

OFFICE OF UTILITIES REGULATION

PUBLIC NOTICE

Validation of Jamaica Public Service Company Limited Fuel Rates for the Three (3) Months Ending March 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 **January 2007**, the fuel rate was **J\$7.004 per kilowatt-hour**. This reflects fuel related expenses of **J\$6.314** per kilowatt-hour and IPP surcharge of **J\$0.690** per kilowatt-hour.
- For the Month of **February 2007**, the fuel rate was **J\$7.517 per kilowatt-hour**. This reflects fuel related expenses of **J\$7.204** per kilowatt-hour and IPP surcharge of **J\$0.313** per kilowatt-hour.
- For the Month of **March 2007**, the fuel rate was **J\$7.381 per kilowatt-hour**. This reflects fuel related expenses of **J\$7.126** per kilowatt-hour and IPP surcharge of **J\$0.255** per kilowatt-hour.

SPECIAL NOTE

For the quarter ending March 2007 a Special Consumption Tax (SCT) waiver refund totaling approximately J\$348.27 Million was passed on in the fuel rates applicable for the Months of January, February and March 2007. This sum represents SCT waiver refunds received from the Taxpayer Audit and Assessment Department (TAAD) for diesel fuel used in JPS combine cycle plant located at Bogue power station. The refunds correspond to SCT waiver for the Months of April, May, June, July and August of 2006.

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 combine 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.

AND TAKE FURTHER NOTICE that 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, this **VALIDATION is HEREBY REVOKED.**

Dated the 30th day of APRIL, 2007.

BY ORDER OF THE OFFICE

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J. Paul Morgan
Director General