

OFFICE OF UTILITIES REGULATION

PUBLIC NOTICE

Validation of Jamaica Public Service Company Limited Fuel Rates Charged in Respect of the Supply of Electricity for the Three (3) Months Ending June 30, 2007

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 **April 2007**, the fuel and IPP rate was **J\$8.533 per kilowatt-hour**. This reflects fuel related expenses of **J\$8.198** per kilowatt-hour and IPP surcharge of **J\$0.336** per kilowatt-hour.
- For the Month of **May 2007**, the fuel and IPP rate was **J\$9.460 per kilowatt-hour**. This reflects fuel related expenses of **J\$9.151** per kilowatt-hour and IPP surcharge of **J\$0.309** per kilowatt-hour.
- For the Month of **June 2007**, the fuel and IPP rate was **J\$10.492 per kilowatt-hour**. This reflects fuel related expenses of **J\$10.216** per kilowatt-hour and IPP surcharge of **J\$0.276** per kilowatt-hour.

SPECIAL NOTE

For the quarter ending June 2007 a Special Consumption Tax (SCT) waiver refund totaling approximately J\$69.94 Million was passed on in the fuel rate applicable for the Month of April 2007. This sum represents SCT waiver refund received from the Taxpayer Audit and Assessment Department (TAAD) for diesel fuel used in JPS combined cycle plant located at Bogue Power Station. The refund corresponds to SCT waiver for the Month of September of 2006. This represents the final outstanding SCT waiver refund amount received from the TAAD.

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

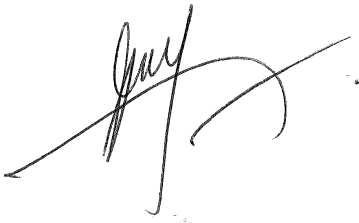
The Office **HAVING RELIED ON AND ACCEPTED** the said representations as true and accurate in exercise of the powers conferred on it by Section 4 (4) of the Office of Utilities

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 31st day of JULY, 2007.

BY ORDER OF THE OFFICE

A handwritten signature in black ink, appearing to read 'J. Paul Morgan', with a large, sweeping flourish extending to the right.

J. Paul Morgan
Director General