

FOR IMMEDIATE RELEASE

OUR Completes Review of JPS’s 2022 Annual and Extraordinary Rate Review Applications

(KINGSTON, Jamaica; 2022 August 23): The Office of Utilities Regulation (OUR) has completed its assessment of the 2022 Annual Review and Extraordinary Rate Review application submitted by the Jamaica Public Service Company Limited (JPS).

The 2022 JPS Annual Review application is in keeping with the provisions of the Electricity Licence, 2016, which allows for the realignment of the company’s revenue targets each year against inflation and exchange rate movements, as well as its performance in the previous year. The Licence also provides for an Extraordinary Rate Review in the event of any exceptional circumstances that have a significant impact on the electricity sector and/or JPS that were not considered or known at the 5-year rate review two years ago.

The sum of the OUR’s decisions on JPS’s Tariff Review application will result in an average bill impact of approximately 0.7% for customers. Based on the OUR’s analysis, JPS’s proposed adjustment to the rates would have had an average overall impact of 2%. The average increase in the overall rates varies from 0.4% for the very large commercial and industrial customers (RT70) to 1.2% for the large commercial and industrial customers (RT50).

The OUR approved a revenue target of \$48.16 Billion for 2022, down from the \$51.3 Billion proposed by JPS. Additionally, even though JPS proposed a heat rate target of 9,791 kJ/kWh, the OUR established the target at 9,495 kJ/kWh. The heat rate indicates the efficiency of JPS’s generation plants.

The table below summarises the major proposals by JPS and OUR’s approved rates.

Comparative Results		
Description	JPS Proposed (J\$M)	OUR Approved (J\$M)
2022 Annual Revenue Target	51,301	48,160
Heat Rate Target (kJ/kWh)	9,791	9,495
Overall Bill Impact (Incl. fuel & IPP charges)	2.0%	0.7%
Residential Customers (RT10)	3.3%	0.7%
Sm. Commercial Customers (RT20)	0.9%	0.5%
Lg. Comm & Ind Customers LV (RT40)	1.9%	0.8%
Lg. Comm & Ind Customers HV (RT50)	2.1%	1.2%
Lg. Comm & Ind Customers HV (RT70)	1.6%	0.4%

In its Extraordinary Rate Review submission, JPS requested approval for an additional US\$22.5M capital expenditure for four (4) projects. One of the projects involves the life-extension of 171.5MW of the capacity of existing generation plants until 2026 to avoid widespread outages. /MORE

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The other three projects target stability and reliability on the grid, particularly in the Corporate Area Energy System (CAES) and the North-Eastern region of the island. The OUR approved all these capital projects. However, they will not be captured in JPS's revenue requirement until 2023.

The Jamaica Public Service Company Limited Annual Review and Extraordinary Rate Review 2022 Determination Notice took effect on 2022 August 22. The document can be viewed on OUR's website: www.our.org.jm.

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