



August 4, 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

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 June 30, 2003, both issued in Docket No. 76-03-07.

Exhibits 1a through 1e – Average ROE for UI Distribution of 5.03% for the twelve months ended June 30, 2023.

Exhibit 2a through 2e – Average ROE for UI Distribution of 1.23% for the three months ended June 30, 2023.

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 June 30, 2023  
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 242,242,953
Commercial Service	128,369,382
Industrial Service	20,704,739
Other Sales to Ultimate Consumers	6,986,911
Total Sales of Electricity	<u>398,303,986</u>
OTHER ELECTRIC REVENUES	<u>62,819,154</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>461,123,140</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	249,066,601
Depreciation and Amortization	77,258,292
Other Taxes	62,730,780
Income Taxes	11,500,414
Total Electric Operating Expenses	<u>400,556,087</u>
TOTAL UTILITY OPERATING INCOME	60,567,053
OTHER INCOME AND DEDUCTIONS - NET	982,262
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	6,971,012
TOTAL INCOME	<u>68,520,326</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	25,374,896
Other Interest Charges	2,752,186
Allowance for Borrowed Funds Used During Construction - Credit	(3,077,108)
Net Interest Charges	<u>25,049,974</u>
NET INCOME	<u><u>\$ 43,470,352</u></u>

THE UNITED ILLUMINATING COMPANY  
STATEMENT OF INCOME  
(RATEMAKING)  
TWELVE MONTHS ENDED June 30, 2023  
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 242,242,953
Commercial Service	128,369,382
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TOTAL UTILITY OPERATING INCOME	<u><u>\$ 60,567,053</u></u>

THE UNITED ILLUMINATING COMPANY  
 RATE BASE AT June 30, 2023  
 AND RATE OF RETURN ON RATE BASE  
 TWELVE MONTHS ENDED June 30, 2023  
 REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10  
 Distribution Company

	Average	End of Period June 2023
Rate Base:		
Utility Plant in Service	\$ 2,357,699,185	\$ 2,408,333,254
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	766,362,856	801,884,441
Net Utility Plant in Service	1,591,336,329	1,606,448,813
Add:		
Working Capital	25,375,864	26,373,468
Prepaid Expenses	(158,817)	1,481,519
Regulatory Asset - SFAS 158	70,977,450	86,946,241
Covid Deferral	8,857,386	9,042,350
Pension Cost Recovery	17,185,370	19,432,554
Deferred Taxes:		
Total UI-Distribution ADITs	(316,999,909)	(325,045,919)
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	13,392,308	13,200,000
Pension Liabilities	119,354,709	121,513,365
Storm Reserve	(26,235,514)	(26,796,792)
Reserve for Injuries and Damages	5,574,885	9,751,473
Accrued Vacation	3,321,462	3,249,000
Rate Base	\$ 1,280,612,889	\$ 1,303,209,045
Operating Income	\$ 60,567,053	\$ 60,567,053
Rate of Return on Rate Base	4.73%	4.65%

**The United Illuminating Company**  
**Rate of Return on Rate Base Common Stock Equity**  
**TWELVE MONTHS ENDED June 30, 2023**

**Exhibit 1d**

**Distribution Company**

	<b>Average</b>				<b>End of Period</b>			
	Capitalization Ratio	Average Rate Base	Embedded Cost	Return	Capitalization Ratio	Rate Base	Embedded Cost	Return
Total		\$ 1,280,612,889		\$ 60,567,053		\$ 1,303,209,045		\$ 60,567,053
Less								
Long-term Debt	40.02%	512,501,278	4.28%	21,943,247	39.19%	510,727,625	4.14%	21,155,423
Applicable to Common Stock	59.98%	\$ 768,111,611		\$ 38,623,806	60.81%	\$ 792,481,420		\$ 39,411,630
Rate of Return on Rate Base Common Stock Equity				5.03%				4.97%

**The United Illuminating Company**  
**Rate of Return on Common Stock Equity**  
**TWELVE MONTHS ENDED June 30, 2023**

**Exhibit 1e**

**Distribution Company**

**End of Period:**

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 43,470,352}{\$ 1,434,477,134} = \underline{\underline{3.03\%}}$$

**Average:**

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 43,470,352}{\$ 1,383,373,822} = \underline{\underline{3.14\%}}$$

THE UNITED ILLUMINATING COMPANY  
STATEMENT OF INCOME  
QUARTER ENDED June 30, 2023  
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 56,764,798
Commercial Service	31,438,266
Industrial Service	5,070,688
Other Sales to Ultimate Consumers	1,884,286
Total Sales of Electricity	<u>95,158,038</u>
OTHER ELECTRIC REVENUES	<u>20,159,194</u>
TOTAL ELECTRIC OPERATING REVENUES	<u>115,317,232</u>
ELECTRIC OPERATING EXPENSES:	
Operation & Maintenance Expenses	61,777,686
Depreciation and Amortization	19,914,975
Other Taxes	16,192,216
Income Taxes	2,532,102
Total Electric Operating Expenses	<u>100,416,979</u>
TOTAL UTILITY OPERATING INCOME	14,900,253
OTHER INCOME AND DEDUCTIONS - NET	1,036,922
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	1,224,507
TOTAL INCOME	<u>17,161,682</u>
INTEREST CHARGES AND DIVIDENDS ON PREFERRED SECURITIES	
Interest on L/T Debt and Amort. Debt Disc., Prem. & Expense	6,245,601
Other Interest Charges	1,299,811
Allowance for Borrowed Funds Used During Construction - Credit	(1,031,729)
Net Interest Charges	<u>6,513,683</u>
NET INCOME	<u>\$ 10,647,999</u>

THE UNITED ILLUMINATING COMPANY  
STATEMENT OF INCOME  
(RATEMAKING)  
QUARTER ENDED June 30, 2023  
Distribution Company

SALES OF ELECTRICITY	
Residential Service	\$ 56,764,798
Commercial Service	31,438,266
Industrial Service	5,070,688
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Income Taxes	2,532,102
Total Electric Operating Expenses	<u>100,416,979</u>
TOTAL UTILITY OPERATING INCOME	<u><u>\$ 14,900,253</u></u>



AND RATE OF RETURN ON RATE BASE  
FOR THE QUARTER ENDED June 30, 2023  
REFLECTING THE DECISION TO DOCKET NOS. 840601, 880914, 920605, 960329, 990304, 990335 AND 01-10-10  
Distribution Company

	Average	End of Period June 2023
Rate Base:		
Utility Plant in Service	\$ 2,392,917,740	\$ 2,408,333,254
Less: Accum. Prov. For Depr. & Amort. & Cost of Removal	792,617,048	801,884,441
Net Utility Plant in Service	1,600,300,692	1,606,448,813
Add:		
Working Capital	26,397,167	26,373,468
Prepaid Expenses	778,660	1,481,519
Regulatory Asset - SFAS 158	81,698,486	86,946,241
Covid Deferral	8,959,102	9,042,350
Pension Cost Recovery	19,216,298	19,432,554
Deferred Taxes:		
Total UI-Distribution ADITs	(321,138,160)	(325,045,919)
Deduct:		
Customer Advances for Construction	552,935	552,935
Allowance for Bad Debt	12,850,000	13,200,000
Pension Liabilities	122,049,460	121,513,365
Storm Reserve	(26,777,971)	(26,796,792)
Reserve for Injuries and Damages	9,146,394	9,751,473
Accrued Vacation	3,249,000	3,249,000
Rate Base	\$ 1,295,142,428	\$ 1,303,209,045
Operating Income	\$ 14,900,253	\$ 14,900,253
Rate of Return on Rate Base	<u>1.15%</u>	<u>1.14%</u>

**The United Illuminating Company**  
**Rate of Return on Rate Base Common Stock Equity**  
**FOR THE QUARTER ENDED June 30, 2023**  
**June 30, 2023**  
**Distribution Company**

**Exhibit 2d**

	<b>Average</b>				<b>End of Period</b>			
	Capitalization Ratio	Average Rate Base	Embedded Cost	Return	Capitalization Ratio	Rate Base	Embedded Cost	Return
Total		\$ 1,295,142,428		\$ 14,900,253		\$ 1,303,209,045		\$ 14,900,253
Less								
Long-term Debt	39.40%	510,286,117	1.04%	5,284,284	39.19%	510,727,625	1.07%	5,466,826
Applicable to Common Stock	60.60%	\$ 784,856,311		\$ 9,615,969	60.81%	\$ 792,481,420		\$ 9,433,426
Rate of Return on Rate Base Common Stock Equity				1.23%				1.19%

**The United Illuminating Company**  
**Rate of Return on Common Stock Equity**  
**FOR THE QUARTER ENDED June 30, 2023**  
**June 30, 2023**  
**Distribution Company**

**Exhibit 2e**

**End of Period:**

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 10,647,999}{\$ 1,434,477,134} = \underline{\underline{0.74\%}}$$

**Average:**

$$\frac{\text{Income for Common Stock}}{\text{Common Stock Equity}} = \frac{\$ 10,647,999}{\$ 1,420,026,044} = \underline{\underline{0.75\%}}$$