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PLEASE QUOTE OUR REF.

Our Ref: B-R23

BY EMAIL

21 April 2017

Regulatory Authority
1st Floor, Craig Appin House
8 Wesley Street
Hamilton HM 11

Attention: Matthew Copeland, Chief Executive

Dear Sirs,

We write following instructions from Monique Lister, Senior Legal Advisor to the Regulatory Authority (the "Authority") that Bermuda Electric Light Company Limited ("BELCO") must comply with Section 73(2) of the Regulatory Authority Act 2011 (the "RAA") following recent conversations I have had with staff members of the Authority. Those conversations related to the 2 March 2017 Emergency General Determination entitled, "Emergency General Determination pursuant to Section 66(2) of the Regulatory Authority Act 2011 Concerning Transitional Measures for Bermuda Electric Light Company Limited Solar Net Metering Scheme" (the "Emergency General Determination"). We gather that the conversations are being deemed ex parte communications given that the Emergency General Determination has now become the subject of a public consultation dated 16 March 2017 and updated on 17 April 2017 entitled, "Consultation on the Regulatory Authority (Transitional Measures for Bermuda Electric Light Company Limited Solar Net Metering Scheme) Emergency General Determination" (the "Public Consultation").

On Tuesday, 18 April 2017, I emailed the Authority's Chief Executive, Matthew Copeland, to seek clarity over an apparent discrepancy between the directive given in the Emergency General Determination and that set out in an Order dated 17 April 2017 (the "Email"). While the Emergency General Determination stated that BELCO was to pay certain amounts to Solar PV Participants "in respect of any **excess energy** generated," by contrast the Order stated that "**all energy** exported to the grid by Scheme Participants" was to be sold at a rate of \$0.1736 per kWh. BELCO believed that this change in direction by the Authority represented a markedly different financial outcome for customers and therefore in the Email I stated, "We just wish to ensure whether we are moving to **all** energy or **excess** energy, as there is a significant difference." A copy of the Email is attached. (We note that we could locate neither the Emergency General Determination, nor the revised Public Consultation, nor the Order on the Authority's website, so we attach each for the sake of completeness.)

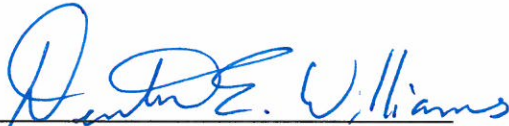
Later on 18 April 2017, Mr. Copeland, along with Ms. Lister and Nigel Burgess, Senior Manager Electricity Analysis and Planning, contacted me by telephone and confirmed that my understanding was correct (the "18 April Call"). I was informed that I would receive email confirmation of the same from the Authority.

On the following day, Wednesday, 19 April 2017, I spoke with Nigel Burgess in person. I explained that BELCO would require at least two weeks to implement the billing system changes necessitated by the Authority's change in direction as set out in the Order and that, pursuant to the contracts in place with its solar pv customers, BELCO would also be required to give notice to customers before it could implement those changes.

On Thursday, 20 April 2017, I received an email from Ms. Lister which was the response that had been promised during the 18 April Call. A copy is attached.

BELCO trusts that the above accurately summarizes the ex parte communications the Authority believes have taken place, but should the Authority feel that BELCO is required to do anything further to comply with any obligations under Section 73(2), please let me know.

Yours faithfully,



Denton Williams
Chief Operating Officer