

Media Release

FOR IMMEDIATE RELEASE: Tuesday July 31, 2012

“JPS not responsible for fuel overcharge”

The Office of Utilities Regulation (OUR) wishes to address the concern being raised in sections of the media that the Jamaica Public Service Company (JPS) was responsible for the overcharge on fuel which is now to be given as a rebate to its customers on their August bill.

As was stated in an earlier release from the Regulator, the rebate is occasioned as a result of an overcharging on the price of fuel supplied by Petrojam Limited to an Independent Power Producer (IPP) Jamaica Private Power Company (JPPC). Fuel charges are a pass through on customers’ bills and as IPPs do not sell directly to retail customers, the charges incurred by JPPC could only have been levied on the bills of JPS customers.

The Regulator, having been made aware of the error in billing which occurred between Petrojam and JPPC, directed that Petrojam should refund the amounts overcharged and the only way customers can benefit is by way of the reduced fuel charge on their electricity bills for the month of August. The one-off rebate of approximately J\$343 Million, is inclusive of J\$73 Million in interest at a rate equivalent to that applicable to customer deposits. Customers should note that this is a one-off rebate and will not extend to subsequent billing months.

Independent of this discovery, the OUR is to conduct an audit of the Fuel Management Systems at all power generation facilities and is in the process of retaining a consulting firm to do this audit.

- 30 -

CONTACT: Michael A. Bryce
Director - Consumer & Public Affairs
968 6053-4