The United Illuminating Company

Revenue Decoupling Rider DR

The Company's annual distribution revenue requirement as approved by the Department of Public Utility Control (Department) in a regulatory proceeding shall be trued up at the end of the rate effective period as determined by the Department. Each customer shall be credited or charged, on a kilowatt hour (kWh) basis, for the under or over recovery of the difference between the Department approved annual distribution revenue requirement and UI's distribution revenues for that period. That difference shall be determined and approved by the Department at the time of the annual Decoupling proceeding and shall reflect actual sales and revenue data. The credit or charge per kWh shall be determined by dividing that total difference in revenues for the preceding rate year by the kWh sales anticipated for the period over which the Decoupling rate will be applied. The present decoupling adjustment is a credit of $0.003078 per kWh. Sales will be determined by the Department and may reflect the sales forecast that established base rates or could be calculated by using then current sales data or other means.

A decoupling adjustment will not be applied to customer bills if the total under or over recovery of the allowed decoupling revenue requirement does not exceed $1 million and the difference shall be deferred for inclusion in a future decoupling adjustment filing or rate case proceeding whichever occurs first. The Company will submit an annual decoupling filing which shall be subject to full review by the Department. The filing shall be submitted as soon as rate year data is available. Any applicable charge or credit will be applied to customer bills for the 12 months beginning approximately 60 days following the rate year subject to reconciliation, or such other period as determined by the Department. There will be no carrying costs assigned to either an over or under recovery or to any deferral under the decoupling mechanism.

Applicability:

This Rider applies to all customers, rates, and riders.

Effective: September 1, 2026