



June 15, 2016

Mr. Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority  
10 Franklin Square  
New Britain, CT 06051

RE: Docket No. 92-10-09; DPUC Review of the Need for an Interim Rate Decrease for  
Connecticut Natural Gas Corporation, Order No. 1

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Docket No. 76-03-07; Investigation to Consider Rate Adjustment Procedures and  
Mechanisms Appropriate to Charge or Reimburse the Consumer for Changes in the Cost  
of Fossil Fuel

Dear Mr. Gaudiosi:

The enclosed monthly report for April 30, 2016 of Connecticut Natural Gas Corporation (the "Company") is furnished in compliance with Order No. 1 of the Decision in Docket No. 92-10-09, and a directive of the Public Utilities Regulatory Authority ("PURA"). This report contains financial information that is unaudited and preliminary and, as such, may be subject to subsequent adjustment.

I hereby certify service of this filing upon all parties and interveners of record in this proceeding. Since the electronic copy filed via the Web Filing System is the complete filing, only the original file is being submitted herewith.

Sincerely,

Michael A. Coretto  
Vice President, Regulatory Affairs  
UIL Holdings Corporation  
As Agent for Connecticut Natural Gas Corporation

157 Church Street, P. O. Box 1564, New Haven, CT 06506-0901  
[www.cngcorp.com](http://www.cngcorp.com)

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**CONNECTICUT NATURAL GAS CORPORATION**

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**REPORT TO THE CONNECTICUT**

**PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)**

**FOR THE MONTH ENDED APRIL 30, 2016**

**DATED: June 15, 2016**

**CONNECTICUT NATURAL GAS CORPORATION**  
**Statement of Income**  
**Twelve Months Ending April 30, 2016**  
**(UNAUDITED)**

Total Operating Revenue	\$	292,674,519
Operating Expenses		
Purchased Gas Expense		115,492,151
O & M Expenses		82,292,148
Depreciation and Amort Expenses		30,189,707
Taxes Other than Income		21,027,975
Income Taxes		10,971,620
Total Operating Expenses		<u>259,973,601</u>
Total Operating Income (Loss)		32,700,918
Total Other (Income) and Deductions		<u>10,516,424</u>
Total Income (Loss) Before Interest Charges		22,184,494
Interest Charges:		
Interest on Long-Term Debt		8,741,000
Amortization of Debt Discount and Exp.		92,521
Other Interest Charges		1,008,363
Total Interest Charges		<u>9,841,884</u>
Net Income (Loss)		12,342,610
Preferred Stock Dividends		<u>27,177</u>
BALANCE FOR COMMON STOCK	\$	<u><u>12,315,433</u></u>

**CONNECTICUT NATURAL GAS CORPORATION**  
**Rate Base Summary**  
**Twelve Months Ending April 30, 2016**  
**(UNAUDITED)**

LINE NO.	DESCRIPTION	<u>END OF PERIOD RATE BASE</u>	
1	UTILITY PLANT IN SERVICE	\$	804,052,493
2	PLUS WORKING CAPITAL		12,111,935
3	PLUS MATERIALS AND SUPPLIES		18,784,609
4	PLUS PREPAYMENT RESERVES		52,795
5	PLUS DEFERRED DEBITS		34,522,198
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(443,406,986)
7	LESS DEFERRED INCOME TAXES		(3,935,787)
8	LESS RESERVES / REGULATORY LIABILITIES		(12,541,353)
9			
10	TOTAL END OF PERIOD RATE BASE	\$	<u>409,639,904</u>

		<u>TOTAL AVERAGE RATE BASE</u>	
11	UTILITY PLANT IN SERVICE	\$	779,158,211
12	PLUS WORKING CAPITAL		13,538,740
13	PLUS MATERIALS AND SUPPLIES		23,919,797
14	PLUS PREPAYMENT RESERVES		51,200
15	PLUS DEFERRED DEBITS		33,785,653
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(430,249,918)
17	LESS DEFERRED INCOME TAXES		(1,361,983)
18	LESS RESERVES / REGULATORY LIABILITIES		(12,567,075)
19			
20	TOTAL AVERAGE RATE BASE	\$	<u>406,274,625</u>

**CONNECTICUT NATURAL GAS CORPORATION**  
**Rate of Return on Common Equity**  
**Twelve Months Ending April 30, 2016**  
**(UNAUDITED)**  
**(\$000)**

Utility Operating Income	\$ 32,701	
Tax Rectification Adjustment	880	(1)
Adjusted Utility Operating Income	\$ 33,581	
Weather Impact on Utility Operating Income	-	(2)
Weather-Adjusted Utility Operating Income	33,581	
Average Rate Base	\$ 406,275	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	8.27%	
Exclude Weighted Cost of Debt	-2.83%	
Common Equity Component	5.44%	
Common Equity Percent of Total Capitalization	55.46%	
Adjusted Return on Common Equity (before weather impact)	9.81%	
Weather-Adjusted Return on Common Equity	9.81%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	9.41%	

Average Capital Structure and Cost Rates	Capital Structure		Cost of Debt	
	Amount	Weighting	Rate	Weighted Rate
Capital Structure per Books:				
Long Term Debt	\$ 140,000	27.98%	6.34%	1.77%
Short Term Debt	1,934	0.39%	7.96%	0.03%
Preferred Stock	340	0.07%	8.00%	0.01%
Common Equity	358,125	71.57%		
	<u>\$ 500,399</u>	<u>100.00%</u>		<u>1.81%</u>
Adjustments:				
Long Term Debt	(848)	(3)		
Short Term Debt	-			
Preferred Stock	-			
Common Equity	(181,759)	(4)		
Adjusted Capital Structure:				
Long Term Debt	\$ 139,352	43.82%	6.34%	2.76%
Short Term Debt	1,934	0.61%	7.96%	0.05%
Preferred Stock	340	0.11%	8.00%	0.01%
Common Equity	178,367	55.46%		
Total	<u>\$ 317,993</u>	<u>100.00%</u>		<u>2.83%</u>

Notes: (1) This adjustment is to exclude the portion of taxes relating to debt expense not included in the return on rate base.

(2) Weather impact on Utility Operating Income is adjusted through CNG's decoupling mechanism from Docket No. 13-06-08.

(3) Long Term Debt Adjustments are as follows:

. To deduct unamortized debt expense.

Total

\$ (848)  
\$ (848)

(4) Common Equity Adjustments are as follows:

. To eliminate the effects of the portion of goodwill recorded to paid-in capital (Energy East Acquisition).

. To eliminate the effects of goodwill amortizations (Energy East Acquisition).

. To eliminate the effects of Purchase Accounting pertaining to the UIL Acquisition.

. To eliminate the effects of goodwill impairments (Iberdrola - Sale of CNG to UIL).

Total

\$ (215,176)  
7,812  
(65,317)  
90,923  
\$ (181,758)

(5) Short-term debt rate includes an apportioned cost of the UIL revolving credit facility fee.



June 15, 2016

Mr. Jeffrey R. Gaudiosi, Esq.  
Executive Secretary  
Public Utilities Regulatory Authority  
10 Franklin Square  
New Britain, CT 06051

Re: Docket No. 76-03-07 Investigation to Consider Rate Adjustment Procedures and  
Mechanisms Appropriate to Charge or Reimburse the Consumer for Changes in the Cost of  
Fossil Fuel and/or Purchased Gas for Electric and Gas Public Service Companies

Dear Mr. Gaudiosi:

The enclosed monthly report for April 30, 2016 of The Southern Connecticut Gas Company (the "Company") is furnished in compliance with a directive of the Public Utilities Regulatory Authority ("PURA"). This report contains financial information that is unaudited and preliminary and, as such, may be subject to subsequent adjustment.

I hereby certify service of this filing upon all parties and interveners of record in this proceeding. Since the electronic copy filed via the Web Filing System is the complete filing, only the original file is being submitted herewith.

Sincerely,

Michael A. Coretto  
Vice President, Regulatory Affairs  
UIL Holdings Corporation  
As Agent for The Southern Connecticut Gas Company

157 Church Street, P. O. Box 1564, New Haven, CT 06506-0901  
[www.soconngas.com](http://www.soconngas.com)

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**THE SOUTHERN CONNECTICUT GAS COMPANY**

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**REPORT TO THE CONNECTICUT**

**PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)**

**FOR THE MONTH ENDED April 30, 2016**

**DATED: June 15, 2016**

**THE SOUTHERN CONNECTICUT GAS COMPANY**  
**Statement of Income**  
**Twelve Months Ending April 30, 2016**  
**(UNAUDITED)**

Total Operating Revenue	<u>\$ 305,509,684</u>
Operating Expenses	
Purchased Gas Expense	126,267,293
O & M Expenses	91,405,160
Depreciation and Amort Expenses	23,296,350
Taxes Other than Income	21,645,451
Income Taxes	10,090,323
Total Operating Expenses	<u>272,704,577</u>
Leased Land Income	<u>287,587</u>
Total Operating Income (Loss)	33,092,694
Total Other (Income) and Deductions	<u>4,894,620</u>
Total Income (Loss) Before Interest Charges	28,198,075
Interest Charges:	
Interest on Long-Term Debt	13,374,100
Amortization of Debt Discount and Exp.	306,464
Other Interest Charges	737,522
Total Interest Charges	<u>14,418,087</u>
Net Income (Loss)	<u><u>\$ 13,779,988</u></u>



**Southern Connecticut Gas Company  
Summary by Tariff**

	<u>KEY</u>	<u>Revenue</u> <u>Apr-16</u>	<u>Mcf</u> <u>Apr-16</u>	<u>Cost / Unit</u>
<b>Residential</b>				
General (RSG)	RSG	1,021,949	50,684	\$20.16
Heating (RSH)	RSH	17,583,914	1,436,502	12.24
Housing (RMDS)	RMDS	867,838	106,755	8.13
<b>Total Firm Residential</b>		<b>19,473,701</b>	<b>1,593,942</b>	<b>\$12.22</b>
<b>Commercial &amp; Industrial</b>				
Small General Service (SGS)	SGSS	2,561,262	181,365	\$14.12
General Service (GS)	MGSS	2,660,818	297,811	8.93
Large General Service (LGS)	LGSS	3,233,787	514,665	6.28
<b>Total Commercial &amp; Industrial</b>		<b>8,455,867</b>	<b>993,841</b>	<b>\$8.51</b>
<b>Sub-Total Firm Sales</b>		<b>27,929,568</b>	<b>2,587,782</b>	<b>\$10.79</b>
<b>Firm Transportation</b>				
Housing (RMDS)	RMDT	215,099	68,819	\$3.13
Small General Service (SGS)	SGST	62,887	9,169	6.86
General Service (GS)	MGST	286,076	71,025	4.03
Large General Service (LGS)	LGST	754,906	260,027	2.90
<b>Sub-Total Firm Transportation</b>		<b>1,318,968</b>	<b>409,040</b>	<b>\$3.22</b>
<b>Special Contracts (FTA)</b>	<b>SPC</b>	<b>724,274</b>	<b>4,325</b>	<b>167</b>
<b>Sub-Total Transportation</b>		<b>2,043,242</b>	<b>413,364</b>	<b>\$4.94</b>
<b>Interruptible Service</b>				
Manual Interruptible (IS)	MIS	1,108,014	322,829	\$3.43
Interruptible Transportation (ITS)	ITS	10,550	2,723	\$3.87
Natural Gas Vehicles (NGV)	NGV	599	53	11.29
<b>Sub-Total Interruptible</b>		<b>1,119,164</b>	<b>325,606</b>	<b>\$3.44</b>
<b>Off System Sales</b>	<b>OFFSYS</b>	<b>1,114,231</b>	<b>-</b>	
<b>Total Operating Revenues</b>		<b>32,206,204</b>	<b>3,326,752</b>	<b>\$9.68</b>

**The Southern Connecticut Gas Company**  
**Rate Base Summary**  
**Twelve Months Ended April 30, 2016**  
**(UNAUDITED)**

LINE NO.	<u>DESCRIPTION</u>	<u>END OF PERIOD RATE BASE</u>	
1	UTILITY PLANT IN SERVICE	\$	823,204,684
2	PLUS WORKING CAPITAL		27,004,987
3	PLUS MATERIALS AND SUPPLIES		16,191,314
4	PLUS PREPAYMENT RESERVES		4,767
5	PLUS DEFERRED DEBITS / REGULATORY ASSETS		883,335
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(304,506,319)
7	LESS DEFERRED INCOME TAXES		(54,361,593)
8	LESS RESERVES / REGULATORY LIABILITIES		(9,748,521)
9			
10	TOTAL END OF PERIOD RATE BASE	\$	<u>498,672,654</u>

		<u>TOTAL AVERAGE RATE BASE</u>	
11	UTILITY PLANT IN SERVICE	\$	785,499,623
12	PLUS WORKING CAPITAL		29,383,041
13	PLUS MATERIALS AND SUPPLIES		21,391,808
14	PLUS PREPAYMENT RESERVES		45,141
15	PLUS DEFERRED DEBITS / REGULATORY ASSETS		6,764,114
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(295,299,407)
17	LESS DEFERRED INCOME TAXES		(48,655,408)
18	LESS RESERVES / REGULATORY LIABILITIES		(10,066,400)
19			
20	TOTAL AVERAGE RATE BASE	\$	<u>489,062,511</u>

**The Southern Connecticut Gas Company**  
**Rate of Return on Common Equity**  
**Twelve Months Ended April 30, 2016**  
**(UNAUDITED)**  
**(\$000)**

Utility Operating Income	\$ 33,093	
Tax Rectification Adjustment	(335)	(1)
Adjusted Utility Operating Income	\$ 32,758	
Weather Impact on Utility Operating Income	4,808	(2)
Weather-Adjusted Utility Operating Income	37,566	
Average Rate Base	\$ 489,063	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	6.70%	
Exclude Weighted Cost of Debt	-2.75%	
Common Equity Component	3.95%	
Common Equity Percent of Total Capitalization	54.31%	
Adjusted Return on Common Equity (before weather impact)	7.27%	
Weather-Adjusted Return on Common Equity	9.07%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	7.39%	

Average Capital Structure and Cost Rates	Capital Structure		Cost of Debt	
	Amount	Weighting	Rate	Weighted Rate
Capital Structure per Books:				
Long Term Debt	\$ 214,000	33.68%	6.50%	2.19%
Short Term Debt	18,410	2.90%	1.31% (5)	0.04%
Common Equity	402,917	63.42%		
	\$ 635,327	100.00%		2.23%
Adjustments:				
Long Term Debt	(31,026) (3)			
Short Term Debt	-			
Common Equity	(163,557) (4)			
Adjusted Capital Structure:				
Long Term Debt	\$ 182,974	41.51%	6.50%	2.70%
Short Term Debt	18,410	4.18%	1.31% (5)	0.05%
Common Equity	239,360	54.31%		
Total	\$ 440,745	100.00%		2.75%

Notes: (1) This adjustment is to exclude the portion of taxes relating to debt expense not included in the return on rate base.

(2) This adjusts for the impact of (colder) or warmer than normal weather on Utility Operating Income.

(3) Long Term Debt Adjustments are as follows:

To deduct unamortized debt expense.	\$ (3,481)
To eliminate the effects of merger-related expenses in SCG's capital structure (Energy East Acquisition).	(27,544)
Total	\$ (31,026)

(4) Common Equity Adjustments are as follows:

To eliminate the effects of the portion of goodwill recorded to paid-in capital (Energy East Acquisition).	\$ (245,937)
To eliminate the effects of goodwill amortizations (Energy East Acquisition).	13,517
To eliminate the effects of Purchase Accounting pertaining to the UIL Acquisition	(110,022)
To eliminate the effects of goodwill impairments (Iberdrola - Sale of SCG to UIL)	178,885
Total	\$ (163,557)

(5) Short-term debt rate includes an apportioned cost of the UIL revolving credit facility fee.