
Office of Utilities Regulation

**Landmark Developers Limited
Tariff Application**

Summary Report



OFFICE OF UTILITIES REGULATION

2017, September 14

Background

Landmark Developers Limited (LDL) Sewerage Service Providers Licence 2011, provides the authority to the company for collection, treatment and disposal of sewage/effluent for the subdivision located at Liberty Estate, Industry Pen, Three Hills, in St. Mary. The company's twenty (20) year licence specifies its obligations and performance criteria. LDL is regulated by the Office of Utilities Regulation (OUR) in accordance with the mandate that is prescribed in the OUR Act, and other applicable legislations, regulations, codes and standards.

Currently, LDL sewerage system has the capacity to collect and treat 313,500 gallons of sewerage per day. The system comprises a central sewer collection network that feeds into double chamber septic tanks where the sewage is processed in four (4) systems. The secondary treatment waste water is then chlorinated and release into the environment. As a result of the expansion of the subdivision development and given the new service load and the development's proximity to the White River the National Environment and Planning Agency (NEPA) granted approval for LDL to construct another sewerage collection and treatment system for Liberty Estate. NEPA further stipulated that the existing system needs to be modified to a tertiary sewerage treatment system so as to be in compliance with its new regulatory standards.

Summary of Landmark Developers Limited Request

On 2017 May 19, LDL submitted to the OUR an application for sewerage rates for residents of Liberty Estates, in St. Mary. In its application LDL states that based on its expected capital and operating costs, it is proposing a tariff of flat service charge of J\$3,078/month along with a usage charge of \$589 per month for residential and commercial customers. A price adjustment mechanism that would replicate that of the NWC is also proposed. The intention of the PAM is to preserve the real revenue of the company. LDL is further proposing a rate structure that includes a connection fee of \$49,511 a verification fee of J\$7,427 and a reconnection fee of J\$7,950. Currently, LDL does not charge fees to its existing customers for the services provided.

LDL argues that its proposed tariff structure, which is a two part tariff, should allow the company to recover its operating expenses and its capital investment.

Proposed Rates

Table 1 below outlines the LDL proposed rates.

Table 1: Landmark Tariff Request

Tariff Parameters	Tariff Request
Fixed Service Charge	\$3,078/month
Residential Usage Charge	589/month
Commercial Usage Charge	\$589/month
Connection Fee	\$49,511
Verification Fee	\$7,427
Reconnection Fee	\$7,950
Price Adjustment Mechanism (PAM)	Based on the NWC Price Adjustment Mechanism