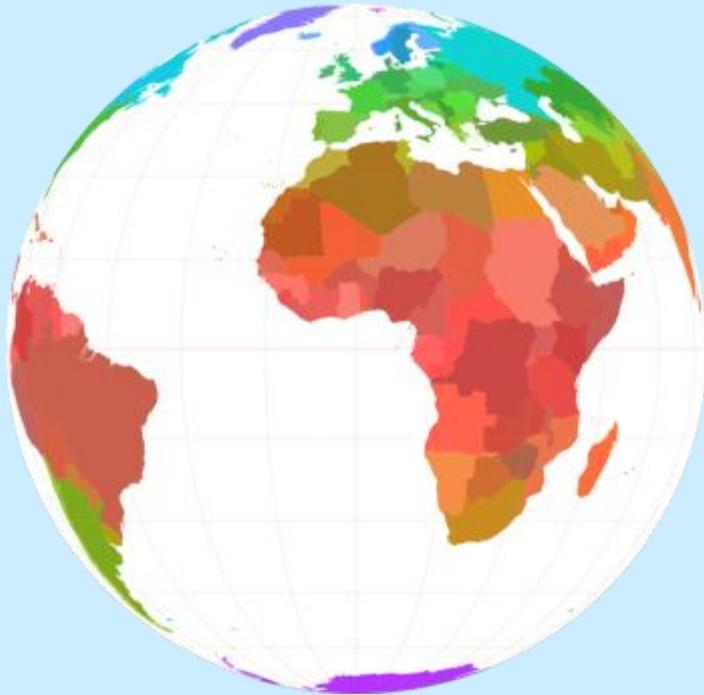


Heat Smart.

Natural Gas is a
Smart Choice
for Bolton

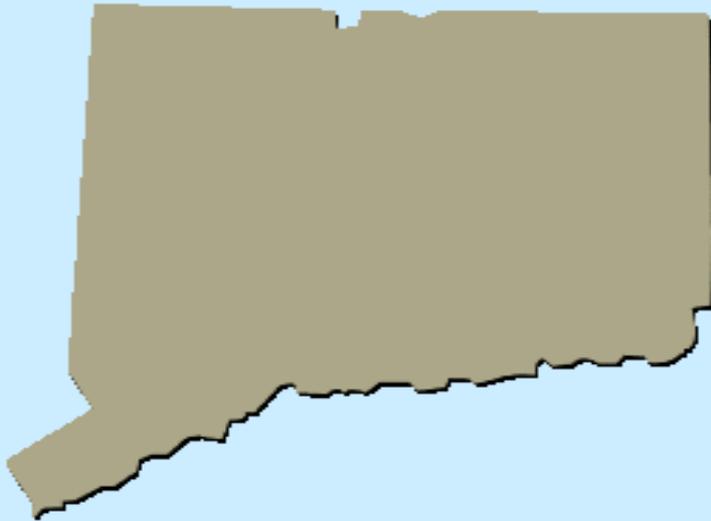
AVANGRID



Our new company, AVANGRID (AGR) is a diversified energy and utility company with operations in 25 states and \$30 billion in total assets. We operate eight electric and gas utilities in the Northeast serving 3.1 million customers. We are the country's second largest wind company with wind and solar operations in 18 states, and we are nationally recognized for natural gas storage solutions and service

Together, the AVANGRID companies will be a leader in the transformation to a clean energy future by providing sustainable, innovative energy solutions that benefit customers, communities, stakeholders, and the environment.

Here at Home in Connecticut



The United Illuminating Company (UI) is a regional electric distribution company established in 1899. UI is engaged in the purchase, transmission and sale of electricity serving 325,000 residential and commercial customers across 17 towns.

Connecticut Natural Gas (CNG) is a natural gas distribution company that delivers natural gas and energy services to more than 165,000 residential and commercial customers in the Greater Hartford region. CNG has a presence in 23 towns and has been operating in the State of Ct for over 150 years.

Southern Connecticut Gas Company (SCG) is a natural gas distribution company that delivers natural gas and energy services along the Long Island Sound shoreline. SCG has served the shoreline region of southern Connecticut for more than 160 years and maintains an operations and customer information center in Orange, CT and an LNG storage facility in Milford, CT.

Natural Gas Delivers Value & Diversity



Heat Economically

- The most abundant fuel source in the US (supply and demand)
- The Least expensive way to heat your home or business.
- Stable pricing: Utilities are publically regulated & can't manipulate prices



Heat Sustainably

- Cleanest fossil fuel available
- Domestic fuel, sourced right here in the North East

Heat Reliably

- No Deliveries - On demand, piped directly to your facility
- Abundant - The U.S. has a supply of Natural Gas for ~100 years.
- Fuel of choice for back up generators, fuel cells and microgrids.



Heating

Cooling

Cooking

Fireplace

Drying

Power

Lighting

Snow Melt

Transportation

*Emergency
Power*

Hot Water

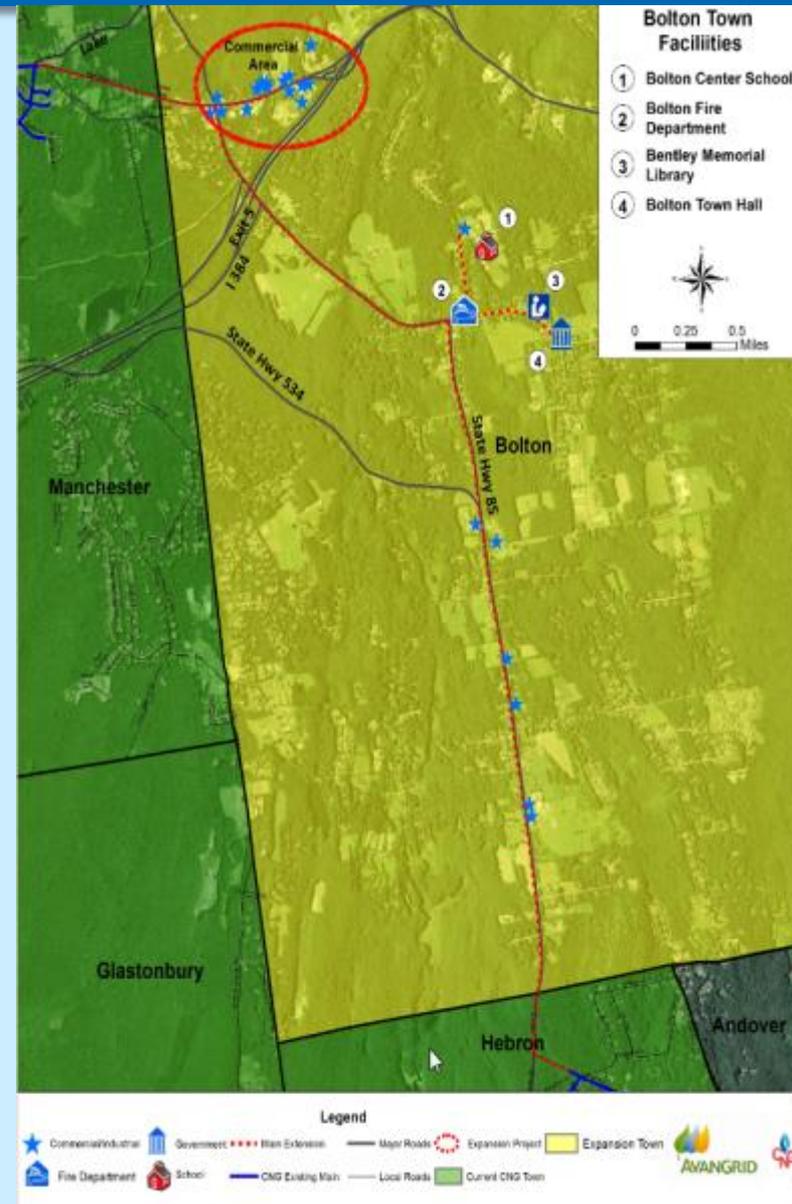
Financial Calculation – The Hurdle Rate Test

Natural Gas Expansion Projects must be financially prudent in order to move forward.

- CNG provides upfront investment for the entire project for the following:
 - Engineering costs
 - Construction costs
 - Labor costs
 - Pipes
 - Meters
 - Infrastructure up to the home or business
- CNG operates, maintains & inspects the system
- CNG pays municipal taxes for all infrastructure in the town
- CNG is allowed to recover this investment over 25 Years

Bolton Proposed Expansion

- Proposed 7 miles of gas main
- Main to be installed from current Hebron gate station
- Main would extend into Bolton Town Center and commercial area
- Natural Gas available to:
 - Bolton Center School
 - Bolton Town Hall
 - Bentley Memorial Library
 - Bolton Fire Department
 - Simoniz Facility
- Route would serve areas of commercial and residential customers



Bolton Expansion

2016 Project Summary*

Projected construction cost	\$1,130,000
Shortfall based on projected revenue	\$ 556,000
Non-Firm Margin (NFM) contributed by CNG	\$ 340,000
Town of Bolton Financial Contribution **	\$ 216,000

*Project summary is based on 2016 construction costs and 2016 regulatory model and may be impacted by 2017 changes.

**CNG and Bolton will work to achieve mutually agreeable terms for the contribution portion of this project.



Heat Efficiently. Switch to Natural Gas.

- 95% of the K-12 Schools in our territory are using natural gas.
- Since 2012 we have converted an additional 30 schools.
- Lower operating costs are the driving factor behind the conversions.

Recent School Projects

These schools are benefiting from the switch to clean burning natural gas

- ✓ Lake Garda School, Burlington
- ✓ Morgan High School, Clinton
- ✓ Essex Elementary School
- ✓ Granby Memorial High School
- ✓ Granby Memorial Middle School
- ✓ Kearns Elementary School, Granby
- ✓ Calvin Leete Elementary School, Guilford
- ✓ Grove School, Madison
- ✓ North Branford High School
- ✓ North Haven Middle School
- ✓ Ridge Road Elementary School, North Haven
- ✓ Racebrook Elementary School, Orange
- ✓ Turkey Hill Elementary School, Orange
- ✓ Westbrook High School
- ✓ Westbrook Middle School
- ✓ Amity High School, Woodbridge
- ✓ Amistad High School, New Haven
- ✓ Beecher Rd. Elementary School, Woodbridge
- ✓ Amity Middle School, Orange
- ✓ Sage Park Middle School, Windsor
- ✓ Clover St. Elementary School, Windsor
- ✓ Windsor High School
- ✓ JFK Elementary School, Windsor
- ✓ West District Elementary School, Windsor
- ✓ East Hampton High School
- ✓ East Hampton Middle School
- ✓ Center Elementary School, East Hampton
- ✓ Memorial School, East Hampton
- ✓ Gildersleeve School, Portland
- ✓ Deep River Elementary School



Heat Sustainably. Switch to Natural Gas.

- Domestic – over 90% of natural gas used in the U.S. comes from America
- Abundant - enough supply for the next 100 years
- Environmentally Friendly – cleanest fossil fuel available

Communities prefer environmentally conscious energy



Heat Dependably. Switch to Natural Gas

Municipal Buildings to convert: Bolton Center School, Bolton Town Hall, Fire Department, Bentley Memorial Library, Community Center

Natural gas is a cleaner more consistent fuel source and extends the life of heating equipment and minimizes equipment service.

Heat Economically. Switch to Natural Gas

Bolton Facilities	Fuel Type	Fuel Usage (Gal)	Price per Gallon	Current Fuel Cost	Gas Equiv. Usage (CCF)	Natural Gas Cost	Cost Savings
Bolton Center School	Oil	22,300	\$ 2.46	\$ 54,858	31,200	\$ 24,866	\$ 29,992
Fire Department	Oil	3,650	\$ 2.46	\$ 8,979	5,100	\$ 6,712	\$ 2,267
Bentley Memorial Library	Oil	2,000	\$ 2.46	\$ 4,920	2,800	\$ 3,850	\$ 1,070
Town Office Building	Oil	3,100	\$ 2.46	\$ 7,626	4,350	\$ 5,351	\$ 2,275
Notch Rd. CC (Main)	Oil	9,300	\$ 2.46	\$ 22,878	13,000	\$ 12,805	\$ 10,073
Notch Rd CC (South	Oil	3,300	\$ 2.46	\$ 8,118	4,600	\$ 5,603	\$ 2,515
TOTALS				\$ 107,379		\$ 59,187	\$ 48,192

NOTE: Fuel consumption history and cost per gallon provided by the Town of Bolton
 Natural gas costs based on approved CNG distribution rates and approved 12 month
 historical CNG commodity costs.



Heat Strategically. Switch to Natural Gas.

Access to Cleaner, Cheaper & More Reliable Energy

- Bolton is interested in lowering their energy costs and improving efficiency
- Natural gas creates local and domestic jobs and improves business overheads
- Bolton will be competitively postured for retaining and attracting businesses



Heat Reliably. Switch to Natural Gas.

Convenient – America's most dependable energy source, piped directly to your business, so it's there when you need it.

Regulated– No pricing games, published regulated tariffs with full transparency.

Firm Capacity– We secure enough capacity to supply our customers under the coldest theoretical design conditions. Our firm customers come first!

Natural Gas Safety

General Information

The natural gas industry has an excellent record when it comes to safety. Overseen by the Department of Transportation, billions of dollars are spent each year to ensure that natural gas is delivered safely to homes and businesses across America.

- Natural gas provides one-fourth of the nation's energy for heating, cooking, manufacturing and many other uses.
- Natural Gas is the leading fuel of choice for schools and hospitals.
- Nationally, more than 65 million homes & businesses use natural gas daily.
- Roughly 2.2 million miles of pipeline quietly, and reliably deliver natural gas.
- In Connecticut over half a million homes & businesses rely on clean natural gas and this number is growing daily.
- SCG, CNG and Berkshire Gas serve 66 communities across two states.
- Each company has been safely delivering natural gas for more than 100 years

Natural Gas Safety

Safety Record of SCG, CNG and Berkshire

Nothing is more important to Avangrid than providing safe and reliable electric and natural gas service. The company adheres to the highest State and Federal safety standards.

To help ensure the highest level of public safety CNG, SCG and Berkshire provide around the clock monitoring, inspection and emergency response services. In addition, the companies conduct year round safety education programs, public informational sessions and natural gas safety training for first responders, other emergency officials, and excavators and contractors.

System Integrity

The design, construction, operation, inspection and maintenance of all operating pipelines are subject to state and federal regulations and requirements. SCG, CNG and Berkshire installs new plastic pipe.

Plastic pipe remains the material of choice because of its excellent bonding capabilities, flexibility and resistance to corrosion.

The Construction Process

Natural Gas is Safe and Reliable with minimal impact to Bolton

- CNG Engineers & designs
- CNG Contractors excavate an ~18 to 24 inch wide trench and install the main
- CNG backfills, temporary patches and then permanently restores the roads
- CNG Installs services to all customers with signed service agreements along the route



Construction Expectations

With the crossing of I-384, time restrictions on state roads, possibility of rock in some areas, construction could take 5 - 6 months or more.

Permitting can impact project length.

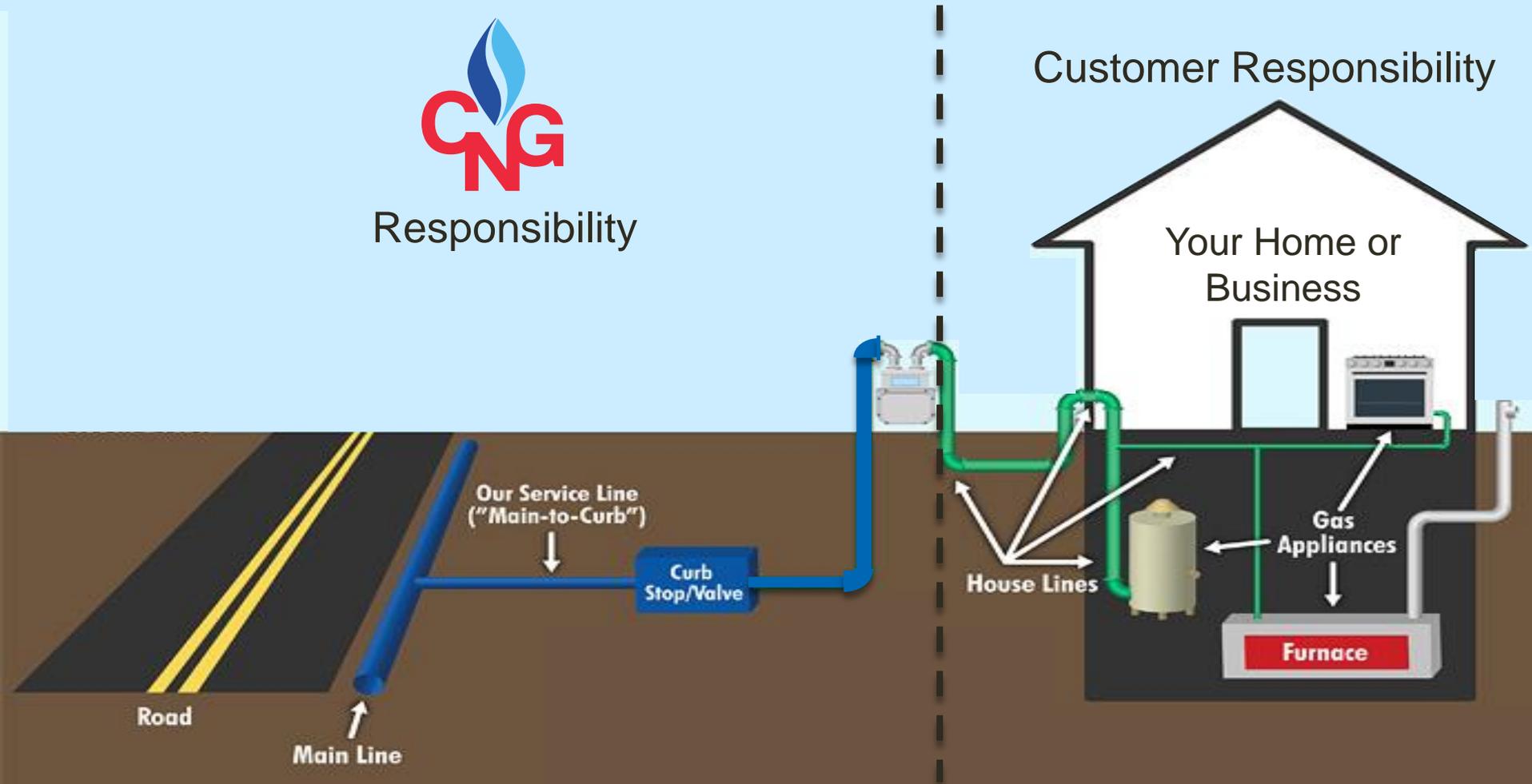


Heat Smart. Switch to Natural Gas.

CNG Constructs, Owns, Maintains & Inspects all pipes and meters up to the home or business. The customer's responsibility begins after the meter.



Customer Responsibility



Bolton's Responsibilities to Heat Smart

Bolton's Responsibilities include Equipment Conversions:

- ✓ Conversion of boilers to natural gas
- ✓ Conversion of water heaters to natural gas
- ✓ Conversion of kitchen equipment to natural gas
- ✓ All piping from the gas meter to the converted equipment

Bolton is responsible for all costs associated with equipment conversion.

CNG's Responsibilities include:

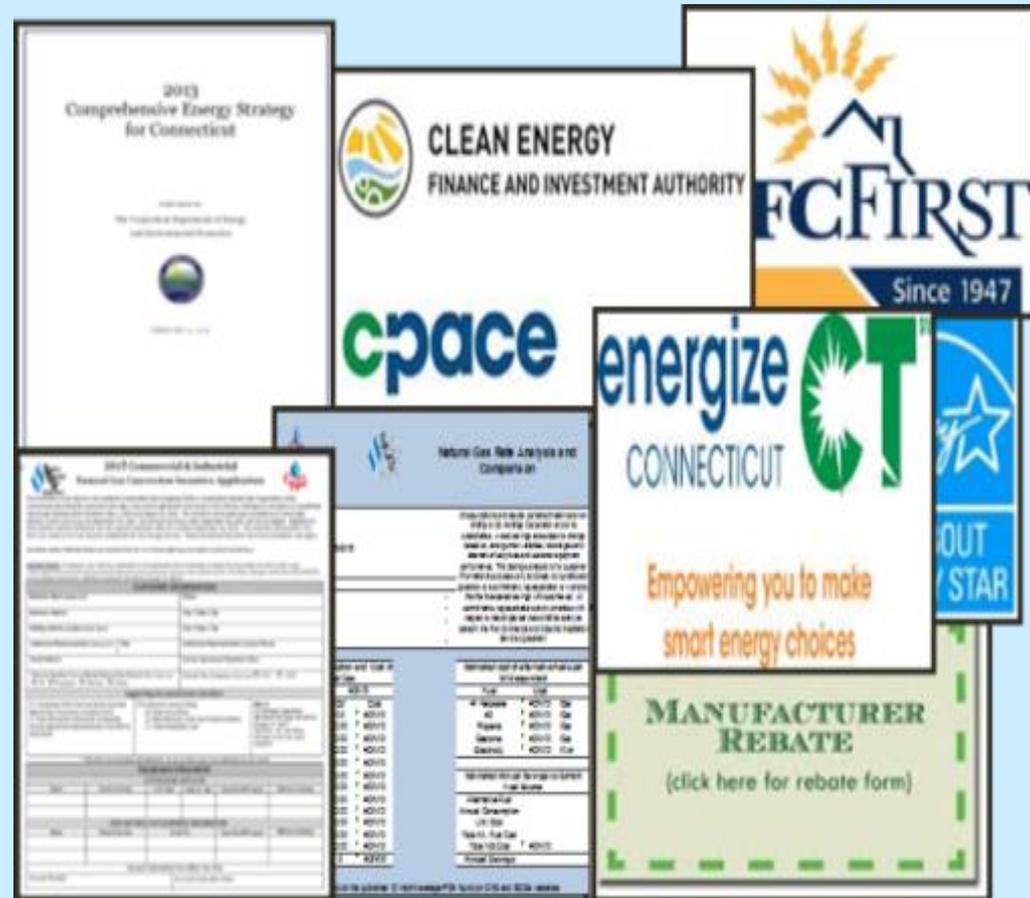
- ✓ Installation of all natural gas mains within the project
- ✓ Installation of service lines to committed customers
- ✓ Installation of the natural gas meters
- ✓ Maintenance of all mains, services and meters

CNG's responsibilities will be provided at no cost to Bolton

Heat Smart. Take Advantage of Incentives

Town of Bolton will be able to take advantage of the many incentives available to defray the cost of converting.

- ✓ On Bill Financing
- ✓ Low interest loans
- ✓ Manufacture Rebates
- ✓ Utility Incentives
- ✓ Conservation Incentives
- ✓ CT Green Bank CPACE loans



Requirements to Commence

- ❑ Commitment from the Town of Bolton for the financial contribution portion of the project in the amount of \$216,000*.

- ❑ Signed service agreements by from Bolton to convert the following Town buildings to natural gas by Winter 2017:
 - Bolton Center School
 - Bolton Town Hall
 - Bolton Fire Department
 - Bentley Memorial Library

- ❑ Signed service agreement from Simoniz to convert their facility located at 201 Boston Turnpike to natural gas.

*** Financial contribution is based on 2016 project construction costs and 2016 regulatory model and may be impacted by 2017 changes.**

Testimonials from our Municipal Partners

Essex, CT – 5 miles of Natural Gas Expansion – installed in 60 days

Norm Needleman, First Selectman: “We believe the expansion of natural gas service into Essex will make the town more competitive, helping us attract new businesses and giving existing businesses greater flexibility in their energy choices. It will also provide another fuel option for the residents of the area served by the new natural gas main, potentially helping them to lower their energy costs and reduce their impact on the environment.”

East Hampton , CT – 13 miles in 8 months – large franchise expansion

Mike Maniscalco, Town Manager: “This project creates a major savings opportunity for the town. Residential and commercial property owners who have been paying big heating bills are excited about the chance for another energy option, and the Town is excited about enhancing infrastructure and diversifying our tax base.

Deep River, CT – 4 miles in less than 60 days

Dick Smith, First Selectman: “The benefits to our Town are more far-reaching than the direct savings to customers alone. Confirming our focus on maintaining and expanding infrastructure, our inventory of utilities has grown, embellishing our reputation as business-friendly. As the commercial / industrial sector expands, our tax base will strengthen, and our economy will grow.”

“On behalf of the Board of Selectmen,” Smith concluded, “Our thanks to SCG for helping ensure a bright future for every Deep River resident and business.”

Project Contacts

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Thank you.

Q&A Section