



January 17, 2017

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 November 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

**THE SOUTHERN CONNECTICUT GAS COMPANY**

**REPORT TO THE CONNECTICUT**

**PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)**

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

**DATED: January 17, 2017**

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

Total Operating Revenue	<u>\$ 327,611,916</u>
Operating Expenses	
Purchased Gas Expense	145,759,092
O & M Expenses	91,847,287
Depreciation and Amort Expenses	24,655,675
Taxes Other than Income	23,152,473
Income Taxes	10,414,176
Total Operating Expenses	<u>295,828,703</u>
Leased Land Income	<u>291,031</u>
Total Operating Income (Loss)	32,074,244
Total Other (Income) and Deductions	<u>5,855,404</u>
Total Income (Loss) Before Interest Charges	26,218,840
Interest Charges:	
Interest on Long-Term Debt	13,374,100
Amortization of Debt Discount and Exp.	285,064
Other Interest Charges	1,153,819
Total Interest Charges	<u>14,812,983</u>
Net Income (Loss)	<u><u>\$ 11,405,858</u></u>

**Southern Connecticut Gas Company  
Summary by Tariff**

	<u>KEY</u>	<u>Revenue</u> <u>Nov-16</u>	<u>Mcf</u> <u>Nov-16</u>	<u>Cost / Unit</u>
<b>Residential</b>				
General (RSG)	RSG	833,907	35,554	\$23.45
Heating (RSH)	RSH	13,346,572	906,453	14.72
Housing (RMDS)	RMDS	734,842	77,953	9.43
<b>Total Firm Residential</b>		<b>14,915,321</b>	<b>1,019,960</b>	<b>\$14.62</b>
<b>Commercial &amp; Industrial</b>				
Small General Service (SGS)	SGSS	1,780,653	92,690	\$19.21
General Service (GS)	MGSS	2,077,876	188,783	11.01
Large General Service (LGS)	LGSS	3,110,512	447,599	6.95
<b>Total Commercial &amp; Industrial</b>		<b>6,969,041</b>	<b>729,072</b>	<b>\$9.56</b>
<hr/>				
<b>Sub-Total Firm Sales</b>		<b>21,884,362</b>	<b>1,749,032</b>	<b>\$12.51</b>
<b>Firm Transportation</b>				
Housing (RMDS)	RMDT	167,943	46,143	\$3.64
Small General Service (SGS)	SGST	49,902	5,034	9.91
General Service (GS)	MGST	235,714	44,519	5.29
Large General Service (LGS)	LGST	732,850	229,523	3.19
<b>Sub-Total Firm Transportation</b>		<b>1,186,408</b>	<b>325,219</b>	<b>\$3.65</b>
<hr/>				
<b>Special Contracts (FTA)</b>	SPC	<b>1,125,515</b>	<b>106,047</b>	<b>\$10.61</b>
<b>Sub-Total Transportation</b>		<b>2,311,924</b>	<b>431,266</b>	<b>\$5.36</b>
<hr/>				
<b>Interruptible Service</b>				
Manual Interruptible (IS)	MIS	1,349,737	302,308	\$4.46
Interruptible Transportation (ITS)	ITS	14,726	3,975	3.70
Natural Gas Vehicles (NGV)	NGV	273	19	14.22
<b>Sub-Total Interruptible</b>		<b>1,364,737</b>	<b>306,303</b>	<b>\$4.46</b>
<hr/>				
<b>Off System Sales</b>	OFFSYS	<b>361,593</b>	<b>-</b>	
<b>Total Operating Revenues</b>		<b>25,922,615</b>	<b>2,486,600</b>	<b>\$10.42</b>

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

LINE NO.	<u>DESCRIPTION</u>		<u>END OF PERIOD RATE BASE</u>
1	UTILITY PLANT IN SERVICE	\$	855,768,037
2	PLUS WORKING CAPITAL		28,958,674
3	PLUS MATERIALS AND SUPPLIES		23,532,205
4	PLUS PREPAYMENT RESERVES		9,533
5	PLUS DEFERRED DEBITS / REGULATORY ASSETS		3,131,875
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(317,875,931)
7	LESS DEFERRED INCOME TAXES		(60,801,086)
8	LESS RESERVES / REGULATORY LIABILITIES		(11,098,218)
9			
10	TOTAL END OF PERIOD RATE BASE	\$	<u>521,625,089</u>
			<u>TOTAL AVERAGE RATE BASE</u>
11	UTILITY PLANT IN SERVICE	\$	826,438,897
12	PLUS WORKING CAPITAL		28,090,788
13	PLUS MATERIALS AND SUPPLIES		20,834,519
14	PLUS PREPAYMENT RESERVES		4,510
15	PLUS DEFERRED DEBITS / REGULATORY ASSETS		3,622,448
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(306,032,154)
17	LESS DEFERRED INCOME TAXES		(55,290,630)
18	LESS RESERVES / REGULATORY LIABILITIES		(9,942,762)
19			
20	TOTAL AVERAGE RATE BASE	\$	<u>507,725,616</u>

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

Utility Operating Income	\$ 32,074	
Tax Rectification Adjustment	(333)	(1)
Adjusted Utility Operating Income	\$ 31,741	
Weather Impact on Utility Operating Income	4,554	(2)
Weather-Adjusted Utility Operating Income	36,294	
Average Rate Base	\$ 507,726	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	6.25%	
Exclude Weighted Cost of Debt	-2.74%	
Common Equity Component	3.51%	
Common Equity Percent of Total Capitalization	54.43%	
Adjusted Return on Common Equity (before weather impact)	6.45%	
Weather-Adjusted Return on Common Equity	8.10%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	6.57%	

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	33.61%	6.49%	2.18%
Short Term Debt	18,431.5	2.90%	1.23% (5)	0.04%
Common Equity	404,207	63.49%		
	<u>\$ 636,639</u>	<u>100.00%</u>		<u>2.22%</u>
Adjustments:				
Long Term Debt	(30,977)	(3)		
Short Term Debt	-			
Common Equity	(163,557)	(4)		
Adjusted Capital Structure:				
Long Term Debt	\$ 183,023	41.40%	6.49%	2.69%
Short Term Debt	18,431	4.17%	1.23% (5)	0.05%
Common Equity	240,651	54.43%		
Total	<u>\$ 442,105</u>	<u>100.00%</u>		<u>2.74%</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) 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.   | \$ (3,302)         |
| To eliminate the effects of merger-related expenses in SCG's capital structure (Energy East Acquisition). | (27,675)           |
| Total   | <u>\$ (30,977)</u> |
- (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  | <u>\$ (163,557)</u> |
- (5) Short-term debt rate includes an apportioned cost of the UIL revolving credit facility fee.



January 17, 2017

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

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 November 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)

An equal opportunity employer



**CONNECTICUT NATURAL GAS CORPORATION**

**REPORT TO THE CONNECTICUT**

**PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)**

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

**DATED: January 17, 2017**



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

Total Operating Revenue	\$	310,681,255
Operating Expenses		
Purchased Gas Expense		131,359,467
O & M Expenses		84,053,046
Depreciation and Amort Expenses		31,458,478
Taxes Other than Income		22,109,529
Income Taxes		11,168,198
Total Operating Expenses		<u>280,148,719</u>
Total Operating Income (Loss)		30,532,536
Total Other (Income) and Deductions		<u>10,683,309</u>
Total Income (Loss) Before Interest Charges		19,849,227
Interest Charges:		
Interest on Long-Term Debt		8,741,000
Amortization of Debt Discount and Exp.		120,108
Other Interest Charges		899,320
Total Interest Charges		<u>9,760,429</u>
Net Income (Loss)		10,088,798
Preferred Stock Dividends		<u>27,177</u>
BALANCE FOR COMMON STOCK	\$	<u><u>10,061,621</u></u>

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

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>END OF PERIOD RATE BASE</u>	
1	UTILITY PLANT IN SERVICE	\$	851,892,385
2	PLUS WORKING CAPITAL		12,857,120
3	PLUS MATERIALS AND SUPPLIES		27,322,401
4	PLUS PREPAYMENT RESERVES		49,973
5	PLUS DEFERRED DEBITS		33,242,773
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(457,158,924)
7	LESS DEFERRED INCOME TAXES		(6,289,408)
8	LESS RESERVES / REGULATORY LIABILITIES		<u>(13,335,213)</u>
9			
10	TOTAL END OF PERIOD RATE BASE	<u>\$</u>	<u>448,581,105</u>

		<u>TOTAL AVERAGE RATE BASE</u>	
11	UTILITY PLANT IN SERVICE	\$	816,983,821
12	PLUS WORKING CAPITAL		12,723,192
13	PLUS MATERIALS AND SUPPLIES		24,437,266
14	PLUS PREPAYMENT RESERVES		51,386
15	PLUS DEFERRED DEBITS		34,469,033
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(444,901,112)
17	LESS DEFERRED INCOME TAXES		(4,229,428)
18	LESS RESERVES / REGULATORY LIABILITIES		<u>(12,615,716)</u>
19			
20	TOTAL AVERAGE RATE BASE	<u>\$</u>	<u>426,918,442</u>

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

Utility Operating Income	\$ 30,533	
Tax Rectification Adjustment	994	(1)
Adjusted Utility Operating Income	\$ 31,527	
Weather Impact on Utility Operating Income	-	(2)
Weather-Adjusted Utility Operating Income	31,527	
Average Rate Base	\$ 426,918	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	7.38%	
Exclude Weighted Cost of Debt	-2.78%	
Common Equity Component	4.60%	
Common Equity Percent of Total Capitalization	55.84%	
Adjusted Return on Common Equity (before weather impact)	8.24%	
Weather-Adjusted Return on Common Equity	8.24%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	7.83%	

Average Capital Structure and Cost Rates	Capital Structure		Cost of Debt	
	Amount	Weighting	Rate	Weighted Rate
Capital Structure per Books:				
Long Term Debt	\$ 139,231	27.68%	6.33%	1.75%
Short Term Debt	2,655	0.53%	4.62%	0.02%
Preferred Stock	340	0.07%	8.00%	0.01%
Common Equity	360,787	71.73%		
	<u>\$ 503,013</u>	<u>100.00%</u>		<u>1.78%</u>
Adjustments:				
Long Term Debt	(641)	(3)		
Short Term Debt	-			
Preferred Stock	-			
Common Equity	(181,759)	(4)		
Adjusted Capital Structure:				
Long Term Debt	\$ 138,590	43.23%	6.33%	2.74%
Short Term Debt	2,655	0.83%	4.62%	(5) 0.04%
Preferred Stock	340	0.11%	8.00%	0.01%
Common Equity	179,029	55.84%		
Total	<u>\$ 320,613</u>	<u>100.00%</u>		<u>2.78%</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. | \$ (641)        |
| Total                               | <u>\$ (641)</u> |
- (4) Common Equity Adjustments are as follows:
- |  |                     |
|--|---------------------|
| To eliminate the effects of the portion of goodwill recorded to paid-in capital (Energy East Acquisition). | \$ (215,176)        |
| To eliminate the effects of goodwill amortizations (Energy East Acquisition).                              | 7,812               |
| To eliminate the effects of Purchase Accounting pertaining to the UIL Acquisition.                         | (85,317)            |
| To eliminate the effects of goodwill impairments (Iberdrola - Sale of CNG to UIL)                          | 90,923              |
| Total  | <u>\$ (181,759)</u> |
- (5) Short-term debt rate includes an apportioned cost of the UIL revolving credit facility fee.