

# REQUEST FOR PROPOSALS

## Consultancy Services to provide Expert Advice on Tariff Design for Jamaica Public Service Company Limited

### Clarification #5

**DATE: NOVEMBER 30, 2018**

#### **Question 1**

Grateful if you could provide clarifications for the following:

Construct spreadsheet models, perform calculations and provide advice with respect to features of the designs to be implemented in the 2019 Rate Review.

Does this Phase 2 deliverable include the regulatory accounting that accompanies the determination of revenue requirements/rate base prior to the design of the tariff?

#### **Answer 1**

The determination of the revenue requirement/rate base will be made by the OUR following JPS' Rate Review submission.

#### **Question 2**

In addition, the following principles appear to be inconsistent with the preamble provided for the project which stresses cost reflectivity:

The Consultant is required to conduct an analysis of JPS' existing tariff structure, as well as its fuel and non-fuel rate mechanism, in order to determine the degree to which the principles of cost-reflectivity, supply-side efficiency, demand-side efficiency and equity are being met.

#### **Answer 2**

The Consultant is expected to provide expert advice on the tariff design process, which should be guided by the core principles of rate design, cost reflectivity being one of these.