

Dear Customer,

On January 20, 2009, the Southern Connecticut Gas Company (SCG or the Company) filed an application with the Department of Public Utility Control (DPUC) to increase rates.

Customers may provide comments regarding this proposed rate request by writing to the DPUC at 10 Franklin Square, New Britain, CT 06051, via e-mail addressed to dpuc.executivesecretary@po.state.ct.us or in person at one of the scheduled public hearings. The Docket Number 08-12-07 should be included in any correspondence. The Public Comment Hearings are scheduled in Bridgeport at the Bridgeport City Hall, City Common Council Chambers, 45 Lyon Terrace, Bridgeport, CT on April 16, 2009 at 7:00 pm and in New Haven at the New Haven Hall of Records, G2-Hearing Room, 200 Orange Street, New Haven, CT on April 22, 2009, at 7:00 pm. To obtain a complete hearing schedule you may contact the DPUC at 1-800-382-4586 or access the DPUC website at <http://www.state.ct.us/dpuc/> and access "Evening Hearing" schedule on the Homepage. The Company's website under Bill Inserts will also provide a link to the DPUC Website for the hearing schedule.

SCG has filed to adjust its rates to reflect the current economic conditions and ensure that the Company has sufficient financial strength and resources to continue to invest in critical energy infrastructure and provide safe and reliable service for its customers. Other factors contributing to the need for changes to the level of SCG's base rates include increases in bad debt, depreciation and other operating expenses, and capital requirements necessary to support infrastructure replacements and improvements.

The Company proposes a \$ 50.1 million annual base delivery rate increase, which is approximately 15.2% above the revenues produced by the Company's existing rate schedules. This would increase the typical residential heating customer's bill by approximately 62 cents a day.

SCG proposes to apply the proposed increase to both fixed and usage-based charges on customer bills. The proposed new rates will, if approved, become effective no later than July 19, 2009, after the current heating season. The Company is also proposing a decoupling mechanism that would provide a structure for the Company to proactively promote customer conservation. This decoupling mechanism, if approved, could result in either an upward or downward annual adjustment to customer bills.

If you have questions on this proposal, you can contact the Company at (800) 659-8299. Our representatives are available to help you Monday-Friday from 7:30 am to 6:30 pm.