



August 1st, 2022

For Immediate Release

CUC defers Base Rate Increase until January 2023

Caribbean Utilities Company, Ltd. (“CUC” or “the Company”) has deferred its base rate increase for all customers. This action will provide some relief to customers as they will continue to see a consistent rate for the energy charge component of their bills throughout 2022.

The Company took the decision not to increase the base rate at this time as it is aware of the increasing financial challenges which some customers are facing as a result of costs related to fuel prices and other goods and services.

The Company proposed to the Utility Regulation and Competition Office (“OfReg”) to defer the rate increase and the recovery of related revenues until January 1, 2023 and OfReg has agreed with the proposal.

President and CEO of CUC, Mr. Richard Hew, stated that, “Providing financial relief at this time will ease the burden on residents and businesses at a time when they need it most. CUC is committed to providing ongoing support to its customers and it was important that we reach an agreement with OfReg to defer rate increases in relation to the energy charge component of customers’ bills until 2023. CUC is well aware that if the increase was implemented in accordance with our Licences, an increase of base rates in June 2022 may have been difficult for many of our customers to bear. The ability to recover revenues in the future is necessary to maintain that financial stability and to meet the Company’s ongoing obligations to invest in infrastructure and provide a safe, reliable and sustainable electricity service.”



The volatility in fuel costs and the hot summer months are resulting in increases in customer bills. The Company has worked with the Government to offer residential customers some relief on the fuel costs during the months of July, August and September 2022. CUC has submitted a proposal to OfReg to offer relief to commercial customers during the same period as the Government programme. CUC will also be halting disconnection fees and finance charges for bills issued August 2022 through October 2022.

In accordance with the Rate Cap Adjustment Mechanism (“RCAM”) contained in the Company’s Transmission & Distribution (“T &D”) Licence issued in April 2008, CUC is allowed to review its base rates annually. For 2022, this review recommended a 5.4% increase effective June 1, 2022, pending OfReg’s review and approval to apply the increase.

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. 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, (with both indices adjusted to remove the effects of prices of food and fuel) as reported by independent authorities for the most recent calendar year.

CUC will continue to assist customers with reducing their bills through energy conservation programmes. The Company is also anticipating additional long term customer relief with the implementation of large scale renewable energy on its grid in the near future.

For more information about the terms of the CUC’s 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 or www.ofreg.ky



For further information, please contact:

Pat Bynoe-Clarke
pclarke@cuc.ky