

OUR Issues Determination Notice on JPS' Tariff Application

(KINGSTON, Jamaica; January 8, 2015): The Office of Utilities Regulation (OUR) has made its determination in the application for a tariff review submitted by the Jamaica Public Service Company Limited (JPS).

The Amended and Restated All-Island Electric Licence, 2011 (the Licence) allows the JPS to submit a tariff review application every five years.

In its 2014-2019 tariff review application, the JPS made a number of requests to cover its fuel and non-fuel rates to be charged to its customers for the period.

After extensive consultation and review, the OUR has issued a Determination Notice. The OUR's Director General, Albert Gordon, says, "The methodology for the tariff review process and how the rates should be calculated is set out in the Licence and we have adhered to that methodology, while taking into consideration other relevant factors."

The OUR's decision includes the following:

1. The overall average impact on the non-fuel tariffs will be -0.96%, representing a slight reduction. The proposed rates by JPS would have resulted in an increase in non-fuel rates in excess of 20%.
2. The methodology and targets for fuel pass-through were also adjusted.
3. The impact on customers' bills will vary depending on a number of factors including rate class, consumption levels and prevailing fuel prices.
4. The table below indicates what the impact would have been on bills using the billing data for November 2014 and representative consumption levels.

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Estimated Bill Impact of the Office's Determination using November 2014 Billing Data

Customer Class	Overall Bill Impact of the OUR Approved Rates			
	Typical Usage (kWh)	Demand (kVA)	Total Bill Impact (%)	Average Change (%)
RT 10 LV Res. Service < 100 kWh	90	n/a	-3.9%	-1.9%
RT 10 LV Res. Service 100-500 kWh	200	n/a	-1.5%	
RT 10 LV Res. Service > 500 kWh	600	n/a	-0.2%	
RT 20 LV Gen. Service < 100 kWh	90	n/a	-6.2%	-5.0%
RT 20 LV Gen. Service 100-1000 kWh	1,000	n/a	-4.7%	
RT 20 LV Gen. Service 1000-7500 kWh	5,000	n/a	-4.5%	
RT 20 LV Gen. Service > 7500 kWh	8,000	n/a	-4.5%	
RT 40 LV Power Service (Std)	35,000	100	-0.8%	-1.1%
RT 50 MV Power Service (Std)	500,000	1,500	-1.3%	
RT 50 MV Power Service (TOU(on-peak))	500,000	1,500	-1.3%	
Efficiency Targets:	System Losses Target		JPS Thermal Heat Rate Target	
	19.20%		12,010 kJ/kWh	

5. The OUR did not approve a change from the price cap to a revenue cap regime as requested by the JPS.
6. The JPS' request to charge interest on commercial customers' accounts was not approved. The JPS had proposed to charge an interest rate of 15% on outstanding debt by commercial customers.
7. The OUR granted the JPS' request for the continuation of an Electricity Efficiency Improvement Fund (EEIF). The EEIF was introduced in the last rate case filing in 2009 to fund loss reduction activities, and is already included in customers' bills. However, it will now be more visible as a separate line item on bills.
8. The OUR has approved the implementation of, and has specified the rates for pre-paid metering for residential customers who agree to opt for this service.
9. The OUR has mandated that by June 2016, all Guaranteed Standards shall attract automatic compensation.

The OUR will continue to inform the public about these and other aspects of its Determination Notice on the JPS' Tariff Application.

The full copy of the OUR's Determination Notice can be viewed on the OUR's website: www.our.org.jm