

The United Illuminating Company
Manufacturer Gross Earnings Tax Credit
Rider MFG

Applies throughout the Company's Service Area.

Section 65 of Public Act 93-74, as amended, provides that for a defined class of manufacturing customers, the gross earnings tax on the sale of electricity is reduced from 5 percent to lower percentages, and then eliminated completely, over a period of years. The decreases are applicable only to companies that are included in classifications 2000 through 3999 of the Standard Industrial Classification Manual of the United States Office of Management and Budget, 1987 Edition ("SIC Codes").

Pursuant to the 1993 statutory change, the applicable gross earnings tax rates for electricity used directly by customers with SIC Codes in the 2000 - 3999 range are as follows:

<u>Time Period of Electricity Use</u>	<u>Rate</u>
January 1 - December 31, 1994	4%
January 1 - December 31, 1995	3%
January 1 - December 31, 1996	2%
January 1 - 1997 and Later	0%

Rider MFG applies a credit to the bills of customers with SIC Codes in the 2000-3999 range in accordance with this legislation. The credit will appear on affected customers' bills as "manufacturer gross earnings tax credit." The calculation of the credit is as follows:

Total Bill minus FCA and State Tax times the Manufacturers Gross Earnings Tax Credit factor. The Gross Earnings Tax credit factors authorized by Public Act 93-74 are as follows:

1994	1.0417%
1995	2.0619%
1996	3.0612%
1997 through 1999	5.0000% *
2000 and Later	8.50%

Based upon Public Act 98-28 the Gross Earnings Tax becomes 8.50%_effective 1-1-2000. It is applied to all components of a customer's bill except the generation service charge.

*Special contract customers will continue to receive a tax credit of 5.0% after 1-1-2000 on their bundled bills (Re. Sections 56 and 57 of Public Act 98-28).

Terms and Conditions:

The Company's Terms and Conditions in effect from time to time where not inconsistent with any specific provisions hereof are a part of this rider. This rider may be modified or eliminated if applicable Connecticut legislation in the future changes the gross earnings tax rates for customers with NAICS codes in the 31111-33999 range.

Effective: January 1, 2000

Effective January 1, 2000
Decision Dated December 9, 1999
Docket No. 99-03-35

Supersedes C.P.U.C.A. No. 270
Effective January 1, 1994
Decision dated December 13, 1993
Docket No. 92-06-05