

OUR Stays NWC's Payment Compliance Initiative

(KINGSTON, Jamaica; July 15, 2015): The Office of Utilities Regulation (OUR) has requested that the National Water Commission (NWC) delays the implementation of its Payment Compliance Initiative (the Initiative), that is, the Early Payment Incentive/Late Payment Fee, with immediate effect.

In making the request to the NWC yesterday, via a letter to its President, Mr. Mark Barnett, the OUR pointed out that in principle it has no objection to the introduction of the Initiative provided that there is no change to the approved tariff or tariff structure. However, the OUR has not yet issued a decision regarding the Initiative and as such has requested a delay for a period of thirty (30) days, in the first instance for the completion of that process.

NWC had proposed that the Early Payment Incentive/Late Payment Fee be applicable to residential, commercial and condominium customers and will consist of the following two components:

- An Early Payment Incentive of \$250.00 which will reward customers who make full/total payments on, or before, the stipulated due dates.
- A Late Payment Fee of \$250.00 which will become applicable on the day following the due date where the account has not been settled in full.

NWC proposed that where the Early Payment Incentive applies it will be credited to the customers' bills in the following month. Similarly, where Late Payment Fee charges are incurred, same will be applied to the customer's bill in the following month.

The OUR has requested that the NWC provide further information/clarification regarding, inter alia, the following, by July 24, 2015:-

- Information as to whether customers were advised in advance of this measure and if so, how long was the notice period; and
- An update on the NWC's improvement and expansion of its bill notification system (i.e., e-mail, texts, bill delivery by contractors; bill query facilities which include Interactive Voice Response (IVR), call centre and online via the Commission's website), for the OUR to assess the readiness for the implementation of the Initiative.

BACKGROUND:

On March 11, 2013, the NWC submitted its tariff application for the review of its water and sewerage rates, services and operational standards to the OUR. NWC, in its tariff application included a proposal for the implementation of an Early Payment Incentive/ Late Payment Fee to be charged to its customers.

The OUR indicated that in order to facilitate approval of NWC's request for the implementation of an Early Payment Incentive/Late Payment Fee, NWC needed to provide the OUR with a detailed proposal outlining how the Initiative will be operationalized. By way of correspondence dated July 11, 2014, the NWC submitted a proposal which the OUR has under consideration.

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