

MEDIA RELEASE

Tuesday, April 14, 2009

"OUR begins public consultations on JPS tariff review"

The Office of Utilities Regulation (OUR) will – tomorrow – begin its public consultations on the application from the Jamaica Public Service Company Limited (JPS) for a rate increase.

The consultation will be held at the Old Marina in Port Antonio, Portland beginning at 5:15 in the afternoon.

JPS handed its application for a tariff review to the OUR on Friday, March 13, 2009. The company is requesting a **23.08%** pre-tax return on its weighted average cost of capital (WACC) invested. This is from a gearing or debt/equity ratio of 45% [*debt – 45% & equity – 55%*]. This request is up from the 18% requested in the last review in 2004; at which time the OUR granted a weighted average return of 12%. The existing tariff regime expires on May 31, 2009.

In its application, JPS is also proposing the introduction of a fixed charge [Network Access Charge (NAC)] for residential (rate 10) and small commercial (rate 20) customers. The proposal, if approved by the OUR, will result in a change to the existing tiered rate class structure for these customers. The new structure would reflect two tiers of service/customer and energy charges for residential customers and four tiers for small commercial customers. According to JPS the proposed redesign is a more cost reflective tariff structure that would result in minimal increases to residential and small commercial customers whose consumption are at the lowest levels. The public can access the JPS application via the OUR's website at www.our.org.jm.

The OUR reminds consumers that the consultation process gives the Regulator and consumers an opportunity to also review existing quality of service standards for the utility provider. Customers are therefore encouraged to come out to the meeting and share their ideas or comments on changes to existing, or the introduction of new, standards. The new tariff structure becomes effective on June 1, 2009.

Consumers who are unable to attend the public consultations are encouraged to submit their written comments to the OUR by using its **Complaint/Comment Forms** which are available at post offices islandwide – no postage required. Comments may also be submitted via email at consumer@our.org.jm.

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The OUR has also scheduled the following three (3) consultations on JPS' application:

PARISH	VENUE	DATE
St. James	Civic Centre Sam Sharpe Square, Montego Bay	Tuesday, April 21, 2009
Manchester	Ridgemount United Church Hall Main Street, Mandeville	Wednesday, April 22, 2009
Kingston & St. Andrew	PCJ Auditorium 36 Trafalgar Road, Kingston 10	Tuesday, April 28, 2009

All meetings begin at 5:15 in the evening.

Members of the media are invited to provide coverage of the consultative meetings.

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