



August 26, 2022

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

Re: Docket No. 76-03-07RE01 Investigation to Consider Rate Adjustment Procedures and Mechanisms Appropriate to Charge or Reimburse the Consumer for Changes in the Cost of Fossil Fuel – Compliance Filing Placeholder

Dear Mr. Gaudiosi:

The United Illuminating Company (“UI or Company”) submits the calculation of rate of return on common stock equity (ROE) on a Distribution-only basis in compliance with Order 1 and the Authority’s letter dated March 27, 2003, both issued in Docket No. 76-03-07.

Exhibits 1a through 1e – Average ROE for UI Distribution of 8.22% for the twelve months ended June 30, 2022.

Exhibit 2a through 2e – Average ROE for UI Distribution of 0.80% for the three months ended June 30, 2022.

I hereby certify service of this filing upon all parties and interveners of record in this proceeding.

Sincerely,

Eileen Sheehan
Manager, Regulatory Services
UIL Holdings Corporation
As Agent for The United Illuminating Company

Attachments

Exhibit 1a

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED June 30, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 247,248,138
Commercial Service	132,785,492
Industrial Service	21,417,015
Other Sales to Ultimate Consumers	7,628,755
Total Sales of Electricity	<u>409,079,400</u>
OTHER ELECTRIC REVENUES	<u>35,279,394</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>444,358,794</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	217,747,630
Depreciation and Amortization	74,676,236
Other Taxes	60,856,944
Income Taxes	8,545,945
Total Electric Operating Expenses	<u>361,826,755</u>
TOTAL UTILITY OPERATING INCOME	82,532,038
OTHER INCOME AND DEDUCTIONS - NET	4,697,894
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	7,975,461
TOTAL INCOME	<u>95,205,393</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	27,166,840
Other Interest Charges	1,912,810
Allowance for Borrowed Funds Used During Construction - Credit	<u>(2,872,710)</u>
Net Interest Charges	<u>26,206,940</u>
NET INCOME	<u><u>\$ 68,998,452</u></u>

Exhibit 1b

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
(RATEMAKING)
TWELVE MONTHS ENDED June 30, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 247,248,138
Commercial Service	132,785,492
Industrial Service	21,417,015
Other Sales to Ultimate Consumers	7,628,755
Total Sales of Electricity	<u>409,079,400</u>
OTHER ELECTRIC REVENUES	<u>35,279,394</u>
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TOTAL UTILITY OPERATING INCOME	<u>\$ 82,532,038</u>

THE UNITED ILLUMINATING COMPANY
RATE BASE AT June 30, 2022
AND RATE OF RETURN ON RATE BASE
TWELVE MONTHS ENDED June 30, 2022
REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10
Distribution Company

	Average	End of Period June 2022
Rate Base:		
Utility Plant in Service	\$ 2,252,591,048	\$ 2,301,684,928
Plant Held for Future Use	270,790	270,790
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	-	-
	696,472,392	738,265,682
Net Utility Plant in Service	<u>1,556,389,446</u>	<u>1,563,690,036</u>
Add:		
Working Capital	20,591,725	21,657,391
Prepaid Expenses	1,574,655	2,066,451
Regulatory Asset - SFAS 158	107,993,470	54,567,820
Covid Deferral	7,879,217	11,231,683
Property Under Capital Leases	10,575,503	10,694,280
Pension Cost Recovery	12,633,723	14,905,768
Deferred Taxes:		
Pension Costs	2,419,947	1,968,867
Storm Reserve	4,809,231	6,894,062
Pension Liability (taxes on SFAS 158)	37,784,437	18,787,602
Injuries and Damages	474,030	462,512
Vacation Accrual	761,212	908,733
Allowance for Bad Debt	1,184,700	1,184,700
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	12,515,385	15,900,000
Pension Liabilities	147,529,573	95,435,907
Storm Reserve	(20,871,624)	(25,604,687)
Reserve for Injuries and Damages	1,770,159	1,716,743
Accrued Vacation	3,381,206	3,406,000
Obligations Under Capital Lease - NonCurrent	13,865,152	13,537,502
Tax Rate Remeasurement	3,269,126	3,269,126
Deferred Taxes:		
Accelerated Tax Depreciation	321,364,934	315,339,109
Regulatory Asset - SFAS 158	37,784,437	18,787,602
Regulatory Asset - UPZ	(255,041)	-
Pension Cost Recovery	2,422,309	2,487,246
Rate Base	<u>\$ 1,241,742,744</u>	<u>\$ 1,264,192,422</u>
Operating Income	<u>\$ 82,532,038</u>	<u>\$ 82,532,038</u>
Rate of Return on Rate Base	<u>6.65%</u>	<u>6.53%</u>

The United Illuminating Company
Rate of Return on Rate Base Common Stock Equity
For the Twelve Months Ended
June 30, 2022
Distribution Company

Exhibit 1d

	<u>Average</u>				<u>End of Period</u>			
	<u>Capitalization Ratio</u>	<u>Average Rate Base</u>	<u>Embedded Cost</u>	<u>Return</u>	<u>Capitalization Ratio</u>	<u>Rate Base</u>	<u>Embedded Cost</u>	<u>Return</u>
Total		\$ 1,241,742,744		\$ 82,532,038		\$ 1,264,192,422		\$ 82,532,038
Less								
Long-term Debt	41.63%	<u>516,937,505</u>	4.44%	<u>22,931,240</u>	42.41%	<u>536,144,006</u>	4.40%	<u>23,611,445</u>
Applicable to Common Stock	58.37%	<u>\$ 724,805,240</u>		<u>\$ 59,600,798</u>	57.59%	<u>\$ 728,048,416</u>		<u>\$ 58,920,593</u>
Rate of Return on Rate Base Common Stock Equity				<u>8.22%</u>				<u>8.09%</u>

The United Illuminating Company
Rate of Return on Common Stock Equity
For the Twelve Months Ended
June 30, 2022
Distribution Company

Exhibit 1e

End of Period:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 68,998,452}{\$ 1,291,289,082} = \underline{\underline{5.34\%}}$$

Average:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 68,998,452}{\$ 1,285,233,841} = \underline{\underline{5.37\%}}$$

Exhibit 2a

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
QUARTER ENDED June 30, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 54,880,352
Commercial Service	31,925,665
Industrial Service	5,149,301
Other Sales to Ultimate Consumers	1,703,148
Total Sales of Electricity	<u>93,658,466</u>
OTHER ELECTRIC REVENUES	<u>8,683,907</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>102,342,373</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	54,038,010
Depreciation and Amortization	19,027,760
Other Taxes	15,955,656
Income Taxes	1,641,171
Total Electric Operating Expenses	<u>90,662,597</u>
TOTAL UTILITY OPERATING INCOME	11,679,776
OTHER INCOME AND DEDUCTIONS - NET	(2,062,279)
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	2,030,857
TOTAL INCOME	<u>11,648,354</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	6,692,101
Other Interest Charges	1,311,204
Allowance for Borrowed Funds Used During Construction - Credit	(743,437)
Net Interest Charges	<u>7,259,867</u>
NET INCOME	<u>\$ 4,388,487</u>

Exhibit 2b

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
(RATEMAKING)
QUARTER ENDED June 30, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 54,880,352
Commercial Service	31,925,665
Industrial Service	5,149,301
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Income Taxes	1,641,171
Total Electric Operating Expenses	<u>90,662,597</u>
TOTAL UTILITY OPERATING INCOME	<u>\$ 11,679,776</u>

THE UNITED ILLUMINATING COMPANY
 RATE BASE AT JUNE 30, 2022
 AND RATE OF RETURN ON RATE BASE
 FOR THE QUARTER ENDED JUNE 30, 2022
 REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10
 Distribution Company

	Average	End of Period June 2022
Rate Base:		
Utility Plant in Service	\$ 2,285,421,658	\$ 2,301,684,928
Plant Held for Future Use	270,790	270,790
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	-	-
	718,090,324	738,265,682
Net Utility Plant in Service	1,567,602,125	1,563,690,036
Add:		
Working Capital	21,459,202	21,657,391
Prepaid Expenses	826,858	2,066,451
Regulatory Asset - SFAS 158	54,771,085	54,567,820
Covid Deferral	10,751,080	11,231,683
Property Under Capital Leases	10,777,324	10,694,280
Pension Cost Recovery	14,894,044	14,905,768
Deferred Taxes:		
Pension Costs	2,268,512	1,968,867
Storm Reserve	5,694,952	6,894,062
Pension Liability (taxes on SFAS 158)	29,238,722	18,787,602
Injuries and Damages	527,123	462,512
Vacation Accrual	857,441	908,733
Allowance for Bad Debt	1,184,700	1,184,700
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	14,700,000	15,900,000
Pension Liabilities	95,951,424	95,435,907
Storm Reserve	(25,314,816)	(25,604,687)
Reserve for Injuries and Damages	1,878,958	1,716,743
Accrued Vacation	3,406,000	3,406,000
Obligations Under Capital Lease - NonCurrent	13,625,930	13,537,502
Tax Rate Remeasurement	3,269,126	3,269,126
Deferred Taxes:		
Accelerated Tax Depreciation	320,236,537	315,339,109
Regulatory Asset - SFAS 158	29,238,722	18,787,602
Regulatory Asset - UPZ	(207,221)	
Pension Cost Recovery	2,487,246	2,487,246
Rate Base	\$ 1,261,028,328	\$ 1,264,192,422
Operating Income	\$ 11,679,776	\$ 11,679,776
Rate of Return on Rate Base	0.93%	0.92%

The United Illuminating Company
Rate of Return on Rate Base Common Stock Equity
FOR THE QUARTER ENDED JUNE 30, 2022
June 30, 2022
Distribution Company

Exhibit 2d

	Average				End of Period			
	Capitalization Ratio	Average Rate Base	Embedded Cost	Return	Capitalization Ratio	Rate Base	Embedded Cost	Return
Total		\$ 1,261,028,328		\$ 11,679,776		\$ 1,264,192,422		\$ 11,679,776
Less								
Long-term Debt	41.77%	<u>526,731,532</u>	1.11%	<u>5,841,425</u>	42.41%	<u>536,144,006</u>	1.10%	<u>5,902,861</u>
Applicable to Common Stock	58.23%	<u>\$ 734,296,795</u>		<u>\$ 5,838,351</u>	57.59%	<u>\$ 728,048,416</u>		<u>\$ 5,776,915</u>
Rate of Return on Rate Base Common Stock Equity				<u>0.80%</u>				<u>0.79%</u>

The United Illuminating Company
Rate of Return on Common Stock Equity
FOR THE QUARTER ENDED JUNE 30, 2022
June 30, 2022
Distribution Company

Exhibit 2e

End of Period:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 4,388,487}{\$ 1,291,289,082} = \underline{\underline{0.34\%}}$$

Average:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 4,388,487}{\$ 1,278,037,195} = \underline{\underline{0.34\%}}$$