



STATE OF CONNECTICUT
NEWS RELEASE

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CONSUMER COUNSEL KATZ OPPOSES PROPOSED 30% DISTRIBUTION RATE INCREASE FOR UI CUSTOMERS

(July 1, 2016– New Britain) Consumer Counsel Elin Swanson Katz will oppose the \$100 million increase in distribution rates proposed today by the United Illuminating Company (UI) over the next three years. Earlier today, UI filed an Application with the Public Utilities Regulatory Authority (PURA) to raise its distribution rates effective January 1, 2017, as well as incremental increases annually on January 1, 2018 and 2019. Consumer Counsel Katz and her team at the Office of Consumer Counsel (OCC) is reviewing the filing and preparing to defend UI's customers in the PURA proceeding to review UI's Application.

UI is requesting annual rate increases of \$65.6 million in rate year 2017, an incremental \$21.1 million in 2018, and an additional \$13.4 million in 2019. This represents an increase in distribution rates of nearly 30% over the three-year period.

UI's Application also contains a rate plan that "levelizes" recovery of the revenue requirement through proposed rate increases of \$40.7 million in rate year 2017, an incremental \$47.4 million in 2018 and \$39.1 million in 2019. UI estimates its three-year "levelized" rate plan, if approved, would increase bills by 3.94% in 2017, 4.44% in 2018 and 3.46% in 2019, if approved as requested. If UI's rate phase-in plan were approved as proposed, a typical residential customer on standard service generation who is using 700kWh per month, would see

their total bill rise by approximately \$9.34, from \$162.46 to \$171.80, effective January 1, 2017. Monthly bills would also increase by approximately \$9.50 per month on January 1, 2018 and by an incremental \$11.00 monthly on January 1, 2019.

“Connecticut residential electric rates remain some of the highest in the continental United States, and UI’s bills are the highest in the State. UI’s current residential distribution rates (including the fixed customer charge) already average 8.75¢ per kilowatt hour (kWh) compared to Eversource’s rate of 6.02¢ per kWh. UI’s rate application, if granted, will drive UI’s rates even higher,” Said Consumer Counsel Katz. “UI completed its merger with Iberdrola-USA at the end of 2015. My team will be thoroughly investigating UI’ filing to ensure that the merger is not adversely impacting the costs of providing electric service to UI’s customers,” Katz added.

UI provides service to approximately 328,000 customers in the following 17 communities in Connecticut: Ansonia, Bridgeport, Derby, East Haven, Easton, Fairfield, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Shelton, Stratford, Trumbull, West Haven and Woodbridge. Consumer Counsel Katz states that “[b]ecause UI is a regulated monopoly, it is incumbent on all of us to ensure that the process for setting UI’s rates is fair and transparent, and the results are just and reasonable for all of its customers. OCC will be presenting a detailed case to PURA on behalf of UI’s ratepayers, including expert testimony. We look forward to a PURA decision establishing just and reasonable rates based on all the evidence in the proceeding.”

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The Office of Consumer Counsel (OCC) is the State of Connecticut’s advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut’s electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit www.ct.gov/occ.