



July 7, 2023

For Immediate Release

Caribbean Utilities Company, Ltd. Announces Declining Fuel Costs & Base Rate Adjustment

Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) customers will see a decline in fuel cost charges for the months of June and July 2023. The fuel rate will decrease 7% in June when compared to the May fuel rate and in July, this rate will decrease another 6%. Fuel rates are updated monthly in line with actual costs incurred and can be found on CUC’s website.

In accordance with the Rate Cap and Adjustment Mechanism (“RCAM”) contained in the Company’s Transmission & Distribution (“T&D”) Licence issued by the Cayman Islands Government, a base rate adjustment of 3.7% was verified and accepted by the Utility Regulation and Competition Office (“OfReg”) for electricity consumption beginning June 1, 2023. The base rate increase does not impact the fuel cost charge that is reflected on customers’ bills.

As per condition 25 of CUC’s T&D Licence, the RCAM is based on a formula which incorporates available external data to determine a relevant inflation factor or a price level index. This consists of a weighted average 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 are adjusted to remove the effects of prices of food and fuel for the most accurate reading.

CUC’s base rates are reviewed on an annual basis as outlined in the Company’s T&D Licence. If a change is required, per the prescribed formula, the change in base rate is enacted for electricity consumption effective June 1 of each year. Customers can expect to see a marginal increase in the energy charge component of their billing statements received in early July when compared to prior periods.

Overall, June residential and small commercial energy prices (inclusive of fuel line items) decreased by 2.2% and July residential and small commercial energy prices will decrease by a further 3.6%.

CUC and OfReg have also agreed to adjust the Licence and Regulatory Charge per kilowatt hour to \$0.0155 from \$0.0051. This charge relates to the cost of licencing and regulation of the electricity sector and is passed through to consumers with no markup as described in CUC’s T&D Licence, Condition 21.3.

Caribbean Utilities Company, Ltd.

457 North Sound Road, P.O. Box 38, Grand Cayman KY1-1101, CAYMAN ISLANDS
Tel: (345) 949-5200, Fax: (345) 949-5203, Website: www.cuc-cayman.com





CUC reminds customers to remain vigilant as it relates to electricity consumption despite the overall decrease in electricity rates. Summer months, due to the heat index and the additional pressure placed on air conditioning loads, can cause an increase in electricity consumption.

For more information about the terms of CUC's T&D Licence or the RCAM and to view the current rate schedule please visit CUC's website at www.cuc-cayman.com or OfReg's website at www.ofreg.ky.

For further information, please contact:

Jessica Pawlik
1-345-914-1164
jpawlik@cuc.ky

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