



## FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: Y/E December 31, 2021

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 19, 2016 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Hearthstone Utilities, Inc., an Ohio corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent and L/C Issuer.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the Vice President & Controller of the Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the Borrower, and that:

1. The Borrower has delivered the year-end audited financial statements required by Section 6.01(a) of the Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by such financial statements.


3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and to the best knowledge of the undersigned, during such fiscal period the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.

4. The representations and warranties of the Borrower contained in Article V of the Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

5. The financial covenant analyses and information set forth on Schedules 1 and 2 attached hereto are true and accurate on and as of the date of this Certificate.

*IN WITNESS WHEREOF*, the undersigned has executed this Certificate as of March 16, 2022.

**HEARTHSTONE UTILITIES, INC.**, an Ohio corporation

By:   
Name: James C. VanderBiezen\_\_\_\_\_  
Title: Vice President & Controller\_\_\_\_\_

For the Year ended December 31, 2021

**SCHEDULE 1**  
to the Compliance Certificate  
(\$ in 000's)

**A. Section 7.11(a) - Maximum Total Debt to Capital Ratio**

1.	Total Debt	\$206,542
2.	Capital	\$377,759
3.	Ratio of (1) to (2)	0.55 to 1.00
4.	Maximum allowed	0.65 to 1.00

**B. Section 7.11(b) - Minimum Interest Coverage Ratio**

1.	EBITDA	\$27,229
2.	Interest Expense	\$3,527
3.	Ratio of (1) to (2)	7.72 to 1.00
4.	Minimum required	2.50 to 1.00

**C. Section 7.11(c) - Minimum Consolidated Net Worth**

1.	Consolidated Net Worth	\$171,217
2.	Total shareholders' equity at September 30, 2016	\$92,426
3.	75% of (2)	\$69,320
4.	Consolidated Net Income, commencing January 1, 2017	\$38,111
5.	20% of (4)	\$7,622
6.	Sum of (3) and (5)	\$76,942
7.	(6) less than (1)	Yes/ <del>No</del>

For the Year ended December 31, 2021

**SCHEDULE 2**  
to the Compliance Certificate  
(\$ in 000's)

**Consolidated EBITDA**  
(in accordance with the definition of Consolidated EBITDA  
as set forth in the Agreement)

<b>EBITDA</b>	<b>Quarter Ended 03/31/21</b>	<b>Quarter Ended 06/30/21</b>	<b>Quarter Ended 09/30/21</b>	<b>Quarter Ended 12/31/21</b>	<b>Twelve Months Ended 12/31/21</b>
Consolidated Net Income	6,943	1,226	(143)	2,377	10,403
+ interest expense	823	786	846	1,072	3,527
+ income tax expense (benefit)	1,889	89	(99)	789	2,668
+ Depreciation and amortization	2,603	2,689	2,640	2,699	10,631
= EBITDA	12,258	4,790	3,244	6,937	27,229

**Northeast Ohio Natural Gas**  
**Item 8 - Annual Financial Forecast**  
**January 2022 through December 31, 2022**

Revolving Line of Credit				
Month	Beginning Balance	Monthly Activity	Ending Balance	Use of Monthly Borrowings
January 2022	8,300,000	1,550,000	9,850,000	Construction and Storage Gas Purchase
February 2022	9,850,000	(1,750,000)	8,100,000	Utility Operations
March 2022	8,100,000	(1,650,000)	6,450,000	Utility Operations
April 2022	6,450,000	375,000	6,825,000	Gas Storage & Construction
May 2022	6,825,000	475,000	7,300,000	Gas Storage & Construction
June 2022	7,300,000	1,550,000	8,850,000	Gas Storage & Construction
July 2022	8,850,000	900,000	9,750,000	Gas Storage & Construction
August 2022	9,750,000	1,150,000	10,900,000	Gas Storage & Construction
September 2022	10,900,000	800,000	11,700,000	Gas Storage & Construction
October 2022	11,700,000	175,000	11,875,000	Gas Storage & Construction
November 2022	11,875,000	(225,000)	11,650,000	Utility Operations
December 2022	11,650,000	175,000	11,825,000	Utility Operations

Senior Notes				
Month	Beginning Balance	Monthly Activity	Ending Balance	Use of Monthly Borrowings
January 2022	11,250,000		11,250,000	
February 2022	11,250,000		11,250,000	
March 2022	11,250,000		11,250,000	
April 2022	11,250,000		11,250,000	
May 2022	11,250,000		11,250,000	
June 2022	11,250,000		11,250,000	
July 2022	11,250,000		11,250,000	
August 2022	11,250,000		11,250,000	
September 2022	11,250,000		11,250,000	
October 2022	11,250,000		11,250,000	
November 2022	11,250,000		11,250,000	
December 2022	11,250,000		11,250,000	

Term Debt				
Month	Beginning Balance	Monthly Activity	Ending Balance	Use of Monthly Borrowings
January 2022				
February 2022				
March 2022				
April 2022				
May 2022				
June 2022				
July 2022				
August 2022				
September 2022				
October 2022				
November 2022				
December 2022				

**Northeast Ohio Natural Gas**

**Item 8 - Annual Financial Forecast  
2022**

<b>Intercompany Line of Credit</b>	<b>Northeast Ohio</b>
<b>Beginning Balance January 1, 2022</b>	<b>\$ 8,300,000.00</b>
<b>Total Borrowings</b>	<b>3,250,000.00</b>
<b>Total Pay Downs</b>	<b>(1,700,000.00)</b>
<b>Ending Balance January 31, 2022</b>	<b>9,850,000.00</b>
<b>Beginning Balance February 1, 2022</b>	<b>9,850,000.00</b>
<b>Total Borrowings</b>	<b>1,200,000.00</b>
<b>Total Pay Downs</b>	<b>(2,950,000.00)</b>
<b>Ending Balance February 28, 2022</b>	<b>8,100,000.00</b>
<b>Beginning Balance March 1, 2022</b>	<b>8,100,000.00</b>
<b>Total Borrowings</b>	<b>1,150,000.00</b>
<b>Total Pay Downs</b>	<b>(2,800,000.00)</b>
<b>Ending Balance March 31, 2022</b>	<b>6,450,000.00</b>
<b>Beginning Balance April 1, 2022</b>	<b>6,450,000.00</b>
<b>Total Borrowings</b>	<b>1,625,000.00</b>
<b>Total Pay Downs</b>	<b>(1,250,000.00)</b>
<b>Ending Balance April 30, 2022</b>	<b>6,825,000.00</b>
<b>Beginning Balance May 1, 2022</b>	<b>6,825,000.00</b>
<b>Total Borrowings</b>	<b>475,000.00</b>
<b>Total Pay Downs</b>	<b>-</b>
<b>Ending Balance May 31, 2022</b>	<b>7,300,000.00</b>
<b>Beginning Balance June 1, 2022</b>	<b>7,300,000.00</b>
<b>Total Borrowings</b>	<b>1,550,000.00</b>
<b>Total Pay Downs</b>	<b>-</b>
<b>Ending Balance June 30, 2022</b>	<b>8,850,000.00</b>
<b>Beginning Balance July 1, 2022</b>	<b>8,850,000.00</b>
<b>Total Borrowings</b>	<b>900,000.00</b>
<b>Total Pay Downs</b>	<b>-</b>
<b>Ending Balance July 31, 2022</b>	<b>9,750,000.00</b>

<b>Beginning Balance August 1, 2022</b>	9,750,000.00
<b>Total Borrowings</b>	1,150,000.00
<b>Total Pay Downs</b>	-
<b>Ending Balance August 31, 2022</b>	10,900,000.00
<b>Beginning Balance September 1, 2022</b>	10,900,000.00
<b>Total Borrowings</b>	800,000.00
<b>Total Pay Downs</b>	-
<b>Ending Balance September 30, 2022</b>	11,700,000.00
<b>Beginning Balance October 1, 2022</b>	11,700,000.00
<b>Total Borrowings</b>	175,000.00
<b>Total Pay Downs</b>	-
<b>Ending Balance October 31, 2022</b>	11,875,000.00
<b>Beginning Balance November 1, 2022</b>	11,875,000.00
<b>Total Borrowings</b>	375,000.00
<b>Total Pay Downs</b>	(600,000.00)
<b>Ending Balance November 30, 2022</b>	11,650,000.00
<b>Beginning Balance December 1, 2022</b>	11,650,000.00
<b>Total Borrowings</b>	825,000.00
<b>Total Pay Downs</b>	(650,000.00)
<b>Ending Balance December 31, 2022</b>	\$ 11,825,000.00

There are no changes forecasted to the Intercompany Senior Notes balances in 2022.

**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 16-0354-GA-AIS**

Summary: Report Report of Compliance Certification & Financial Forecast.  
electronically filed by Mr. Jason Massie on behalf of Northeast Ohio Natural Gas