



OFFICE OF UTILITIES REGULATION

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TO: ALL NEWS EDITORS

MEDIA RELEASE

“OUR initiates audit into JPS’ Maintenance Operations”

The Office of Utilities Regulation says its recent decision to place the maintenance practices of the Jamaica Public Service Company (JPS) under increased scrutiny has been vindicated by the preliminary report from the Winston Hay led Enquiry Panel.

In a release dated January 15, 2008, the OUR said, in light of the recent all island power outage – the third such incident over the past eighteen months; it had decided at its last Regulatory Meeting that the maintenance practices of JPS would be subjected to increased scrutiny this year.

Members of the Office noted at that time that while “it was not their intention to assume responsibility for what ought rightly to be management decisions; more rigorous scrutiny than would normally be undertaken by a regulator would be the order of the day in 2008”.

The Office also noted that internationally accepted regulatory best practices advocate allowing the management of regulated entities latitude to exercise their judgment – once they operate within the parameters set by the regulatory authority.

However, two areas of concern highlighted by the Office were the level of compliance with required and scheduled maintenance and the practice with regard to replacing outdated equipment and structural items.

In the January 15 release the OUR also announced the commissioning of an Enquiry panel, led by Winston C. Hay, Engineer and former OUR Director General, to examine the circumstances of the January 09, 2008 outage and to ascertain the status of JPS' compliance with all Directives from the Office with respect to previous shutdowns.

In its preliminary report, which will be available on the OUR web site at www.our.org.jm on Friday, February 15, 2008, the Panel says "the most significant contributory factor to the shutdown was inadequate maintenance practices on JPS' part".

The Panel, while noting that it is now engaged in the preliminary phase of its investigation, said the transmission line on which the fault developed had not been inspected at ground level since 2002.

The report further states that aerial inspections were undertaken leading up to October 2005, and that the pictures taken – showing the poles standing in a large lake of water – should have raised concerns about the security of the foundations.

The report also notes that five days before the all island shutdown, a fault developed on the same Tredegar/Duhaney line; but on that occasion the protective devices worked properly and service to customers was not interrupted. It says the pole involved was not the one which later collapsed, but nevertheless the incident should have been another signal of the urgent need for line inspection at ground level.

In light of the Report's findings, the Office has decided that a full audit should now be conducted into the JPS' maintenance practices for its Transmission and Distribution facilities; inclusive of whether adequate policies exist and are being properly carried out.

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