



Friday, June 28<sup>th</sup> , 2019

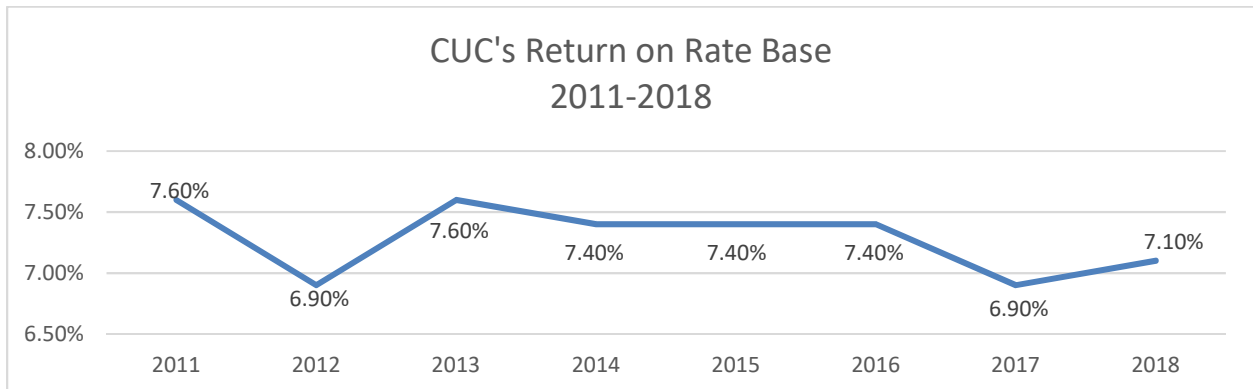
For Immediate Release

CUC Base Rate Adjustment – Effective June 2019

The Utility Regulation and Competition Office (“OfReg”) has approved a Base Rate adjustment for Caribbean Utilities Company, Ltd. (“CUC”) in accordance with the Rate Cap Adjustment Mechanism (“RCAM”) contained in CUC’s Transmission & Distribution (“T&D”) Licence issued in April 2008. Customers will see a marginal increase in the energy charge component of their bills for June electricity consumption billed in early July.

The Base Rate adjustment will be 0.9% and will result in a total monthly bill increase of approximately \$1.06 for the average residential customer. This Base Rate increase does not impact the Fuel Cost Charge nor the Licence and Regulatory Fees Charge.

As per Condition 25 of the T&D Licence, the 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 (“CI CPI”) and 40% of the change in the United States of America Consumer Price Index (“US CPI”), (both indices adjusted to remove the effects of prices of food and fuel) as reported by independent authorities for the most recent calendar year.

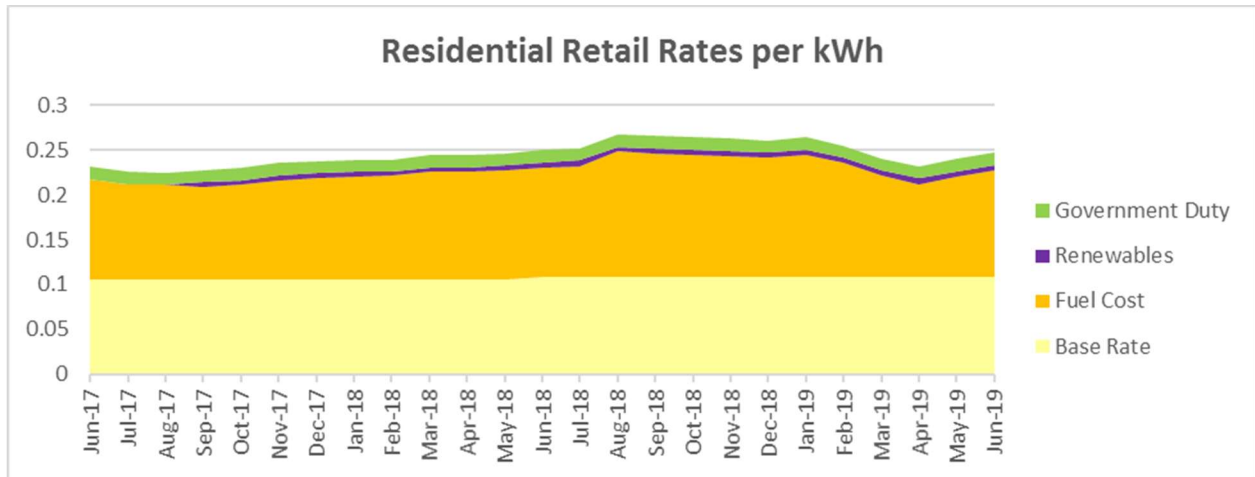


Upon review and confirmation of the CUC audited financial reports, the CI and US CPI reports, and the 2018 CUC Return on Rate Base of 7.1%, OfReg has approved the 0.9% Base Rate adjustment which is a result of applying an 80% factor to a 2018 US CPI increase of 2.2% and a 2018 CI CPI increase of 0.4% (both excluding food and fuel).

President and CEO of CUC, Mr. Richard Hew, stated that, “CUC’s ongoing focus on the efficiency of its operations allows the Company to keep customer rate changes below the general inflation level, while maintaining the ability to make significant investments in modern infrastructure and skilled people required to deliver a safe and reliable service.”



The chart below shows the trending of residential retail rates per Kilowatt-hour (“kWh”) over the past two years.





As a result of the base rate increase, CUC's Billing Rates schedule has been updated as below:

| <b>Effective Date:</b>                   | <b><u>To May 31, 2019</u></b> | <b><u>From June 1, 2019</u></b> |
|--|-------------------------------|---------------------------------|
| <b><u>Residential: Rate R</u></b>        |                               |                                 |
| Monthly Facilities Charge                | \$5.41 per customer account   | \$5.46 per customer account     |
| Plus:                                    |                               |                                 |
| All kWh per month                        | \$0.1077 per kWh              | \$0.1087 per kWh                |
| <b><u>General Commercial: Rate C</u></b> |                               |                                 |
| Monthly Facilities Charge                | \$29.88 per customer account  | \$30.15 per customer account    |
| Plus:                                    |                               |                                 |
| All kWh per month                        | \$0.1204 per kWh              | \$0.1215 per kWh                |
| <b><u>Large Commercial: Rate L</u></b>   |                               |                                 |
| Monthly Facilities Charge                | \$156.69 per customer account | \$158.10 per customer account   |
| Plus:                                    |                               |                                 |
| Energy Charge per kWh                    | \$0.03474 per kWh             | \$0.03505 per kWh               |
| Monthly Demand Charge per kW             | \$8.34 per kW                 | \$8.42 per kW                   |
| Additional Capacity Charge per kW        | \$20.18 per kW                | \$20.36 per kW                  |

An informational insert detailing how this change will affect the various Consumer Classes will be included in CUC's billings that will be mailed in early July 2019.

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 (OfReg), please visit the CUC or the OfReg websites at [www.cuc-cayman.com](http://www.cuc-cayman.com) or [www.ofreg.ky](http://www.ofreg.ky)

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