

JPS, NWC pay millions to utility customers for service breaches

(KINGSTON, Jamaica; 2017 March 9): The two major utility providers, the Jamaica Public Service Company Limited (JPS) and the National Water Commission (NWC) paid out about \$128 million to utility customers in 2016.

About \$121.7 million was paid out for breaches of the Guaranteed Standards while the balance of \$6.59 million was secured for utility customers through the OUR's investigation into their appeals. JPS and NWC accounted for 66% and 33% of the pay-outs respectively, with the remaining 1% being secured from C&WJ (FLOW) for its customers.

The latest figures are contained in the OUR's just-released Quarterly Performance Report for the October-December 2016 period.

During the October-December 2016 quarter, a total of 37,741 breaches were committed by JPS. This represents an increase of over 160% in the number of breaches committed when compared to the July - September quarter. These breaches attracted a potential pay-out of approximately \$73.1 million, all of which was paid by way of automatic compensation.

The Guaranteed Standards compliance report from the JPS indicates that for the year 2016, the JPS committed a total of 77,350 breaches of the Guaranteed Standards which attracted a potential pay-out of approximately \$187.8 million. Actual payments amounted to approximately \$117.3 million, which represents 62% of total potential payments made for the year.

Overall, *estimated bills* (EGS 7) accounted for the highest number of breaches and represented 80% of total breaches committed throughout 2016. Under EGS 7, JPS is restricted from sending more than two consecutive estimated bills to customers (where the meter is accessible) without accruing a penalty.

The NWC Guaranteed Standards compliance report indicates that it committed 1,132 breaches during October-December 2016 quarter. Similar to JPS, this represents an increase of over 160% in the number of breaches committed when compared to the July - September quarter. These breaches attracted a potential pay-out of approximately \$3.5 million, of which approximately \$1.5 million (43%) was paid out by way of automatic compensation.

During 2016, the NWC committed 2,745 breaches of the Guaranteed Standards which attracted potential compensation of approximately \$8.5 million. Actual payments amounted to approximately \$4.4 million, representing 52% of total potential amounts.

The standard with the highest incidents of breaches related to *Repair and Replacement of Meters*. This standard stipulates that the NWC must verify, repair or replace a faulty meter (after being informed of the defect) within 20 working days, to avoid incurring a penalty.

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In spite of the number of breaches committed however, the JPS and NWC attained overall compliance ratings of approximately 91% and 94% on their performance against the Guaranteed Standards, respectively. These compliance ratings indicate that both providers are generally providing the level of service prescribed.

The Guaranteed Standards are performance measures that guide the provision of utility services delivered by the National Water Commission (NWC), small water providers and the Jamaica Public Service Company Ltd. If the companies fail to honour the agreement, the affected customer is entitled to compensation which is applied as a credit to the account.

The full copy of the OUR's Quarterly Performance Report (October-December 2016) can be found on our website: www.our.org.jm

(AUDIO CLIP ATTACHED)

Clip Title: Utilities Payout 2016-2017 March 9

IN: The Guaranteed Standards compliance....

OUT: ... of total potential payments

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