Example 2 - Month Following True Up

The example above shows what happens during a non-true-up month:

a) The customer began the month with a $126.02 credit from the previous month.
b) The customer’s NE Rider Bank began the month with 0 kWh due to the previous month’s true up.
c) The reading of the OUT meter (V111529xx) was subtracted from the reading of the IN meter. 639 – 883 = -244
d) 244 kWh is credited to the customer’s bank to be applied in the next billing period.
e) The “Net Energy Rider Adjustment” shown in the March bill is missing from the April bill because there was no True-Up of the NE Rider Bank.

The United Illuminating Company (“UI” or the “Company”) provides net metering for class 1 renewable generation resources through the Connecticut Public Utility Regulatory Authority (“PURPA”) approved tariff, Class 1 Renewable Net Energy Rider NEC1 (“NEC1”). This rider allows customers to “bank” from month to month any excess energy generated above the customer’s load requirement. If any kilowatt-hours remain in the bank as of the customer’s March read date of each calendar year, the customer is paid for those kWh and the bank is cleared.

If you have any questions concerning net metering please contact UI’s customer service center.

The United Illuminating Company
Billing Department MS OP-3D
100 Marsh Hill Road
Orange, CT 06477-3628
BILLING METHODS

A customer’s account is set up for net energy metering upon installation of the generation system, the successful pass of Commissioning Test, and the installation of new net meter(s).

Monthly Rate

As determined under the applicable tariff but not less than the minimum charge of the applicable rate. Net energy billing shall be performed monthly, and payments for excess energy to the Company shall be made on an annual basis, for the period from April of each year through March.

During an annual period, if energy exported to UI in a given month exceeds energy imported from UI, the excess exported energy will first be credited to the customer in the current billing period. Any remaining net energy will be carried forward for crediting on a per kWh-basis in the next billing period or a subsequent billing period within the annual net energy period. The net energy procedure will commence with the April billing period and continue monthly through the March billing period.

Any excess kWh remaining at the end of an annual period shall be paid at that time according to the following schedule:

<table>
<thead>
<tr>
<th>Resource</th>
<th>Annual Reimbursement Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photovoltaic</td>
<td>Average hourly Connecticut ISO-NE real time locational marginal price (RT-LMP), for the hours 10 a.m. to 4 p.m. during the annual period.</td>
</tr>
<tr>
<td>All Other</td>
<td>Average hourly RT-LMP, for all hours during the annual period.</td>
</tr>
</tbody>
</table>

Payment shall be determined by multiplying any excess energy remaining at the end of the annual period by the appropriate annual reimbursement price described above. (The price is effectively a “wholesale market” price which cannot be determined in advance.) Excess energy shall be set to zero at the beginning of each annual period.

The credit for excess kWh at the end of the annual period is called the “Annual True-Up”. In addition to the annual True-Up, there will be a True-Up of the customer account when the customer moves out.

See last page for a detailed explanation.

READING YOUR BILL

The following samples reflect a customer’s typical bills. The actual number of line items and the respective prices will depend upon the customer’s billing rate and whether the net kWh is a positive or negative number.

Example 1 - True Up

The example above shows what happens during the True-Up month of March:

a) The customer began the month with a $138.68 credit from a previous bill.

b) The customer’s NE Rider Bank began the month with 0 kWh

c) The reading of the OUT meter (V111529xx) was subtracted from the reading of the IN meter. 582 – 636 = (-) 54 kWh

d) 54 kWh is paid as a monetary credit called “Net Energy Rider Adjustment”

e) The “wholesale” True-Up price at the time was just over $0.07 / kWh

f) The NE Rider Bank remains at 0 kWh due to the True-Up.