

## DEPARTMENTAL SPOTLIGHT Accounts



[From left] Laverne Small, Accountant; Renae Gayle, Accounting Clerk; Garfield Bryan, Corporate Plan & Budget Administrator; Brian Sale, Financial Controller

This division has the following main responsibilities:

- prepare monthly and annual financial statements
- prepare, monitor and secure compliance with the Budget
- manage the financial resources of the OUR, and
- address any other matters likely to affect the financial well-being of the OUR

In recent years The Office has come under increasing public sector scrutiny and this division has been called upon to ensure that it meets its reporting requirements. Overall the staff ensure that the OUR maintains a sound financial footing, assisting in setting regulatory fees and ensuring that regulated entities pay the requisite fees in a timely manner.

Be an informed consumer - get information on your rights under the **Guaranteed Standards**. Visit our website at [www.our.org.jm](http://www.our.org.jm) or come in to use our Information Centre which houses an extensive catalogue on utility subjects. We also accept invitations to address group meetings on consumers' rights and responsibilities. If your complaint with a service provider is not satisfactorily resolved, you may **appeal** the utility company's decision to the OUR in writing.

## SuDoKu

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			1		6	9	4
		4	9		7		
8		3			5	4	7
	4		8		1		5
	2	5	7			9	8
			6		8	7	
3	8	1			2		
		7					

But how do I do it?

The object is to insert the numbers in the boxes to satisfy only one condition: each row, column and 3x3 boxes must contain the digits 1 through 9 exactly once.

### OUR's Role

The Office of Utilities Regulation Act of 1995 established the Office of Utilities Regulation (**'the Office'/OUR**) as a body corporate. Under the Act, the OUR is charged with the responsibility of regulating the provision of utility services in the following sectors:

- Electricity
- Telecommunications
- Water & Sewerage
- Public transportation by road, rail and ferry

The OUR is headed by the Director General, who along with the Deputy Directors General comprise **'the Office'**. The Director General is appointed by the Governor General and the Deputy Directors General are appointed by the Prime Minister.

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## Appeals

By: Collette Goode - Coordinator Public Affairs  
& David Geddes - Director Consumer & Public Affairs



The Office of Utilities Regulation (OUR), in keeping with the provisions of the OUR Act, ensures that stakeholders' needs are met. Stakeholders include the utility customers (being the largest group), the regulated entities and the Government. The OUR must therefore be objective and hold no allegiance to any one stakeholder group while seeking to ensure that the interests of all are protected - *Regulating Utilities for the Benefit of All*.

In an effort to cater to the needs of its largest stakeholder group, the OUR provides an **avenue of appeal** for utility customers. This means that the customer must first utilize and exhaust the utility company's complaints procedure. The respective companies are required to have procedures in place to address customer complaints and they are better equipped to conduct the initial investigation.

However if the customer is dissatisfied with the outcome of the utility company's investigation, he or she may appeal the decision to the OUR. The OUR will then objectively review the steps taken in investigating the complaint to make a decision.

It is critical to bear in mind that the OUR, in arriving at a decision, must review the available evidence and not attempt to make a case. In other words we can't be the consumer's advocate and the judge in the case. We can however advise the customer how best to present their case to the OUR.

Were we to advocate for either side the quasi judicial role we hold would be compromised. Over the years consumers have "judged" the OUR on the basis of how we 'argue' their case; which in our view is a misguided criterion as greater focus should be placed on the quality of our decisions. Similar to a magistrate, both sides argue their case before the OUR and a decision is rendered.

There is a misconception that the OUR sides with the utility company, often times this is based on the outcome. A customer will describe a bill as unreasonable, whereas the utility company is not responsible for providing reasonable bills! The company must provide **Accurate Bills**.

So the customer argues that his or her bill is usually two thousand dollars a month now it is four thousand dollars and therefore the four thousand dollar bill must be the wrong one. No consideration is given to the fact that the previous two thousand dollar bills may have been

estimates or that the four thousand dollar bill covers more billing days or simply that the fridge may have been left open, more ironing done, an A/C left on or any one or combination of these occurring.

As consumers and customers we must realize what are the elements that can contribute to an incorrect bill basically there are two; an incorrect meter reading and a malfunctioning meter.

Also important to note is that a correct meter reading will **compensate** for **any number of incorrect readings** and a malfunctioning meter rarely, if ever, benefits the utility company. When the meter malfunctions it slows down, thereby registering less consumption and therefore the customer is billed for less than what was consumed.

For a customer to report to the OUR that a bill is unreasonable or that they do not believe they could have used so much water or electricity is a subjective matter. The evidence is the meter reading and a working meter.

The OUR's decisions are subject to judicial review and must be grounded on facts, not a desire to side with the consumer or for that matter the utility company. If the OUR says a bill is wrong it must prove that position, by virtue of a malfunctioning meter, an incorrect reading or incorrect rate applied to the calculation of the bill. The statement "I know I could not have used that much!" is not applicable in either the regulatory or legal environment.

#### What utility customers should do?

When utility customers have a problem with any of the service providers, they should:

1. Utilize the utility company's customer service and complete their complaints procedure. This means that, if necessary, you should escalate the matter to the supervisor or manager. Utility customers, it is your right to speak with a supervisor or manager; **exercise it**.
2. **Be aware** of your rights under the **Guaranteed Standards** for the *Jamaica Public Service Company (JPS)* and the *National Water Commission (NWC)*. For example, the companies should acknowledge receipt of your correspondence within five (5) business days; they should also complete their investigation and advise you of the findings within 30 business days. If they fail to meet any of the standards you should submit a claim (if the breach does not attract automatic compensation).

cont'd on pg. 2

## THE OFFICE

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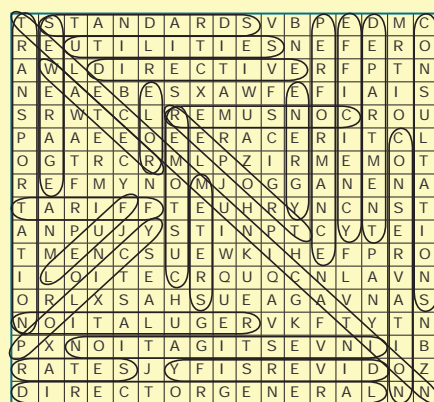
**George Wilson**  
General Counsel

## Appeals *Cont'd from pg. 1*

### Still not satisfied?

Utility customers have the right to appeal the decision of the utility companies to the OUR. This should be in writing and you should include copies of the relevant correspondence from the utility company. When submitting your written statement, be sure to give a detailed account supporting your position. We will review the matter and advise you accordingly.

### Find A Word answers from last edition



## OUR's Objectives

- To ensure that consumers of utility services enjoy an acceptable quality of service at reasonable cost.
- To establish and maintain transparent, consistent and objective rules for the regulation of utility service providers.
- To promote the long-term efficient provision of utility services for national development consistent with Government policy.
- To provide an avenue of appeal for consumers who have grievances with the utility service providers.
- To work with other related agencies in the promotion of a sustainable environment.
- To act independently and impartially.

## Mission Statement

To contribute to national development by creating an environment for the efficient delivery of utility services to the customers while ensuring that service providers have the opportunity to make a reasonable return on investment.



## Conservation Tips

- The more heat an appliance produces the more power it uses.
- The louder you play your stereo, the more power it uses.
- Unplug all equipment and appliances when not in use.

## Water Charges

By: Sashana Miller - Regulatory Analyst



Charging for water has the dual connotation of charging for the use of the raw resource as well as charging for the privilege of diverting and abstracting the commodity to the public for satisfying a variety of social and economical needs. The rates and charges for water developed by the Office of Utilities Regulation are reflective of the costs associated with the impounding, abstraction, diverting, treatment and supplying of water to customers.

In the case of the National Water Commission, the price regime used for calculating rates and charges is the Price Cap Methodology. This allows for the rate to be fixed for a period of time, allowing the NWC to increase its efficiency. In addition to the base (water) rates and service charges are the Price Adjustment Mechanism (PAM), K-factor and X-factor.

The table below outlines the base rates that are currently being charged by the NWC.

Table 1.8 Water rates

SERVICE CHARGE	OUR determined rates April 2008.	ANPAM adjusted rates (8.6%) effective April 2009
5/8 inch/15mm	364.59	395.95
3/4 inch/20mm	748.34	812.69
1 inch/25mm	978.63	1,062.79
1 1/4 inch/30mm	1,842.13	2,000.55
1 1/2 inch/40mm	1,842.13	2,000.55
2 inch/50mm	2,609.64	2,834.07
3 inch/75mm	4,739.64	5,147.25
4 inch/100mm	7,656.29	8,314.73
6 inch/150mm	11,666.72	12,670.06
<b>CONSUMPTION CHARGE/1000 Gal:</b>		
Commercial	779.45	846.49
Condominiums	386.65	419.91
<b>Domestic:</b>		
00 to 03	207.86	225.74
03 to 06	366.46	397.98
06 to 09	395.67	429.70
09 to 12	505.03	548.46
12 to 20	628.97	683.06
20 & above	809.61	879.23
<b>CONSUMPTION CHARGE/1000 litres</b>		
Commercial	171.39	186.13
Condominiums	85.01	92.32

Domestic:		
00 to 14	45.70	49.63
14 to 27	80.58	87.51
27 to 41	87.02	94.50
31 to 55	111.06	120.61
45 to 91	138.30	150.20
91 & above	178.04	193.35

The Elements of Water Charges:

### Price Adjustment Mechanism

The Price Adjustment Mechanism (PAM) is an indexation mechanism applied to the base rates and charges for water and sewerage services. The PAM is applied to customers' bills on a monthly basis. It is designed to capture changes in electricity charges (E), foreign exchange rates (FX) and the consumer price index (CPI) so as to preserve the real revenue of the NWC.

The PAM was reset at its anniversary (ANPAM) at which time new base values for the three components (E, FX, CPI) were set and the NWC rates were adjusted by the ANPAM. Since its anniversary, the ANPAM calculated for the NWC was 8.6%. Thus, the rates and various fees of the NWC changed by 8.6% effective April 1st 2009, as shown in the above table.

### K-Factor

The K-factor variable is another element of water charges. This variable was introduced to furnish the financing of Capital Projects by the NWC in order to improve the reliability of the commission's infrastructure and to bring sanitation quality up to the standards set by the World Health Organisation and the Interim Jamaica standards. The K-factor for the current fiscal year is 14%. While the NWC is the only water provider in Jamaica that has a K-factor variable applied to its rates, this is not uncommon throughout the world. K-Factor variables are very common in Water and Wastewater Utility companies throughout England and Wales.

### X-Factor

Parallel to the K-factor variable there is an X-Factor that is deducted from the rates that are charged by the Commission. The X-Factor represents the efficiency gains received from the improvement of the Commission's infrastructure. Presently, the X-Factor variable is 5% of water charges and PAM.

Charging for water is no easy mission. The OUR is left with the task of balancing customers ability and willingness to pay for the service, as opposed to the utilities' ability to provide a higher (more costly) quality of service, in the form of reliability of water and sewerage infrastructure and improved customer service. The OUR, however, endeavours to create an environment in which both the customers and service provider needs are met.

## EDITORIAL TEAM



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