SCG
An Avangrid company

Franklyn D. Reynolds
President and Chief Executive Officer

November 13, 2026

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

Re: Docket No. 26-11-XX – Application of Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company to Amend Their Rate Schedules – **Notice of Intent of Southern Connecticut Gas Company**

Dear Mr. Gaudiosi:

Pursuant to the Regulations of Connecticut State Agencies §16-1-22(b), The Southern Connecticut Gas Company ("SCG" or the "Company") herein provides notice that it intends to file with the Public Utilities Regulatory Authority ("PURA") an application for an increase in its rates and charges (the "SCG Application").[1] The SCG Application will propose to amend SCG's existing rate schedules effective December 1, 2027, to address a distribution revenue operating deficiency and establishment of a two-year rate plan. SCG expects to file its application within 30 to 60 days from the date of this notice.

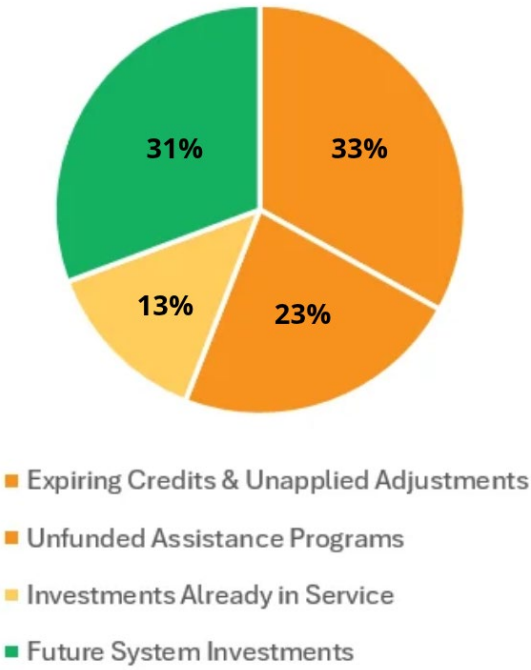
Proposed Rate Changes

The forthcoming application will address circumstances that developed over several years. Temporary customer credits are expiring, customer assistance program costs must be addressed, and investments already serving customers must be reflected in rates. At the same time, SCG must continue maintaining and upgrading its system to provide safe, reliable service. The proposed application therefore reflects two different needs: addressing costs and temporary measures from prior years that are now flowing into rates, and providing the resources necessary to operate and invest in the system going forward. SCG recognizes the effect these combined factors may have on customers and is proposing a two-year rate plan to provide greater predictability and an opportunity to consider how the increase may be addressed over time. By submitting a two-year request, SCG is seeking to provide a more predictable path for customers, with the opportunity to address rate impacts over time while

[1] SCG's affiliate, Connecticut Natural Gas Corporation, has filed its Notice of Intent to file an application for an increase in its rates and charges contemporaneously herewith in Docket No. 26-11-XX.

reducing the need for another proceeding in the near term and supporting continued investment in safe and reliable service. Rate Year One will cover the 12-month period beginning December 1, 2027, with amended rates designed to provide additional revenues of approximately $127 million. This would represent an average increase of approximately 25 percent over currently authorized total revenues for all customers and rate classes combined, and approximately 51 percent over currently authorized delivery revenues. Rate Year Two will cover the 12-month period beginning December 1, 2028, with amended rates designed to provide additional incremental revenues of approximately $25 million as compared to Rate Year One. This would represent an average increase of approximately 4 percent over proposed Rate Year One total revenues for all customers and rate classes combined, and approximately 7 percent over proposed Rate Year 1 delivery revenues.

The amount of the proposed Rate Year One increase reflects circumstances that developed over several years, not simply the cost of new spending proposed for the rate years. More than half of the proposed Rate Year One revenue requirement increase reflects factors outside SCG's control, including past regulatory decisions, the expiration of temporary customer credits, and customer assistance program costs. Another 13 percent reflects plant placed in service after the evidentiary record in SCG's last rate case closed in May 2024 or expected in service by the start of Rate Year One. Together, these components account for nearly two-thirds of the increase, rather than new spending during the rate years. The remaining drivers are infrastructure investment, state and federal compliance requirements, and higher operating and staffing costs to support safe, reliable service and improve the customer experience. Recognizing the impact on customer bills, SCG proposes to address both years in one proceeding, creating an opportunity to work with PURA and stakeholders to smooth the increase over two years while aligning rates with the cost of service. This approach could also avoid the cost and uncertainty of back-to-back rate cases and give customers greater predictability for budgeting.



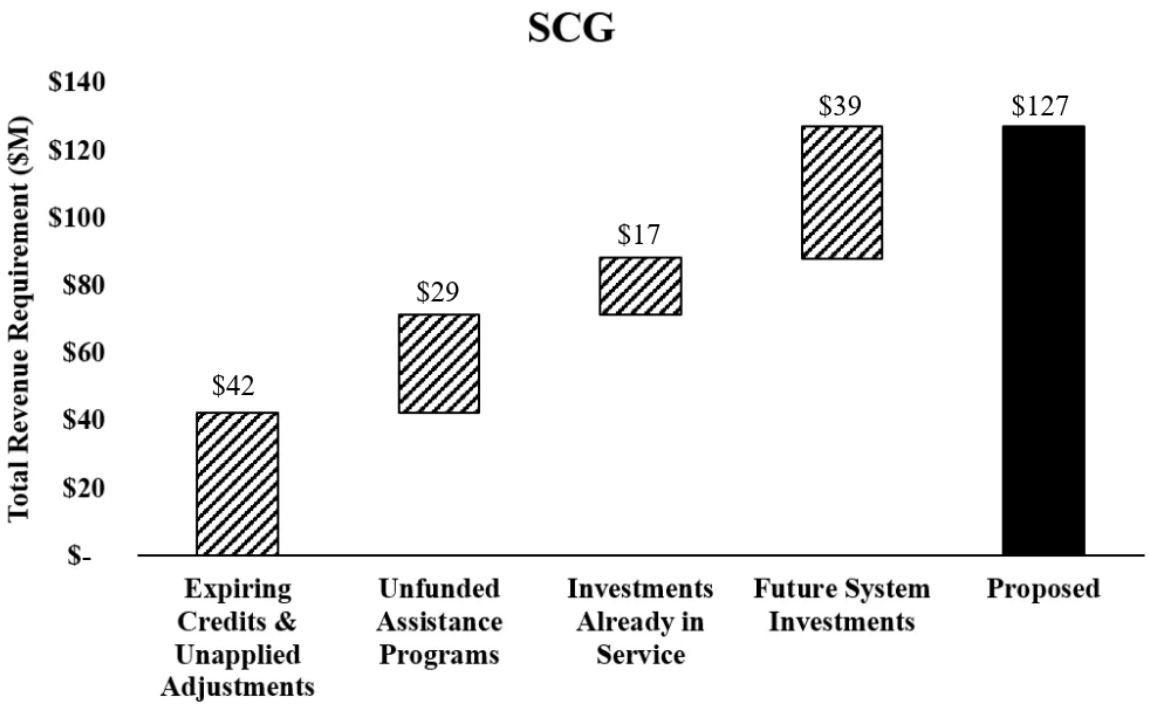
Background and Basis for the Request

SCG filed its most recent distribution rate application in 2023 in Docket No. 23-11-02, resulting in approval of a one-year rate plan through November 2025. PURA subsequently issued a decision on remand of that rate case in Docket No. 25-11-13 ("Remand Decision") and, collectively, these two decisions resulted in rate decreases for SCG. Against that backdrop, the forthcoming application will address SCG's revenue needs for the proposed rate years and will distinguish the effect of expiring customer credits from the revenues required for necessary infrastructure investment that is vital to maintain safe and reliable operation of SCG's gas distribution system in accordance with state and federal standards, including new state regulations. Increased revenues are also needed to continue to meet SCG's public service obligations to the customers and communities it serves, including through customer assistance programs.

A significant component of the increase relative to current rates reflects the expiration of temporary customer credits ordered by PURA. This change reflects a return to the underlying rate level already addressed by PURA in the Remand Decision, rather than additional spending proposed in the application. SCG recognizes that the expiration of the credit nevertheless increases the amount customers must pay.

At the same time, SCG must address customer assistance program costs that have accumulated over the last several years for programs that provided direct benefits to customers. Taken together, customer credits and customer assistance programs account for a material proportion of SCG's proposed revenue request. These components are distinct from the revenues required for new investment and changes in operating costs.

The timing of these converging costs is significant. Unlike the Connecticut's electric utilities, SCG does not have a Rate Adjustment Mechanism (known as the "RAM") that allows certain public policy costs to be addressed more regularly outside of a general base distribution rate case. As a result, costs that are not fully recognized in rates through SCG's most recent base rate proceeding have accumulated over time and now must be addressed in SCG's forthcoming base rate proceeding. Therefore, the SCG Application will reflect not only SCG's future needs, but also costs that have accrued over the last several years. The following chart summarizes the principal components of SCG's proposed revenue increase, distinguishing the expiration of temporary expiring customer credits from underfunded customer assistance costs, system related costs for infrastructure investments, and operating costs:



Beyond the customer credits and customer assistance-program components referenced above, the SCG Application will seek revenues to support continued investment in critical energy infrastructure that delivers direct benefits to customers through the safe, reliable operation of the gas distribution system in accordance with state and federal standards, including new state regulations. A key component of these system investments is the accelerated replacement of non-state-of-the-art mains and services. For customers, this ongoing replacement work aims to mean fewer leaks, fewer service disruptions, and greater confidence in the safety of the gas system in their homes, businesses and neighborhoods. The SCG Application will also address costs for investments already in service and benefiting customers today, and resources needed to continue capital programs to meet SCG's public service obligations through the proposed rate years.

Continued investment is also necessary to address emerging capacity constraints in portions of SCG's natural gas system. As communities grow and demand for gas supply increases, SCG's system requires reinforcements and upgrades to maintain reliability for existing customers and to connect new homes and businesses. Without timely recovery of investment, these constraints can limit SCG's ability to serve new housing, businesses, and other development, potentially creating barriers to community growth and economic development. SCG's proposed investments are intended to address these needs before constraints become more significant, so that existing customers continue to receive safe and reliable service, new customers can be connected without undue delay, and the communities SCG serves can continue to grow. SCG's proposal will also include investment in clean energy

innovation through a long-term plan for development of an Underground Thermal Energy Networks pilot project.

In addition to capital investments, the SCG Application will address operating expense increases experienced since SCG's most recent rate application and other factors. The SCG Application will propose additional staffing across multiple functions to support safe and reliable service, improve customer experience and fulfill compliance obligations. Two key areas requiring additional resources are increased union-sourced staffing in gas operations and the call center. Additional gas operations resources will support compliance with enhanced regulatory requirements and timely field work, system maintenance, new service connections, appointments, and responses to gas emergencies. Additional call center positions are intended to reduce wait times, improve first-contact resolution, and strengthen assistance with billing questions, payment arrangements and enrollment in available assistance programs.

SCG recognizes that any proposed increase in rates may be difficult for many households and businesses to handle, regardless of the merits of the factors driving the need for a rate increase. Addressing affordability concerns requires both near-term relief and a long-term strategy for keeping bills manageable and predictable. Short-term measures can provide meaningful benefits, particularly for customers who need assistance the most. However, those measures should be sustainably funded so that costs do not simply accumulate or shift to future rates and future customer bills. SCG is committed to working with PURA and other stakeholders to balance near-term customer assistance with the resources necessary to maintain safe, reliable and affordable service for customers over time.[2]

[2] As part of that approach, SCG will be implementing a five-tier low-income discount rate pursuant to the final decision in Docket No. 26-02-06, designed to provide targeted relief to customers with the greatest need. Customers who are concerned about paying their bills are encouraged to contact SCG to learn about payment arrangements and available assistance programs.

Required Filing Information

As required by R.C.S.A. §§16-1-22(b) and 16-1-53a, and by Paragraph 1.1 of PURA's Standard Filing Requirements for Large Public Utility Companies ("SFRs"), SCG provides the following information:

1. In its application, SCG will request PURA to approve recovery of a distribution operating revenue deficiency for the 12-month rate year beginning December 1, 2027, with amended rates designed to provide additional revenues of approximately $127 million. Rate Year Two will commence on the 12-month rate year beginning December 1, 2028, with amended rates designed to provide additional incremental revenues of approximately $25 million as compared to Rate Year One. This would represent an average increase of approximately 25 percent over currently authorized total revenues for all customers and rate classes combined, and approximately 51 percent over currently authorized delivery revenues for Rate Year One. Rate Year Two represents an average increase of approximately 4 percent over proposed Rate Year One total revenues for all customers and rate classes combined, and approximately 7 percent over proposed Rate Year One delivery revenues.

2. The SCG Application will result in various changes to SCG's tariffs and rate design. The exact nature of any changes will ultimately depend upon the nature of the allocations that PURA determines in this and other related proceedings.

3. The service area to be included in the application consists of the 24 municipalities in SCG's franchise area, and all customers served by the Company.

4. A list of the municipalities to be included in the SCG Application and the names and addresses of the municipal chief executive officers to whom this notice was sent is shown in Exhibit A.

5. The test year is January 1, 2025 through December 31, 2025 and the date certain test year end date is December 31, 2025.

Consistent with Paragraph 1.2 of the SFRs, SCG is providing copies of this Notice of Intent today by electronic mail or personal delivery to the Governor of the State of Connecticut, the chief executive officers of every municipality located within SCG's franchise area, and the Office of Consumer Counsel.

Very truly yours,



Franklyn D. Reynolds
President and Chief Executive Officer
UIL Holdings Corporation

cc: The Honorable Ned Lamont, Governor
Municipal Officials – Exhibit A
Claire E. Coleman, Consumer Counsel

Exhibit A

SCG Municipal Officials

Municipality	Town	Name	Title	E-Mail
Branford	Branford Town Hall 1019 Main Street Branford, CT 06405	Joshua Brooks	First Selectman	jbrooks@branford-ct.gov
Bridgeport	City of Bridgeport 999 Broad Street Bridgeport, CT 06604	Joseph P. Ganim	Mayor	mayor@bridgeportct.gov
Clinton	Clinton Town Hall 54 East Main Street Clinton, CT 06413	Michelle Benivegna	Town Manager	mbenivegna@clintonct.gov
Deep River	Town of Deep River 174 Main Street Deep River, CT 06417	Carol Doak-Jones	First Selectwoman	firstselectman@deepriverct.us
East Haven	East Haven Town Hall 250 Main Street East Haven, CT 06512	Joseph A. Carfora	Mayor	mayorsoffice@easthaven-ct.gov

Municipality	Town	Name	Title	E-Mail
Easton	Easton Town Hall 225 Center Road Easton, CT 06612	Dan Lent	First Selectman	dlent@eastonct.gov
Essex	Town Hall 29 West Avenue Essex, CT 06426	Norman Needleman	First Selectman	nneedleman@essexct.gov
Fairfield	Fairfield Town Hall 725 Old Post Road Fairfield, CT 06430	Christine Vitale	First Selectperson	firstselectperson@fairfieldct.org
Guilford	Guilford Town Hall 31 Park Street Guilford, CT 06437	Matthew T. Hoey III	First Selectman	hoeym@ci.guilford.ct.us
Hamden	Hamden Government Center 2750 Dixwell Ave. Hamden, CT 06518	Adam Sendroff	Mayor	mayor@hamden.com
Madison	Madison Town Hall 8 Campus Drive Madison, CT 06443	Peggy Lyons	First Selectwoman	lyonsp@madisonct.org

Municipality	Town	Name	Title	E-Mail
Milford	Milford City Hall 110 River Street Milford, CT 06460	Richard Smith	Mayor	mayor@milfordct.gov
Monroe*	Town of Monroe Monroe Town Hall 7 Fan Hill Road Monroe, CT 06468	Terrence P. Rooney	First Selectman	FirstSelectman@monroect.gov
New Haven	City Hall 165 Church Street New Haven, CT 06510	Justin M. Elicker	Mayor	jelicker@newhavenct.gov
North Branford	North Branford Town Hall 909 Foxon Road North Branford, CT 06471	Dr. Scott Nicol	Town Manager	snicol@northbranfordct.gov
North Haven	North Haven Town Hall 18 Church Street North Haven, CT 06473	Michael J. Freda	First Selectman	firstselectman@northhaven-ct.gov
Old Saybrook	Old Saybrook Town Hall 302 Main Street Old Saybrook, CT 06475	Carl P. Fortuna, Jr.	First Selectman	Carl.Fortuna@OldSaybrookCT.gov

Municipality	Town	Name	Title	E-Mail
Orange	Orange Town Hall 617 Orange Center Road Orange, CT 06477	James M. Zeoli	First Selectman	jzeoli@orange-ct.gov
Stratford	Stratford Town Hall 2725 Main Street Stratford, CT 06615	David Chess	Mayor	mayor@townofstratford.com
Trumbull	Trumbull Town Hall 5866 Main Street Trumbull, CT 06611	Vicki A. Tesoro	First Selectwoman	firstselectman@trumbull-ct.gov
West Haven	City Hall 355 Main Street West Haven, CT 06516	Dorinda Borer	Mayor	dborer@westhaven-ct.gov
Westbrook	Westbrook Town Hall 866 Boston Post Road Westbrook, CT 06498	John Hall	First Selectman	jhall@westbrookct.us
Weston	Weston Town Hall 56 Norfield Road Weston, CT 06883	Samantha Nestor	First Selectwoman	snestor@westonct.gov

Municipality	Town	Name	Title	E-Mail
Weston	Weston Town Hall 56 Norfield Road Weston, CT 06883	Karl Kilduff	Town Administrator	kkilduff@westonct.gov
Westport	Westport Town Hall 110 Myrtle Avenue Westport, CT 06880	Kevin Christie	First Selectman	kchristie@westportct.gov
Woodbridge	Woodbridge Town Hall 11 Meeting House Lane Woodbridge, CT 06525	Mica Cardozo	First Selectman	mcardozo@woodbridgect.org

**SCG has at least one customer but is not the primary provider.*