



March 15, 2023

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 - Revised Compliance Filings, dated March 3, 2023

Dear Mr. Gaudiosi:

The United Illuminating Company (“UI or Company”) submits revised calculations of rate of return on common stock equity (ROE) on a Distribution-only basis (i.e., total Company excluding Transmission) in compliance with Order 1 and the Authority’s letter dated March 27, 2003, both issued in Docket No. 76-03-07. By way of this filing, the Company is revising its original Compliance Filing dated March 3, 2023.

The Company’s revised compliance filings are necessary to address a formulaic error within the quarterly filing. The revised calculation results in an Average ROE for UI Distribution of 1.92% for the three months ended December 31, 2022.

No changes were made to the results for the twelve months ended December 31, 2022.

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

Very truly yours,

Daniel R. Canavan
Vice President, Regulatory Affairs
UIL Holdings Corporation
As Agent for the United Illuminating Company

Attachments

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED December 31, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 251,173,262
Commercial Service	130,392,730
Industrial Service	21,031,085
Other Sales to Ultimate Consumers	7,313,033
Total Sales of Electricity	<u>409,910,111</u>
OTHER ELECTRIC REVENUES	<u>43,090,701</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>453,000,812</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	222,772,749
Depreciation and Amortization	75,309,306
Other Taxes	60,647,631
Income Taxes	24,441,821
Total Electric Operating Expenses	<u>383,171,508</u>
TOTAL UTILITY OPERATING INCOME	69,829,304
OTHER INCOME AND DEDUCTIONS - NET	10,329,572
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	8,289,241
TOTAL INCOME	<u>88,448,117</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	26,330,850
Other Interest Charges	2,475,551
Allowance for Borrowed Funds Used During Construction - Credit	(3,029,501)
Net Interest Charges	<u>25,776,899</u>
NET INCOME	<u><u>\$ 62,671,219</u></u>

Exhibit 1b

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
(RATEMAKING)
TWELVE MONTHS ENDED December 31, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 251,173,262
Commercial Service	130,392,730
Industrial Service	21,031,085
Other Sales to Ultimate Consumers	7,313,033
Total Sales of Electricity	<u>409,910,111</u>
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TOTAL UTILITY OPERATING INCOME	<u>\$ 69,829,304</u>

THE UNITED ILLUMINATING COMPANY
 RATE BASE AT DECEMBER 31, 2022
 AND RATE OF RETURN ON RATE BASE
 TWELVE MONTHS ENDED December 31, 2022
 REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10
 Distribution Company

	Average	End of Period December 2022
Rate Base:		
Utility Plant in Service	\$ 2,299,061,608	\$ 2,392,179,118
Plant Held for Future Use	918,958	1,474,530
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	727,077,373	770,022,411
Net Utility Plant in Service	1,572,903,193	1,623,631,238
Add:		
Working Capital	23,170,093	23,728,182
Prepaid Expenses	332,702	2,200,493
Regulatory Asset - SFAS 158	73,451,298	65,885,754
Covid Deferral	9,864,075	8,759,183
Property Under Capital Leases	11,339,951	12,551,928
Pension Cost Recovery	14,678,097	18,816,843
Deferred Taxes:		
Total UI-Distribution ADITs	(315,822,858)	(303,738,334)
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	13,715,385	13,000,000
Pension Liabilities	125,204,932	121,433,285
Storm Reserve	(24,565,361)	(26,874,838)
Reserve for Injuries and Damages	2,420,147	7,411,445
Accrued Vacation	3,354,846	3,249,000
Obligations Under Capital Lease - NonCurrent	13,563,280	13,423,736
Tax Rate Remeasurement	3,269,126	3,269,126
Rate Base	\$ 1,252,401,262	\$ 1,316,370,599
Operating Income	\$ 69,829,304	\$ 69,829,304
Rate of Return on Rate Base	5.58%	5.30%

The United Illuminating Company
Rate of Return on Rate Base Common Stock Equity
TWELVE MONTHS ENDED December 31, 2022

Exhibit 1d

Distribution Company

	<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		\$ 1,252,401,262		\$ 69,829,304		\$ 1,316,370,599		\$ 69,829,304
Less								
Long-term Debt	41.17%	<u>515,613,600</u>	4.50%	<u>23,192,234</u>	40.07%	<u>527,469,699</u>	4.35%	<u>22,969,472</u>
Applicable to Common Stock	58.83%	<u>\$ 736,787,662</u>		<u>\$ 46,637,070</u>	59.93%	<u>\$ 788,900,900</u>		<u>\$ 46,859,832</u>
Rate of Return on Rate Base Common Stock Equity				<u>6.33%</u>				<u>5.94%</u>

The United Illuminating Company
Rate of Return on Common Stock Equity
TWELVE MONTHS ENDED December 31, 2022

Exhibit 1e

Distribution Company

End of Period:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 62,671,219}{\$ 1,381,827,526} = \underline{\underline{4.54\%}}$$

Average:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 62,671,219}{\$ 1,329,616,561} = \underline{\underline{4.71\%}}$$

Exhibit 2a

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
QUARTER ENDED December 31, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 62,717,163
Commercial Service	31,007,980
Industrial Service	5,001,287
Other Sales to Ultimate Consumers	1,938,973
Total Sales of Electricity	<u>100,665,403</u>
OTHER ELECTRIC REVENUES	<u>18,130,868</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>118,796,271</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	64,119,977
Depreciation and Amortization	18,249,469
Other Taxes	9,741,687
Income Taxes	6,592,421
Total Electric Operating Expenses	<u>98,703,555</u>
TOTAL UTILITY OPERATING INCOME	20,092,716
OTHER INCOME AND DEDUCTIONS - NET	131,210
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	2,112,086
TOTAL INCOME	<u>22,336,012</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	6,298,488
Other Interest Charges	506,242
Allowance for Borrowed Funds Used During Construction - Credit	(706,194)
Net Interest Charges	<u>6,098,536</u>
NET INCOME	<u><u>\$ 16,237,476</u></u>

THE UNITED ILLUMINATING COMPANY
STATEMENT OF INCOME
(RATEMAKING)
QUARTER ENDED December 31, 2022
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 62,717,163
Commercial Service	31,007,980
Industrial Service	5,001,287
Other Sales to Ultimate Consumers	1,938,973
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Income Taxes	6,592,421
Total Electric Operating Expenses	<u>98,703,555</u>
TOTAL UTILITY OPERATING INCOME	<u><u>\$ 20,092,716</u></u>

THE UNITED ILLUMINATING COMPANY
RATE BASE AT DECEMBER 31, 2022
AND RATE OF RETURN ON RATE BASE
FOR THE QUARTER ENDED December 31, 2022
REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10
Distribution Company

	Average	End of Period December 2022
Rate Base:		
Utility Plant in Service	\$ 2,342,712,438	\$ 2,392,179,118
Plant Held for Future Use	1,474,530	1,474,530
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	756,582,102	770,022,411
Net Utility Plant in Service	1,587,604,867	1,623,631,238
Add:		
Working Capital	25,279,239	23,728,182
Prepaid Expenses	283,941	2,200,493
Regulatory Asset - SFAS 158	75,419,016	65,885,754
Covid Deferral	8,686,112	8,759,183
Property Under Capital Leases	12,389,397	12,551,928
Pension Cost Recovery	15,989,374	18,816,843
Deferred Taxes:		
Total UI-Distribution ADITs	(308,834,380)	(303,738,334)
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	12,700,000	13,000,000
Pension Liabilities	126,578,794	121,433,285
Storm Reserve	(26,018,656)	(26,874,838)
Reserve for Injuries and Damages	4,078,607	7,411,445
Accrued Vacation	3,353,667	3,249,000
Obligations Under Capital Lease - NonCurrent	13,333,470	13,423,736
Tax Rate Remeasurement	13,333,470	3,269,126
Rate Base	\$ 1,268,905,279	\$ 1,316,370,599
Operating Income	\$ 20,092,716	\$ 20,092,716
Rate of Return on Rate Base	1.58%	1.53%

The United Illuminating Company
Rate of Return on Rate Base Common Stock Equity
FOR THE QUARTER ENDED December 31, 2022
December 31, 2022
Distribution Company

Exhibit 2d

	<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		\$ 1,268,905,279		\$ 20,092,716		\$ 1,316,370,599		\$ 20,092,716
Less								
Long-term Debt	40.42%	<u>512,891,514</u>	1.09%	<u>5,583,552</u>	40.07%	<u>527,469,699</u>	1.11%	<u>5,844,913</u>
Applicable to Common Stock	59.58%	<u>\$ 756,013,765</u>		<u>\$ 14,509,164</u>	59.93%	<u>\$ 788,900,900</u>		<u>\$ 14,247,803</u>
Rate of Return on Rate Base Common Stock Equity				<u>1.92%</u>				<u>1.81%</u>

The United Illuminating Company
Rate of Return on Common Stock Equity
FOR THE QUARTER ENDED December 31, 2022
December 31, 2022
Distribution Company

Exhibit 2e

End of Period:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 16,237,476}{\$ 1,381,827,526} = \underline{\underline{1.18\%}}$$

Average:

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 16,237,476}{\$ 1,371,864,352} = \underline{\underline{1.18\%}}$$