



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

DOCKET NO. 03-03-12 APPLICATION OF STATE OF CONNECTICUT FOR
APPROVAL OF ACQUISITION BY EMINENT DOMAIN OF
PROPERTY OWNED BY THE UNITED ILLUMINATING
COMPANY

July 16, 2003

By the following Commissioners:

John W. Betkoski, III
Linda J. Kelly
Jack R. Goldberg

DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Department of Public Utility Control approves the request of the Office of the Attorney General through the Commissioner of Transportation to acquire by eminent domain certain property of The United Illuminating Company situated along the present Wallace Street in the City of New Haven, Connecticut. The taking price is \$65,800. The taking of the property will not adversely affect The United Illuminating Company's ability to provide electric service to its customers. The net proceeds of the taking will be booked as a regulatory liability as an offset to stranded costs.

B. BACKGROUND

By application filed with the Department of Public Utility Control on March 27, 2003, (Application) pursuant to § 16-43 of the General Statutes of Connecticut (Conn. Gen. Stat.), the Office of the Attorney General through the Commissioner of Transportation (State of Connecticut) requests approval for the acquisition [by eminent domain pursuant to its powers under Conn. Gen. Stat. § 13a-73(b)] of property of The United Illuminating Company (UI or Company).

C. CONDUCT OF THE PROCEEDING

The land is not subject to the requirements of Conn. Gen. Stat § 16-50c and § 16-50d. No public hearing is required, and none was held.

D. PARTIES TO THE PROCEEDING

The Department recognized the following as Parties to this proceeding: The United Illuminating Company, 157 Church Street, P.O. Box 1564, New Haven, CT 06506-0501; Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; and Office of the Attorney General, 55 Elm Street, P.O. Box 120, Hartford, CT 06141-0120.

II. DEPARTMENT ANALYSIS

UI is a public service company as defined by Conn. Gen. Stat. § 16-1(a)(4) and, therefore, a condemnation of its property is subject to Department approval pursuant to Conn. Gen. Stat § 16-43 and Regulations of Connecticut State Agencies (Conn. Agencies Regs.) §§ 16-43-1 and 16-1-61(b). Additionally, the State of Connecticut is sovereign with the power of eminent domain. The property to be taken by eminent domain consists of 0.165 of an acre of land, together with a 3,234 gross square foot building, a billboard and improvements, in fee simple (Property). The Property is situated along the present Wallace Street in the City of New Haven. The State of Connecticut requires the Property in conjunction with the proposed alignment of the I-95 southbound to I-91 northbound connecting roadway. Application, pp. 1 and 2.

The Property is currently used as an electric distribution substation, the Wallace Street Substation. The substation presently exists to transform 13.8kV to 2.4kV to supply a 2.4kV distribution circuit that serves approximately 700 customers. Response to Interrogatory EL-4. To enable elimination of the substation, the area will be converted to 13.8kV construction, obviating the need for voltage transformation. The Wallace Street Sub Station will then be deenergized in 2004. Application, p. 2; Response to Interrogatory EL-2, protected. Accordingly, the property will no longer be necessary for the provision of electric service to the public.

The State of Connecticut's real estate appraiser has determined that \$65,800 is just compensation, considering the cost of environmental remediation, for the Property. Response to Interrogatory EL-2, protected. The Company did not object to the taking valuation and did not obtain an independent appraisal of the Property. Response to Interrogatory EL-3.

The original cost of the Property to be acquired was \$45,448, an amount included in rate base. There were no transaction costs. After reducing the proposed \$65,800 by the original book cost of \$45,448, net of accumulated depreciation of \$12,226, the resultant estimated gain of \$32,578 will be booked as a regulatory liability as an offset to stranded costs. Responses to Interrogatories EL-5 and 6.

The Department finds that the State of Connecticut and the Company have met the requirements of Conn. Gen. Stat. § 16-43 and Conn. Agencies Regs. § 16-43-1 and § 16-1-61(b). Further, the Department finds that taking price is reasonable considering that the State of Connecticut and not UI will be responsible for environmental remediation.

III. FINDINGS OF FACT

1. UI is a public service company as defined by Conn. Gen. Stat. § 16-1(a)(4) and, therefore, a condemnation of its property is subject to Department approval pursuant to Conn. Gen. Stat. § 16-43 and Conn. Agencies Regs. §§ 16-43-1 and 16-1-61(b).
2. The State of Connecticut is sovereign with the power of eminent domain.
3. The State of Connecticut requires the subject Property in conjunction with the proposed alignment of the I-95 southbound to I-91 northbound connecting roadway.
4. The property to be taken by eminent domain consists of 0.165 of an acre of land, together with a 3,234 gross square foot building, a billboard and improvements, in fee simple.
5. The State of Connecticut's acquisition of the Property will not adversely affect UI's ability to provide electric service to its customers.
6. The State of Connecticut's real estate appraiser has determined that \$65,800 is just compensation for the Property.
7. The State of Connecticut will be responsible for the environmental remediation.
8. UI did not object to the taking valuation and did not obtain an independent appraisal of the Property.
9. The Company's gain will be booked as a regulatory liability as an offset to stranded costs.

IV. CONCLUSION AND ORDER

A. CONCLUSION

The Department finds that the Property subject to this proceeding is not an essential part of the Company's public utility franchise, and the State of Connecticut's acquisition will not adversely affect UI's ability to provide electric service to its customers. The Department concludes that the taking price of \$65,800 is equal to the fair market value, considering the cost of environmental remediation, of the Property, and hereby approves the State of Connecticut's Application. The net gain of approximately \$32,578 will be used to reduce stranded costs.

B. ORDER

For the following Order, submit an original and 5 copies of the requested material, identified by Docket Number, Title and Order Number to the Executive Secretary:

1. Not later than 30 days after the closing of the eminent domain taking, the Company will file with the Department a copy of its final journal entries booking the sale.

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This Decision is adopted by the following Commissioners:

John W. Betkoski, III

Linda J. Kelly

Jack R. Goldberg

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

Louise E. Rickard
Acting Executive Secretary
Department of Public Utility Control

July 16, 2003
Date