The United Illuminating Company

Purchased Power Adjustment Clause

Applies throughout the Company's Service Area to all transitional standard offer customers.

The rate per kWh shall be increased or decreased, as appropriate, in accordance with the following formula for UI's standard offer customers. The Purchased Power Adjustment Clause (PPAC) rate for any billing period should result from the following calculation:

$$\frac{[(\text{Current Period GSC Costs} - \text{Current Period GSC Revenues}) + \text{Prior Period Adjustment}]}{\text{Projected Standard Offer GSC kWh Sales}}$$

Definitions:

Current Period GSC Costs	=	Actual costs of the power supply purchased for standard offer service customers for an historical six-month period.
Current Period GSC Revenues	=	Base rate revenue component of the GSC rate times standard offer sales for the six-month period used in the calculation of Current Period GSC Costs. The base rate revenue component of the GSC consists of the charge attributable to recover the cost of the initial or wholesale standard offer power supply cost embedded in the GSC rate. This value does not include that portion of the GSC designed to recover CTA revenues.
Prior Period Adjustment	=	Difference between projected and actual revenue recovery from the previous PPAC billing period.
Projected Standard Offer GSC kWh Sales	=	Projected standard offer sales for the upcoming six-month period.

The purchased power adjustment clause operates only if the result of the PPAC charge or credit equals or exceeds $.00001 per kilowatt-hour.

If the cost of Standard Offer Service supply increases, the PPAC may change, subject to the approval of the Department of Public Utility Control.

Effective: July 1, 2011