



PLEASE QUOTE OUR REF

December 9, 2010

Mr. Michael Leverock
Chairman
Energy Commission
Ministry of Energy, Telecommunications and E.Commerce
F.B. Perry Building, 2nd Floor
40 Church Street
Hamilton HM 12

Dear Mr. Leverock,

We are writing to notify you, in accordance with Section 12(1) of the Energy Act 2009, that it is Bermuda Electric Light Company Limited's decision to defer its base rate increase for January 1, 2011 that was approved by the Price Commission on November 30, 2007. BELCO intends to defer this increase as of January 1, 2011.

The reason for this deferral is that BELCO is mindful of the current economic state of Bermuda and wishes to do its part for its customers. It is our intention to try and avoid this base rate increase entirely in 2011, however, it may be necessary, based on the economic climate deteriorating even further, for BELCO to implement the allowed increase at some point during 2011. We will, of course, be in contact with you well in advance of this need should it arise.

Your earliest approval of this variation prior to January 1, 2011 would be greatly appreciated as BELCO wishes to announce it as soon as possible.

Yours sincerely



BERMUDA ELECTRIC LIGHT COMPANY LIMITED

Andrew D. Parsons
President

ADP:ed

