



July 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 May 31, 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.socongas.com

An equal opportunity employer



THE SOUTHERN CONNECTICUT GAS COMPANY

REPORT TO THE CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

FOR THE MONTH ENDED MAY 31, 2016

DATED: July 15, 2016

THE SOUTHERN CONNECTICUT GAS COMPANY
Statement of Income
Twelve Months Ending May 31, 2016
(UNAUDITED)

Total Operating Revenue	<u>\$ 309,130,715</u>
Operating Expenses	
Purchased Gas Expense	128,539,852
O & M Expenses	91,833,660
Depreciation and Amort Expenses	23,532,038
Taxes Other than Income	21,784,236
Income Taxes	10,256,688
Total Operating Expenses	<u>275,946,475</u>
Leased Land Income	<u>288,072</u>
Total Operating Income (Loss)	33,472,312
Total Other (Income) and Deductions	<u>4,889,705</u>
Total Income (Loss) Before Interest Charges	28,582,607
Interest Charges:	
Interest on Long-Term Debt	13,374,100
Amortization of Debt Discount and Exp.	306,543
Other Interest Charges	695,553
Total Interest Charges	<u>14,376,196</u>
Net Income (Loss)	<u>\$ 14,206,411</u>

Southern Connecticut Gas Company Summary by Tariff

	<u>KEY</u>	<u>Revenue</u> <u>May-16</u>	<u>Mcf</u> <u>May-16</u>	<u>Cost / Unit</u>
Residential				
General (RSG)	RSG	793,405	34,407	\$23.06
Heating (RSH)	RSH	11,518,780	808,549	14.25
Housing (RMDS)	RMDS	582,219	68,359	8.52
Total Firm Residential		12,894,403	911,315	\$14.15
Commercial & Industrial				
Small General Service (SGS)	SGSS	1,678,599	87,350	\$19.22
General Service (GS)	MGSS	1,913,181	190,586	10.04
Large General Service (LGS)	LGSS	2,691,863	424,338	6.34
Total Commercial & Industrial		6,283,642	702,275	\$8.95
Sub-Total Firm Sales		19,178,045	1,613,589	\$11.89
Firm Transportation				
Housing (RMDS)	RMDT	162,136	47,526	\$3.41
Small General Service (SGS)	SGST	46,880	4,650	10.08
General Service (GS)	MGST	226,555	41,727	5.43
Large General Service (LGS)	LGST	655,595	193,095	3.40
Sub-Total Firm Transportation		1,091,166	286,998	\$3.80
Special Contracts (FTA)	SPC	755,464	14,631	\$51.64
Sub-Total Transportation		1,846,630	301,628	\$6.12
Interruptible Service				
Manual Interruptible (IS)	MIS	797,341	253,988	\$3.14
Interruptible Transportation (ITS)	ITS	3,404	885	3.85
Natural Gas Vehicles (NGV)	NGV	290	23	12.43
Sub-Total Interruptible		801,035	254,896	\$3.14
Off System Sales	OFFSYS	227,003	-	
Total Operating Revenues		22,052,713	2,170,114	\$10.16

The Southern Connecticut Gas Company
Rate Base Summary
Twelve Months Ended May 31, 2016
(UNAUDITED)

LINE NO.	<u>DESCRIPTION</u>	<u>END OF PERIOD RATE BASE</u>	
1	UTILITY PLANT IN SERVICE	\$	827,239,489
2	PLUS WORKING CAPITAL		27,325,061
3	PLUS MATERIALS AND SUPPLIES		17,675,820
4	PLUS PREPAYMENT RESERVES		3,813
5	PLUS DEFERRED DEBITS / REGULATORY ASSETS		1,139,241
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(306,322,878)
7	LESS DEFERRED INCOME TAXES		(56,041,264)
8	LESS RESERVES / REGULATORY LIABILITIES		(9,540,264)
9			
10	TOTAL END OF PERIOD RATE BASE	\$	<u>501,479,019</u>

		<u>TOTAL AVERAGE RATE BASE</u>	
11	UTILITY PLANT IN SERVICE	\$	791,715,895
12	PLUS WORKING CAPITAL		29,106,030
13	PLUS MATERIALS AND SUPPLIES		21,565,969
14	PLUS PREPAYMENT RESERVES		35,972
15	PLUS DEFERRED DEBITS / REGULATORY ASSETS		6,431,599
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(296,662,442)
17	LESS DEFERRED INCOME TAXES		(49,843,838)
18	LESS RESERVES / REGULATORY LIABILITIES		(9,987,471)
19			
20	TOTAL AVERAGE RATE BASE	\$	<u>492,361,715</u>

The Southern Connecticut Gas Company
Rate of Return on Common Equity
Twelve Months Ended May 31, 2016
(UNAUDITED)
(\$000)

Utility Operating Income	\$ 33,472	
Tax Rectification Adjustment	(307)	(1)
Adjusted Utility Operating Income	\$ 33,165	
Weather Impact on Utility Operating Income	4,411	(2)
Weather-Adjusted Utility Operating Income	37,577	
Average Rate Base	\$ 492,362	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	6.74%	
Exclude Weighted Cost of Debt	-2.75%	
Common Equity Component	3.99%	
Common Equity Percent of Total Capitalization	54.29%	
Adjusted Return on Common Equity (before weather impact)	7.35%	
Weather-Adjusted Return on Common Equity	9.00%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	7.46%	

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	33.65%	6.50%	2.19%
Short Term Debt	18,762	2.95%	1.25% (5)	0.04%
Common Equity	403,156	63.40%		
	\$ 635,918	100.00%		2.22%
Adjustments:				
Long Term Debt	(31,019) (3)			
Short Term Debt	-			
Common Equity	(163,557) (4)			
Adjusted Capital Structure:				
Long Term Debt	\$ 182,981	41.46%	6.50%	2.69%
Short Term Debt	18,762	4.25%	1.25% (5)	0.05%
Common Equity	239,599	54.29%		
Total	\$ 441,343	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.	\$ (3,456)
To eliminate the effects of merger-related expenses in SCG's capital structure (Energy East Acquisition).	(27,563)
Total	\$ (31,019)

(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.



July 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

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 May 31, 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.engcorp.com

An equal opportunity employer



CONNECTICUT NATURAL GAS CORPORATION

REPORT TO THE CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY (PURA)

FOR THE MONTH ENDED MAY 31, 2016

DATED: July 15, 2016

CONNECTICUT NATURAL GAS CORPORATION
Statement of Income
Twelve Months Ending May 31, 2016
(UNAUDITED)

Total Operating Revenue	\$	296,449,291
Operating Expenses		
Purchased Gas Expense		118,398,014
O & M Expenses		82,576,361
Depreciation and Amort Expenses		30,371,747
Taxes Other than Income		21,225,613
Income Taxes		10,652,048
Total Operating Expenses		<u>263,223,784</u>
<hr/>		
Total Operating Income (Loss)		33,225,508
Total Other (Income) and Deductions		<u>10,513,989</u>
Total Income (Loss) Before Interest Charges		22,711,519
Interest Charges:		
Interest on Long-Term Debt		8,741,000
Amortization of Debt Discount and Exp.		92,521
Other Interest Charges		928,447
Total Interest Charges		<u>9,761,968</u>
Net Income (Loss)		12,949,551
Preferred Stock Dividends		<u>27,177</u>
BALANCE FOR COMMON STOCK	\$	<u><u>12,922,374</u></u>

CONNECTICUT NATURAL GAS CORPORATION
Rate Base Summary
Twelve Months Ending May 31, 2016
(UNAUDITED)

LINE NO.	DESCRIPTION	<u>END OF PERIOD RATE BASE</u>	
1	UTILITY PLANT IN SERVICE	\$	818,622,876
2	PLUS WORKING CAPITAL		12,268,149
3	PLUS MATERIALS AND SUPPLIES		20,993,127
4	PLUS PREPAYMENT RESERVES		48,691
5	PLUS DEFERRED DEBITS		34,552,655
6	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(445,518,570)
7	LESS DEFERRED INCOME TAXES		(5,646,763)
8	LESS RESERVES / REGULATORY LIABILITIES		(12,415,312)
9			
10	TOTAL END OF PERIOD RATE BASE	\$	<u>422,904,853</u>

		<u>TOTAL AVERAGE RATE BASE</u>	
11	UTILITY PLANT IN SERVICE	\$	784,668,288
12	PLUS WORKING CAPITAL		13,385,095
13	PLUS MATERIALS AND SUPPLIES		24,342,270
14	PLUS PREPAYMENT RESERVES		51,119
15	PLUS DEFERRED DEBITS		34,103,509
16	LESS ACCUMULATED RESERVE FOR DEPRECIATION		(432,366,067)
17	LESS DEFERRED INCOME TAXES		(1,930,541)
18	LESS RESERVES / REGULATORY LIABILITIES		(12,550,181)
19			
20	TOTAL AVERAGE RATE BASE	\$	<u>409,703,493</u>

CONNECTICUT NATURAL GAS CORPORATION
Rate of Return on Common Equity
Twelve Months Ending May 31, 2016
(UNAUDITED)
(\$000)

Utility Operating Income	\$ 33,226	
Tax Rectification Adjustment	914	(1)
Adjusted Utility Operating Income	\$ 34,140	
Weather Impact on Utility Operating Income	-	(2)
Weather-Adjusted Utility Operating Income	34,140	
Average Rate Base	\$ 409,703	
Rate of Return on Rate Base (Adjusted UOI before weather impact)	8.33%	
Exclude Weighted Cost of Debt	-2.83%	
Common Equity Component	5.50%	
Common Equity Percent of Total Capitalization	55.53%	
Adjusted Return on Common Equity (before weather impact)	9.90%	
Weather-Adjusted Return on Common Equity	9.90%	
Unadjusted Return on Common Equity (before tax rectification and impact of weather)	9.51%	

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	27.95%	6.34%	1.77%
Short Term Debt	1,934	0.39%	7.60%	0.03%
Preferred Stock	340	0.07%	8.00%	0.01%
Common Equity	358,617	71.60%		
	<u>\$ 500,892</u>	<u>100.00%</u>		<u>1.81%</u>
Adjustments:				
Long Term Debt	(640)	(3)		
Short Term Debt	-			
Preferred Stock	-			
Common Equity	(181,759)	(4)		
Adjusted Capital Structure:				
Long Term Debt	\$ 139,360	43.76%	6.34%	2.77%
Short Term Debt	1,934	0.61%	7.60%	0.05%
Preferred Stock	340	0.11%	8.00%	0.01%
Common Equity	176,859	55.53%		
Total	<u>\$ 318,493</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

\$ (640)
\$ (640)

(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
\$ (181,759)

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