

FOR IMMEDIATE RELEASE

OUR Makes Decision on JPS’s 2021 Annual Rate Application

(KINGSTON, Jamaica; 2021 September 14): The Office of Utilities Regulation (OUR) has made its decision on the 2021 Annual Review Application submitted by the Jamaica Public Service Company Limited (JPS) on 2021 May 5. The OUR’s decision took effect 2021 September 1 and will be reflected on customers’ 2021 October bills.

The outcome of the OUR’s rate review means an overall average increase of 1.4% in customers’ bills (non-fuel and fuel charges). JPS had requested an average increase of 3.5%. The table below shows the major decisions by the OUR, compared to the requests made by JPS.

Major Decisions			
Description	JPS Proposed (J\$M)	OUR Approved (J\$M)	
Approved Revenue Cap	37,857	37,857	
Annual Rate of Change	27.02%	19.27%	
Adjusted Revenue Cap	48,086	45,152	
2020 Revenue True-Up (incl. WACC)	1,044	(573)	
2021 Annual Revenue Target	49,130	44,579	
Heat Rate Target (kJ/kWh)	9,927	9,667	
Overall Bill Impact (incl. fuel and IPP charges):	3.5%	1.4%	
Residential Customers (RT10)	Upward of 3.8%	Average	1.2%
Small Commercial Customers (RT20)	2.2%	Average	1.1%
Large Commercial Customers LV (RT40)	3% - 4%	Average	1.5%
Large Commercial Customers HV (RT50)	3% - 4%	Average	1.4%
Large Commercial Customers HV Standard (RT70)	4.30%	Average	1.6%

Other decisions by the OUR:

1. A determination that there is a net over-recovery balance (including WACC) of J\$297.1M owed by JPS to its customers with respect to the decisions in the 2018 Annual & Extraordinary Rate Review Determination Notice arising from the lapse of time between that decision and the implementation of the 2019-2024 Rate Review Determination Notice issued by the OUR in 2020 December. JPS is therefore required to apply a reduction of J\$0.113 per kWh to its average non-fuel tariff over an estimated 10-month billing period to effect this repayment.

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2. The revision of Time of Use (TOU) rates for Rate 10 (residential) and Rate 20 (small commercial) customers. The revision minimizes the risk of revenue losses to JPS. The company is required to roll out its TOU programme over the next six (6) months and engage customers in a public education programme.
 3. The maintenance of the relationship between the energy rates for Electric Vehicles at public charging facilities at Rate 10 TOU rates plus 5%. This decision was first made in the 2019-2024 JPS Rate Review Determination Notice.
 4. The approval of non-fuel pre-paid rates as follows:
 - Rate 10 Customers**
 - J\$13.85/kWh for the first 117kWh within a thirty (30)-day consumption cycle
 - J\$21.03/kWh for each additional kWh thereafter within that thirty (30)-day consumption cycle
 - Rate 20 Customers**
 - First 10kWh - J\$122.45/kWh
 - Each additional kWh - J\$9.03/kWh
- The IPP rate for both Rates 10 and 20 customers is to be displayed as a separate line item on bills.
5. Further, the OUR was of the view that the JPS's proposed Heat Rate target of 9,927 kJ/kWh for the 2021-2022 rate adjustment period was not in line with optimal economic generation dispatch. Consequently, the 2021-2022 Heat Rate target of 9,667 kJ/kWh established in the 2019-2024 Rate Review JPS Determination Notice was maintained for the next rate adjustment period.
 6. JPS's proposal for the revision of the OUR's determined 2021 System Losses targets was not approved. In this regard, the overall System Losses target of 23.8% specified in the 2019-2024 Rate Review JPS Determination Notice is applicable for the 2021 period.

The JPS annual review application is submitted and determined pursuant to Schedule 3 of the Electricity Licence 2016.

The [JPS Annual Review 2021 Determination Notice](http://www.our.org.jm) can be found on OUR's website: www.our.org.jm.

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