

## **Respondent No. 1 - Generation Licence Granted to Grenada Electricity Services Limited**

### Part II, C., Section 2 (a) (i):

The reference in the Act to maximum length of time is empty. There is no maximum length specified in 22(1). Suggest reference be made to Section 14(1) which establishes the maximum time limit for licences at 25-years.

### Part II, F., Section 3:

Clarification should be provided regarding the provision of two sets of records and books. Consultations should be held to determine appropriate information sharing protocols to enable objectives set out in this sub-regulation.

### Part II, I., Section 1:

The network licensee cannot be encumbered with Ministerial approval.

### Part II, K., Sections 2, 4:

The Annual Fee level should be clearly defined and stated here. There is Reference in Draft Tariff Regulations to license and regulatory fees outlined in ESA 2016 and PURCA 2016 which include fees for Minister to perform obligations of Act and regulations and budget of PURC which is to be paid by “every public utility subject to the PURC Act” and not to exceed 2% of gross annual revenue. However, the level should be clearly established and articulated here. Additionally, it must be clarified whether the level is computed based on electricity revenue only or whether it also includes fuel revenue. If the latter this creates a large burden on consumers as it flows through to the base rate. Suggest the budget of the PURC be published for transparency and the Annual Fee is calculated in reference to said budget.

It is presently unclear whether contributions to the Universal Service Fund are to be added to the base rate under taxes and licence fees. This should be clarified and added to the rate building blocks. Additionally, the level of the Universal Service Fund contribution must be clarified and set here.

### Part II, L., Sections 1,3, 4:

The grounds for suspension or revocation of the network licence are very broad and should be limited to narrow circumstances. Public interest, for example, does not follow international best practice, introduces political risk and may negatively impact the utility’s financing capacity.