm Transportation Service

§2150a Availability

Service under this rate schedule requires execution of a Very Large Firm Transportation Service Agreement with the Company.

§2150a(1) Service under Schedule VLFT – Very Large Firm Transportation Service (Section 2150) – is available only for large-volume end-use Transportation customers served directly from the Company’s transmission system and having an estimated load factor of 65% or greater and a minimum Contracted Peak Demand of 5,000 Mcf. Load factor is calculated as average daily volumes divided by Contracted Peak Demand. Locations listed in Sections 2145 and 2101 that have specific rates are not eligible for service under this Schedule.

§2150a(2) The Company may limit the amount of Contracted Peak Demand and the delivery pressure requested by the Customer.

§2150a(3) The monthly volumetric rate, customer charge and demand charge applies to each individual Delivery Point receiving service under Schedule VLFT except for Shipper Chugach Electric Association (“Chugach”). The Contracted Peak Demand, and demand charge for the Chugach Delivery Points receiving service under this rate schedule will be aggregated and Chugach will be charged four customer charges per month. Volumes from individual Delivery Points for all other locations will not be combined or aggregated unless it is for the convenience of the Company.

§2150a(4) Service under this Schedule VLFT is exclusive. Locations receiving service under Schedule VLFT cannot receive service at the same time under a different rate schedule.

§2150b Monthly Rate

Volumetric Rate For All Gas

Delivered Per Month:	\$0.1762 per Mcf	I
Customer Charge:	\$2,540 per Delivery Point	I
Demand Charge:	\$4.26 per Month per Mcf of Contracted Peak Demand	I

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ENSTAR Natural Gas Company

§2150c Excess Demand

In the event that a Shipper's actual Mcf per Day demand on any Day exceeds the Shipper's Contracted Peak Demand, then the Shipper shall pay in that Month a penalty as calculated below:

§2150c(1) Calculation of Excess Demand Penalty

The Excess Demand penalty is calculated as the product of:

1. The Shipper's actual Mcf per Day demand less the Shipper's Contracted Peak Demand;
2. The Mcf per Day demand charge (in Section 2050b above);
3. The number of Months the Transportation Service Agreement has been in effect or twelve (12), whichever is less; and
4. Two (2).

§2150c(2) Example of Calculation of Excess Demand Penalty

Assume that a Shipper has contracted for 10,000 Mcf per Day of Contracted Peak Demand in a Transportation Service Agreement that has been in effect for more than twelve months and that the Shipper's actual Mcf per Day demand during a day of a month covered by the Transportation Service Agreement was 12,000 Mcf per Day. The Excess Demand penalty would be calculated as follows:

$$[(12,000 - 10,000) \times \$4.26 \times 12 \times 2] = [2,000 \times \$4.26 \times 12 \times 2] = \$204,480 \quad \text{C}$$

§2150c(3) The Company will waive the Excess Demand penalty for any qualifying volumes caused by Economy Energy Sales to other power utilities. Economy Energy Sales are sales of energy sold on a non-firm basis. Volumes for Economy Energy Sales which, combined with the other volumes for the Customer, exceed the Customer's Contracted Peak Demand are interruptible by the Company. To qualify for waiver:

(The next page is Sheet 214.1)

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ENSTAR Natural Gas Company

§2150c(3)(a) The Excess Demand must have occurred during non-peak conditions, when there were no pipeline, gas supply or operational constraints;

§2150c(3)(b) The estimated volumes associated with Economy Energy Sales must have been separately identified as such in the Customer's nomination(s) to the Company for the Day that the Excess Demand occurred and were accepted for delivery by the Company, and

§2150c(3)(c) The Customer must provide supporting documentation acceptable to the Company of the volumes used for the Economy Energy Sales within three business days after the Day in which the Customer exceeded its Contracted Peak Demand.

D

§2150d **Rate Adjustments**

Rates for service under this Schedule are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

D Section 2150c(4) discussing waiving Excess Demand penalties for ML&P under certain conditions has been deleted as it is no longer relevant after ML&P was purchased by Chugach Electric Association, Inc.

Effective: _____

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ENSTAR Natural Gas Company

§2201 Schedule IIT - Interruptible Industrial Transportation Service

§2201a Application

This rate schedule applies to Customers receiving service under Section 1620, Interruptible Transportation Service.

§2201b Monthly Rate

Charge For All Gas Delivered Per Month:

First	100,000 Mcf or less	\$17,660	I
Remaining Volumes		\$0.1770 Per Mcf	I

There is no charge for any month which volumes are not transported.

§2201c Rate Adjustments

Rates for service under Schedule IIT are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

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ENSTAR Natural Gas Company

§2251 Schedule ITS - Interruptible Transportation Service to Storage

§2251a Application

This rate schedule is only available for Interruptible Transportation Service for deliveries of natural gas to the Pretty Creek underground storage fields. The terms and conditions for service are those provided in Section 1620, Terms and Conditions for Interruptible Transportation Service.

§2251b Rate

Volumetric Rate For All Gas Delivered Per Year: \$0.1770 per Mcf **I**

There is no charge for any month which volumes are not transported, however there is a minimum charge of \$16,100 for each Year in which gas is transported under this rate schedule. **I**

§2251c Rate Adjustments

Rates for service under Schedule ITS are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

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Attachment E

Contains the following tariff sheets:

Tariff Sheet 5, Revision 6

Tariff Sheet 165, Revision 5

Tariff Sheet 201, Revision 17

Tariff Sheet 202, Revision 16

Tariff Sheet 203, Revision 16

Tariff Sheet 204, Revision 11

Tariff Sheet 212, Revision 10

Tariff Sheet 213, Revision 9

Tariff Sheet 214, Revision 8

Tariff Sheet 214.2, Original

Tariff Sheet 214.3, Original

Tariff Sheet 214.4, Original

Tariff Sheet 214.5, Original

Tariff Sheet 216, Revision 13

Tariff Sheet 218, Revision 10



ENSTAR Natural Gas Company

<u>Subject</u>	<u>Section</u>	<u>Sheet</u>	
<u>Transportation Service</u>	1600	120	
General Terms and Conditions for Transportation Service	1605	120	
Terms and Conditions for Interruptible Transportation Service	1620	156	
Terms and Conditions of Firm Transportation Service	1640	165	
 <u>Schedule of Special Contracts</u>	 1900	 190	
 <u>Rate Schedules – General Service</u>	 2000	 200	
Schedule G1	2001	201	
Schedule G2	2002	202	
Schedule G3	2003	203	
Schedule G4	2004	204	
 <u>Rate Schedules – Large Transportation-Firm</u>	 2100	 210	
Transportation Service to Power Plants	2101	211	
Schedule MSFT	2145	212	
Schedule VLFT	2150	213	
Schedule SCPPFT	2160	214.2	N
 <u>Rate Schedules – Large Transportation-Interruptible</u>	 2200	 215	
Schedule IIT – Interruptible Industrial Transportation Service	2201	216	
Schedule ITS – Interruptible Transportation Service to Storage	2251	218	

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ENSTAR Natural Gas Company

§1640 Terms and Conditions for Firm Transportation Service

§1640a General Terms and Conditions

Service under Section 1640 is subject to the General Terms and Conditions of Transportation Service, Section 1605, and the Company's Rules and Regulations, of which this Section is a part.

§1640b Availability

§1640b(1) Service under Section 1640 is available only for following types of Firm Transportation Service Customers:

§1640b(1)(a) Power Plants except that service to the Chugach Electric Association Beluga Power Plant as set out in the Transportation Agreement effective December 15, 2013 listed at Section 1900.

§1640b(1)(b) Commercial Service End Users receiving service under Schedules G1, G2, G3 or G4 (General Service, Sections 2001 through 2004)

§1640b(1)(c) End Users receiving service under Schedule MSFT (Mid-Sized Firm Transportation Service, Section 2145) **T**

§1640b(1)(d) End Users receiving service under Schedule VLFT (Very Large Firm Transportation Service, Section 2150) **T**

§1640b(1)(e) End Users receiving service under Schedule SCPPFT (South Central Power Pool Firm Transportation Service, Section 2160) **N**
N

§1640b(2) An End User may be supplied service under Section 1640 provided that the Shipper has demonstrated and can continue to demonstrate to the Company's satisfaction that the Shipper has contracted for non-interruptible Gas supplies and Upstream pipeline capacity (if applicable) which satisfy the load profile, including the average daily and peak demand requirements, of the End User, unless otherwise agreed.

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ENSTAR Natural Gas Company

§2001 Schedule G1 - General Service 1

§2001a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 400 cubic feet per hour (CFH) or less. The maximum capacity of a G1 meter can be increased to 590 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G1 rate.

§2001b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2001c Monthly Rate

Service Charge (Base):	\$0.06555 per hundred cubic feet (Ccf)	R
------------------------	--	----------

Customer Charge:	\$27.00	I
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§2001d Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated or the service is no longer required. Otherwise, the service is to be continuous and, if seasonally disconnected, will be subject to a reconnection charge as set forth in the Section 2501k.

§2001e Rates shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

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ENSTAR Natural Gas Company

§2002 Schedule G2 - General Service 2

§2002a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 401 cubic feet per hour (CFH), but no more than 649 CFH. The maximum capacity of a G2 meter can be increased to 839 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G2 rate.

§2002b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2002c Monthly Rate

Service Charge (Base):	\$0.06797 per hundred cubic feet (Ccf)	R
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Customer Charge:	\$46.00	I
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§2002d Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated or the service is no longer required. Otherwise, the service is to be continuous and, if seasonally disconnected, will be subject to a reconnection charge as set forth in the Section 2501k.

§2002e Gas Sales Service

Rates shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2002f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

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ENSTAR Natural Gas Company

§2003 Schedule G3 – General Service 3

§2003a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity of 650 cubic feet per hour (CFH), but no more than 3,000 CFH. The maximum capacity of a G3 meter can be increased to 3,190 CFH for locations with a single high efficiency, on demand water heater with a rated capacity of under 250,000 BTUH (250 CFH) and still qualify for a G3 rate.

§2003b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2003c Monthly Rate

Service Charge (Base):	\$0.06728 per hundred cubic feet (Ccf)	R
Customer Charge:	\$150.00	I

§2003d Service Term

Service under this schedule shall be for not less than twelve (12) consecutive months, except for Construction Heat provided under Section 601b(2) or Temporary Service under Section 603. Following the twelve (12) consecutive months, service is to be continuous and may not be seasonally disconnected, but service may be discontinued at the request of the Customer when the premises are vacated or the service is no longer required on a permanent basis. The Customer Charge on this service shall not be subject to cancellation for seasonal periods.

§2003e Gas Sales Service

Rates for Customers taking Gas Sales Service shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2003f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

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ENSTAR Natural Gas Company

§2004 Schedule G4 – General Service 4

§2004a Application

This rate applies to natural gas service to any Customer through a single meter for any purpose where the meter has a maximum Company rated capacity over 3,000 cubic feet per hour and the Customer does not qualify for service under the rate schedules set out in Sections 2045 through 2251.

§2004b Character of Service

Natural gas having a heating value of approximately 1,000 BTU per cubic foot, but not less than 950 BTU per cubic foot.

§2004c Monthly Rate

Service Charge (Base):	\$0.06361 per hundred cubic feet (Ccf)	R
Customer Charge:	\$620.00	I

§2004d Service Term

Service under this schedule shall be for not less than twelve (12) consecutive months, except for Construction Heat provided under Section 601b(2) or Temporary Service under Section 603. Following the twelve (12) consecutive months, service is to be continuous and may not be seasonally disconnected, but service may be discontinued at the request of the Customer when the premises are vacated or the service is no longer required on a permanent basis. The Customer Charge on this service shall not be subject to cancellation for seasonal periods.

§2004e Gas Sales Service

Rates for Customers taking Gas Sales Service shall further be adjusted each month in conformance with Section 708 of this tariff to reflect the Company's varying cost of gas. Rates may also be subject to local sales taxes.

§2004f Transportation Service

Customers may take Transportation Service under this rate schedule subject to the Sections 1605 and 1640, and may be subject to the additional fees set out in Section 2561.

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ENSTAR Natural Gas Company

§2145 Schedule MSFT – Mid-Sized Firm Transportation Service

§2145a Application

§2145a(1) This rate schedule applies to firm transportation service to:

§2145a(1)(a) Interior Alaska Natural Gas Utility (Interior Gas Utility or IGU) LNG Plant #1 located along the Company's Beluga to Anchorage Pipeline.

§2145a(1)(b) Alaska Electric and Energy Cooperative, Inc. Soldotna Combustion Turbine power plant located along the Company's Kenai to Anchorage Pipeline.

§2145a(2) This service shall be supplied under Sections 1605 and 1640, and

§2145a(3) The Firm Transportation Service Agreement between the Customer and the Company.

§2145b Monthly Rate

Service Charge (Base)-Volumetric Rate:

\$0.0052 per thousand cubic feet (Mcf)

R

Customer charge:

\$21,100 per Month

I

§2145c Rate Adjustments

Rates for service under this Schedule are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

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§2150 Schedule VLFT – Very Large Firm Transportation Service

§2150a Availability

Service under this rate schedule requires execution of a Very Large Firm Transportation Service Agreement with the Company.

§2150a(1) Service under Schedule VLFT – Very Large Firm Transportation Service (Section 2150) – is available only for large-volume end-use Transportation customers served directly from the Company’s transmission system and having an estimated load factor of 65% or greater and a minimum Contracted Peak Demand of 5,000 Mcf. Load factor is calculated as average daily volumes divided by Contracted Peak Demand. Locations listed in Sections 2145 and 2101 that have specific rates are not eligible for service under this Schedule.

§2150a(2) The Company may limit the amount of Contracted Peak Demand and the delivery pressure requested by the Customer.

§2150a(3) The monthly volumetric rate, customer charge and demand charge applies to each individual Delivery Point receiving service under Schedule VLFT except for Shipper Chugach Electric Association (“Chugach”). The Contracted Peak Demand, and demand charge for the Chugach Delivery Points receiving service under this rate schedule will be aggregated and Chugach will be charged four customer charges per month. Volumes from individual Delivery Points for all other locations will not be combined or aggregated unless it is for the convenience of the Company.

§2150a(4) Service under this Schedule VLFT is exclusive. Locations receiving service under Schedule VLFT cannot receive service at the same time under a different rate schedule.

§2150b Monthly Rate

Volumetric Rate For All Gas

Delivered Per Month:	\$0.0057 per Mcf	R
Customer Charge:	\$1,700 per Delivery Point	R
Demand Charge:	\$8.32 per Month per Mcf of Contracted Peak Demand	I

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ENSTAR Natural Gas Company

§2150c **Excess Demand**

In the event that a Shipper's actual Mcf per Day demand on any Day exceeds the Shipper's Contracted Peak Demand, then the Shipper shall pay in that Month a penalty as calculated below:

§2150c(1) Calculation of Excess Demand Penalty

The Excess Demand penalty is calculated as the product of:

1. The Shipper's actual Mcf per Day demand less the Shipper's Contracted Peak Demand;
2. The Mcf per Day demand charge (in Section 2050b above);
3. The number of Months the Transportation Service Agreement has been in effect or twelve (12), whichever is less; and
4. Two (2).

§2150c(2) Example of Calculation of Excess Demand Penalty

Assume that a Shipper has contracted for 10,000 Mcf per Day of Contracted Peak Demand in a Transportation Service Agreement that has been in effect for more than twelve months and that the Shipper's actual Mcf per Day demand during a day of a month covered by the Transportation Service Agreement was 12,000 Mcf per Day. The Excess Demand penalty would be calculated as follows:

$$[(12,000 - 10,000) \times \$8.32 \times 12 \times 2] = [2,000 \times \$8.32 \times 12 \times 2] = \$399,360 \quad \text{C}$$

§2150c(3) The Company will waive the Excess Demand penalty for any qualifying volumes caused by Economy Energy Sales to other power utilities. Economy Energy Sales are sales of energy sold on a non-firm basis. Volumes for Economy Energy Sales which, combined with the other volumes for the Customer, exceed the Customer's Contracted Peak Demand are interruptible by the Company. To qualify for waiver:

(The next page is Sheet 214.1)

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ENSTAR Natural Gas Company

§2160 Schedule SCPPFT – South Central Power Pool Firm Transportation Service

N

§2160a Availability and Application

Service under this rate schedule is only available to Shippers Chugach Electric Association, Inc. (“Chugach”) and Matanuska Electric Association, Inc. (“MEA”) which are the signatories to the Amended and Restated Operations Agreement for Power Pooling and Joint Dispatch dated August 7, 2020. This service is supplied under Sections 1605 and 1640 and requires execution of a South Central Power Pool Firm Transportation Service Agreement (“SCPPFT TSA”) between the Shipper and the Company.

§2160a(1) Service under this Schedule SCPPTF is only available to the following Delivery Points:

§2160a(1)(a) For Shipper Chugach, this service is available to these Delivery Points: Southcentral Power Project and the former Anchorage Municipal Light and Power Generation Plants 1, 2 and 2A. The Contracted Peak Demand and demand charge for the Chugach Delivery Points will be aggregated and Chugach will be charged four customer charges per month.

§2160a(1)(b) For Shipper MEA, this service is available to Eklutna Generation Station Delivery Point.

§2160a(2) The Contracted Peak Demand for all Shippers receiving service under this Schedule SCPPFT will be aggregated in determining a SCPPFT Excess Demand Penalty, if necessary, as set out in §2160c below.

§2160a(3) Service under this Schedule SCPPTF is exclusive. Delivery Points receiving service under Schedule SCPPFT cannot receive service at the same time under a different rate schedule.

§2160b Monthly Rate

Volumetric Rate For All Gas

Delivered Per Month:	\$0.0057 per Mcf
Customer Charge:	\$1,700 per Delivery Point
Demand Charge:	\$8.32 per Month per Mcf of Contracted Peak Demand

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§2160c SCPPFT Excess Demand Penalty

N

In the event that the total actual deliveries for all Shippers receiving service under Schedule SCPPFT exceeds the aggregated Contracted Peak Demand for all Shippers receiving service under Schedule SCPPFT on any given Day (“SCPPFT Excess Demand”), then a SCPPFT Excess Demand Penalty shall be assessed to the Shippers that exceed their individual Contracted Peak Demand based upon that Shipper’s contribution to the SCPPFT Excess Demand.

§2160c(1) Calculation of SCPPFT Excess Demand Penalty

§2160c(1)(a) An individual SCPPFT Shipper’s portion of SCPPFT Excess Demand for a given day is determined as follows:

§2160c(1)(a)(i) If the actual deliveries for each Shipper exceeds that Shipper’s Contracted Peak Demand, then that amount for each Shipper is that Shipper’s portion of the SCPPFT Excess Demand.

§2160c(1)(a)(ii) If only one Shipper’s actual deliveries exceeds that Shipper’s Contracted Peak Demand, then that Shipper’s portion of portion of the SCPPFT Excess Demand is the entire amount of SCPPFT Excess Demand.

§2160c(1)(c) The SCPPFT Excess Demand Penalty assessed to an individual SCPPFT Shipper for a given Day is calculated as the product of:

§2160c(1)(c)(i) The individual SCPPFT Shipper’s portion of SCPPFT Excess Demand;

§2160c(1)(c)(ii) The Mcf per Day demand charge (in Section 2160b above);

§2160c(1)(c)(iii) The number of Months the Shipper’s SCPPFT Transportation Service Agreement has been in effect or twelve (12), whichever is less; and

§2160c(1)(c)(iv) Two (2).

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ENSTAR Natural Gas Company

§2160c(2) Example 1 of Calculation of SPPFT Excess Demand Penalty

N

Assume that: (1) SPPFT Shipper "A" has contracted for 20,000 Mcf per Day of Contracted Peak Demand in a SPPFT TSA that has been in effect for more than twelve months and that the Shipper A's actual deliveries during a Day was 21,000 Mcf, and (2) SPPFT Shipper "B" has contracted for 50,000 Mcf per Day of Contracted Peak Demand in a SPPFT TSA that has been in effect for more than twelve months and that the Shipper B's actual deliveries during a Day was 52,000 Mcf. Thus, the aggregated SPPFT Contracted Peak Demand is 70,000 Mcf per day and the SPPFT Excess Demand is 3,000 Mcf per Day and both Shippers exceeded their Contracted Peak Demand.

§2160c(2)(a) Calculation of Excess Demand Penalty for SPPFT Shipper A:

§2160c(2)(a)(i) SPPFT Shipper A's portion of SPPFT Excess Demand (in Mcf) = Shipper A's actual deliveries – Shipper A's Contracted Peak Demand = (21,000 Mcf - 20,000 Mcf) = 1,000.

§2160c(2)(a)(ii) Shipper A's SPPFT Excess Demand Penalty:

$$[(1,000) \times \$8.32 \times 12 \times 2] = [1,000 \times \$8.32 \times 12 \times 2] = \$199,680$$

§2160c(2)(b) Calculation of Excess Demand Penalty for SPPFT Shipper B:

§2160c(2)(b)(i) SPPFT Shipper B's portion of SPPFT Excess Demand (in Mcf) = Shipper B's actual deliveries – Shipper B's Contracted Peak Demand = (52,000 – 50,000) = 2,000.

§2160c(2)(b)(ii) Shipper B's SPPFT Excess Demand Penalty:

$$[(2,000) \times \$8.32 \times 12 \times 2] = [2,000 \times \$8.32 \times 12 \times 2] = \$399,360$$

§2160c(3) Example 2 of Calculation of SPPFT Excess Demand Penalty

Assume the same conditions as Example 1 except that SPPFT Shipper A's actual deliveries during the Day was 19,000 Mcf. Thus, the SPPFT Excess Demand is only 1,000 Mcf, which becomes SPPFT Shipper B's portion of SPPFT Excess Demand because Shipper B is the only Shipper to exceed its Contracted Peak Demand.

§2160c(3)(a) Calculation of Excess Demand Penalty for SPPFT Shipper B:

$$[1,000 \times \$8.32 \times 12 \times 2] = \$199,680$$

Effective: _____



ENSTAR Natural Gas Company

§2160c(4) The Company will waive the Excess Demand penalty for any qualifying N volumes caused by Economy Energy Sales to other power utilities that are not served under this Schedule SCPPFT or under Schedule VLFT. Economy Energy Sales are sales of energy sold on a non-firm basis. Volumes for Economy Energy Sales which, combined with the other volumes for the Customer, exceed the Customer's Contracted Peak Demand are interruptible by the Company. To qualify for waiver:

§2160c(4)(a) The Excess Demand must have occurred during non-peak conditions, when there were no pipeline, gas supply or operational constraints;

§2160c(4)(b) The estimated volumes associated with Economy Energy Sales must have been separately identified as such in the Customer's nomination(s) to the Company for the Day that the Excess Demand occurred and were accepted for delivery by the Company, and

§2160c(4)(c) The Customer must provide supporting documentation acceptable to the Company of the volumes used for the Economy Energy Sales within three business days after the Day in which the Customer exceeded its Contracted Peak Demand.

§2160d **Rate Adjustments**

Rates for service under this Schedule are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

(The Next Page is Sheet 215)

Effective: _____

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ENSTAR Natural Gas Company

§2201 Schedule IIT - Interruptible Industrial Transportation Service

§2201a Application

This rate schedule applies to Customers receiving service under Section 1620, Interruptible Transportation Service.

§2201b Monthly Rate

Charge For All Gas Delivered Per Month:

First	100,000 Mcf or less	\$24,000	I
Remaining Volumes		\$0.2403 Per Mcf	I

There is no charge for any month which volumes are not transported.

§2201c Rate Adjustments

Rates for service under Schedule IIT are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

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ENSTAR Natural Gas Company

§2251 Schedule ITS - Interruptible Transportation Service to Storage

§2251a Application

This rate schedule is only available for Interruptible Transportation Service for deliveries of natural gas to the Pretty Creek underground storage fields. The terms and conditions for service are those provided in Section 1620, Terms and Conditions for Interruptible Transportation Service.

§2251b Rate

Volumetric Rate For All Gas Delivered Per Year: \$0.2403 per Mcf **I**

There is no charge for any month which volumes are not transported, however there is a minimum charge of \$24,000 for each Year in which gas is transported under this rate schedule. **I**

§2251c Rate Adjustments

Rates for service under Schedule ITS are subject to various charges and adjustments as approved by the Regulatory Commission of Alaska including, but not limited to, the Regulatory Cost Charge as outlined in Section 2401 and the additional fees set out in Section 2561. Rates may also be subject to local sales taxes.

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