
Office of Utilities Regulation

JAMAICA PUBLIC SERVICE COMPANY LIMITED
REVISED BACK BILLING POLICY

DETERMINATION NOTICE



OFFICE OF UTILITIES REGULATION

May 29, 2012

DOCUMENT TITLE AND APPROVAL PAGE

DOCUMENT NUMBER: ELE2012002_DET002

1. DOCUMENT TITLE:

JAMAICA PUBLIC SERVICE COMPANY LIMITED - REVISED BACK BILLING POLICY

2. PURPOSE OF DOCUMENT:

The document sets out the Office's decision regarding the approval and dissemination of the Jamaica Public Service Company Limited-Revised Back Billing Policy pursuant to Directive issued to the Jamaica Public Service Company Limited ELE2011007_DIR001 issued November 24, 2011.

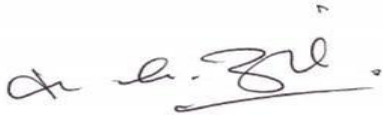
3. RECORD OF REVISIONS

Revision Number	Description	Date

4. APPROVAL

This Determination is approved by the Office of Utilities Regulation and becomes effective on **June 1, 2012**.

On behalf of the Office:



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Ahmad Zia Mian
Director General

Date: May 29, 2012

1.0 DETERMINATION

- 1.1 The Office of Utilities Regulation (“the Office”) having reviewed the further draft Revised Back Billing Policy submitted by the Jamaica Public Service Company Limited (“JPS”), and amended same pursuant to its statutory powers and in particular having regard to:
- (i) the objective of promoting and encouraging the development of modern and efficient utility service;
 - (ii) the need to ensure the economic and financial viability of JPS and the electricity sector generally, and
 - (iii) the interests of the Jamaican consumer.

HEREBY MAKES THE FOLLOWING DETERMINATION:

- 1.2 The Office **HEREBY APPROVES** the JPS Revised Back Billing Policy attached hereto as **Appendix “A”**.
- 1.3 The Office **HEREBY DETERMINES** that JPS shall within five (5) calendar days of this approval issue the said JPS Revised Back Billing Policy as a Code of Practice and make it publicly available in accordance with Condition 16 of the Amended and Restated All-Island Electric Licence, 2011 (the “Licence”).

2.0 LEGISLATIVE FRAMEWORK

- 2.1 Pursuant to Section 4(1) of the Office of Utilities Regulation Act (the “OUR Act”), the Office is empowered to regulate electricity services, and on its own initiative or at the request of any person carry out such investigations in relation to the provision of electricity services as will enable it to determine whether the interests of the consumer are adequately protected.
- 2.2 Pursuant to Condition 2(3) of the Licence, JPS shall provide an adequate, safe and efficient service based on modern standards, to all parts of the Island of Jamaica at reasonable rates so as to meet the demands of the Island and to contribute to economic development.
- 2.3 Pursuant to Section 4(2)(a) of the OUR Act, the Office is authorized to give directions to regulated entities generally, with a view of ensuring the efficient operation of the regulated entities, and that the needs of consumers of utility services provided by the licensees are met.
- 2.4 Pursuant to Condition 16 of the Licence, the Office may give directions to the JPS to prepare, review and issue approved Codes of Practice of various matters that affect customers.

2.5 Condition 16 of the Licence provides as follows:

“Condition 16: Codes of Practice

1. *At the direction of the Office, from time to time, the Licensee shall prepare and publish Codes of Practice in respect of the various matters that affect customers. These would address such issues as Efficient Use of Energy; Payment of Bills; Disabled Customers and Customers of Pensionable Age; Handling Customer Complaints.*
2. *Notwithstanding paragraph 1 above, the Licensee may issue Codes of Practice on its own volition*
3. *In drafting Codes of Practice in accordance with paragraph 1, and in carrying out any review in accordance with paragraph 4, the Licensee shall consult with such bodies as the Office may designate, from time to time, and shall have regard to any representations made by them about the Code of Practice or the manner in which it is likely to be or (as the case may be) has been operated.*
4. *From time to time, and whenever required to do so by the Office, the Licensee shall review the Codes. The Licensee shall submit any proposed revisions to the Code to the Office for approval prior to implementation.*
5. *The Licensee shall:*
 - (a) *send a copy of any Code of Practice prepared in accordance with paragraph 1 and of any revision of such code prepared in accordance with paragraph 4 (in each case, in the form approved by the Office) to the Office;*
 - (b) *draw to the attention of consumers the existence of the Codes and any significant revisions to it, and advise consumers how they may be inspected;*
 - (c) *make a copy of each Code available for inspection by the public during normal business hours at any of its premises usually open to the public; and*
 - (d) *give or send free of charge copies of the Codes (as from time to time revised) to any Person who requests it.”*

3.0 BACKGROUND TO OFFICE DECISION

- 3.1 During the months preceding October 2011, consumers raised concerns regarding the high electricity bills received which were perceivably linked to the new electronic digital meters being introduced by JPS to replace the electromechanical meters that were in use for decades.
- 3.2 Consequently, the OUR appointed an Independent Investigator at the end of August 2011 to investigate JPS’ billing, meter replacement, meter inspections and audit, and

meter testing practices and procedures in response to the consumer concerns and reaction to the electronic digital meters.

- 3.3 A Report entitled: “**INVESTIGATION OF THE JAMAICA PUBLIC SERVICE COMPANY LTD. (JPS) BILLING AND METERING SYSTEM FOR ELECTRICITY CONSUMPTION**” (the “Report”) was submitted by the Independent Investigator in October 2011.
- 3.4 With respect to JPS’ back billing policy and practices, the Independent Investigator concluded that JPS’ back-billing policies did not accord with “best practices”. Further, (as exemplified by how they were being applied) they were vague in certain specified areas which lend itself to inconsistency and did not inure to the benefit of the protection of customer rights. Hence JPS’ back-billing policies were in need of review and amendment.
- 3.5 Following consultation with JPS regarding the recommendations made by the Independent Investigator, the Office issued a Directive to JPS (ELE2011007_DIR001) dated November 24, 2011(the “Directive”) inter alia, to revise its back billing policies in accordance with the provisions of the Directive and submit same for the Office’s review and approval.
- 3.6 By letter dated December 23, 2011, JPS submitted a draft Revised Back Billing Policy (the “Revised Back Billing Policy”) for the Office’s review and approval. The OUR examined same and sent its comments to JPS by letter dated January 26, 2012.
- 3.7 Following receipt of OUR’s comments, JPS requested a meeting to clarify certain matters, to which the OUR acceded. The said meeting was held on the February 21, 2012 and on April 3, 2012 JPS resubmitted a further revised draft of the Revised Back Billing Policy.
- 3.8 The further revised draft of the Revised Back Billing Policy was considered and reviewed by the OUR and consequently, pursuant to its statutory powers the Office issues this **Determination**.