

FOR IMMEDIATE RELEASE

UTILITY CUSTOMERS GET OVER \$147M FOR SERVICE BREACHES IN 2019

(KINGSTON, Jamaica; 2020 March 24): Utility companies paid out over \$147 million to customers for breaches of service standards in 2019. The information was reported in the Office of Utilities Regulation’s (OUR’s) Quarterly Performance Report for the fourth quarter, 2019 October – 2019 December.

When combined, the payouts for breaches of the Guaranteed Standards by Jamaica Public Service Company Limited (JPS) and the National Water Commission (NWC), as well as the sum paid to affected customers by the utility providers as a result of OUR’s intervention was about \$147.5M in 2019.

JPS accounted for most of the breaches of the Guaranteed Standards in 2019 as it reported it committed a total of 68,249 breaches. This represents a 5% reduction compared with those committed in 2018. Compensation associated with these breaches was approximately \$142.5M, all of which was paid out through automatic compensation.

During 2019, NWC committed a total of 2,096 breaches during 2019 which attracted potential compensation of approximately \$7.2M. Actual payments however amounted to approximately \$2.2M, representing 31% of total potential compensation. The remaining 69% was not paid as the required claim forms were not submitted. The number of breaches committed by the NWC in 2019 represents a 2% reduction over 2018.

The quarterly breakdown of sums paid out by JPS and NWC as a result of Guaranteed Standard breaches is shown in the table below.

	JPS		NWC		
	Breaches	Compensation	Breaches	Potential Compensation	Actual Payout
Q1	17,910	\$37,309,620	530	\$1,835,960	\$999,980
Q2	17,205	\$34,577,304	387	\$1,334,640	\$328,680
Q3	16,261	\$33,402,1506	659	\$2,221,080	\$464,760
Q4	17,377	\$37,188,283	520	\$1,760,398	\$454,780
Total	68,753	\$142,477,357	2,096	\$7,152,078	\$2,248,200

Over \$147M paid out to utility customers for service breaches in 2019 .../2

The total sum secured for utility consumers for 2019 as a result of the direct intervention of the OUR’s Consumer Affairs Unit, was \$2,781,349. JPS and NWC accounted for 84% and 10% respectively, while the remaining 6% of credits was accounted for by Columbus Communications (Flow), C&WJ, and private water provider, CanCara.

The quarterly breakdown of the total sum paid through the OUR’s intervention, is as follows:

Quarter	Total Credits	JPS	NWC	Columbus	C&WJ	CanCara
Q1	\$1,099,922	\$949,204	\$93,592	\$45,126	0	\$12,000
Q2	\$1,053,011	\$904,536	\$124,946	\$17,542	\$5,987	0
Q3	\$227,432	\$167,596	0	\$36,582	\$23,254	0
Q4	\$400,984	\$301,669	\$65,227	\$18,116	\$15,972	<u>0</u>
Total	\$2,781,349	\$2,323,005	\$283,765	\$117,366	\$45,213	\$12,000
Percentage of total		84%	10%	4%	1%	Below 1%

In the 2019 October to December quarter, NWC reported that it exceeded the Performance Target on the frequency of notification of service interruptions to customers. This target requires NWC to maintain a 98% attainment rate for 12 hours’ advance notification of planned service interruptions over a duration of no more than 4 hours. Where a planned interruption is expected to be for more than four hours, the NWC is required to give advanced notice of at least 24 hours, at a compliance rate of 90%.

Based on NWC’s notifications to the public, it exceeded the established target by attaining a compliance rating of 100% to provide at least 24 hours’ advance notice for disruptions of a duration greater than 4 hours. This is 20 percentage points more than the compliance rating achieved in the previous quarter. There were five notifications and all were in compliance with the stated target.

JPS on the other hand, reported a decline in its overall standard of notification to customers about planned outages during the 2019 October to December quarter. JPS is required to notify customers of planned outages, allowing at least 48 hours’ (2 days’) advance notice. The standard requires that JPS attains a 100% compliance target. For the review period, JPS reported a 70% compliance rating for this standard, which represents a 12 percentage points decrease over the preceding quarter. The company has advised that it is in the implementation phase of a procedure that has been developed to monitor and measure its performance against this standard.

The OUR’s Quarterly Performance Report can be viewed on the OUR’s website: www.our.org.jm