



United Illuminating Files Notice of Intent

Large utilities in Connecticut are required to notify the Public Utilities Regulatory Authority (PURA) in advance of filing a request for an increase in rates. United Illuminating (UI) filed a Notice of Intent on January 11, 2013. UI's rate case will apply only to the distribution portion of the electric bill. Increases to the transmission part of the bill are decided at the Federal Energy Regulatory Commission (FERC) in Washington, DC and the energy portion of the bill is decided by the market run by ISO-NE which is overseen by FERC.

UI will be requesting new rates for two consecutive years, with the first year increase in distribution rates being \$67 million. The second year increase, if granted, would be an additional \$28 million. The annual percent increases would amount to 8.4% and 3.3% respectively, which is a total increase after two years of 12%. This increase is not the sum of the two yearly percent increases because the second year percent increase is based upon the first year's revenues, including the 8.4% increase. Also, the increase percentage is calculated using the total bill which includes distribution, transmission and energy portions. These percentages would be much larger if they were calculated just on the distribution piece.

UI has 30 to 60 days to submit their rate case proposal and PURA has 150 to 180 days to render a decision. The final decision can be expected somewhere between July 11, 2013 and September 11, 2013. However, UI is requesting that the implementation of the rate increase be deferred until January 1, 2014 to coincide with the elimination of the Competitive Transition Assessment (CTA). This would mask the increase from UI customers as well as deny them a rate decrease.