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# Office of Utilities Regulation

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## Jamaica Public Service Company Limited Annual Tariff Adjustment 2010

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### Determination Notice

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**OFFICE OF UTILITIES REGULATION**

June 11, 2010

## DOCUMENT TITLE AND APPROVAL PAGE

**DOCUMENT NUMBER: Ele 2010005\_DET005**

**DOCUMENT TITLE: Jamaica Public Service Company Limited Annual Tariff Adjustment for 2010 - Determination Notice**

### 1. PURPOSE OF DOCUMENT:

This document sets out the Office's decisions on issues related to the annual price adjustment (2010) under the price control regime that became effective under the 2009 Tariff review. See Decision Ele 2009/4: Det/03

### 2. RECORD OF REVISIONS

Revision Number	Description	Date

### 3. APPROVAL

This Document is approved by the Office of Utilities Regulation and the Determinations therein become effective as of **June 18, 2010**.

On behalf of the Office:



Ahmad Zia Mian  
**Director General**

**June 11, 2010**

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## **Introduction**

Jamaica Public Service Company Limited (JPS) is regulated by the Office of Utilities Regulation (OUR) based on a price cap regime introduced through the JPS All-Island Electric Licence, 2001. Under the price cap regime non-fuel base rates are set once every five (5) years. This regime includes a Performance Based Rate-making Mechanism (PBRM) in which non-fuel rates are adjusted annually based on a productivity offset for inflation and performance against quality of service targets set by the OUR. This is the first annual tariff adjustment to the Price Cap period June 01, 2009 - May 31, 2014 on non-fuel base rates which came into effect on October 01, 2009.

In that Tariff Determination Notice Ele 2009/4: Det/03, the Office set the average non-fuel rate at J\$9.78/kWh. It also directed that the price cap be applied on a global basis. Specifically, the annual adjustment resulting from changes in the inflation offset index including efficiency gains and changes in quality of service is to be applied to the tariff basket instead of the individual tariffs. JPS is allowed to adjust the tariffs for each rate class on such a basis that the weighted average increase of the tariff basket does not exceed the price adjustment.

The annual adjustment calculates the movement in the base rates charged by JPS. The Company is allowed to make interim monthly adjustments to take into account movements in the foreign exchange rate. The effective change in rate at the annual adjustment for the average customer would therefore be the value of the annual adjustment of the base less the accumulated value of the foreign exchange adjustments over the preceding year.

# 1. DETERMINATION NOTICE

(Issued pursuant to Sections 11 and 12 of the Office of Utilities Regulation Act) as well as Condition 15 and Schedule 3 of the Jamaica Public Service Company Limited All Island Electric Licence 2001

IN THE MATTER OF THE OFFICE OF UTILITIES REGULATION'S REVIEW OF JPS ANNUAL TARIFF ADJUSTMENT SUBMISSION OF APRIL 12, 2010

AND

IN THE MATTER OF JAMAICA PUBLIC SERVICE COMPANY LIMITED ALL ISLAND ELECTRIC LICENCE 2001

AND

IN THE MATTER OF THE OFFICE OF UTILITIES REGULATION ACT 1995 AS AMENDED BY THE OFFICE OF UTILITIES REGULATION AMENDMENT ACT 2000

**TO: JAMAICA PUBLIC SERVICE COMPANY LIMITED LICENSEE**

**WHEREAS** the Minister in exercise of the powers conferred by Section 3 of the Electric Lighting Act and having regard to the recommendations of the Office of Utilities Regulation ("the Office") pursuant to Section 4 of the Office of Utilities Regulation Act 2000 as amended ("the Act") granted a licence to Jamaica Public Service Company Limited ("JPS") entitled "Jamaica Public Service Company Limited All-Island Electric Licence 2001" ("the Licence") authorizing JPS to generate transmit, distribute and supply electricity for public and private purposes within Jamaica upon the terms and conditions set out in the said Licence. **AND**

**WHEREAS Sections 11 and 12 of the Office of Utilities Regulation Act 1995 (as amended by the Office of Utilities Regulation Act 2000) provide as follows:**

**"11. Power to fix rates.**

11. - (1) Subject to subsection (3), the Office may, either of its own motion or upon application made by a licensee or specified organization (whether pursuant

to subsection (1) of section 12 or not) or by any person, by order published in the *Gazette* prescribe the rates or fares to be charged by a licensee or specified organization in respect of its prescribed utility services.

(2) For the purposes of this section, the Office may conduct such negotiations as it considers desirable with a licensee or specified organization, industrial, commercial or consumer interests, representatives of the Government and such other persons or organizations as the Office thinks fit.

(3) The provisions of subsections (1) and (2) shall not apply in any case where an enabling instrument specifies the manner in which rates may be fixed by a licensee or specified organization.

**12. Application by approved organization to fix rates.**

12.- (1) Subject to subsection (2), an application may be made to the Office by a licensee or specified organization by way of a proposed tariff specifying the rates or fares which the licensee or specified organization proposes should be charged in respect of its prescribed utility services and the date (not being earlier than the expiration of thirty days after the making of the application) on which it is proposed that such rates should come into force (hereinafter referred to as the specified date).

(2).....

(3) Where an application by way of a proposed tariff is made under subsection (1) notice of such application and, if so required by the Office, a copy of such tariff, shall be published in the *Gazette* and in such other manner as the Office may require.

(4) A notice under subsection (3) shall specify the time (not being less than fourteen days after the publication of the notice in the *Gazette*) within which objections may be made to the Office in respect of the proposed tariff to which the notice relates.

(5) Subject to the provisions of this Act, the Office may, after the expiration of the time specified in the notice under subsection (3), make an order either -

(a) confirming the proposed tariff without modifications or with such modifications as may be specified in the order; or

(b) rejecting the proposed tariff.

(6) If, after publication of notice of an application in accordance with subsection (3), no order under subsection (5) has been made prior to the specified date, the proposed tariff shall come into force on the specified date.

(7) An order confirming a proposed tariff shall not bring into operation any rates or fares on a date prior to the date of such order.” **AND**

**WHEREAS** Condition 2 paragraph 3 of the Licence provides as follows:

“Subject to the provisions of this Licence the Licensee 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”. **AND**

**WHEREAS** Condition 15 of the Licence provides as follows:

**“Condition 15: Price Controls**

1. The Licensee is subject to the conditions in Schedule 3.
2. The prices to be charged by the Licensee in respect of the supply of electricity shall be subject to such limitation as may be imposed from time to time by *the Office*.”  
**AND**

**WHEREAS** Schedule 3 Paragraphs 2 (A), (B) (C) of the Licence provide as follows:

“(A) The rates for electric power shall consist of the following components:

- (i) A Non-Fuel Base Rate ("Non-Fuel Base Rate") which is adjusted annually by a component to incorporate a PBRM.
- (ii) A Fuel Rate which is adjusted monthly to reflect fluctuations in fuel costs.
- (iii) Both (i) and (ii) above are adjusted monthly to account for movements in the monetary exchange rate between the US Dollar and Jamaican Dollar.
- (iv) Other extraordinary costs related to Government imposed obligations.

**(B) Initial Non-Fuel Rates from the Effective Date through May 31, 2004**



Prices will be controlled and fixed by the tariff regime which effective February 1, 2001; with the proviso that -

(i) *the Office* will annually review the efficiency levels (system losses and heat rate) and where appropriate adjust these in the tariff.

(ii) The Licensee co-operates with *the Office* to conduct a cost of service study, the results of which will form the basis for rebalancing the tariffs in order to remove cross subsidies across rate classes.

**(C) Rates Post May 31, 2004**

**Non-Fuel Base Rate.** The Licensee shall submit a filing with *the Office* no later than March 1, 2004 and thereafter on each succeeding fifth anniversary, with an application for the recalculation of the Non-Fuel Base Rates. The new Non-Fuel Base Rate will become effective ninety (90) days after acceptance of the filing by *the Office*. This filing shall include an annual non-fuel revenue requirement calculation and specific rate schedules by customer class. The revenue requirement shall be based on a test year in which the new rates will be in effect and shall include efficient non-fuel operating costs, depreciation expenses, taxes, and a fair return on investment. The components of the revenue requirement which are ultimately approved for inclusion will be those which are determined by *the Office* to be prudently incurred and in conformance with the OUR Act, the Electric Lighting Act and subsequent implementing rules and regulations. The revenue requirement shall be calculated using the following formula unless such formula is modified in accordance with the rules and regulations prescribed by *the Office*.

**Non-Fuel Revenue Requirement** = non-fuel operating costs + depreciation + taxes + return on investment...” **AND**

**WHEREAS** the Test Year is defined in the said Schedule 3 of the Licence as comprising:

“... the latest twelve months of operation for which there are audited accounts and the results of the test year adjusted to reflect:

(i) Normal operational conditions, if necessary;

(ii) Such changes in revenues and costs as are known and measurable with reasonable accuracy at the time of filing and which will become effective within twelve months of the time of filing. Costs, as used in this paragraph, shall include depreciation in relation to plant in service during the last month of the test period at the rates of depreciation specified in the Schedule to this Licence. Extraordinary or Exceptional items as defined by

The Institute of Chartered Accountants of Jamaica shall be apportioned over a reasonable number of years not exceeding five years; and

(iii)Such changes in accounting principles as may be recommended by the independent auditors of the Licensee....” **AND**

**WHEREAS SCHEDULE 3 Paragraph 4 provides as follows:**

**“4. Annual Performance-Based Rate-making Filings for Electric Tariffs**

The process to be used by *the Office* in the implementation and management of the incentive regulation process is set out in detail in Exhibit 1 .....

The Licensee shall make annual filings to *the Office* at least sixty (60) days prior to the Adjustment Date. These filings shall include the support for the performance indices, the CPI indices, and the proposed Non-Fuel Base Rates for electricity, and other information as may be necessary to support such filings. The annual data for the performance indices will be reflective of the twelve (12) months ending sixty (60) days prior to the Adjustment Date. In the absence of an order from *the Office* upon the expiry of sixty (60) days of the filing by the Licensee -

- (a) rejecting the rates proposed by the Licensee on the merits;
- (b) approving the rates proposed by the Licensee; OR

if *the Office* issues an order rejecting or modifying any portion of the Licensee' proposed rates, then upon the occurrence of any of the said events, the Licensee may refer the matter to the Appeal Tribunal as established under Condition 32 to finally settle and the parties hereby agree to be bound by the decision of the Tribunal.

In the event that the Tribunal rules in favour of the Licensee in any of the three events the decision of the Tribunal shall become effective on the day of the Tribunal's ruling. **AND**

**WHEREAS EXHIBIT 1 of Schedule 3 of the Licence provides as follows:**

**“Annual Growth Rate for Non-Fuel Base Rates**

The Non-Fuel Base Rate for each customer class shall be adjusted on an annual basis, commencing June 1, 2004, (*Adjustment Date*), pursuant to the following formula:

$$ABNF_y = ABNF_{y-1} (1 + dPCI)$$

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Where:

$ABNF_y$  = Adjusted Non-Fuel Base Rate for Year “y”

$ABNF_{y-1}$  = Non-Fuel Base Rate prior to adjustment

dPCI = Annual rate of change in non-fuel electricity prices as defined below

PCI = Non-fuel Electricity Pricing Index” **AND**

**WHEREAS** pursuant to the said Schedule 3 Paragraph 4 cited above JPS submitted to the Office on April 12, 2010 annual tariff adjustment application for the recalculation of the Non-Fuel Base Rates. **AND**

**WHEREAS** in the Tariff Determination Notice Ele 2009/4: Det/03, the Office sets out the average non-fuel rate at J\$9.78/kWh and also directed therein, inter alia that the price cap be applied on a global basis. **AND**

**WHEREAS** in accordance with and in the furtherance of the powers vested in the Office by Sections 11 and 12 of the OUR Act as well as Condition 15 and Schedule 3 of the Licence, the Office hereby **MAKES THE FOLLOWING DETERMINATIONS** as set out hereunder.

The Licence stipulates that the annual PBRM filing follow the general framework where the **annual rate of change in non-fuel base electricity prices (dPCI)** is determined through the following formula:

$$dPCI = dI \pm X \pm Q \pm Z$$

Where:

dPCI = annual rate of change in non-fuel base electricity prices;

dI = the annual growth rate in an inflation and devaluation measure;

X = the offset to inflation (annual real price increase or decrease) resulting from productivity changes in the electricity industry;

Q = allowed price adjustment to reflect changes in the quality of service provided to the customers; and

Z = the allowed rate of price adjustment for special reasons not captured by the other elements of the formula.

The Price Index (PCI) is therefore to be adjusted as follows:

$$PCI_t = PCI_{t-1}(1 + dPCI)$$

The price cap is to be applied on a global basis. Specifically, the annual adjustment factor (1 + dPCI) is to be applied to the tariff basket instead of the individual tariffs for each rate class. Each rate class attracts a specific weighting and the weighted average increase of the tariff basket must not exceed the global price adjustment factor (1 + dPCI).

At any time the actual price index (API) must be less than PCI

$$dI = [0.76 * \delta e + 0.76 * 0.922 * \delta e * i_{US} + 0.76 * 0.922 * i_{US} + 0.24 * i_j]$$

Where:

$\delta e$	=	Percentage change in the Base Exchange Rate
$i_{US}$	=	US inflation rate (as defined in the Licence)
$i_j$	=	Jamaican inflation rate (as defined in the Licence)
0.76	=	US factor
0.24	=	Local (Jamaica) factor

## 1.1 Annual Inflation and Devaluation Growth Rate (dI)

In making the annual filings to the Office, JPS requested and has provided support for adjustments to the following consumer price indices which the OUR has verified:

- The Jamaican twelve-month point-to-point inflation rate to February 28, 2010 of **13.71%**, derived from the most recent CPI data<sup>1</sup> ( $i_j$ )
- The U.S. twelve-month point-to-point inflation rate to February 28, 2010 of **2.14%**, derived from the US Department of Labor statistical data<sup>2</sup> ( $i_{US}$ )

The Office determines that the base foreign exchange rate remains unchanged at **US\$1: J\$89**.

**dI is determined to be 4.79%**

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<sup>1</sup> Obtained from the Statistical Institute of Jamaica, CPI Statistical Bulletin February 2010)

<sup>2</sup> Obtained from US Bureau of Labour Statistics website, <http://data.bls.gov/cgi-bin/surveymost>

## **1.2 Annual (*X-Factor*) Offset to Inflation (*X*)**

**X is determined to be 0%**

This is in accordance with the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03).

## **1.3 Allowed (*Q-Factor*) Price Escalation reflecting Changes in Service Quality (*Q*)**

The Q-factor adjusts the annual escalation rate to reflect changes in quality of service provided to customers by JPS.

**Q is determined to be 0%**

This is in accordance with the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03).

## **1.4 Allowed (*Z-Factor*) Price Escalation reflecting Special Circumstances (*Z*)**

As defined in Schedule 3, (Exhibit 1) of the All Island Electric Licence (2001):

The *Z-factor* is the allowed percentage increase in the price cap index due to events that:

- affect the Licensee's costs;
- are not due to the Licensee's managerial decisions; and
- are not captured by the other elements in the price cap mechanism

**Z is determined to be 0%**

There were no such qualifying events for consideration during the year under review.

## **1.5 Total non-fuel Adjustment**

The annual Adjustment of the base non-fuel tariffs approved by the Office effective **June 18, 2010** is **4.79%**

The effective change to the Non-Fuel Rates is **4.79%**

Table 1.1 below provides the details of the current year annual inflation adjustment.

**Table 1.1: Details of Annual Inflation Adjustment (2010)**

Annual Adjustment	
dl	4.79%
X	0.00%
Q	0.00%
Z	0.00%
Total dPCI	4.79%
Total change in Non-Fuel Base Rates	4.79%
Less pre-adjusted F/X Base Rate movement	0.00%
<b>Effective change in Non-Fuel Rates</b>	<b>4.79%</b>

As provided for in the Licence, this increase is applied to the basket of tariffs and JPS may adjust individual rates in the schedule, so long as the average does not exceed the average total adjustment.

**The average effective increase in rates is 1.70%** (fuel and non-fuel charges combined).

It is estimated that the 4.79% increase in non-fuel charges will result in a total bill impact of:

- 1.97% for the typical Rate 10 (residential) customer
- 2.13% for the typical Rate 20 customer
- 1.37% for the typical Rate 40 customer
- 1.30% for the typical Rate 50 customer

Table 1.2 summarizes the estimated total bill impact on rate classes.

**Table 1.2: Estimated Bill Impact of Annual tariff Adjustment**

Rate Class	Typical Usage (kWh)	Demand (kVA)	Bill Impact (%)
Residential [10]	200.00	-	1.97
Small Commercial [20]	1,000.00	-	2.93
Large Com. Low Voltage [40]	35,000.00	100.00	1.37
Large Com. Medium Voltage [50]	500,000.00	1,500.00	1.30

Table 1.3 summarizes the inflation adjusted base non-fuel tariffs to be applied in the current year.

**Table 1.3: Inflation Adjusted Base Non-Fuel Tariffs (dI ± X ± Q+Z)**

Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA				
				Std.	Off-Peak	Part Peak	On-Peak	
<b>New Rates</b>								
Rate 10	LV	--100	287.50	6.41	-	-	-	-
Rate 10	LV	> 100	287.50	14.66	-	-	-	-
Rate 20	LV		632.50	12.53	-	-	-	-
Rate 40A	LV							
Rate 40	LV - Std	4,600.00	3.57	1,295.28	-	-	-	-
Rate 40	LV - TOU	4,600.00	3.57	-	54.98	569.92	729.27	
Rate 50	MV - Std	4,600.00	3.39	1,165.75	-	-	-	-
Rate 50	MV - TOU	4,600.00	3.39	-	51.81	505.16	647.64	
Rate 60	LV	1,725.00	15.50	-	-	-	-	-

## 2. Summary of Proposal for Rate Adjustment

In compliance with the All-Island Electric Licence, 2001 (“the Licence”), JPS filed an application dated April 12, 2010, for the annual rate adjustment with the Office. Pursuant to the annual adjustment clause contained in the rate schedule, the Company, in its submission, sought approval for a weighted average annual adjustment factor (dI) of **5.45%** on the June 2010 non-fuel base rates. A subsequent adjustment was submitted to the OUR on May 17, 2010 for consideration. That request was for a weighted increase of **4.79%**, the result of an unchanged Base Exchange rate of US\$1.00: J\$89.00

The weighted average increase in inflation did not include any adjustment for X and Q factors. This was consistent with the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03).

The inflation adjustment does not take into account the movement in the foreign exchange component of the index during the year.

Tables 2.1, 2.2, 2.3, 2.4 and 2.5 below summarize the computation of the adjustment factor (dI) and its application to consumers’ customer charge, demand charge, energy charge and the overall non-fuel revenue of the Company.

**Table 2.1 Annual Adjustment Factor (dI)**  
**ESCALATION FACTOR (dI) based on point to point data as at February 2010**

Annual Adjustment Clause Calculation			
Line	Description	Formula	Value
L1	Base Exchange Rate		89.00
L2	Adjusted Base Exchange Rate		89.00
L3	<u>Jamaican Inflation Index</u>		
L4	CPI @ Feb 2010		155.9
L5	CPI @ Feb 2009		137.1
L6	<u>US Inflation Index</u>		
L7	CPI @ Feb 2010		216.74
L8	CPI @ Feb 2009		212.19
L9	Exchange Rate Factor	$(L2-L1)/L1$	0.00%
L10	Jamaican Inflation Factor	$(L4-L5)/L5$	13.71%
L11	US Inflation Factor	$(L7-L8)/L8$	2.14%
L12	Escalation Factor	$76*\{L9*(1+0.922*L11)+0.922*L11\}+0.24*L$	4.79%
L13	Productivity (or X) Factor		0.00%
L14	Escalation Adjustment net of X-Factor	$(L12-L13)$	4.79%

Please note that the base exchange rate remains unchanged and will thus have no bill impact. Accordingly, the real tariff increase is **4.79% (0.0479 - 0)**.

Table 2.2 below displays the number of customers across the rate classes and the respective demand charges and energy charges derived using the 2009 billing determinants approved in the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03)

**Table 2.2 Customer Information 2009**

Class	Block/ Rate Option	Average 12 Months 2009 Customer	Energy kWh Std.	Demand-KVA				
				Std.	Off-Peak	Part Peak	On-Peak	
Rate 10	LV	<100	194,526	327,570,749	-	-	-	-
Rate 10	LV	>100	327,865	764,331,747	-	-	-	-
Rate 20	LV		60,319	670,328,664	-	-	-	-
Rate 40/	LV		-	-	-	-	-	-
Rate 40	LV - STD	1,436	626,373,426	2,231,649	-	-	-	-
Rate 40	LV - TOU	129	150,916,591	-	415,139	401,016	327,365	-
Rate 50	MV -STD	101	383,780,596	1,051,290	-	-	-	-
Rate 50	MV -TOU	27	120,376,113	-	452,097	431,393	307,040	-
Rate 60	STREETLIGHTS	220	70,387,889	-	-	-	-	-
Total		584,623	3,114,065,775	3,282,939	867,236	832,409	634,405	-

**Rate 40A (LV) – Power Service** category with 152 customers was phased out as at January 01, 2010. These customers were reallocated as follows:



- Rate 20 (LV) – 15 customers
- Rate 40 (LV-Std) – 137 customers

**Table 2.3 Proposed Adjustment Factor to Individual Rate Classes and Categories**

ANNUAL NON-FUEL INFLATION ADJUSTMENT PER TARIFF, NET OF X (dl - X)							
Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA			
				Std.	Off-Peak	Part Peak	On-Peak
Rate 10	LV	--100	20.00%	3.56%			
Rate 10	LV	> 100	20.00%	3.56%			
Rate 20	LV		20.00%	4.00%			
Rate 40A	LV						
Rate 40	LV - Std		20.00%	4.00%	4.00%		
Rate 40	LV - TOU		20.00%	4.00%		4.00%	4.00%
Rate 50	MV - Std		20.00%	4.00%	4.00%		
Rate 50	MV - TOU		20.00%	4.00%		4.00%	4.00%
Rate 60	LV		20.00%	3.56%			

**Table 2.4 Proposed Non – Fuel Tariffs**

SUMMARY OF PROPOSED 2008/2009 NON - FUEL TARIFFS (dl -X + Q + Z)								
Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA				
				Std.	Off-Peak	Part Peak	On-Peak	
Rate 10	LV	--100	300.00	6.410	-	-	-	-
Rate 10	LV	> 100	300.00	14.650	-	-	-	-
Rate 20	LV		660.00	12.470	-	-	-	-
Rate 40A	LV							
Rate 40	LV - Std		4,800.00	3.560	1,289.08	-	-	-
Rate 40	LV - TOU		4,800.00	3.560	-	54.71	567.20	725.78
Rate 50	MV - Std		4,800.00	3.370	1,160.17	-	-	-
Rate 50	MV - TOU		4,800.00	3.370	-	51.56	502.75	644.54
Rate 60	LV		1,800.00	15.360	-	-	-	-

**Table 2.5 Proposed Revenue from Tariff**

TOTAL NON-FUEL TARIFF BASKET 2010 (revenue from proposed Tariff)									
		Block/ Rate Option	12 Months 2006 Customer Revenue	Energy Revenue	Demand (KVA) revenue				Total Revenue
					Std.	Off-Peak	Part Peak	On-Peak	
Rate 10	LV	<100	700,293,600	2,099,728,501					2,800,022,101
Rate 10	LV	>100	1,180,314,000	11,197,460,094					12,377,774,094
Rate 20	LV		477,726,480	8,358,998,440					8,836,724,920
Rate 40A	LV		-	-	-				-
Rate 40	LV - Std		82,713,600	2,229,889,397	2,900,838,638				5,213,441,635
Rate 40	LV - TOU		7,430,400	537,263,064		22,712,255	227,456,275	237,594,970	1,032,456,964
Rate 50	MV - Std		5,817,600	1,293,340,609	1,219,675,119				2,518,833,328
Rate 50	MV - TOU		1,555,200	405,667,501		23,310,121	216,882,831	197,899,562	845,315,215
Rate 60	LV		4,752,000	1,081,157,975					1,085,909,975
<b>TOTAL</b>			2,460,602,880	27,203,505,581	4,120,513,757	46,022,376	444,339,106	435,494,532	34,710,478,232

### 3. Tariff Adjustment – Principles and Procedures

The licence provides that effective June 1, 2005 and annually thereafter, JPS is permitted to make an adjustment to the non-fuel base rate on the basis of the formulae below:

$$ABNF_y = ABNF_{y-1} (1 + dPCI)$$

Where:

ABNF<sub>y</sub> = Adjusted Non-Fuel Base Rate for Year “y”

ABNF<sub>y-1</sub> = Non-Fuel Base Rate prior to adjustment

dPCI = Annual rate of change in the non-fuel electricity prices as defined below

PCI = Non-fuel Electricity Pricing Index

The annual PBRM filing should follow the general framework where the annual rate of change in non-fuel electricity prices (dPCI) is determined through the following formula:

$$dPCI = dI \pm X \pm Q \pm Z$$

Where:

- dPCI = annual rate of change in non-fuel electricity prices;
- dI = the annual growth rate in an inflation and devaluation measure;
- X = the offset to inflation (annual real price increase or decrease) resulting from productivity changes in the electricity industry;
- Q = allowed price adjustment to reflect changes in the quality of service provided to the customers; and
- Z = the allowed rate of price adjustment for special reasons not captured by the other elements of the formula.

### 3.1 Annual growth rate in inflation and devaluation

The annual growth rate in inflation and devaluation factor dI is calculated by the formula -

$$dI = [0.76 * \delta e + 0.76 * 0.922 * \delta e * i_{US} + 0.76 * 0.922 * i_{US} + 0.24 * i_j]$$

Where:,

- $\delta e$  = Percentage change in the Base Exchange Rate
- $i_{US}$  = US inflation rate (as defined in the Licence)
- $i_j$  = Jamaican inflation rate (as defined in the Licence)
- 0.76 = US factor
- 0.24 = Local (Jamaica) factor

As indicated earlier, the application of the above formula results in an annual adjustment factor of **4.79%** derived using the following factors:

- The Jamaican twelve-month point-to-point inflation rate to February 28, 2010 of **13.71%**, derived from the most recent CPI data<sup>3</sup>
- The U.S. twelve-month point-to-point inflation rate to February 28, 2010 of **2.14%**, derived from the US Department of Labour statistical data<sup>4</sup>
- The base exchange rate remains unchanged at **US\$1:JA\$89**

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<sup>3</sup> Obtained from the Statistical Institute of Jamaica, CPI Statistical Bulletin February 2010)

<sup>4</sup> Obtained from US Bureau of Labour Statistics website, <http://data.bls.gov/cgi-bin/surveymost>

## Annual inflation adjustment (dI) calculation

The annual inflation adjustment (dI) calculation from which the escalation factor is derived is shown in Table 3.1 below:

**Table 3.1**

**ESCALATION FACTOR (dI) based on point to point data as at February 2010**

Annual Adjustment Clause Calculation			
Line	Description	Formula	Value
L1	Base Exchange Rate		89.00
L2	Adjusted Base Exchange Rate		89.00
L3	<u>Jamaican Inflation Index</u>		
L4	CPI @ Feb 2010		155.9
L5	CPI @ Feb 2009		137.1
L6	<u>US Inflation Index</u>		
L7	CPI @ Feb 2010		216.74
L8	CPI @ Feb 2009		212.19
L9	Exchange Rate Factor	$(L2-L1)/L1$	0.00%
L10	Jamaican Inflation Factor	$(L4-L5)/L5$	13.71%
L11	US Inflation Factor	$(L7-L8)/L8$	2.14%
L12	Escalation Factor	$0.76\{L9*(1+0.922*L11)+0.922*L11\}+0.24*L10$	4.79%
L13	Productivity (or X) Factor		0.00%
L14	Escalation Adjustment net of X-Factor	$(L12-L13)$	4.79%

Please note that the base exchange rate remains unchanged and will thus have no bill impact. Accordingly, the real tariff increase is **4.79% (0.0479 - 0)**.

## 3.2 X-Factor Component of PBRM

The *X-Factor* is based on the expected productivity gains of JPS. The *X-Factor* equals the difference in the expected total factor productivity growth of the Licensed Business and the general total factor productivity growth of firms whose price index of outputs reflect the escalation measure 'dI'.

The *X-Factor* applicable for this review period is **0%**. This was based on the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03).

### **3.3 Q-Factor Component of PBRM**

The *Q-factor* is the allowed price adjustment which accounts for changes in the quality of service provided to customers.

The *Q-Factor* applicable for this review period is **0%**. This was based on the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03). However, data on forced outages at both the feeder and sub-feeder levels will be audited and analyzed in order to set baseline values for subsequent adjustments.

### **3.4 Z-Factor Component of PBRM**

The *Z-Factor* is the allowed rate of price adjustment for special reasons not captured by the other Components of the PBRM.

The *Z-Factor* applicable for this review period is **0%**. There were no qualifying events under this component.

## **4. Tariff Basket Compliance**

JPS is required to increase the weighted average of prices by less than or equal to the increase in the electricity price escalation index PCI. The PCI sets the limits for movements in the base tariffs. On a monthly basis, adjustments are made for the effects of movements in the Foreign Exchange rate. The effective change in the non-fuel rates is the dPCI less the cumulative movements due to Foreign Exchange rate changes.

The weights used are the 2009 revenue shares.

The tariff basket compliance must satisfy the following formulae:

$PCI \geq API$ ; where

API is the weighted average price of the actual tariff basket prices

The annual adjustment factor for the non-fuel base rates of 4.79% (derived from  $dPCI = dI = 4.79 \pm (X = 0 \pm Q = 0 \pm Z = 0)$ ) is applied to the total basket. The adjustment in each tariff is weighted and hence the adjustment across rates is dependent on the relative weights in relation to the total tariff basket as shown in table 4.1 below.

**Table 4.1 Total Non-Fuel Tariff Basket Weights**

Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA				Total
				Std.	Off-Peak	Part Peak	On-Peak	
Rate 1 LV	<100	1.76%	6.13%	0.00%	0.00%	0.00%	0.00%	7.89%
Rate 1 LV	>100	2.97%	32.68%	0.00%	0.00%	0.00%	0.00%	35.65%
Rate 2 LV		1.20%	24.28%	0.00%	0.00%	0.00%	0.00%	25.48%
Rate 4 LV - Std		0.21%	6.47%	8.36%	0.00%	0.00%	0.00%	15.04%
Rate 4 LV - TOU		0.02%	1.56%	0.00%	0.07%	0.66%	0.69%	3.00%
Rate 5 MV - Std		0.01%	3.76%	3.54%	0.00%	0.00%	0.00%	7.31%
Rate 5 MV - TOU		0.00%	1.18%	0.00%	0.07%	0.63%	0.57%	2.45%
Rate 6 LV		0.01%	3.15%	0.00%	0.00%	0.00%	0.00%	3.16%
<b>TOTA</b>	<b>100.0%</b>	<b>6.18%</b>	<b>79.21%</b>	<b>11.90%</b>	<b>0.14%</b>	<b>1.29%</b>	<b>1.26%</b>	<b>99.98%</b>

Table 4.2 shows the OUR determined annual adjustment factor to be applied to each rate class and category. The OUR has determined that the customer charge be increased by 15% instead of the 20% increase requested by JPS. The company is now adjusting its tariff structure to be more cost reflective and is now recovering some of its fixed costs through the fixed customer charge. This approach is more reflective of the company's cost structure. The 15% increase reflects a more gradual adjustment.

**Table 4.2 Annual Non-Fuel Inflation Adjustment per Tariff, net of (dI-X)**

Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA			
				Std.	Off-Peak	Part Peak	On-Peak
Rate 10 LV	--100	15.000%	3.607%				
Rate 10 LV	> 100	15.000%	3.607%				
Rate 20 LV		15.000%	4.500%				
Rate 40A LV							
Rate 40 LV - Std		15.000%	4.500%	4.500%			
Rate 40 LV - TOU		15.000%	4.500%		4.500%	4.500%	4.500%
Rate 50 MV - Std		15.000%	4.500%	4.500%			
Rate 50 MV - TOU		15.000%	4.500%		4.500%	4.500%	4.500%
Rate 60 LV		15.000%	4.535%				

It is a requirement that when aggregated, the weighted adjustment proposed by JPS should equate to the annual adjustment factor (4.79%). Confirmation of this is shown in Table 4.3 below.

**Table 4.3 Weighted Non-Fuel Inflation Adjustment (dI - X)**

Class	Block / Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA				TOTAL
				Std.	Off-Peak	Part Peak	On-Peak	
<b>Weighted increase</b>								
Rate 10 LV	--100	0.26%	0.22%	0.00%	0.00%	0.00%	0.00%	0.48%
Rate 10 LV	> 100	0.45%	1.18%	0.00%	0.00%	0.00%	0.00%	1.63%
Rate 20 LV		0.18%	1.09%	0.00%	0.00%	0.00%	0.00%	1.27%
Rate 40A LV		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate 40 LV - Std		0.03%	0.29%	0.38%	0.00%	0.00%	0.00%	0.70%
Rate 40 LV - TOU		0.00%	0.07%	0.00%	0.00%	0.03%	0.03%	0.13%
Rate 50 MV - Std		0.00%	0.17%	0.16%	0.00%	0.00%	0.00%	0.33%
Rate 50 MV - TOU		0.00%	0.05%	0.00%	0.00%	0.03%	0.03%	0.11%
Rate 60 LV		0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	0.14%
<b>TOTAL</b>		<b>0.92%</b>	<b>3.21%</b>	<b>0.54%</b>	<b>0.00%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>4.79%</b>

The non-fuel base rates approved by the Office in the 2009 Decision, which were used to derive the 2009 non-fuel basket, are shown in Table 4.4 below.

**Table 4.4 Current Non-Fuel Tariffs approved in 2009**

Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA			
				Std.	Off-Peak	Part Peak	On-Peak
<b>Current Rates</b>							
Rate 10 LV	<100	250	6.19	0	0	0	0
Rate 10 LV	>100	250	14.15	0	0	0	0
Rate 20 LV		550	11.99	0	0	0	0
Rate 40A LV					0	0	0
Rate 40 LV - Std		4000	3.42	1239.5	0	0	0
Rate 40 LV - TOU		4000	3.42	0	52.61	545.38	697.87
Rate 50 MV - Std		4000	3.24	1115.55	0	0	0
Rate 50 MV - TOU		4000	3.24	0	49.58	483.41	619.75
Rate 60 LV		1500	14.83	0	0	0	0

Table 4.5 below shows the inflation and X-factor adjusted rates after applying the individual tariff increases determined by tariff basket weights. This essentially captures the annual inflationary and efficiency change (dI - X) in the non-fuel electricity prices.

**Table 4.5 Approved Non-Fuel Tariffs for 2010-2011**

Class	Block/ Rate Option	Customer Charge	Energy-J\$/kWh	Demand-J\$/KVA				
				Std.	Off-Peak	Part Peak	On-Peak	
<b>New Rates</b>								
Rate 10	LV	--100	287.50	6.41	-	-	-	-
Rate 10	LV	> 100	287.50	14.66	-	-	-	-
Rate 20	LV		632.50	12.53	-	-	-	-
Rate 40A	LV							
Rate 40	LV - Std		4,600.00	3.57	1,295.28	-	-	-
Rate 40	LV - TOU		4,600.00	3.57	-	54.98	569.92	729.27
Rate 50	MV - Std		4,600.00	3.39	1,165.75	-	-	-
Rate 50	MV - TOU		4,600.00	3.39	-	51.81	505.16	647.64
Rate 60	LV		1,725.00	15.50	-	-	-	-

The rates shown in Table 4.5 are consistent with the price cap tariff compliance constraint and represent the maximum allowed under the cap, that is, the weighted average increase of the tariff basket is exactly equal to the price adjustment factor, (1+ dPCI), and hence there is no unused portion of the adjustment to be carried forward to the following year.

**Table 4.6 Summary of Non-Fuel Tariff Basket Revenue for 2009**

		Block/ Rate Option	12 Months 2009		Demand (KVA) revenue				Total Revenue
			Customer Revenue	Energy Revenue	Std.	Off-Peak	Part Peak	On-Peak	
Rate 10	LV	<100	583,578,000	2,027,662,936					2,611,240,936
Rate 10	LV	>100	983,595,000	10,815,294,220					11,798,889,220
Rate 20	LV		398,105,400	8,037,240,681					8,435,346,081
Rate 40A	LV		-	-					-
Rate 40	LV - Std		68,928,000	2,142,197,117	2,766,128,936				4,977,254,053
Rate 40	LV - TOU		6,192,000	516,134,741		21,840,463	218,706,106	228,458,213	991,331,523
Rate 50	MV - Std		4,848,000	1,243,449,131	1,172,766,560				2,421,063,691
Rate 50	MV - TOU		1,296,000	390,018,606		22,414,969	208,539,690	190,288,040	812,557,305
Rate 60	LV		3,960,000	1,043,852,394					1,047,812,394
<b>TOTAL</b>			<b>2,050,502,400</b>	<b>26,215,849,826</b>	<b>3,938,895,496</b>	<b>44,255,432</b>	<b>427,245,796</b>	<b>418,746,253</b>	<b>33,095,495,203</b>

Table 4.6 above is derived using the 2009 billing determinants and the approved non-fuel tariffs arising out of the Office Determination which came into effect on October 01, 2009 (Ele 2009/4: Det/03). The application of the weighted annual adjustment factor of 4.79% to each tariff yields the revenue in table 4.7 below. The expected percentage increase in non-fuel revenue to the JPS is 4.79%.



**Table 4.7 Summary of Non-Fuel Tariff Basket Revenue 2010/2011 Tariffs**

	Block/ Rat Option	12 Months 2006 Revenue	Energy Revenue	Demand (KVA) revenue				Revenue	
				Std.	Off-Peak	Part Peak	On-Peak		
Rate 10	LV	<100	671,114,700	2,099,728,501				2,770,843,201	
Rate 10	LV	>100	1,131,134,250	11,205,103,411				12,336,237,661	
Rate 20	LV		457,821,210	8,399,218,160				8,857,039,370	
Rate 40	LV		-	-	-			-	
Rate 40	LV - Std		79,267,200	2,236,153,131	2,890,610,317			5,206,030,648	
Rate 40	LV - TOU		7,120,800	538,772,230		22,824,342	228,547,039	1,036,001,885	
Rate 50	MV - Std		5,575,200	1,301,016,220	1,225,541,318			2,532,132,738	
Rate 50	MV - TOU		1,490,400	408,075,023		23,423,146	217,922,488	849,762,443	
Rate 60	LV		4,554,000	1,091,012,280				1,095,566,280	
<b>TOTAL</b>			<b>2,358,077,760</b>	<b>27,279,078,956</b>	<b>4,116,151,635</b>	<b>46,247,488</b>	<b>446,469,527</b>	<b>437,588,860</b>	<b>34,683,614,226</b>

**Table 4.8 Comparison of JPS Proposal and OUR Determination**

	Customer Charge Revenue	Energy Revenue	Demand Charge Revenue	Total Revenue	Inflation Adj. (dl)	Customer Charge
<b>OUR</b>	2,358,077,760	27,279,078,956	5,046,457,510	34,683,614,226	4.79%	15%
<b>JPS</b>	2,460,602,880	27,203,505,581	5,046,369,771	34,710,478,232	4.79%	20%
<b>Variance</b>	(102,525,120)	75,573,375	87,739	(26,864,006)		

Table 4.8 above gives a comparative summary of the changes as proposed by JPS and the Determination by the Office.

## 5. Appendix

### 5.1 Appendix 1: U.S. and Jamaican Consumer Price Indices

#### 5.1.1 U.S. Consumer Price Index

Data extracted on: April 19, 2010 (11:20:43 AM)

##### Consumer Price Index - All Urban Consumers

**Series Id:** CUUR0000SA0

Not Seasonally Adjusted

**Area:** U.S. city average

**Item:** All items

**Base Period:** 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174	174.1	174	172.2	170.8	173.6
2001	175.1	175.8	176.2	176.9	177.7	178	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185	184.5	184.3	184	183.3	184.6
2004	185.2	186.2	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.49	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.08	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.24	213.856	215.693	215.351	215.834	215.969	216.177	216.33	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631												

Source: United States Department of Labour | [Bureau of Labor Statistics Data](#)

## 5.1.2 Jamaican Consumer Price Index

### Consumer Price Index

The Index numbers listed in the table: Consumer Price Index for 2001-2009, are based on the revised calculations using the new series that have linked to the 2004/2005 HES.

These index numbers provides an historical series of the CPI on a monthly basis. The monthly indexes are averages over the 12 months of the year to arrive at an annual averages index.

Changes calculated from these averages represent average annual changes for the year.

#### Consumer Price Index for 2002-2010

Month	2002	2003	2004	2005	2006	2007	2008	2009	2010
January	60.90	64.80	74.60	84.10	94.70	101.00	119.40	136.00	152.60
February	60.90	64.40	75.00	84.50	94.80	101.30	121.50	137.10	155.90
March	61.00	64.70	75.40	85.30	94.90	102.50	122.90	138.20	
April	61.30	65.70	75.70	86.90	96.00	102.90	124.80	138.80	
May	61.50	66.80	76.20	88.70	96.30	104.30	127.80	140.00	
June	62.00	68.50	76.80	90.00	97.60	105.10	130.30	142.00	
July	62.90	69.50	77.60	91.40	98.90	106.10	134.00	143.30	
August	63.10	70.40	78.60	91.50	99.20	107.20	135.60	143.90	
September	63.40	71.50	79.00	93.80	99.90	108.90	136.50	146.30	
October	63.90	72.70	81.60	94.30	99.80	110.40	136.90	147.50	
November	64.60	73.40	83.60	94.60	99.60	114.00	136.40	148.70	
December	65.00	73.90	84.10	94.60	100.00	116.80	136.50	150.40	
Annual Average	62.50	68.90	78.20	90.00	97.60	106.70	130.20	142.70	
Annual Inflation Rate	7.20	13.80	13.70	12.60	5.70	16.80	16.80	10.20	

Source: [Statistical Institute of Jamaica](#)

## 5.2 Appendix 2: Estimated Bill Impact of Annual Tariff Adjustment

### 5.2.1 Bill Comparison for a Typical Rate 10 Consumer

Usage 200 kWh

Rate 10	2009 Rates J\$			2010 Rates J\$			Change	
Description	Base F/X Rate	Billing F/X Rate		Base F/X Rate	Billing F/X Rate		J\$	%
	89.00	89.00		89.00	89.00			
	Usage kWh	Rate		Usage kWh	Rate			
Energy 1st	100	6.19	619.00	100	6.41	641.00	22.00	3.55%
Energy Next	100	14.15	1,415.00	100	14.66	1,466.00	51.00	3.60%
Customer Charge			250.00			287.50	37.50	15.00%
<b>Sub Total</b>			<b>2,284.00</b>			<b>2,394.50</b>	<b>110.50</b>	<b>4.84%</b>
F/E Adjust		0.000	-		0.000	-	-	-
Fuel & IPP	200	16.686	3,337.20	200	16.686	3,337.20	-	0.00%
<b>Bill Total</b>			<b>J\$ 5,621.20</b>			<b>J\$ 5,731.70</b>	<b>110.50</b>	<b>1.97%</b>

### 5.2.2 Bill Comparison for a Typical Rate 20 Consumer

Usage 1,000 kWh

Rate 20	2009 Rates J\$			2010 Rates J\$			Change	
Description	Base F/X Rate	Billing F/X Rate		Base F/X Rate	Billing F/X Rate		J\$	%
	89.00	89.00		89.00	89.00			
	Usage kWh	Rate		Usage kWh	Rate			
Energy	1000	11.99	11,990.00	1000	12.53	12,530.00	540.00	4.50%
Customer Charge			550.00			632.50	82.50	15.00%
<b>Sub Total</b>			<b>12,540.00</b>			<b>13,162.50</b>	<b>622.50</b>	<b>4.96%</b>
F/E Adjust		0.000	-		0.000	-	-	-
Fuel & IPP	1000	16.686	16,686.00	1000	16.686	16,686.00	-	0.00%
<b>Bill Sub-Total</b>			<b>29,226.00</b>			<b>29,848.50</b>	<b>622.50</b>	<b>2.13%</b>
GCT @10%		0.10	2,922.60		0.10	2,984.85	62.25	2.13%
<b>Bill Total</b>			<b>J\$ 32,148.60</b>			<b>J\$ 32,833.35</b>	<b>684.75</b>	<b>2.13%</b>

### 5.2.3 Bill Comparison for a Typical Rate 40 Consumer

Usage 35,000 kWh

Demand 100 kVA

Rate 40		2009 Rates J\$			2010 Rates J\$			Change	
Description	Base F/X Rate	Billing F/X Rate			Base F/X Rate	Billing F/X Rate	J\$	%	
	89.00	89.00			89.00	89.00			
	Usage	Rate			Usage kWh	Rate			
Energy kWh	35000	3.42	119,700.00		35000	3.57	124,950.00	5,250.00 4.39%	
Demand kVA	100	1239.5	123,950.00		100	1295.28	129,528.00	5,578.00	
Customer Charge			4,000.00				4,600.00	600.00 15.00%	
<b>Sub Total</b>			<b>247,650.00</b>				<b>259,078.00</b>	<b>11,428.00 4.61%</b>	
F/E Adjust		0.000	-			0.000	-	-	
Fuel & IPP	35000	16.686	584,010.00		35000	16.686	584,010.00	- 0.00%	
<b>Bill Sub-Total</b>			<b>831,660.00</b>				<b>843,088.00</b>	<b>11,428.00 1.37%</b>	
GCT @10%		0.10	83,166.00			0.10	84,308.80	1,142.80 1.37%	
<b>Bill Total</b>			<b>J\$ 914,826.00</b>				<b>J\$ 927,396.80</b>	<b>12,570.80 1.37%</b>	

### 5.2.4 Bill Comparison for a Typical Rate 50 Customer

Usage 500,000 kWh

Demand 1,500 kVA

Rate 50		2009 Rates J\$			2010 Rates J\$			Change	
Description	Base F/X Rate	Billing F/X Rate			Base F/X Rate	Billing F/X Rate	J\$	%	
	89.00	89.00			89.00	89.00			
	Usage	Rate			Usage kWh	Rate			
Energy kWh	500000	3.24	1,620,000.00		500000	3.39	1,695,000.00	75,000.00 4.63%	
Demand kVA	1500	1115.55	1,673,325.00		1500	1165.75	1,748,625.00	75,300.00	
Customer Charge			4,000.00				4,600.00	600.00 15.00%	
<b>Sub Total</b>			<b>3,297,325.00</b>				<b>3,448,225.00</b>	<b>150,900.00 4.58%</b>	
F/E Adjust		0.000	-			0.000	-	-	
Fuel & IPP	500000	16.686	8,343,000.00		500000	16.686	8,343,000.00	- 0.00%	
<b>Bill Sub-Total</b>			<b>11,640,325.00</b>				<b>11,791,225.00</b>	<b>150,900.00 1.30%</b>	
GCT @10%		0.10	1,164,032.50			0.10	1,179,122.50	15,090.00 1.30%	
<b>Bill Total</b>			<b>J\$ 12,804,357.50</b>				<b>J\$ 12,970,347.50</b>	<b>165,990.00 1.30%</b>	

## Glossary

ABNF	-	Adjusted Base-rate Non-Fuel
CIS	-	Customer Information System
CPI	-	Consumer Price Index
CT	-	Current Transformer
GDP	-	Gross Domestic Product
GOJ	-	Government of Jamaica
GIS	-	Geographic Information System
IPP	-	Independent Power Producer
JPS	-	Jamaica Public Service Company Limited
kVA	-	Kilo Volt Amperes
kWh	-	Kilowatt-hours
Licence	-	The All Island Electric Licence 2001
MVA	-	Mega Volt Amperes
MW	-	Megawatt
MWh	-	Megawatt-hours
OCC	-	Opportunity Cost of Capital
O&M	-	Operating and Maintenance
OUR	-	Office of Utilities Regulation
PBRM	-	Performance Based Rate-Making Mechanism
T&D	-	Transmission & Distribution
TFP	-	Total Factor Productivity
TOU	-	Time of Use