

FOR IMMEDIATE RELEASE

OUR to verify computation of JPS bill increase

(KINGSTON, Jamaica; 2021 December 17): The Office of Utilities Regulation (OUR) has received correspondence from the Jamaica Public Service Company Limited (JPS) regarding steep increases in fuel costs and other related charges that are expected to impact customers' bills in the coming months.

Specifically, JPS is attributing the increases to the:

- Higher commodity prices for oil and natural gas internationally;
- Devaluation of the Jamaican dollar to the US dollar; and
- Temporary switch from natural gas to the more expensive automotive diesel oil (ADO) at several plants for a combination of reasons.

The OUR recognizes the potential rate shock to customers but is also mindful that costs pertaining to charges by Independent Power Producers (IPP) and foreign exchange rate movements are direct pass-through to customers. These are explicitly provided for in the Electricity Licence (2016) and the JPS Rate Schedule and as such are not subject to regulatory control.

The OUR, however, has a duty to verify the composition and computation of such charges and how they are applied to customers' bills. As such, we have written to JPS requesting additional information including:

- The rates and charges applied to customer categories for 2021 November and 2021 December;
- Analyses of the increases in fuel and IPP costs arising from the switch from natural gas to ADO; and
- An explanation as to why some plants switched from natural gas to ADO.

The OUR expects to receive all requested information from JPS by 2021 December 24.