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For Immediate Release

Caribbean Utilities Company, Ltd. Base Rate Adjustment – Effective January 1, 2023

In 2022, the Utility Regulation and Competition Office ("OfReg") approved the request submitted

by Caribbean Utilities Company, Ltd. ("CUC" or "the Company") to delay the required Base Rate

adjustment that was intended to be effective for consumption from June 1, 2022. In 2022, OfReg

also approved CUC's suggested deferral of fuel costs in excess of CI\$0.20 per kilowatt hour

("kWh") for the period from October 1, 2022 to December 31, 2022.

The Company received regulatory approval to defer electricity rate adjustments as at June 1, 2022

as it was aware of the increasing financial challenges some customers were facing as a result of

high costs related to fuel and inflationary pressures on other goods and services. This, coupled

with the higher consumption associated with summer months led CUC to make a special request

to OfReg for the deferral of rate adjustments for all customers. Both the Base Rate Adjustment

deferral and the Fuel Cost deferral ended in December 2022, with the understanding that the

commencement of deferred amounts would occur in January 2023.

As per Condition 25 of the Transmission & Distribution Licence, the Rate Cap Adjustment

Mechanism ("RCAM") is based on a formula which incorporates readily available external data

to determine a relevant Inflation Factor or Price Level Index which consists of a weighted average

consisting of 60% of the change in the Cayman Islands Consumer Price Index and 40% of the

change in the United States of America Consumer Price Index, (both indices adjusted to remove

the effects of prices of food and fuel) as reported by independent authorities for the most recent

calendar year.

Caribbean Utilities Company, Ltd.

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In accordance with the RCAM in CUC's Transmission & Distribution Licence, CUC has been granted approval to adjust its base rates effective January 1, 2023.

The base rate adjustment and deferred costs will result in an increase to the total monthly bill of the average residential customer, who uses 1,000 kilowatt-hours of electricity per month, by approximately CI\$5.31 per month.

Please see below the effect on billing rates, categorized by billing rate class.

Category:	Bills at December 31, 2022	Bills from January 1, 2023
Residential: Rate R (Prepay Rate P)		
Monthly Facilities Charge	\$5.82 per customer account	\$6.13 per customer account
Energy Charge per kWh	\$0.1185 per kWh ¹	\$0.1235 per kWh ²
General Commercial: Rate C (Prepa	ny Rate PB)	
Monthly Facilities Charge	\$32.14 per customer account	\$33.88 per customer account
Energy Charge per kWh	\$0.1321 per kWh ¹	\$0.1378 per kWh ²
Large Commercial: Rate L		
Monthly Facilities Charge	\$168.53 per customer account	\$177.63 per customer account
Energy Charge per kWh	\$0.0400 per kWh ¹	\$0.0407 per kWh ²
Monthly Demand Charge per kW	\$8.98 per kW	\$9.46 per kW
Additional Capacity Charge per kW	\$21.70 per kW	\$22.87 per kW

kWh-kilowatt-hours kW – kilowatts

The recovery of deferred Fuel Factor costs associated with the CUC relief programme effective from October 1, 2022 to December 31, 2022, will take place via a separate \$0.0075/kWh increase to the nominal monthly Fuel Cost rate during the period of January 1, 2023 through December 31, 2023. All Fuel Cost rates are published to CUC's website and customers' bills for the above stated period will be inclusive of this recovery rate.

¹ Previous Energy Charge rates included a \$0.0026/kWh increase for deferred base rate revenues from June 1, 2020 to December 31, 2020 and extraordinary Covid-19 expenses incurred in 2020. This rate increase was effective for the period of January 1, 2021 through December 31, 2022.

²Includes recovery of deferred base rate revenues from June 1, 2022 to December 31, 2022, representing a net amount of CI\$1.873 million, will take place via a \$0.0013/kWh increase included in the listed Energy Charge rates for the period of January 1, 2023 through December 31, 2024.



President and CEO of CUC, Mr. Richard Hew, stated that, "CUC, like most businesses in Grand Cayman and across the world, is facing increasing costs of goods and services. The Company responded and was able to defer increases in its rates to customers over the past six months. However, a rate increase is now necessary for CUC to meet its obligations to serve the public safely and reliably."

CUC supports and continues to advocate for more utility-scale renewable energy on the grid as it will bring positive benefits to our electricity system if planned and implemented properly. The benefits include the lowering of emissions and competitive and stable rates when compared to diesel fuel.

For more information about the terms of the CUC T&D Licence, the Rate Cap Adjustment Mechanism, the Energy Smart programme or the Utility Regulation and Competition Office, please visit the CUC or the OfReg websites at www.cuc-cayman.com or www.ofreg.ky

For further information, please contact:

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