

Dated this 15 day of November, 2010

**THE ELECTRICITY REGULATORY AUTHORITY OF THE CAYMAN
ISLANDS**

**ADDENDUM TO THE ELECTRICITY TRANSMISSION AND DISTRIBUTION
LICENCE
DATED 3RD APRIL, 2008**

THIS ADDENDUM TO THE ELECTRICITY TRANSMISSION AND DISTRIBUTION LICENCE is made this 15 day of November, 2010

BY THE ELECTRICITY REGULATORY AUTHORITY, THE CAYMAN ISLANDS (the "Authority").

WHEREAS:

- (A) The Government of the Cayman Islands in exercise of the powers conferred by Section 93(3) of the Electricity Regulatory Authority Law (2005 Revision) (as amended by the Electricity Regulatory Authority (Amendment) Law, 2008 (the "ERA Law") by a licence dated 3 April, 2008 (the "Licensee") granted **CARIBBEAN UTILITIES COMPANY, LTD.**, a company incorporated in and under the laws of the Cayman Islands and having its registered office at North Sound Road, George Town, Grand Cayman, Cayman Islands an exclusive licence to transmit, distribute and deliver electricity within the Island of Grand Cayman during the period of twenty (20) years from 3rd April, 2008 (the "Licence").
- (B) Pursuant to Section 28(1) of the ERA Law (as amended by the Electricity Regulatory Authority (Amendment) Law, 2009) and Condition 12 of the Licence the Licence may be modified subject to written consent by the Authority and the Licensee.
- (C) The Authority and the Licensee wish to diversify the risk of fuel price volatility by hedging and to incorporate the costs incurred in connection with such hedging into the monthly Fuel Cost Charge to be passed through to Consumers pursuant to Condition 21 of the Licence.
- (D) There are no special conditions required to be fulfilled pursuant to Section 28(1) of the ERA Law and the Licence, and the Authority has determined to grant this addendum to the Licence to provide for the foregoing (the "Addendum").

NOW THE LICENCE IS HEREBY MODIFIED as follows:

1. Interpretation

This Addendum is to be interpreted in accordance with the rules of interpretation set out in the Licence and capitalized terms used but not defined herein are to be given the meanings ascribed to them in the Licence.

2. Fuel Costs Charge

Condition 21.2.1 of the Licence be and is hereby modified to read as follows:

"Fuel Costs are the actual cost of fuel and lubricants used in the generation of

electricity by the Licensee pursuant to its Generation Licence or by a Generation Licensee pursuant to the relevant PPA between the Licensee and the Generation Licensee, including all costs actually and reasonably incurred in connection with hedging the cost of fuel and lubricants in accordance with a hedging program that has been approved by both the Licensee and the Authority. Fuel Costs do not constitute a component of Base Rates but will instead be collected from Consumers through the Fuel Cost Charge”.

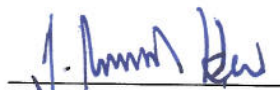
3. Miscellaneous

- 3.1 No provision of this Addendum may be changed, waived, discharged or discounted, except in writing signed by the Authority and countersigned by the Licensee.
- 3.2 This Addendum shall be governed by and construed, enforced and performed in accordance with the laws of the Cayman Islands.

GRANTED BY THE ELECTRICITY REGULATORY AUTHORITY, CAYMAN ISLANDS on this 15 day of November, 2010


Chairperson
Electricity Regulatory Authority

Accepted and agreed for and on behalf of
Caribbean Utilities Company, Ltd.


Director

Director

Date: December 15, 2010.