



Summary Statement of Results and Decision

Document Reference : 2026/001/D-01

Tariff Review

For

DOMINICA ELECTRICITY SERVICES LTD

June 2026

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THE PROCESS UNDERTAKEN

During the months of April and May 2026, the Commission undertook consultations with the public and various stakeholder groups on the revised tariffs for DOMLEC.

The Electricity Supply Act (the Act), Chapter 43:70, Part IV, sections 23 and 24, grants the Commission the mandate to review and approve revised tariffs for DOMLEC. This process is further guided by the Decision Document, that is the *Tariff Regime for Dominica Electricity Services Ltd. - Reference Number: 2009/004/D*.

Below is represented in tabular form the activities undertaken leading to this stage of the publishing of the Statement of Results and Decision.

Table 1.0: Activities for Cost-of Service / Revised Tariff Rate

DATES	ACTIVITIES
MARCH 2026	
1 st	- Comprehensive revision of Consultative Document
6 th	- Receipt of Letter of Intent-to-File with related documents
10 th	- IRC & DOMLEC Meeting to Discuss Ongoing Process
9 th – 13 th	- Internal Review of Related Documents to Ensure that Relevant Information is Accurate for Publishing
11 th	- Issuance of Conditional Approval of Revised Tariff for DOMLEC
30 th	- Effective Date for Conditional Approval of Revised Tariff for DOMLEC
^c 30 th - 31 st	- Publication of information associated with Pre-Filing Notice (PFN) - Publish Intent-to-File and Percentage Increase Documents
APRIL 2026	
2 nd	- Publication of first Issue of Consultative Document

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DATES	ACTIVITIES
6 th	- DOMLEC to Submit Filing Notice
13 th – 24 th	- Publication Consultation and Outreach
MAY 2026	
8 th	- Responses Closed: <i>End of Phase 1 of Consultation</i>
11 th – 15 th	- The IRC produces Comments on Stakeholders First Response
18 th	- Publication of Second Issue of Document with Stakeholders Responses
29 th	- Closing of Responses on Second Issue (<i>End of Phase 2</i>)
JUNE 2026	
5 th – 12 th	- Statement of Results and Issuance of Commission's Decision

Consequently, in describing the process and to ensure that the Commission strictly observed the timelines as allowed by the Act, the following obtained:

- 1) DOMLEC issued its "Intent-to-File," on March 6th, 2026, in compliance with the process established in the *Decision Document – "Tariff Regime for Dominica Electricity Services Ltd."* This triggered the 30-day prior to the filing of application pursuant to section 23 of the Act.
- 2) During that period DOMLEC also submitted its tariff related documents (*reference Part B, page 33 of the Decision Document 2009/004/D*) to the Commission for review to ensure that all relevant information was accurate for publishing and circulation.
- 3) After completing this verification process, the Pre-Filing Notice (PFN) and accompanying documents related to the revised tariffs were published online and circulated to various stakeholder groups.

- 4) At the end of this pre-filing period, the 60-day period as accorded by the Act begun with DOMLEC submitting its Filing Notice and upon receiving the same, the Commission initiated the consultation process for the months of April and May 2026, and followed the schedule developed for the same.

Copies of the Pre-Filing Notice, Filing Notice and all related documents mentioned above are in the Appendix for your reference.

EXECUTIVE SUMMARY

Purpose of the Review

DOMLEC's last rate review occurred in 2007. After Hurricane Maria in 2017, DOMLEC incurred extensive capital investment costs in rebuilding the network among other items of infrastructure that was affected as a result. It took DOMLEC over 5 years thereafter to completely rebuild the network and connect most of its customers. Over that period, DOMLEC encountered challenges in its operations as well as its financial viability.

DOMLEC therefore applied to the Commission for a rate review in 2021 (*a copy of the letter initiating the rate review is in the Appendix*). This application was approved and then the process of the tariff or rate review exercise for DOMLEC commenced.

Key Findings

The Commission monitors and reports on DOMLEC's financial health every month and as such, could see the trending as to DOMLEC's revenue and expense statements and concluded that DOMLEC was in a dire situation when it came to their finances. DOMLEC practically operates on an overdraft from month to month and struggles to meet its monthly commitments.

Their need to engage in a tariff review was justified especially since the last tariff review occurred nineteen years ago.

Major Tariff Changes Proposed

The major changes to the tariff regime that are proposed:

1. A review of the customer categories to include:
 - a. Residential Standard
 - b. Residential Time-of-Use
 - c. Small Business
 - d. Commercial
 - e. Industrial
 - f. High Voltage
 - g. Street Lighting
2. The introduction of Time-of-Use (ToU) to specific customer categories.

Time-of-Use will consist of two periods:

- i. *on-peak* period and;
- ii. *off-peak* period

The *off-peak period* will attract a lower rate and therefore allow customers the choice of shifting certain loads to the off-peak periods in managing their consumption.

Expected Impact on Customers

The most salient impact on customers is due to:

The choice of being able to manage their electricity consumption by shifting certain loads to the off-peak period that attracts a lower rate and therefore the possibility of lowering their bill.

This provides a benefit that was not available prior.

Summary of Decision

Through exercising an abundance of caution, the decision taken by the Commission was to grant DOMLEC “*conditional approval*”. This conditional approval was granted for two reasons:

1. That the Commercial Operations Date (COD) for the geothermal plant was anticipated to start earlier in 2026; and
2. To afford DOMLEC the ability to comfortably pay for the Geothermal IPP energy injected onto its grid, and additionally to secure the financial viability of DOMLEC in comfortably meeting its obligations.

Next Steps

The Commission at this **time will delay any determination on any decision** on the revised rates for DOMLEC by invoking *section 24; sub-section 7*, of the Electricity Supply Act, Chapter 43:70.

The reason for taking this position is for the Commission to observe the impact of the geothermal energy injected onto DOMLEC’s grid after the COD for a few months. By so doing the Commission will be able to observe and quantify the impact of geothermal generation on DOMLEC’s grid as well as to properly assess the impact of the geothermal energy on DOMLEC ‘s customers’ bills. With access to such empirical data the Commission would be better poised to come to the best determination in the interest of all parties.

TARIFF REVIEW FOR DOMLEC

Introduction and Background

DOMLEC informed the Commission of its need to initiate a tariff review in 2021, and the process of the tariff review was initiated later that year. The Commission believes that the timely completion of any tariff application submitted by DOMLEC should be preceded by addressing and validating certain key issues in separate proceedings leading to the conclusion of the tariff review process.

These issues, which are critical inputs to the tariff determination, are:

- Depreciation Study (*Completed April 2024*)
- Weighted Average Cost of Capital - WACC (*Completed October 2024*)
- The Revenue Requirement and Rate Base (*Completed January 2025*)
- 5-Year Investment Plan (*Completed January 2025*)
- Cost of the Service Study (*Completed May 2026*)
- Revised Rate Proposal (*Completed May 2026*)

The Commission, when requested by DOMLEC, conducted its review of and made determinations on these issues prior to the final submission of the Rate Proposal.

The Depreciation Policy was addressed and completed in April 2024, as per the Commission's "Decision Document Ref: 2024/001/D – Depreciation Policy for Dominica Electricity Services Ltd". The Approval of the Weighted Average Cost of Capital (WACC) Study was completed in October 2024 as per the Commission's "Decision Document Ref 2024/002/CD-02/D – Weighted Average Cost of Capital (WACC) for Dominica Electricity Services Ltd". The Conditional Approval of the Revenue Requirement and Rate Base was completed in January 2025 as per the Commission's Conditional Decision Document Ref 2025/002/D.

DOMLEC submitted its letter of *Intent-to-File* to the Commission on March 6th, 2026, on the presumption and condition that the Commission's Decisions on these issues will be final, after following through with the prescribed process.

DOMLEC submitted its revised tariff proposal for the Commission's consideration.

The Commission's objective in this proceeding is to consider and decide on the revised tariff proposal that appropriately recovers the required revenue, considering energy kilowatt hour (kWh) sales level across all customer categories.

The Cost-of-Service Study is a well-established framework commonly used by regulators to ensure that costs allocated are cost-reflective, transparent, and consistently applied across all customer classes. It serves as a baseline for setting fair and equitable electricity rates and ensures that rates align with the actual costs of providing service to each customer's class. The study helps in identifying and optimizing cross-subsidization between customer categories.

The final Rate Proposal is based on the Cost-of-Service Study. It includes, among other elements, the functionalization, classification, and allocation of costs, as well as the allocation of revenue and the restructuring of customer classes. It also considers the classification of Residential Customers into Standard and Time-of-Use tariff, among other classes.

The Commission issued its first Consultative Document (CD) Reference 2026/001/CD-01 on the Cost-of-Service Study and Revised Rate Design for DOMLEC on April 2nd, 2026, and held a series of hybrid public consultations in Roseau on April 10th, 14th and 17th. In-person public consultations were held in Portsmouth, Marigot, Castle Bruce, Grand Bay and La Plaine during the period April 20th to 30th, 2026. The consultation held at St. Joseph was cancelled due to extremely low attendance.

Comments on the first response and publication on the second issue of the Consultative Document ended on May 18th, 2026.

Consequently, this *Statement of Results presents* the Commission's rationale in response to DOMLEC's submissions.

Legal Framework

The Commission's duties and functions related to setting tariffs are outlined in three (3) main legal instruments:

- i the Electricity Supply Act, Chapter 43:70 referred to as *the Act* or *ESA*
- ii the Licence and;
- iii Commission's Determination as per its Decision Document *i.e.* "*Tariff Regime for Dominica Electricity Services Ltd*"; Document Ref: 2009/004/D" referred to as "*The Determination*".

The Act provides:

At Section 18

The Commission shall be independent in the performance of its functions and duties under this Act and shall not be subject to the direction and control of the Government or of any person, corporation or authority, except that the Commission shall have due regard to the public interest and overall Government policy, as embodied in legislation.

At Section 19

The Commission shall have sole and exclusive authority to regulate all electricity entities that are subject to this Act and shall have full powers to regulate all licensee with regard to all economic and technical aspects of regulation in accordance with this Act especially with regard to the determination of tariff or electricity charges.

At Section 20

(1). The Commission shall, without limiting the generality of this section, have a duty to perform and exercise its functions and powers under this Act in the manner which it considers best calculated to:

Encourage the expansion of electricity supply in Dominica where this is economic and cost effective and in the public interest;

Encourage the operation and development of a safe, efficient and economic electricity sector in Dominica.

Facilitate the promotion of sustainable and fair competition in the electricity sector where it is efficient to do so.

Protect the interests of all classes of consumers of electricity as to the terms and conditions and price of supply; ensure that the financial viability of efficient regulated electricity undertakings is not undermined.

The Procedure for the setting and review of tariffs for electricity supply is set out in sections 23 and 24 of the ESA.

Section 23:

(1) An electricity service provider shall not –

(a). Offer service unless it has, prior to offering such services, filed its proposed tariffs with the Commission and such tariff rates and charges have come into effect pursuant to section 24;

And

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(b) Make changes on tariffs, or other terms of the service after proposed tariffs have been filed with the Commission, except as authorized under this section.

(2) An electricity service provider shall submit tariff proposals in conformity with this section in writing to the Commission with respect to the tariffs it intends to apply for the use of its systems, facilities and services.

(3) Proposed tariffs filed under subsection (2) shall contain all relevant information concerning rates and charges for services, including deposits, nonrecurring charges and monthly charges as well as terms and conditions applicable to the provision of services, including disputes or claims over billing or provision of services.

(4) A Licensee shall make tariffs available to the public by publishing such tariff in the Gazette and two local newspapers.

(5) All proposed tariffs filed with the Commission shall be kept complete, accurate and up to date.

(6) After a proposed tariff has been filed with the Commission and has come into force and effect, no changes may be made in the rates, charges or other terms of service relating to all the services provided under the tariff, except upon the filing and review of tariffs as provided in this Act.

(7) Proposed Tariffs shall:

Be accompanied by all accounting and cost information as the Commission may require;

and

Comply with all the other requirements and conditions as shall be applicable to the licensee concerned.

Section 24:

(1) All tariffs proposed by a licensee shall conform with the principles and provisions governing tariff formulation established by the Commission pursuant to the legislation for the time being and shall be submitted to the Commission for review as to their conformity with such principles and provisions.

(2) The Commission shall within 60 days of the submission of the tariff proposed under subsection (1), make a determination to:

a. approve the tariff without amendment.

b. conditionally approve the tariff subject to amendments specifically proposed by the Commission being accepted by the licensee; or

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- c. *reject the tariff proposal outright, stating clearly in writing the reasons for such rejection, which reasons may include a determination that the tariff is not ripe for review.*
- (3) *In the event that the Commission makes a determination under subsection (2) (b) the licensee may submit a revised tariff within thirty (30) days of the determination; and the Commission shall make a new determination in accordance with one of the three options specified in subsection (2) within 30 days of such submission.*
- (4) *In the event of an outright rejection of the proposed tariff under subsection 2 (c), the Licencee may file a new tariff at any time; or may file a petition to the Commission for reconsideration of such rejection.*
- (5) *A petition shall be filed within thirty (30) days of the rejection and shall state the Licencee's basis for reconsideration, which may include fundamental change in circumstances from the conditions that prevailed when the tariff was originally rejected by the Commission.*
- (6) *In the event that the Licencee files a petition for reconsideration under subsection (4), the Commission shall act upon such petition within thirty (30) days and make a determination in accordance with one of the three options set forth in subsection (2).*
- (7) *If the Commission fails to act on a tariff submission pursuant to this section within the timeframes for determination specified in subsections (2), (3) and (6), the tariff shall be deemed approved until such time as the Commission makes a determination.*

Accordingly, the Act gives the **Commission full authority to act independently** in the performance of its duties. The Commission must have regard to public interest considerations and government policy, as embodied in legislation.

In providing for its functions, *the ESA (S20)* mandates the Commission to act in a manner which it considers best calculated to achieve several policy objectives and in this regard clauses (a), (b), (d), (e) and (g) of S20, reproduced above, are instructive.

Furthermore, *Section 20. (1) (c) of the Act* provides a duty for the Commission to “*ensure the security and efficiency of the supply of electricity in Dominica, through the conduct of an efficient long term planning process with due regard for future potential generation sources such as geothermal and wind energy*”.

Consultation Questions with Responses

The Commission issued the *Consultative Document; Ref No: 2026/001/CD-01* on April 2nd, 2026, and proceeded to consultations as per the schedule published in *Table 1.0* above.

Reference is made to the second issue of the *Consultative Document*, with comments on responses to the first *Consultative Document; Ref. No: 2026/001/CD-02*.

A copy of both documents is included in the *Appendix*.

For completeness, the *Cost-of-Service Study and Revised Rates Document* is attached for ease of reference.

Salient Issues raised during the Consultation and Recorded Responses

Additionally, the Commission received comments posted to its website and formal written comments from the public and various stakeholder groups.

Copies of the issues raised and DOMLEC's responses are all provided in the *Appendix*.

It should be noted that the response to the issues sets out the Commission's decisions on the issues raised.

The Commission wishes to assure all stakeholders that all inputs and suggestions have been carefully reviewed. However, it should be borne in mind that many of the points raised were repetitive and where this is so, the Commission has, in this document, chosen to group similar comments and represented these as a single comment.

Decision

After having considered all the views, comments and questions received, the Commission's decision and the corresponding reasons are set out below.

Consensus was achieved at all the consultations that the Commission engaged in, from the start of consultations on the critical parameters that fed into the final Cost-of-Service Study for DOMLEC, and ultimately the proposed rates for each customer class.

These critical parameters/inputs for DOMLEC's tariff review were:

1. The Depreciation Study
2. The Weighted Average Cost of Capital – WACC
3. The Revenue Requirement and Rate Base
4. The 5-year Capital Investment Plan

Consequently, as was announced in March 2026, **the Commission granted *conditional approval* to DOMLEC in applying the rates derived from the initial quantity of 5.5% to 4%** in consideration of the public interest and due consideration of Government policy as referenced from the Act.

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Reference ESA, Chapter 43:70, Section 18:

“The Commission shall be independent in the performance of its function and duties under this Act and shall not be subject to the direction and control of the Government or of any person, corporation or authority, except that the Commission shall have due regard to the public interest and overall Government policy, as embodied in legislation.”

Conditional Approval was granted to DOMLEC on the basis that the 10MW Geothermal Plant would have reached Commercial Operation Date (COD) by the end of March 2026. The Commission’s position in granting of the Conditional Approval was based on the avoidance of any worst-case scenario that may arise when the geothermal plant started COD in the avoidance of any shock to DOMLEC’s finances in meeting its payments of the energy sold and deemed energy received from the geothermal plant.

Reference ESA Chapter 43:70, Part IV – Tariffs, section 24 (2)(b)

“Conditionally approve the tariff subject to amendments specifically proposed by the Commission being accepted by the licensee;”

At this time of the finalizing of this **Statement-of-Results and Decision**, that is June 2026, the Conditional Approval is still in effect, and the additional 30-day period was not yet exhausted. Therefore, the expressed position in terms of a decision is that the final determination on the approval of the revised rates for DOMLEC is **delayed until further notice**.

Notwithstanding this delay, the Commission expects that DOMLEC will strictly and specifically adhere to Condition 3 – Compliance and Reporting Obligations.

Additionally, the Commission patently invokes reference to *the Act* section 24(7) which states:

“If the Commission fails to act on a tariff submission pursuant to this section within the time frames for determination specified in subsections (2), (3) and (6), the tariff shall be deemed approved until such time as the Commission makes a determination.”

Please be assured that DOMLEC is not prejudiced by the failure of the Commission to act.

Conclusively, assigning due consideration to the current circumstances, and the Commission choosing to delay the approval of the revised rates until further notice, will allow the exceeding of the timeframes as stated in the Act, which will deem the approval of the revised rates until the Commission decides.

List of Appendices:

1) Letters and Correspondences

2) Consultative Documents

IRC's Cost-of-Service Study and Rate Proposal for DOMLEC

- i. Document Reference: 2026/001/CD-01 – *1st Consultative Document*
- ii. Document Reference: 2026/001/CD-02 – *2nd Consultative Document with comments on Responses to the first Consultative Document*

3) IRC's Decision Documents

- i. Depreciation Study
- ii. The Weighted Cost of Capital – WACC
- iii. The Revenue Requirement and Rate Base
- iv. Review and Approval of DOMLEC's 5-Year Investment Plan

4) Additional Documents

- i. DOMLEC's Cost-of-Service Study with Rate Proposal
- ii. Energy and Load Forecast 2025 to 2030
- iii. DOMLEC's Operations and Management Manual – Policies, Practices and Organization
- iv. Transcripts from all the Public Consultations
- v. Questions from specific stakeholders and the Corresponding responses from DOMLEC

~~ *END OF DOCUMENT* ~~



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