



OFFICE OF UTILITIES REGULATION

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February 15, 2002

Mr. Charles Matthews
President & Chief Executive Officer
Jamaica Public Service Company Limited
6 Knutsford Boulevard
Kingston 5

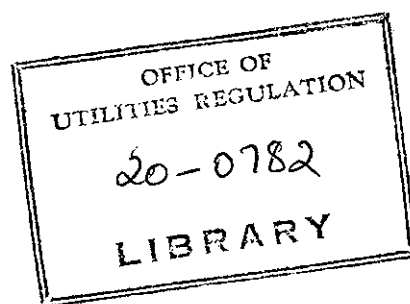
Dear Mr. Matthews:

Re: Office Determination – JPS Tariff Adjustment Application

We enclose the Office's Determination in response to your application for Tariff Adjustment, which application was made under the terms of the All-Island Electricity Licence 2001 and Tariff Schedules as approved February 2001.

In summary, the Office has determined that:

1. The current average non-fuel base rate is to be adjusted upward by 7.2%.
2. JPS may introduce conditions under which customers will qualify for the TOU rate to eliminate the revenue loss exposure, but should not seek to recover the actual revenue losses to date. The conditions are subject to the approval of the Office.
3. The loss target at the present level of 15.8% is to be maintained at 15.8% but any revenue gains that may be achieved as a result of exceeding the target will be shared equally between JPS and the ratepayers. This arrangement will be reviewed in 2003.



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4. Rejection of the JPS proposal for the:
- Introduction of a levelised fuel adjustment mechanism
 - Introduction of a single fuel rate for all rate classes
 - Modification of the heat rate efficiency target from 12,976 kJ/kWh to 13,187 kJ/kWh
 - Establishment of an Employee Rate Class
5. The Tariff Schedules are to be amended to reflect the impact of this determination.

The effective date for implementation of the adjustment will be April 1, 2002.

The Office now requests that you prepare the Tariff Schedules, as you would wish them to be gazetted. These should be submitted for our review and approval by February 28, 2002. The Office will arrange for printing in the Jamaica Gazette and you should make arrangements to otherwise publicize the new tariffs in the Print Media.

For your information we will be releasing the full text of our decision to the Media on Monday, February 18, 2002.

Thank you for your cooperation and the responsiveness that was displayed by JPS while the review was being conducted.

Yours sincerely,

.....
Winston C. Hay
Director General

JPM:ctj

Enclosures