

An AVANGRID Company

January 2020 Rate Schedule

TO OUR VALUED CUSTOMERS

During the past year, the Public Utilities Regulatory Authority (PURA) and The Southern Connecticut Gas Company (SCG) have been working on a new rate structure for SCG customers. The PURA issued a decision on the new rate structure for all usage beginning January 1, 2020. These new rates are designed to more accurately assign the cost of providing service to the various customer classes. The purpose of this brochure is to explain the new rates, highlight changes on your bill and show what rates are available to our customers.

RESIDENTIAL CUSTOMERS

Residential customers have three separate rates:

RSG (Residential Service General) rate. This rate is for non-heating customers e.g. water heating, drying and cooking.

RSH (Residential Service Heating) rate. This rate is for customers using natural gas as their primary home heating source.

RMDS (Residential Multi-Dwellings Service) rate. This rate is designed to serve all multi-dwellings with six (6) or more units served through a single meter. Customers qualifying for the RMDS rate continue to have the option of buying their gas from a third party supplier.

COMMERCIAL/INDUSTRIAL CUSTOMERS

The new rates for commercial/industrial customers have been designed around 12 months of usage. Customers are assigned a rate based on their annual consumption:

SGS (Small General Services) rate is designed for customers using less than 5,000 CCF (hundred cubic feet) annually.

MGS (Medium General Services) rate is designed for customers whose annual usage is between 5,000 and 30,000 CCF.

LGS (Large General Services) rate is designed for our largest customers whose annual usage is greater than 30,000 CCF.

INTERRUPTIBLE CUSTOMERS

Interruptible customers will continue to receive value-of-service rates that are set based upon the Company's tariffs and alternate fuel prices.

EXPLANATION OF OTHER CHARGES:

Customer Charge: A fixed monthly charge designed to recover the Company's basic administrative expense associated with maintaining and servicing a customer account.

Conservation Adjustment Mechanism (CAM): The CAM is a charge that reimburses SCG for the costs of ratepayer-sponsored conservation programs.

Daily Demand Metering (DDM): A fixed monthly charge for the cost of a meter sending information about daily usage to the Company. The charge is prorated

based on the percentage of successful daily reads as compared to the number of days in the customer's billing cycle.

Decoupling Mechanism: A charge or credit to collect or refund the difference between the actual distribution revenue for a given year as compared to the allowed revenue for that same year as approved in the company's latest rate case decision.

Delivery Rate: A charge for moving natural gas across the Company's distribution system to a customer's home or business.

Demand Charge: A charge for providing pipeline space to accommodate the customer's highest daily usage.

Distribution Integrity Management Program (DIMP): A charge for expenses related to any pipeline replacement for cast iron and bare steel mains and services each year.

Sales Services Charge (SSC): A fee designed to recover unique costs specific for those customers that received their gas supply directly from the company.

System Expansion Reconciliation (SER) **mechanism**: A charge or credit applied to existing customers to further collect expenses not covered by System Expansion (SE) rates related to expanding the natural gas system and converting customers to natural gas.

Transportation Onsite Demand Cost: A charge designed to recover unique demand costs specific for those customers that receive their gas supply from a third-party supplier.

Transportation Shifted Cost: The Transportation Shifted Cost is designed to recover unique shifted costs specific for those customers that receive their gas supply from a third-party supplier.

RATE RSG	TITLE Residential Non-Heat	RATE COMPONENT Customer Charge Delivery Charge/CCF DIMP Charge/CCF System Expansion Reconciliation/CCF CAM Charge/CCF Decoupling Charge/CCF Sales Services Charge	CURRENT RATE \$17.93 1.0252 0.0017 0.0182 0.0460 0.0018 0.0272
RSH	Residential Heating	Customer Charge Delivery Charge/CCF – First 30 CCF – Over 30 CCF DIMP Charge/CCF System Expansion Reconciliation/CCF CAM Charge/CCF Decoupling Charge/CCF Sales Services Charge	\$15.64 0.8818 0.3631 0.0005 0.0061 0.0460 0.0018 0.0094
RMDS	Res. Multi-Dwellings	Customer Charge Daily Demand Metering Delivery Charge/CCF – First 400 CCF – Over 400 CCF DIMP Charge/MDQ Demand Charge/MDQ System Expansion Reconciliation/MDQ CAM Charge/CCF Decoupling Charge/CCF Supply Service: Sales Services Charge/CCF Transportation Service: TSC Shifted Cost / CCF TSC Onsite Demand Costs/CCF	\$53.49 5.86 0.3310 0.1357 0.0025 0.4764 0.0301 0.0460 0.0018 0.0093 0.0428 0.0093

SGS	Commercial/Industrial Small General Service	Customer Charge Delivery Charge/CCF – First 100 CCF – Over 100 CCF DIMP Charge/MDQ Demand Charge/MDQ System Expansion Reconciliation/MDQ CAM Charge/CCF Decoupling Charge/CCF Supply Service: Sales Services Charge / MDQ Transportation Service: TSC Shifted Cost / CCF TSC Onsite Demand Costs / MDQ	\$38.34 0.5720 0.1368 0.0057 1.1673 0.0725 0.0460 0.0018 0.1807 0.0433 0.1807
MGS	Commercial/Industrial Medium General Svc.	Customer Charge Daily Demand Metering Delivery Charge/CCF - First 300 CCF - Over 300 CCF DIMP Charge/MDQ Demand Charge/MDQ System Expansion Reconciliation/MDQ CAM Charge/CCF Decoupling Charge/CCF Supply Service: Sales Services Charge/MDQ Transportation Service: TSC Shifted Cost/CCF TSC Onsite Demand Costs /MDQ	\$84.77 5.92 0.1626 0.0518 0.0022 1.4216 0.0276 0.0460 0.0018 0.2085 0.0433 0.2085
LGS	Commercial/Industrial Large General Service	Customer Charge Daily Demand Metering Delivery Charge/CCF - First 2,500 CCF - Over 2,500 CCF DIMP Charge/MDQ Demand Charge/MDQ System Expansion Reconciliation/MDQ CAM Charge/CCF Decoupling Charge/CCF Supply Service: Sales Services Charge / MDQ Transportation Service: TSC Shifted Cost / CCF TSC Onsite Demand Costs / MDQ	\$244.00 5.92 0.0972 0.0259 0.0013 1.5070 0.0162 0.0460 0.0018 0.0150
IS	Commercial-Industrial Interruptible Service	Customer Charge Daily Demand Metering All CCF	\$150.00 5.92 Established Monthly
NGV	Natural Gas Vehicle	Customer Charge All CCF	– Established Monthly

"In the event of an error or omission with respect to the rates, charges or explanations published herein, SCG reserves the right to correct the error, omission or explanation which will automatically be reflected in the rates and charges on customers' bills."

Purchased Gas Adjustment (PGA): The PGA collects the total cost of gas. This rate will change monthly as approved by PURA, CAM, DIMP, Decoupling and TSC Shifted Cost rates change annually as approved by PURA.

Supply Services are aslo available from several qualified Third-Party Suppliers from which Customers can choose. This list shallbe available to Customers upon request or visit https://soconngas.com/registered-marketers.

Note: RMDG, SGS, MGS & LGS Customers that choose Third-Party Supply are subject to the Transportation Services Charge (Updated Annually).

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January 2020 System Expansion Rate Schedule

TO OUR VALUED CUSTOMERS

During the past year, the Public Utilities Regulatory Authority (PURA) and The Southern Connecticut Gas Company (SCG) have been working on a new rate structure for SCG customers. The PURA issued a decision on the new rate structure for all usage beginning January 1, 2020. These new rates are designed to more accurately assign the cost of providing service to the various customer classes. Premises added under these new rates will remain on system expansion rates for 10 years. The purpose of this brochure is to explain the new rates, highlight changes on your bill and show what rates are available to our customers.

RESIDENTIAL CUSTOMERS

Residential customers have two separate rates:

RSH-SE (Residential Service Heating) rate. This rate is for customers using natural gas as their primary home heating source.

RMDS-SE (Residential Multi-Dwellings Service) rate. This rate is designed to serve all multi-dwellings with six (6) or more units served through a single meter. Customers qualifying for the RMDS-SE rate continue to have the option of buying their gas from a third party supplier.

COMMERCIAL/INDUSTRIAL CUSTOMERS

The new rates for commercial/industrial customers have been designed around 12 months of usage. Customers are assigned a rate based on their annual consumption:

SGS-SE (Small General Services) rate is designed for customers using less than 5,000 CCF (hundred cubic feet) annually.

MGS-SE (Medium General Services) rate is designed for customers whose annual usage is between 5,000 and 30,000 CCF.

 $\mbox{LGs-SE} \ (\mbox{Large General Services}) \ rate is designed for our largest customers whose annual usage is greater than 30,000 CCF.$



EXPLANATION OF OTHER CHARGES:

Customer Charge: A fixed monthly charge designed to recover the Company's basic administrative expenses associated with maintaining and servicing a customer account.

Conservation Adjustment Mechanism (CAM): A charge that collects the cost of conservation programs available to customers.

Daily Demand Metering: A fixed monthly charge for the cost of providing daily usage information. The charge is prorated based on the percentage of successful daily reads as compared to the number of days in the customer's billing cycle.

Decoupling Mechanism: A charge or credit to collect or refund the difference between the actual distribution revenue for a given year as compared to the allowed revenue for that same year as approved in the company's latest rate case decision.

Delivery Rate: A charge for moving natural gas across the Company's distribution lines to a customer's home or business,

Demand Charge: A charge for providing local pipeline space to accomodate the customer's highest daily usage.

Distribution Integrity Management Program (DIMP): A charge for expenses related to any pipeline replacement for cast iron and bare steel mains and services each year.

Sales Services Charge (SSC): A fee designed to recover unique costs specific from those customers that receive their gas supply directly from the Company.

TSC Onsite Demand Cost: A transportation service charge that is designed to recover unique administrative costs specific from those customers that receive their gas supply from a third-party supplier.

TSC Shifted Cost: A transportation service charge that is designed to recover supplier of last resort costs from those customers that receive their gas supply from a third-party supplier.

Bills less than 28 days or more than 34 days will be prorated.

RATE	TITLE	RATE COMPONENT	ON-MAIN	OFF-MAIN	
RSH-SE	Residential Heating				
	System Expansion	Customer Charge	\$17.20	\$20.33	
		Delivery Charge/CCF - First 30 CCF	0.9700	1.1464	
		- Over 30 CCF	0.3994	0.4720	
		DIMP Charge/CCF	0.0005	0.0005	
		CAM Charge/CCF	0.0460	0.0460	
		Decoupling Charge/CCF	0.0018	0.0018	
		Sales Services Charge	0.0103	0.0122	
RMDS-SE Residential Multi-Dwellings-System Expansion					
KINDS SE	Residential Mara B	Customer Charge	\$58.84	\$69.54	
		Daily Demand Metering	5.86	5.86	
		Delivery Charge/CCF – First 400 CCF	0.3641	0.4303	
		- Over 400 CCF	0.1492	0.1764	
		DIMP Charge/MDQ	0.0025	0.0025	
		Demand Charge/MDQ	0.5241	0.6194	
		CAM Charge/CCF	0.0460	0.0460	
		Decoupling Charge/CCF	0.0018	0.0018	
		Supply Service:			
		Sales Services Charge/CCF	0.0102	0.0121	
		Transportation Service:			
		TSC Shifted Cost/CCF	0.0428	0.0428	
		TSC Onsite Demand Cost/ CCF	0.0102	0.0121	

SGS-SE	Commercial/Industrial Small General Service-System	n Expansion	
	Customer Charge	\$42.18	\$49.85
	Delivery Charge/CCF – First 100 CCF	0.6292	0.7436
	- Over 100 CCF	0.1504	0.1778
	DIMP Charge/MDQ	0.0057	0.0057
	Demand Charge/MDQ	1.2840	1.5174
	CAM Charge/CCF	0.0460	0.0460
	Decoupling Charge/CCF	0.0018	0.0018
	Supply Service:		
	Sales Services Charge/MDQ	0.1987	0.2349
	Transportation Service:		
	TSC Shifted Cost/CCF	0.0433	0.0433
	TSC Onsite Demand Cost/MDQ	0.1987	0.2349
MGS-SE	Commercial/Industrial Medium General Service-Syst	tem Expansi	on
	Customer Charge	\$93.25	\$110.20
	Daily Demand Metering	5.92	5.92
	Delivery Charge/CCF – First 300 CCF	0.1789	0.2114
	- Over 300 CCF	0.0570	0.0673
	DIMP Charge/MDQ	0.0022	0.0022
	Demand Charge/MDQ	1.5637	1.8480
	CAM Charge/CCF	0.0460	0.0460
	Decoupling Charge/CCF	0.0018	0.0018
	Supply Service:		
	Sales Services Charge/MDQ	0.2294	0.2711
	Transportation Service:		
	TSC Shifted Cost/CCF	0.0433	0.0433
	TSC Onsite Demand Cost/ MDQ	0.2294	0.2711
LGS-SE	Commercial/Industrial Large General Service-System	n Exnansion	

LGS-SE Commercial/Industrial Large General Service-System Expansion

Customer Charge	\$268.40	\$317.20
Daily Demand Metering	5.92	5.92
Delivery Charge/CCF -First 2,500 CCF	0.1069	0.1263
– Over 2,500 CCF	0.0285	0.0337
DIMP Charge/MDQ	0.0013	0.0013
Demand Charge/MDQ	1.6577	1.9591
CAM Charge/CCF	0.0460	0.0460
Decoupling Charge/CCF	0.0018	0.0018
Supply Service:		
Sales Services Charge/MDQ	0.0165	0.0195
Transportation Service:		
TSC Shifted Cost /CCF	0.0433	0.0433
TSC Onsite Demand Cost/MDQ	0.0165	0.0195

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Purchased Gas Adjustment (PGA): The PGA collects the total cost of gas. This rate will change monthly as approved by PURA, CAM, DIMP, Decoupling and TSC Shifted Cost rates change annually as approved by PURA.

Supply Services are also available from several qualified Third-Party Suppliers from which Customers can choose. This list shall be available to Customers upon request or visit: $\frac{1}{2} \frac{1}{2} \frac{$

Note: RMDG, SGS, MGS & LGS Customers that choose Third-Party Supply are subject to the Transportation Services Charge (Updated Annually).