

PUBLIC NOTICE

Validation of Jamaica Public Service Company Limited Fuel Rates for the Three (3) Months Ending December 31, 2007 Charged in Respect of the Supply of Electricity

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 **October 2007**, the fuel rate was **J\$12.054 per kilowatt-hour**. This reflects fuel related expenses of **J\$11.739** per kilowatt-hour and IPP surcharge of **J\$ 0.315** per kilowatt-hour.
- For the Month of **November 2007**, the fuel rate was **J\$13.206 per kilowatt-hour**. This reflects fuel related expenses of **J\$12.877** per kilowatt-hour and IPP surcharge of **J\$0.329** per kilowatt-hour.
- For the Month of **December 2007**, the fuel rate was **J\$13.135 per kilowatt-hour**. This reflects fuel related expenses of **J\$12.465** per kilowatt-hour and IPP surcharge of **J\$0.670** per kilowatt-hour.

SPECIAL NOTE

In the aftermath of the passage of Hurricane Dean on August 15, 2007 the Company applied for and was granted a declaration of Force Majeure as provided for in the Licence. The Force Majeure was granted for a period of 15 days. As a consequence JPS was allowed to calculate bills based on realized losses rather than on targeted losses of 15.8% of total energy delivered to customers. The impact on the fuel costs associated with this declaration resulted in a J\$37.23 million adjustment in the October fuel rate and a J\$1.07 million in the November fuel rate.

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 8th day of February, 2008.

BY ORDER OF THE OFFICE



J. Paul Morgan
Director General

The signature is a cursive scribble in purple ink, written over a circular purple stamp. The stamp contains the text "OFFICE OF UTILITIES REGULATION" around the perimeter.