



# OFFICE OF UTILITIES REGULATION

## PUBLIC NOTICE

### Validation of Jamaica Public Service Company Limited Fuel Rates for the Three (3) Months Ending December 31, 2007 Charged in Respect of the Supply of Electricity

In accordance with the All-Island Electricity Licence, 2001, Schedule 3, Exhibit 2 – Fuel Cost Adjustment Mechanism, be advised that the system fuel rate calculated for the following Months are as follows;

- For the Month of **October 2007**, the fuel rate was J\$12.054 per kilowatt-hour. This reflects fuel related expenses of J\$11.739 per kilowatt-hour and IPP surcharge of J\$0.315 per kilowatt-hour.
- For the Month of **November 2007**, the fuel rate was J\$13.206 per kilowatt-hour. This reflects fuel related expenses of J\$12.877 per kilowatt-hour and IPP surcharge of J\$0.329 per kilowatt-hour.
- For the Month of **December 2007**, the fuel rate was J\$13.135 per kilowatt-hour. This reflects fuel related expenses of J\$12.465 per kilowatt-hour and IPP surcharge of J\$0.670 per kilowatt-hour.

#### **SPECIAL NOTE**

In the aftermath of the passage of Hurricane Dean on August 15, 2007 the Company applied for and was granted a declaration of Force Majeure as provided for in the Licence. The Force Majeure was granted for a period of 15 days. As a consequence JPS was allowed to calculate bills based on realized losses rather than on targeted losses of 15.8% of total energy delivered to customers. The impact of this declaration was an adjustment of J\$37.23 million on the October fuel cost and J\$1.07 million on the November fuel cost.

**WHEREAS** Jamaica Public Service Company Limited has represented that:

- (i) It has fully complied with Schedule 3, Exhibit 2 of the All-Island Electricity licence, 2001.
- (ii) The documentation submitted in support of such representation, including inter- alia calculations in respect of the system fuel rate, IPP charges and Petrojam invoices are accurate.
- (iii) It is exempted for a period of ten (10) years effective January 1, 2003 from consumption duty invoiced on fuel oil delivery to Bogue combined cycle power plant in Montego Bay

The Office **HAVING RELIED ON AND ACCEPTED** the said representations as true and accurate, in exercise of the powers conferred on it by Section 4 (4) of the Office of Utilities Regulation Act as amended **HEREBY VALIDATES** the Fuel Rate Adjustment, including the Schedule for application of the fuel charge to each Rate Class for the months specified above.

**AND TAKE FURTHER NOTICE** that this validation is voided in the event that the representations specified herein prove to be false and/or inaccurate as may be reflected by any audit, regulatory returns or the annual audit of the Company's financial statement.

Dated the **8th** day of February, 2008.

**BY ORDER OF THE OFFICE**

A handwritten signature in black ink, appearing to read 'J. Paul Morgan', is written over a white rectangular area.

J. Paul Morgan  
Director General

#### OFFICE OF UTILITIES REGULATION

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Issued by the Office of Utilities Regulation on February 17, 2008

*Regulating Utilities for the Benefit of All*