

**From:** George Masters <[george.masters@gmail.com](mailto:george.masters@gmail.com)>  
**Sent:** Friday, June 22, 2018 12:46 PM  
**To:** Jozelle Escolastica CPA,CA <[JEscolastica@RAB.bm](mailto:JEscolastica@RAB.bm)>  
**Subject:** Re: Request for Extension and Town Hall for FIT Consultation

1. The consultation document that was proposed for the Retail Tariff calculation was extremely difficult for the average person to read and comprehend. In turn, I felt that more clarity is required in order for the general public to understand the proposed calculation and the elements within the calculation. Even with a financial background, a financial consultant would have a hard time to digest all working elements within this consultation document.

2. I stated to the RAB that a diagram within the consultation document (Figure 1.1) showed FIT Tariff and Net Benefit. As these values would be impacted if a rate is reduced, the RAB should take these into consideration when attempting to calculate a Retail Rate Tariff for electricity. The response received from the RAB was at this point in time, this consultation is simply a determination if the proposed calculation is adequate and correct for a Retail Rate calculation. The Fit Tariff methodology and Net Benefit test are not being consulted on in this consultation. The Authority noted however that the diagram simply depicted that upon developing the retail tariff methodology all other regulatory tools are being considered as part of a broader regulatory regime. I expressed my concerns on this matter and disagreed with this position. Any Retail Rate reduction could impact FIT and Net benefit values going forward. These should be considered together and not separately. The Authority acknowledged that any reduction in the retail rate could impact the FIT and would benefit the consumers of electricity as the methodology seeks to encourage efficiency in operations. The Authority further noted that this would be a good thing for all consumers.

3. The RAB informed me that a FIT tariff consultation will be starting shortly and within that consultation, the FIT and Net Benefit methodology will be discussed.

Please let me know if you need any additional information and confirm that you agree with my summary.

Best Regards,

George Masters