

DEML appeals OUR Determination Notice

Water and sewerage services provider Dynamic Environmental Management Limited (DEML) has filed an appeal with the OUR in relation to the Determination Notice which was issued to it by the regulator for a 24 month period effective January 09, 2012.

DEML is the water and sewerage services provider for Vineyards Estate in Bushy Park St. Catherine as well as Caribbean Estates, Portmore Country Club and Morris Meadows all in Portmore St. Catherine.

In its appeal DEML says it is dissatisfied with the rates granted by the Office as it feels the rates will not make the company viable. The Office had determined a service charge of \$478.62, and a flat volumetric rate to be applied to all housing developments of \$62.47 per 1000 litres. The sewerage rate to be applied is 100% of the water rate. A monthly PAM is to be applied to the rates charged by DEML for all four housing developments.

Customers will also now benefit from a Guaranteed Service Standards programme which has been implemented for all service areas. That programme is expected to be in effect in another two months.



DEML customers who attended one of two public consultations in September last year.

JPS back-billing policy fails to meet OUR requirements

The Jamaica Public Service Company Limited has been asked to further revise its back-billing policy which it submitted to the OUR in December of last year as it has not met the regulator's specifications.

The company was issued a Directive on November 24 last year and asked to submit a revised back-billing policy to the OUR by December 23, 2011 for the Office's review and approval.

The OUR in its review of the JPS' submission found that "the current draft of the revised policy does not accurately reflect

the provisions of the Directive. The relevant paragraphs of the revised policy when read together, reiterates the existing position which was subject to abuse, misapplication and vagueness in interpretation which in part prompted the investigation by the OUR."

The JPS has since been instructed to "amend the Revised Policy so as to bring it in conformity with the provisions of the Directive and submit same to the Office for review and approval..."

The Company in its response says it "has taken careful note of the Office's comments and will further review the draft revised policy."



OUR secures millions for utility customers

The Office of Utilities Regulation's (OUR) intervention secured \$6.3 million for utility customers in 2010 primarily due to a reduction in the debit adjustments that were applied to customers' accounts where accounts were back-billed.

The Office's Annual Report for 2010/2011 which was recently tabled in Parliament also revealed that for the 2010 calendar year, the OUR's Consumer and Public Affairs Division accepted for investigation, 139 new appeals. In addition to the new appeals, 122 appeals which remained unresolved in 2009 were carried forward to 2010 bringing the total number of appeals requiring attention during the year to 261.

Of the 139 new appeals, 89 (64%) were related to services provided by the Jamaica Public Service Company (JPSCo) while 50 (36%) were related to services provided by the National Water Commission (NWC). No appeals relating to services provided by the telecommunications companies were received.

The Annual Report also states that of the 261 appeals that were investigated in 2010, 184 (70%) were resolved/closed as at December 31, 2010.

Of those resolved, 44 (24%) were resolved in favour of the customer while 134 (73%) were resolved in the utilities' favour. The remaining 6 (3%) included matters that were mutually resolved between the customers and the service providers and those that the OUR closed as a result of customers' failure to provide the required information to facilitate the review.

While no appeals were accepted in relation to the telecommunications service providers, there was concern in relation to the perceived unfair billing practices and the quality of service offered by those providers.

Billing main cause of appeals to OUR

Billing related matters continue to be the main cause of appeal to the Office of Utilities Regulation (OUR) during 2010; accounting for 77% of total appeals received.

The information is contained in the 2010/2011 Annual Report of the OUR which was tabled in Parliament on Tuesday January 31, 2012.

As it relates to Jamaica Public Service Company's (JPSCo) services, the matter of billing adjustment was the predominant basis for appeals to the OUR. These adjustments were applied based on allegations by JPSCo that there was evidence of irregularity at the premises. Some of these alleged irregularities included illegal abstraction (bypass etc.) and meter tampering. Investigations of these concerns revealed that an irregularity existed at some of the premises and the customers knowingly or unknowingly benefited.

For the National Water Commission (NWC), the primary concern was high consumption charges particularly during the period in which the island was affected by drought conditions. This situation once again brought to the fore customers' concern that air collects in the pipelines during periods of prolonged water lock-offs and results in the meter recording an inflated consumption when supply is restored. In an effort to address the concern, a meeting was held with representatives of the Bureau of Standards Jamaica (BSJ) and the OUR.

At the meeting, the BSJ advised that it was aware of a study on this subject that was being undertaken by the NWC. The NWC has indicated that it has placed air release valves at specific points along its distribution pipelines to mitigate against this occurrence.

Utilities continue to breach Guaranteed Standards

The National Water Commission (NWC) and the Jamaica Public Service Company Limited (JPSCo) continue to show high incidences of breaches under the OUR approved Guaranteed Standards scheme.

In the report from JPSCo, regarding its performance under the scheme for the year 2010, the company indicated that it committed approximately 83,000 breaches attracting a potential compensation of approximately \$140-million. Of this amount only approximately \$9-million was credited for breaches based on claims submitted by customers and for those specific breaches to which automatic compensation applies.

In the case of the NWC, the company indicated that it committed approximately 30,000 breaches in the same period, attracting potential compensation of approximately \$58-million. Credits to accounts, however only totalled approximately \$600,000 and were primarily as a result of automatic credits where applicable as claims submitted for other breaches continue to be low.

OUR releases three year Business Plan

The Office of Utilities Regulation has released its Management Accountability Framework Business Plan and Budget for 2012-15. The Director General Ahmad Zia Mian in his foreword in the document states that "The OUR is committed to acting independently and impartially, but always within the national context and in the national interest. This year marks the 15th anniversary of the founding of the OUR, and during that relatively short time the organisation has gone a long way to achieving its goal of becoming a premier national institution, and a major contributor to Jamaica's economic and social development. This Business Plan establishes the foundation on which this work will be carried forward over the next three years."

The Plan also outlines several of the major regulatory and operational successes during the past year. Here are the highlights:

- successful implementation of Annex E of ITU-T Recommendation E.212 which permits the use of a Mobile Country Code and Mobile Network Code (MCC+MNC) in a country other than the country to which the MCC has been assigned by the Director of the ITU's Telecommunications Standardization Bureau. The desired outcome of this implementation is greater operational efficiency for mobile operators;
- successful implementation in Jamaica of alternative emergency numbers (112 and 911) for public telecommunications networks, in accordance with ITU-T Recommendation E.161.1 - Guidelines to select Emergency Number for public telecommunications networks (with the objective of the global harmonization of emergency numbers). The introduction of the new codes should serve to enhance the safety and well-being of foreign travellers to Jamaica;
- successful implementation of a Uniform Domestic Dialling Plan (UDDP) which provides a standard 7-digit dialling procedure for all domestic Station-to-Station Sent-Paid calls and discontinues the use of the "1+" prefix as a toll indicator on such calls. The UDDP satisfies the requirement of competitive fairness and equity for service providers in this market, and reduces customer confusion;
- successful completion of the IDB and USTDA funded projects aimed at strengthening competition in the telecommunications markets. Four major projects were funded at a total cost of US\$925,000. The IDB through its Multilateral Investment Fund provided US\$500,000; USTDA, US\$290,000 with the remaining amounts financed from the OUR's Budget;
- providing support for the LNG core team at Cabinet Office through drafting policy framework to further the process of introducing natural gas into Jamaica's energy supply mix;
- assisted the Ministry of Energy & Mining (MEM) in the preparation of Terms of Reference for projects to be funded under an agreement with the Government of Jamaica and the World Bank;
- conclusion of a new Least Economic Cost Generation Expansion Plan for the period 2010 to 2029. This provided a guide to the timing, sizing and procurement of additional generating capacity;
- administered the procurement of 480MW of new generation capacity on an international competitive basis;
- evaluation of Bids for the supply of new generating capacity;
- determine the tariff and made recommendation for a licence for the Wigton Windfarm Phase II expansion of 18 MW;
- promulgated a Standard Offer Contract (SOC) to allow customers of JPS to provide up to 100 kW generating capacity to the Grid;
- conducted an investigation into JPS's metering and back billing system;
- provided recommendations to OPM for proposed amendments to the OUR Act. The recommended changes seek to address several deficiencies in the Act, including but not limited to, the inadequate enforcement powers of the OUR; and
- reviewed the Amended and Restated All-Island Electric Licence, 2011 issued by the Minister of Energy and Mining on August 19, 2011 which provides for, among other things, the extension of the term of the licence granted to JPS by seven years and formalizes the oversight responsibility of the OUR for new generation procurements in keeping with the letter of agreement between the GOJ and Marubeni in 2007.

OUTREACH



Public Affairs/Information Officer Kishana Munroe (left) shares information during a discussion with a visitor to the OUR booth at the Justice Fair which was held on Saturday February 11, 2012 at Emancipation Park in New Kingston.



Consumer Relations Officer Beverley Green (right) listens as a visitor to the OUR booth at the Justice Fair at Emancipation Park outlines his concerns.