



Water is life

28-48 Barbados Avenue
P.O. Box 65, Kingston 5
Tel: (876) 929-5430-5
Fax: (876) 926-1329

18 Oxford Road
Kingston 5
Tel: (876) 926-5825-7
Fax: (876) 926-7121

4 Marescaux Road
Kingston 5
Tel: (876) 929-4840-4
Fax: (876) 960-0582

2a Manhattan Road
Kingston 5
Tel: (876) 929-3540
Fax: (876) 968-8247

231A Old Hope Road
Kingston 6
Tel: (876) 977-4998-9
977-5000
Fax: (876) 927-1870

28-30 Church Street
Kingston
Tel: (876) 922-8110-9
Fax: (876) 967-1499

March 17, 2008

Mr. J. Paul Morgan
Director General
Office of Utilities Regulation
36 Trafalgar Road
Kingston 10

Dear Mr. Morgan:

Re: Application from Cable & Wireless for Reconsideration of OUR Determination Notice Titled 'Proposed Changes to the Regime for the Assessment of Regulatory Fees' Document No. Gen 2007/1.2, Dated February 8, 2008

We note the captioned letter from Cable & Wireless dated February 21, 2008 requesting that the Office of Utilities Regulation reconsiders its decision to issue 'The Regime for the Assessment of Regulatory Fees'. The National Water Commission supports the application for a stay of the Determination Notice regarding the issue of the 'Regime for the Assessment of Regulatory Fees'.

In our letter dated December 28, 2007, we had responded to this matter, taking the position that the OUR's budgetary process need to be adjusted in order to be more aligned with your stated objectives of inter alia, imposing prudence in the expense side by constraining the OUR's ability to grow revenues and a more transparent allocation mechanism. We had proposed an approach which could be used as a starting point for discussion on a process that is more objective in determining regulatory rates. NWC appreciates the need for the OUR to have a high level of budgetary autonomy to facilitate its independence in regulating the sectors for which it has responsibility. Since the

regulated entities must bear the cost of its regulator, we support the view that there be a “tempering hand” in the process. This could come in the form of a body, established to adjudicate on the reasonableness of the OUR’s budget, which will then be used to determine regulatory fees. The mechanism for selecting members may include the regulated entities selecting a representative, the OUR selecting a representative and the two representatives agree on a third who would act as Chairman.

Sincerely,


Vernon Barrett

VP, Corporate & Strategic Planning Department