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Information & Communications Technology Authority

Our ref: ICTA/160/161-09

2 November 2012

Mr. Anthony Ritch
General Manager
LIME/Cable and Wireless (Cayman Islands) Limited
P.O. Box 293
Grand Cayman KY1-1104
CAYMAN ISLANDS

Dear Mr. Ritch,

Re: Residential line rental rate increase

This is further to recent communications between the Authority and Cable and Wireless (Cayman Islands) Limited ("LIME") concerning the 24 May 2012 LIME application to increase the residential line rental rate by \$1 per month.

In that application and in response to follow-up questions by the Authority, among other things, LIME provided the details of its customer communication plans.

In its 16 August 2012 letter regarding the residential line rental rate, the Authority approved the increase subject to LIME undertaking the communications plan it had proposed as amended by the conditions detailed in that letter. One of those conditions was that LIME's advance notification on the customer's monthly bill must be a minimum of thirty days before the effective date.

In a 7 September 2012 letter, in response to the above identified condition, LIME identified that the effective date for the price increase would be 1 November 2012. LIME stated that the notification had been printed on the bill run of 25 August 2012 and that would provide the advance notification of a minimum of thirty days.

In response to questions from the Authority, in a 24 October 2012 email, LIME stated that because of an error on its part, about 22% of its customer base did not receive the advance notification bill message in the August bill run nor was that message included on the September bill run.

In the 24 October 2012 email LIME also stated that customers have now all received bills with the increased rate and that LIME had published a notice in the press (in earlier communications, LIME identified that the notice was published on 28 September 2012). LIME requested that the Authority "uphold its approval of the increase" on the basis that LIME intended to advise the customers who did not receive the advanced bill notice of the rate increase via a text message on 26 October 2012 and correct the bill banner notification printing error so that all fixed residential customers receive the bill print notification on the late October bill run.

The Authority notes that its approval of the price increase was subject to a number of conditions, one of which was that LIME provide advance notification to customers of the price increase. LIME has not satisfied that condition and LIME's suggested text message and bill printing of the notification of the late October bill run does not satisfy the advance notification condition for the price increase that was implemented on the late September bill run.

Therefore, the Authority determines that LIME has not satisfied the conditions for the approval of the rate increase and thus, LIME's residential line rate has not been approved by the Authority.

On this occasion, however, and based on the information provided by LIME that it did satisfy the conditions for approval for about 78% of the affected customer base, the Authority requires LIME only to rectify the situation for the customers who were not provided with the advance bill print notification.

Consistent with LIME's intended timing of the advance bill notice on the late August bill run and implementation of that increase on the late September bill run, for those customers who were not provided with the advance bill print notification, the Authority will treat the bill notice that LIME stated it will provide on the late October bill run as meeting the requirement for advance notice of a rate increase that can be implemented on the late November bill run provided, of course, that LIME has now printed that bill notice on all affected customers' bills.

Therefore LIME is directed to take the following corrective action for those customers who were not provided with the advance bill print notification on the 25 August 2012 bill run:

- 1) by the date of the bill run in late November 2012, LIME must provide a credit to those customers who were charged the new rates equal to the additional charges that those customers have been charged since the billing implementation date for the new rates (i.e. \$2 in total; \$1 for the increase in the rate that was used on the bill printed in late September and similarly \$1 for the increased rate that was used on the bill printed in late October);
- 2) when the credit is provided on the customers' bills, LIME must provide an explanation of why the credit is being applied; and
- 3) by 9 November 2012, LIME is to provide the Authority with the proposed wording for the explanation referred to in 2) above for approval before it is used for customer communications.

Yours sincerely,

[signed by]

Mark Connors
Head of Economics and Regulation