

Dear Rohan, Patrick and Ansord,

According to the document sent by the Office of Utilities Regulation, the cost of capital will be used to determine C&WJ's initial prices for the second price cap regime and the level of the cap for the price cap period.

Columbus Communications Jamaica Limited ("Flow") is of the view that:

1. the risk-free equity rate (used in the equity analysis) should be lower based on recent trends. Flow recommends a rate of 2.5% per annum; and
2. the current London Inter-bank Offer Rate (LIBOR) should be applied as it has fallen significantly since the start of the year. By way of reference:

LIBOR Rates as at May 13, 2008 were:

1 Month LIBOR Rate 2.67

3 Month LIBOR Rate 2.76

6 Month LIBOR Rate 2.88

1 Year LIBOR Rate 2.87

Regards,

Sharma

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