



OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefit of All

OUR Directs JPS to Refund Customers Millions of Dollars

(KINGSTON, Jamaica; February 17, 2015): The Office of Utilities Regulation (OUR) has directed the Jamaica Public Service Company Limited (JPS) to refund to customers over J\$973-million that it unilaterally imposed as foreign exchange adjustments on fuel supplied by Petrojam Limited from March to December 2013.

The Directive, which is effective February 16, 2015, was issued following consultations with JPS. The sum taken from customers, totalling J\$973,372,164.14, was in contravention of Exhibit 2, Schedule 3 of the Amended and Restated All-Island Electric Licence, 2011.

JPS has been directed to submit within seven (7) days from the effective date of the Directive, details of how it proposes to effect the repayment including the commencement date by which the refund will be made to customers. Customers are to be fully refunded within six (6) months of the effective date of the Directive.

The Directive follows a decision taken by JPS to pass through to customers, foreign exchange adjustments on payments for fuel supplied by Petrojam Limited, from March to December 2013. This was done without any approval by the OUR.

The OUR requested clarification from the JPS regarding the inclusion of a line item called “FX adj on Petrojam Fuel” in the fuel oil statements for the relevant period. During the period, this impacted the fuel and IPP charge which appears as a line item on customers’ bills.

The OUR, having received JPS’ explanation for making the adjustments, considered the matter and concluded that JPS had no authority under the existing regulatory framework to unilaterally impose the additional costs on customers.

The OUR will continue to be vigilant in safeguarding the interest of consumers, while ensuring an equitable environment for investors in our utility services.

The Directive can be viewed on OUR’s website: www.our.org.jm.