

**STATE OF CONNECTICUT
PUBLIC UTILITIES REGULATORY AUTHORITY**

PETITION OF WILLIAM TONG	:	DOCKET NO. 23-04-XX
ATTORNEY GENERAL FOR THE	:	
STATE OF CONNECTICUT, THE	:	
OFFICE OF THE CONSUMER COUNSEL:	:	
THE OFFICE OF EDUCATION,	:	
OUTREACH AND ENFORCEMENT,	:	
AND THE CONNECTICUT	:	
INDUSTRIAL ENERGY CONSUMERS	:	
FOR A GENERAL RATE	:	
HEARING FOR THE CONNECTICUT	:	
NATURAL GAS CORPORATION	:	APRIL 24, 2023

**PETITION FOR GENERAL RATE HEARING FOR THE
CONNECTICUT NATURAL GAS CORPORATION**

Pursuant to General Statutes § 16-19a(1)(a), William Tong, Attorney General for the State of Connecticut (“Attorney General”), Claire E. Coleman, Consumer Counsel, (“Office of Consumer Counsel” or “OCC”), the Connecticut Public Utilities Regulatory Authority Office of Education, Outreach, and Enforcement (“EOE”) and the Connecticut Industrial Energy Consumers (“CIEC”) (collectively the “Petitioners”) petition the Connecticut Public Utilities Regulatory Authority (“PURA” or “Authority”) to conduct a general rate hearing for the Connecticut Natural Gas Corporation (“CNG” or “Company”).

The Authority should conduct a thorough rate proceeding because it has been five years since CNG’s last general rate proceeding and because CNG’s most recent earnings report shows the Company has been earning 177 basis points above its authorized return on equity (“ROE”) of 9.3 percent. That 177 basis points translates into more than \$8 million in excess payments by ratepayers, demonstrating that the Company’s rates may be more than just, reasonable and adequate to provide essential utility services. The

Authority should conduct a full rate proceeding to ensure that ratepayers are paying no more than absolutely necessary for that service.

CNG's last full rate proceeding was filed a full five years ago. *See* Docket No. 18-05-16, *Application of Connecticut Natural Gas Corporation to Increase its Rates and Charges*. General Statutes Section 16-19a(1)(a) provides, in pertinent part:

The Public Utilities Regulatory Authority shall, at intervals of ***not more than four years*** from the last previous general rate hearing of each gas and electric distribution company having more than seventy-five thousand customers, conduct a complete review and investigation of the financial and operating records of each such company and hold a public hearing to determine whether the rates of each such company are unreasonably discriminatory or more or less than just, reasonable and adequate, or that the service furnished by such company is inadequate to or in excess of public necessity and convenience or that the rates do not conform to the principles and guidelines set forth in section 16-19e.

The purpose of the four-year periodic review is to ensure that the level and structure of rates are sufficient, but not more than sufficient, to provide utility service.

The Petitioners submit there is evidence that CNG's rates may be too high. On March 3, 2023, CNG filed its quarterly ROE report for the twelve-month period ending December 31, 2022. Docket No. 18-05-16, *Application of Connecticut Natural Gas Corporation to Increase its Rates and Charges – Order No. 8 Compliance and Motion for Approval*. The filing demonstrated that CNG earned \$5,552,653 more than authorized, or 177 basis points above their authorized ROE of 9.3 percent. *Id.* Applying a gross revenue conversion of 1.4643 percent, that is a pre-tax revenue requirement of more than \$8 million. While ratepayers will see about \$4 million through the Earning Sharing Mechanism, this also means that ratepayers paid more than \$8 million higher than PURA found just and reasonable in their last rate decision. The Petitioners therefore

request that the Authority order CNG to file an application for new rates as soon as practicable to ensure rates are no more than just and reasonable.

WHEREFORE, for the reasons stated herein, the Petitioners request the Authority to conduct a full rate hearing for CNG pursuant to General Statutes § 16-19a(1)(a).

Respectfully submitted,

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Service is hereby provided
to all parties and intervenors
on this agency's service list
for this proceeding.

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