

ANNUAL REPORT



OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefit of All ...

ISO 9001:2015 CERTIFIED

2021 ▪ 2022



OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefit of All



INTRODUCTION

This, the twenty-fifth Annual Report of the Office of Utilities Regulation (OUR), will inform Parliament and the country of the regulatory activities and financial operations of the OUR for the period 2021 April 1 to 2022 March 31.

The OUR was established in 1995 by the Office of Utilities Regulation Act as a body corporate with its operations beginning in 1997 January. Under the Act, the OUR is charged with the responsibility of regulating the provision of utility services in the following areas:

- Electricity •
- Telecommunications •
- Water and Sewerage •



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MISSION

The OUR contributes to national development by the effective regulation of utility services that enables consumer access to modern, reliable, affordable and quality utility services while ensuring that service providers have the opportunity to make a reasonable return on their investment.

VISION STATEMENT

The OUR is a trusted, purpose-driven and stakeholder-focused regulator, that has enabled Jamaica to be globally recognized as a leader in utility consumer protection and satisfaction, and sustainability of regulated entities.

OBJECTIVES

- ✓ Ensure that consumers of utility services enjoy an acceptable quality of service at a reasonable cost.
- ✓ Establish and maintain transparent, consistent and objective rules for the regulation of utility service providers.
- ✓ Promote the long-term, efficient provision of utility services for national development consistent with Government policy.
- ✓ Provide an avenue of appeal for consumers in their relationship with the utility providers.
- ✓ Work with other related agencies in the promotion of a sustainable environment.
- ✓ Act independently and impartially.



CORE VALUES



OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefit of All

The Office

ALVIN WINT

CHAIRMAN (APPOINTED WITH EFFECT FROM 2022 MARCH 16)

Professor Alvin Wint, former Chairman of the Generation Procurement Entity (GPE) is the current Chairman of the Office of Utilities Regulation (OUR). Apart from his stellar academic and corporate service track record, Professor Wint brings to the Office, specific experience relating to the electricity sector.

Between 1994 and 1995, prior to the establishment of the OUR, Professor Wint served as a member of a committee established to evaluate the Jamaica Public Service Company Limited's tariff request and the National Energy Policy Committee. Between 2014 and 2019, he worked closely with the OUR in his capacity as a member of the Electricity Sector Enterprise Team (ESET) and subsequently as Chairman of the GPE, the succeeding entity to ESET.

Professor Wint is currently the Chairman of the Board of Directors of Heart Trust/NSTA, Lead Independent Director of the National Commercial Bank Financial Group, Director of Jamaica Producers Group, Director of the Caribbean Policy Research Institute and a Member of the National Partnership Council and the National Competitiveness Council.

He is an Emeritus Professor of International Business at the University of the West Indies (UWI). He has served UWI in several capacities, including Pro Vice-Chancellor. His publications, primarily in the field of international competitiveness, include five books and numerous scholarly articles. He holds a Doctorate in International Business from Harvard University, a Master of Business Administration (MBA) from Northeastern University and an undergraduate degree from the University of the West Indies.

He received the Jamaican Order of Distinction (Commander Class) for his invaluable contribution to Academia and Service to both Public and Private Sectors.

Other awards include the Vice Chancellor's Award for All-round Excellence at UWI; an honorary Doctor of Humane Letters degree from Northern Caribbean University; and an inaugural membership in the St. Elizabeth Technical High School Hall of Fame.





DERRICK MCKOY

CHAIRMAN (RESIGNED EFFECTIVE 2022 JANUARY 10)

Dr. McKoy has an extensive and outstanding record of experience and achievement in the public and private sectors. His areas of specialization include public law and management, law of the regulatory environment, alternative dispute resolution, construction law, international trade and development, and competition law. Dr. McKoy was a legal consultant to the OUR's Implementation Unit when the organization was being established in 1997.

Dr. McKoy serves on several public and private boards. He chairs the Jamaica Anti-Dumping and Subsidies Commission, the Duke of Edinburgh Awards Scheme in Jamaica and the National Compliance and Regulatory Authority.

He sits on the boards of the Jamaica Stock Exchange, M/VL Stockbrokers Limited, the Jamaica Youth Business Trust, and the Munro College Board of Governors as a Trust Appointed Member.

He was a founding member of the Jamaica Chapter of Transparency International and, from 2006 to 2015, was a member of the All-Island Electricity Appeals Tribunal, Jamaica. He is also a former member of the Integrity Commission of Jamaica and a former Dean of the Faculty of Law, University of the West Indies, Mona.

A graduate of the Norman Manley Law School, he holds a doctorate in law from the University of Leicester, a doctorate in Business Administration from Nova Southeastern University, a Masters of Law (LLM) in International and Comparative Law from the University College London, the Masters of Business Administration (MBA) from Barry University, and a Bachelor of Laws (LLB) from The University of the West Indies.

He received the Order of Distinction (Commander Class) for his outstanding contribution to the legal profession and for public service in 2016. Dr. McKoy was appointed Attorney General on 2022 January 10.

NOEL DACOSTA

DEPUTY CHAIRMAN



Mr. Noel daCosta has served on numerous boards in the private and public sectors, as well as on charitable organizations and Government-appointed national committees. He has been at the helm of several local and international organisations including the Jamaica Chamber of Commerce, the Jamaica Institution of Engineers, the Jamaica Debates Commission, the Caribbean Breweries Association, the Master Brewers Association of the Americas, United Way of Jamaica, the National Building Code Committee, the Petroleum Trade Reform Committee and the Caribbean Council of United Way Worldwide.

A consultant with over fifteen (15) years experience in Corporate Relations, he also has over three (3) decades of technical and engineering leadership in the Petroleum and Brewing industries. He is a founding partner in the Jentech group of engineering companies.

A graduate of the University of the West Indies, he has postgraduate degrees in Engineering from the University of Waterloo, Business Administration from the University of Toronto, and Insurance from the Chartered Insurance Institute (UK), and is a Fellow of the Jamaica Institution of Engineers, as well as the Institution of Chemical Engineers (UK).

In 2012, Mr. daCosta was appointed by the Government of Jamaica to the Order of Distinction in the Rank of Commander Class (CD) for his contribution to engineering and manufacturing, and in 2019, he was conferred with an Honorary Doctorate of Technology for his contribution to nation-building by the University of Technology.



YASMIN CHONG

Ms. Yasmin Chong is an experienced business development and utilities regulation practitioner.

For over twenty (20) years, she has served on the Consumer Advisory Committee on Utilities (CACU) and as its Chairman since 2004 January.

Under her direction, the CACU has been positioned at the forefront of consumer advocacy activities in Jamaica and has become an integral part of the utilities regulation landscape. She is also a member of the Consumer Protection Tribunal of the Consumer Affairs Commission (CAC). As Trade Commissioner with the Government of Canada, Miss Chong has successfully delivered several projects and contracts in the cleantech, transportation and education sectors and has developed specialist skills in the international business practice of Corporate Social Responsibility (CSR).

She is a graduate of Florida International University (FIU) and the University of Florida (UF) with Bachelor and Master's degrees in International Relations (minor in Economics) and Public Administration respectively. She has also completed other professional and certificate courses. Ms. Chong is a Rotarian, a practising Roman Catholic, and a proud alumna of the Immaculate Conception High School.



DAMIEN KING

Dr. Damien King is the Executive Director of the Caribbean Policy Research Institute (CAPRI), a think tank, and formerly a lecturer in the Department of Economics at the University of the West Indies (UWI). His research has been published in international economics journals, edited collections and numerous policy reports by CAPRI. He is the author and editor (with David Tennant) of *Debt and Development in Small Island Developing States* (Palgrave Macmillan, 2014).

In the corporate world, Dr. King serves on the boards of Recycling Partners of Jamaica (chair), Dequity Capital (chair), and Jamaican Teas, and previously on the boards of other entities, both private and public, including Desnoes & Geddes, the National Export-Import Bank of Jamaica, Dyoll Insurance Company, Mutual Life Assurance Company, and Bitt, Inc. (Barbados).

In public service, Dr. King has served on the Commission to Reform Housing Finance, the National Health Insurance Commission, the Tax Reform Commission, the CARICOM Review Commission, and the CARICOM Commission on the Economy.

He earned a B.A. from York University (Canada), an M.Sc. from UWI (Jamaica), and a Ph.D. from New York University (USA), all in economics.



SIMON ROBERTS

Mr. Simon Roberts is an engineering and business consultant, focussing on the areas of manufacturing improvements, logistics, compensation design and project management.

He has previously worked at GraceKennedy for over twenty (20) years in various capacities, including Head of Special Projects, Group Chief Information Officer, General Manager of three food manufacturing plants, and as CEO of H&L Ltd. He also led several new product and manufacturing process innovations, compensation design and implementations, major construction projects, and community development activities while at GraceKennedy. Mr. Roberts also has over 15 years of experience in the steel industry in general management, engineering, metallurgy, customer service, quality assurance, process improvement, product development, and IT deployment.

He is Chairman of the Jamaica National Agency for Accreditation, Director of Recycling Partners of Jamaica, Director of CAC2000 Ltd, Chairman of Jamaica Stroke Alliance, Director of Grace Co-Op Credit Union and Vice President of the deCarteret College Alumni Association. He is Honorary Director, former Vice President and Deputy President of the Jamaica Manufacturers and Exporters Association.

Mr. Roberts holds a Bachelor of Applied Science (Metallurgical and Materials Sciences) from the University of Toronto and a Master of Applied Science (Management Sciences) from the University of Waterloo. He is a registered Professional Engineer in Ontario.



ANSORD E. HEWITT

DIRECTOR-GENERAL (EX OFFICIO MEMBER)

Mr. Ansord E. Hewitt is Director-General of the OUR, and an ex officio member of the Office, having been first appointed by the Governor-General, His Excellency the Most Honourable Sir Patrick Allen, on 2017 January 1.

He is a Regulatory Specialist, Economist, and Attorney-at-Law and has over twenty-five (25) years' experience at various levels in quasi-judicial organisations. His educational background covers law, management, and economics with extensive specialised training in, among other areas, regulation, competition analysis, strategic planning, leadership, international negotiation, and corporate planning.

He joined the OUR in 2000 February and before that worked at the Jamaica Bauxite Institute and the Fair Trading Commission as an Economist. He also lectured at the postgraduate level on Regulation and Regulatory Reform in the Department of Government, University of the West Indies (UWI), Mona for over ten (10) years, and served as a tutor in the UWI Masters in Telecommunications Regulation and Policy Programme. He has a Master's degree in Regulation from the London School of Economics, obtained after being awarded a Chevening Scholarship in 1997, a Bachelor of Science (B.Sc.) in Economics and Management (UWI), and Bachelor of Law from the University of London. He also holds a Certificate in Legal Education from the Norman Manley Law School.



OFFICE MEMBERS' SKILL SET

Name	General Management	Finance and/or Audit	Strategic Management	Human Resource	Legal	Utilities Regulation	Governance	IT	Engineering
Derrick McKoy <i>(Chairman up to 2022 January)</i>	x	x	x		x	x	x	x	
Alvin Wint <i>(Chairman - Appointed effective 2022 March 16)</i>	x	x	x			x	x		
Noel daCosta Deputy Chairman	x	x	x	x		x	x		x
Yasmin Chong	x		x	x		x			
Damien King	x	x	x			x	x		
Simon Roberts	x	x	x			x	x	x	x
Ansord E. Hewitt	x		x	x	x	x	x		

Corporate Governance Report

ROLE OF THE OFFICE

The Office is the policy and decision-making arm of the organisation. It provides strategic guidance for the OUR and support to the management team, thus ensuring that the sectors regulated by the OUR receive sound and effective regulatory interventions.

OFFICE MEMBERS

The Office consists of six appointed Members and the Director-General, who is an *ex-officio* Member. The Members are highly competent across a range of disciplines: finance, engineering, law, economics, regulation and human resources management. They also hold a mix of private and public sector and academic experience in the areas regulated by the OUR.

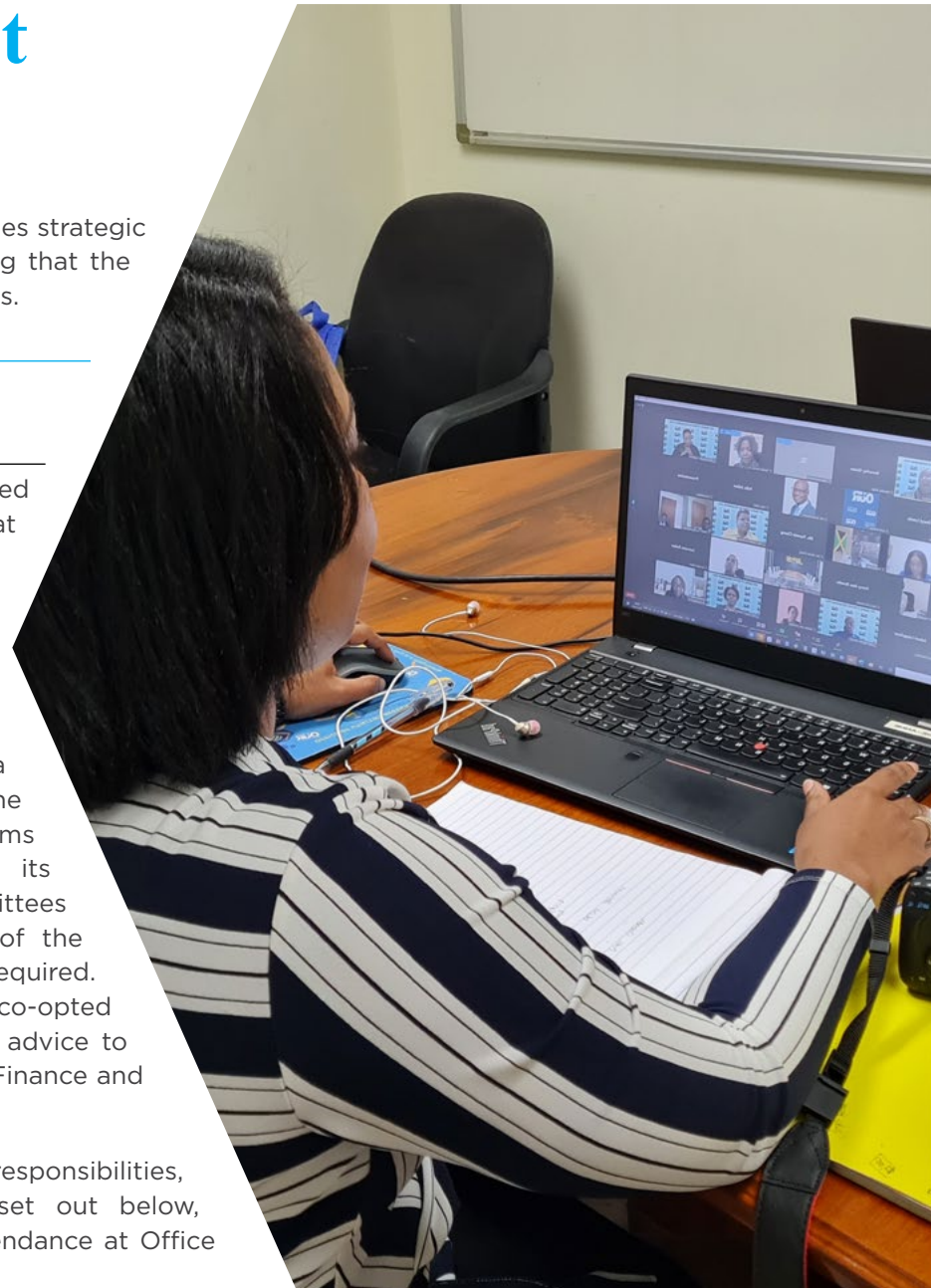
Professor Alvin Wint CD, former Chairman of the Generation Procurement Entity (GPE), was appointed for five (5) years as the new Chairman by Governor-General, His Excellency, the Most Hon. Sir Patrick Allen, effective 2022 March 16. Professor Wint succeeds Dr. Derrick McKoy who demitted office in 2022 January, having taken up the post of Attorney General.

Apart from his stellar academic and corporate service track record, Professor Wint also brings to the Office specific experience relating to the electricity sector.

OFFICE COMMITTEES

The work of the Office is conducted through six Committees that consider matters submitted by staff for analysis and decisions. The Committees make recommendations to the full Office for final decisions and determinations. Each Committee, which has a minimum of two Members of the Office, is guided by its own Terms of Reference, which outlines its roles and functions. The Committees are supported by members of the Executive and other staff as required. There are currently two co-opted Members who provide expert advice to three Committees (Technical, Finance and Audit).

The Committees, their main responsibilities, and their membership are set out below, together with a record of attendance at Office and Committee meetings.



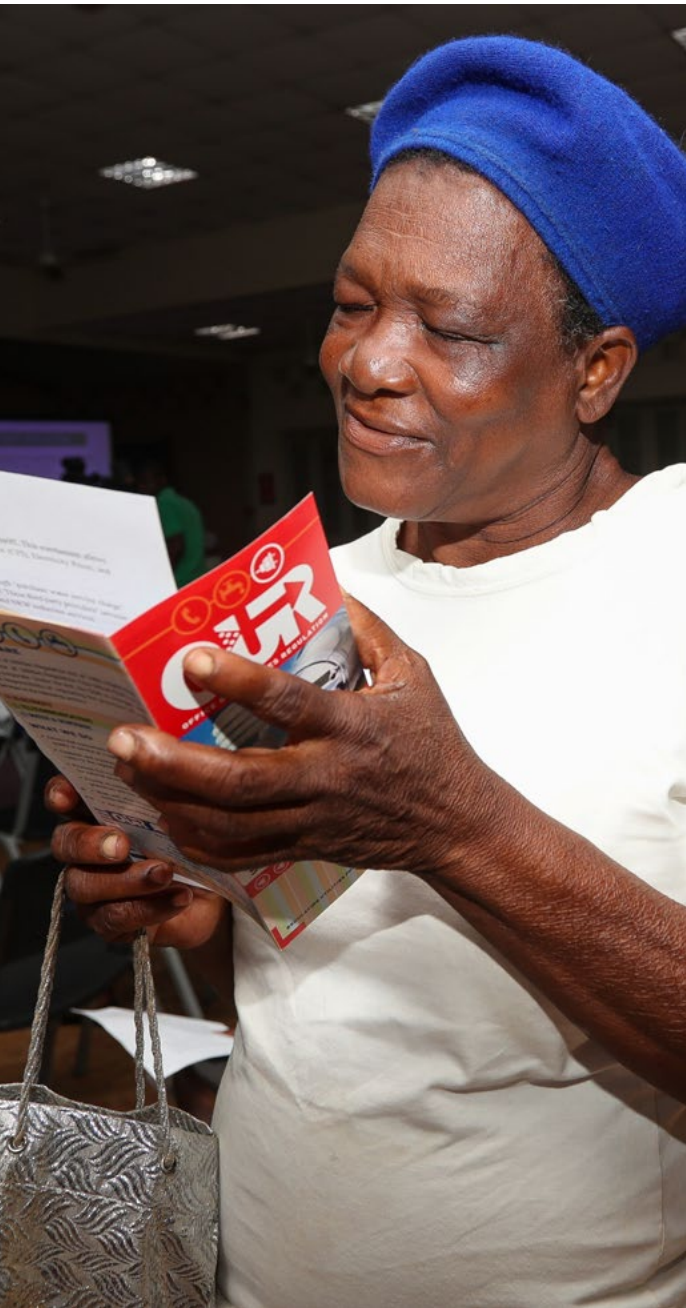


TABLE 1: OFFICE COMMITTEES

Name of Committee	Main Responsibilities	Members
Audit	To ensure the OUR's financial integrity, and to provide oversight of the organization's internal controls, risk management, and internal and external audit.	<ul style="list-style-type: none"> ▪ Damien King, Chair ▪ Noel daCosta, Deputy Chair ▪ Simon Roberts ▪ Donald Reynolds (co-opted member)
Finance and Budget	To monitor and review the effectiveness of the accounting, treasury, materials management, and payroll activities.	<ul style="list-style-type: none"> ▪ Simon Roberts, Chair ▪ Damien King, Deputy Chair ▪ Donald Reynolds (co-opted member) ▪ Ansord E. Hewitt
Technical	To provide oversight of planning activities, and the technical and operational functions of the OUR to ensure efficiency and effectiveness in the delivery of appropriate regulations for the sectors for which the OUR has responsibility.	<ul style="list-style-type: none"> ▪ Noel daCosta, Chair ▪ Yasmin Chong, Deputy Chair ▪ Simon Roberts ▪ Joseph Matalon (co-opted member) ▪ Ansord E. Hewitt
Legal Affairs	To provide general legal oversight and guidance to the Legal Department, to conduct legal reviews of matters and to make recommendations to the Office, to review policy recommendations, and monitor the implementation of legislative revisions.	<ul style="list-style-type: none"> ▪ Ansord E. Hewitt, Chair ▪ Cheryl Lewis, Deputy Chair ▪ Derrick McKoy – (Demitted Office in 2022 January)
Human Resource and Compensation	To monitor and review the effectiveness of the Human Resource and Administration Department's activities and other related matters. The Committee also supports the development of policies, procedures and practices to ensure a forward-looking approach to human resource development, governance and management.	<ul style="list-style-type: none"> ▪ Yasmin Chong, Chair ▪ Noel daCosta, Deputy Chair ▪ Ansord E. Hewitt
Information Technology	To assist the Office in fulfilling its Information Technology (IT) oversight responsibilities. The Committee acts in an advisory capacity to the Office on the efficacy and reliability of the OUR's IT system and the soundness of the supporting policies and strategies.	<ul style="list-style-type: none"> ▪ Simon Roberts, Chair ▪ Ansord E. Hewitt, Deputy Chair ▪ Derrick McKoy (demitted Office in 2022 January)

TABLE 2: 2021/22 OFFICE ATTENDANCE RECORD FOR OFFICE AND COMMITTEE MEETINGS

Office	Full Office (N=15)	Audit (N=5)	Finance & Budget (N=3)	Human Resource & Compensation (N=9)	Technical (N=13)	Legal Affairs (N=4)	IT (N=3)
Derrick McKoy (<i>Demitted Office in 2022 January</i>)	12	N/A	2+1**	7	10	1	3
Noel daCosta	14	4 + 1**	N/A	8	12	N/A	N/A
Damien King	15	4+ 1**	3 + 1**	N/A	N/A	*1	N/A
Simon Roberts	15	4+ 1**	3+1**	N/A	13	N/A	3
Yasmin Chong	15	N/A	N/A	9	13	N/A	N/A
Ansord E. Hewitt	14	N/A	3+1**	9	12	4	3

KEY: N: - Total number of meetings; N/A: - Not applicable - that is, the person is not a member of that Committee. * Attendance optional. ** Joint Committee meetings

GOVERNANCE FRAMEWORK

The Ministry of Finance and the Public Service, in 2019, revised the “Public Body Corporate Governance Evaluation Instrument”. The new survey instrument, though still structured around the ten (10) Dimensions of Good Performance for Jamaican Boards, has been substantially changed. The revised survey consists of two (2) sections, down from five (5) sections in the previous survey. The Office will be conducting its survey of the 2021/22 review period in the first quarter of the 2022/23 fiscal year.



The Ministry also held a sensitization session on developing a Code of Conduct for Board Members. The Office is pleased to note that it had already developed and adopted a Code of Conduct for Office Members in 2020. This Code will be updated to reflect any needed alignment with the Ministry’s document.



The Office, as in previous years, was fully involved in the development of the OUR’s Corporate Business Plan and Budget for 2022 – 2026. This spanned the spectrum, from providing policy direction in the initial strategic planning stage to approving the final draft Plan and Budget for submission to the Ministry of Finance and the Public Service, in accordance with the requirements of the Public Bodies Management and Accountability Act. Adjustments and amendments had to be made to the Plan and Budget as the COVID-19 pandemic showed no retreat. The Work-From-Home Policy previously developed, was further enhanced to provide guidance for staff members and to ensure their safety and well-being.

REPORTS OF THE COMMITTEES

The Audit Committee had four (4) quarterly meetings in the 2021/22 Fiscal Year, during which it received regular reports on internal audits, including findings and resolutions arising from the audits conducted. The report of the external auditors on the OUR’s financial statements for 2020/21 was reviewed and approved at a joint meeting with the Finance and Budget Committee. The Committee, as part of its activities, also focused on governance and risk management matters, which included the review of risk reports, the Whistle Blower Policy, the Enterprise Risk Management (ERM) and Business Continuity Plan (BCP) Management Frameworks. These reviews and the recommendations emanating therefrom are intended to bolster the OUR’s

effectiveness and efficiency in managing the risks faced by the regulator as well as ensuring its ability to timely continue critical business processes in the event of a major disruption to its operations. The Committee also continued to monitor the impact of the COVID-19 pandemic on the operations of the OUR during the period.

The Finance and Budget Committee had three meetings during 2021/22, and one joint meeting with the Audit Committee (see Table 2). During the year, the Committee carried out general financial oversight of the OUR’s affairs through reviews of financial statements and reports, financial management and projections, operating reserve requirements and budget considerations. The Committee also monitored the impact of COVID-19 on the OUR’s operations as well as on the operations of licensees.



The Technical Committee continued to fulfil its mandate to ensure that the OUR delivered efficient and effective regulations which are appropriate for the sectors under the OUR’s oversight. This was done through meetings where the Committee advised the technical staff on policy matters, assessed their submissions, and made recommendations to the Office on decisions, determinations and other actions. During the 2021/22 period, the Committee met thirteen (13) times, including special meetings to consider matters relating to the JPS Annual Tariff Adjustment Submission for 2021, the Mobile Cost Model and the Weighted Average Cost of Capital (WACC) for Telecommunications Carriers.

Electricity sector matters recommended for approval included: Stakeholders’ Consultation document on the Electric Vehicle Regulatory Framework and the JPS’s Capacitor Bank Proposal. The Committee also reviewed a submission on the Electricity Act and recommendations to improve the Electricity Tariff Review Process.

In the water and sewerage sector, the Committee recommended Office approvals of tariffs for service providers, recommendations for licences, and draft directives. These are further detailed in the section on Sector reviews.

The Committee’s work in the telecommunications sector included a review of recommendations for carrier and service provider licences; determinations on Number Portability, Fixed Termination Cost Model for Interconnection Rates and WACC for Telecommunications Carriers for 2021. Further details on the aforementioned items are included in various sections of this report, notably in the highlights presented by the Secretary to the Office (STTO) department and the Telecommunications Unit.



CORPORATE SOCIAL RESPONSIBILITY

The OUR is guided by the relevant principles in the Government of Jamaica's Corporate Governance Framework for Public Bodies and in the PSOJ's Corporate Governance Code. Everything that the OUR does must be in the public interest and for the public good.

The OUR's source of income is the fees it collects from the regulated entities and for licences applications. This is provided for by statute which also precludes the OUR from using any part of these fees for non-regulatory purposes. The OUR is therefore constrained in its ability to financially participate in philanthropic and/or corporate social activities.

Demonstrations of the OUR's commitment to social responsibility can be seen in initiatives aimed at facilitating access to utility services by persons with disabilities, participation in national events and the employment of undergraduates as summer interns. The OUR also has an Information Centre (OURIC), which is open to the public. OURIC is an increasingly valuable resource for research, particularly for persons with an interest in regulation and regulated entities. At an individual level, members of the OUR staff have voluntarily participated in fund-raising activities in support of various charities and have lent their time and expertise to provide mentorship to some underprivileged children.

The Human Resource and Compensation Committee had nine (9) meetings in 2021/22 and continued its focus on OUR's human resource strategy and policies. The Committee reviewed policies such as the Disciplinary Code and Procedures and the OUR's Whistle Blower Policy and Procedures. The reviews conducted by the Committee resulted in recommendations for approval of the revised Grievance Policy and Procedures and Work-from-Home Policy. The Committee considered proposals/recommendations for institutional strengthening including succession planning, to support the organization's overall business strategies and objectives.

The Legal Affairs Committee met twice during the review period and provided advice or recommendations to the Office on matters pertaining to compliance, oversight and legal remedies. These included the Enforcement of Court of Appeal Order, Legislative and Regulatory Reforms, Revised Terms of Reference for the Committees of the Office and the Whistle Blower Policy.

The Information Technology Committee was empanelled in 2021 July to review Information Technology (IT) matters. The Committee held three (3) meetings during the reporting period and considered for Office approval, matters such as the development of an Information Technology Management Policy, Mobile Electronic Device Policy, and the 2022/23 IT and Risk Departmental Budget.

Chairman’s Report

Professor Alvin Wint
Chairman



In a challenging year, the OUR continued to execute successfully on its regulatory mandate. The organisation worked hard to maintain its stability, focus and operational efficiency against the backdrop of the COVID-19 pandemic and geopolitical tensions.

Despite environmental challenges, the organisation’s operations continued relatively seamlessly, facilitated by the continuation of the work-from-home (WFH) arrangements for staff, and the use of available technologies. The OUR’s 2022/26 Corporate Business Plan and Budget was submitted to the Ministry of Finance and the Public Service by the statutory deadline of December 31, 2021. The OUR’s latest Corporate Business Plan and Budget, which sets out the organisation’s work programme and budget for the period 2022/23 – 2025/26, is informed by national and sectoral objectives, consumer welfare, the needs and interests of the regulated entities, and OUR’s mandate and strategy. The Plan provides information on the initiatives and actions required to meet the stipulated goals and objectives and is an instrument of accountability, against which the organisation’s performance can be measured.



Notably, this Plan takes effect in the year in which the OUR is celebrating its 25th anniversary. It is hoped that the OUR’s track record of achievements over those twenty-five (25) years will lend credibility to the vision and commitments set out in this document.



Between 2022 and 2026, the main areas of focus for the electricity sector continue to be tariff reviews, addressing the implications of developments such as the introduction of electric vehicles and distributed generation, incentivising the reduction of system losses, encouraging measures to address resilience and to leverage technology to offer consumers improved services and reliable information.

For the water and sewerage sector, the focus is on the reduction of non-revenue water, regulation of private water and sewerage developments, development of a framework for Public-Private partnerships, supporting the implementation of the Water Sector Policy, assisting in the drafting of comprehensive sector legislation, the expansion of water supply and conduct tariff reviews. Notably, the NWC is expected to make a tariff submission during the 2022/23 period.

In the telecommunications sector, the areas of focus continue to be supporting initiatives aimed at widening broadband access, enhancing the current level of competition to provide consumers with more choices, improving network quality and reliability, mandating greater information transparency, and improving the availability and access to

consumers of procedures that facilitate their ability to gain redress. Consumer and public affairs will continue its focus on stakeholder engagement, education on emerging trends, monitoring of the quality of service, research and analysis on private service providers, and research and formulation of consumer policy and initiatives.

During the period under review, members of the Office, the oversight and governance body of the OUR, made themselves available for meetings both at the Office and Committee levels to ensure decisions were made in a timely manner. The attendance records show the continued high level of attendance and active participation of Office members.

In 2021/22, an Information Technology Committee was established, which reviews the efficacy and reliability of the OUR's IT system and the soundness of the supporting policies and strategies. The total number of Office Committees now stands at six (6), with the others being Audit, Finance and Budget, Human Resource and Compensation, Legal Affairs and Technical. During the review period, these committees performed well, evidenced by their output and regular meetings to review and make recommendations for the Office's consideration.

During the period, in the electricity sector, the Office reviewed the OUR's Determination Notices on the 2021 JPS Annual Tariff Review and Reconsideration. A number of changes were implemented in the telecommunications sector during the period and, to this end, the

Office reviewed and approved the Review of the Number Portability Framework - Industry Number Portability Guidelines Phase 1 Determination Notice, as well as the decisions on the Number Portability Administration Fees, 2021. The rates to update the cost models for fixed and mobile services were also reviewed and approved. Additionally, thirty-two (32) new telecommunications licence applications, submitted by fourteen (14) entities, were processed and reviewed during the period. In the water and sewerage sector, the Office approved the 2021 annual price adjustments mechanism rate adjustments for small water providers, Runaway Bay Water Company Limited and Dynamic Environmental Management Limited.

The work of the OUR continues to benefit from partnerships with external stakeholders including the Inter-American Development Bank (IDB). The IDB provided technical assistance to the OUR to develop an organisational framework to support the decision-making interface between the Office and the OUR's executive management.

I thank my predecessor, Dr. Derrick McKoy, for his sterling service. The quality of his leadership has greatly facilitated my integration into this role. I also recognise and applaud the unstinting and steady service of Deputy Chairman, Noel daCosta, who stepped in and provided stellar leadership during the period of transition between Chairmen. I also thank the other highly professional and talented members of the Office who continue to lend their expertise to the work of the OUR.



I had the opportunity to work with several of the dedicated members of the OUR executive management team prior to assuming this position and I know first-hand of their dedication to their regulatory roles. I express my sincere gratitude to these team members, ably led by Director-General Ansord Hewitt, for their unwavering commitment as they work tirelessly to improve the quality of Jamaica's utility services by protecting the interests of utility consumers and utility investors. I also thank all staff members of the OUR who, on a daily basis, provide dedicated services to the organisation which redound to the benefit of Jamaica.

Director-General's Report

Ansord E. Hewitt
Director-General



We cannot breathe a sigh of relief that the pandemic is behind us just yet, but if 2021/22 has taught us anything, it is the extent to which we can improve our efficiencies to maximize our output. The adjustments continued during the year as once again the team was asked to give of its best in continuing to meet the challenges of the new normal, while seeking to keep the work programme on track and serving our stakeholders with aplomb. This has required further refining of our work-from-home policy, implementing measures to enhance the physical and mental health of our internal stakeholders and ensuring that they are not short-changed by the continued need to operate virtually.

Needless to say, the year had its challenges and failings, but I would like to think that it was nonetheless, dominated by our successes. The challenges and failings included delays in completion of a number of work plan projects; delays occasioned by legal challenges; loss of key critical skills and constraints on our ability to recruit replacements at market rates; slower than anticipated progress in attaining the institutional changes I consider necessary to make the OUR more “fit for purpose”.



As is our custom we have sought to provide herein an accounting from which you can form your own judgment as to how effectively we have been performing in discharging our mandate and delivering an array of public benefit. My report provides highlights, which are elaborated on in the different department and sector reports. We have also set herein a listing of the various output documents published during the year, which also give a fair indication of the range and diversity of issues with which we grappled during the course of the year.



CONSUMER AND PUBLIC AFFAIRS (CPA)

All our stakeholders are in some respect consumers of the services we regulate. Maintaining our focus on consumer engagement both at the individual and group levels is a constant imperative for the OUR. Our activities in respect of handling individual customer appeals, fielding complaints and queries, promoting public education, undertaking public surveys and mystery shopping, and initiatives aimed at empowering consumers by making them more aware of their rights and responsibilities as utility customers continued apace in 2021/22.

Notably, the OUR returned to face-to-face engagements during the year, as the waning COVID-19 numbers and the safety measures put in place to protect staff and attendees made this our preferred mode more feasible.

Our CPA Department continued the publication of Quarterly Performance Reports during the year. We consider this an important means by which we provide the public with information and analysis on, the contacts received from utility providers over the review period; JPS and NWC's performance against the Guaranteed Standards; utilities' responsiveness to our appeals process; and the performance of the OUR's Consumer Affairs Unit (CAU) against the Appeals Process timelines to which we have committed.

COMPLAINTS HANDLING AND RESOLUTION

As we observed last year, the first year of the pandemic saw an appreciable increase in the number of complaints during 2020/21 reaching a new high for the OUR. The review year recorded a 15% decrease in the number of contacts to the CAU dropping from 6,870 to 5,792. Notably, however, this figure is still above those for the pre-pandemic years. Indeed the 2021/22 figure represents the second highest in the last five (5) years.

Even though we have begun to ramp up our face-to-face interface, we did not resume walk-in visits to the office during the period. We have however made effective provisions, including assurance of call backs, to ensure

that those who take the time to visit our offices are assured that their issues are being addressed. I am also pleased to see that the public is making increasing use of the alternative channels, which include calling, sending emails and utilising our social media pages.

An interesting and equally pleasing development during the period was the growing use of our re-designed website by utility customers to submit queries and complaints to the OUR. At the end of 2021/22, our website was the third highest mode of contact used by customers following telephone calls and emails. The website now has a customer portal that allows persons to complete a form and upload documents if necessary and submit them to the OUR. This is testimony to our commitment to encourage increased use of our digital platforms by customers even while ensuring that those lacking access or the aptitude to use such platforms are not left without the means to engage with us. Our social media platform also continues to be popular among consumers and remains among the top five (5) modes through which we are contacted.

FOCUS ON SMALL PRIVATE LICENSEES

Two workshops convened with small water providers during the year and a survey among small private water and sewerage service providers to obtain their feedback on the service they are receiving from the OUR as their regulator, underscored our commitment

to ensuring that we engage with and get the valuable inputs of all stakeholders, large or small. The workshops were also used to highlight the providers' licence obligations, particularly the provision of reports to the OUR. I am heartened by reports that since the holding of the workshops, there has been a marked improvement in regulatory compliance by members of this group.

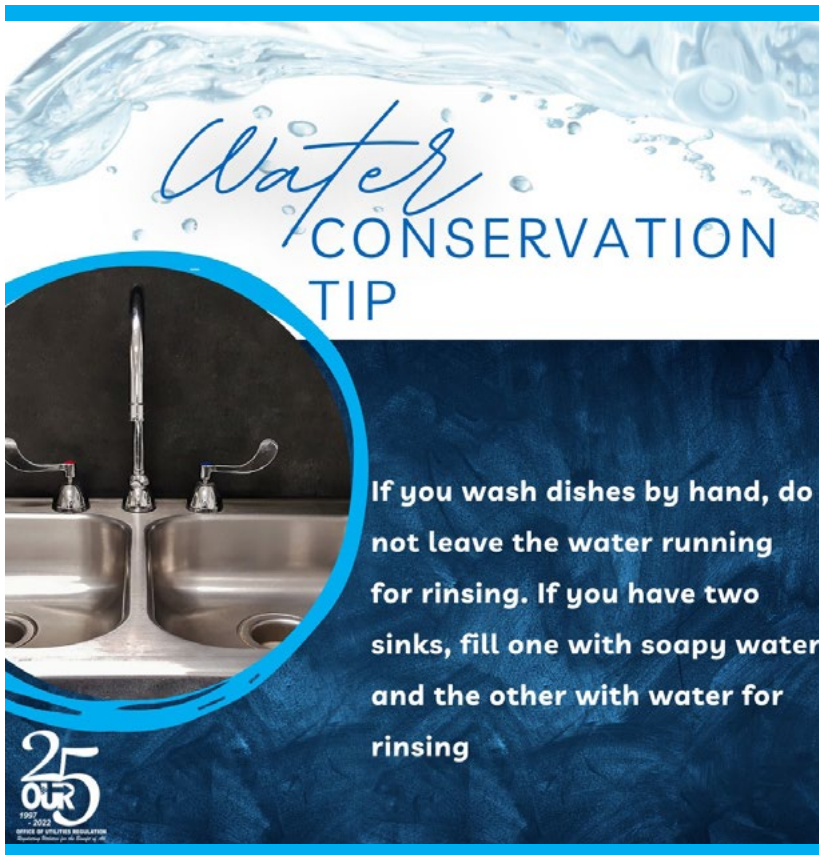
The OUR will continue to monitor these providers and I look forward to announcing in my next report, that the positive trajectory is being sustained.

At the same time, we are committed to use the feedback and information gathered from our survey of such providers to guide the contemplated improvements to our internal processes. It goes without saying that the OUR cannot expect to require less of itself than it demands of the entities it regulates.

MYSTERY SHOPPING AND NATIONAL CONSUMER SATISFACTION SURVEYS

In addition to the small private water and sewerage service provider survey, we conducted two (2) surveys that were national in reach: the 2021 National Consumer Satisfaction Surveys and the annual 2022 Mystery Shopping survey. Notably, this year, we expanded the parameters of the Mystery Shopping survey, which allowed for a more probing evaluation, in keeping with changing consumer patterns and the shift in focus among providers on the options available for

customers to contact them. The findings of both indicate that the quality of customer service offered by the utility providers is still low. In the case of the Mystery Shopping exercise, where the utility providers' customer service was assessed in-store, via call centres and web chat, JPS was the best performing but at 56%, this is still unacceptable. In the case of the National Consumer Satisfaction Survey, overall levels of satisfaction remain in the moderate range of 5.4-7.05 out of 10. Reliability, bill accuracy and cost efficiency remain among the top concerns of utility customers. These findings will also be instrumental in determining the focus, composition and emphasis of our work plan and activities over the upcoming periods.



ST. JAGO HILLS DEVELOPMENT WATER ISSUES

Reports came to the OUR during the latter part of the year, about serious concerns regarding water supply issues to residents of St. Jago Hills in St. Catherine. St. Jago Hills Development Company Limited (SJHDC) had taken a decision to reduce the number of days water is supplied to residents, in light of what it says was delinquency by some of its customers in paying their bills on time, and its high liability to the NWC. Following an investigation, we issued a Directive to SJHDC to Cease and Desist the reduction in the number of days water is pumped to residents in the community. However, we recognize that there is the need for ongoing engagement with the water providers to ensure that residents are assured of stable supply and acceptable service levels over the long term.

SUM SECURED FOR UTILITY CUSTOMERS

Over \$154.4 million was paid to consumers, either resulting from actions taken by the CAU or compensation for breaches of the Guaranteed Standards (GS).

In relation to the GS, JPS committed 68,286 breaches that attracted compensation of approximately \$148.3 million, which was all paid out through an automatic compensation mechanism. The NWC committed 5,762 breaches, which attracted potential compensation of approximately \$22.9 million. Actual payments amounted to approximately \$5.3 million, representing 23% of total potential amounts, while the remaining 77% was not paid due to the non-submission of the required claim forms.

PUBLIC EDUCATION

The team in the Public Affairs Unit rolled out a number of innovative public education initiatives and activities during the review period. I am particularly impressed with the OUR's Utility Beat video series. This featured interviews with consumers across the island who were randomly asked to respond to questions about their knowledge of what the OUR does, and what they understand to be their rights and responsibilities as

utility customers. The opportunity was also used to provide them with more information to better arm and empower them, so they are in a better position to hold the utilities and us accountable. The 2-minute videos were posted on OUR's YouTube page and shared with followers on all our other social media platforms. I am advised that we have been receiving good feedback. Part of the plan for the upcoming year, is for the Unit to focus on a short drama series as part of the development of our OURTV concept. Again, the overriding objective is to inform, educate and ultimately empower all stakeholders.

Community and workplace outreach and consultations were also held during the period, as we slowly eased back into face-to-face engagements, even while continuing our webinar series.

STAKEHOLDER ENGAGEMENTS

I had the privilege of again meeting with some of our external stakeholders – albeit virtually – to update them on the work the OUR is doing, at our 7th Annual Director-General Stakeholders' Engagement, held on 2022 March 31. The theme, *“Are the utility sectors rising to the Challenges? Innovation, Disruption and Changing Expectations”*, was quite apt and was ably addressed by our expert panelists. Once again the virtual form allowed us the added advantage of reaching beyond the shores of Jamaica to stakeholders and partners in the region and in other parts of the world. We intend to maintain this

dimension that has so enriched the event as we get back to the more desirable physical presence approach. I want to again say thanks to panel members for their willingness to lend their expertise to the issues and for fielding queries from the audience. The OUR team certainly gained some new perspectives, which will be utilised where applicable.

This year, we staged for the first time ever, a regional media workshop focusing on *“5G Technology – Is the Region Ready?”* The decision to host such a workshop followed the proliferation of misinformation in the region regarding a link between COVID-19 and 5G Technology, and the view that 5G technology had clandestinely entered the region without public awareness given the supposed health risks. The OUR, cognizant of the leadership role it has carved out amongst utility regulators in the region, decided to stage this workshop with media across the region to debunk the myths and provide credible and relevant information about the benefits of 5G Technology. We are pleased that fifty (50) media houses from twenty-five (25) countries across the region were represented. The feedback was very positive and we will be holding another such event in 2022/23, again putting into focus a utility issue with regional implications.

Closer home, buoyed by feedback to spend some time with stakeholders at the parish level, I will be meeting with representatives of the residential and business communities in the western end of the island early in 2022/23

as I seek to hear first-hand about some of the significant utility issues they are having. I look forward to having meaningful discussions with them.

ACCESSING INFORMATION FROM THE OUR

Accessing information and browsing documents authored by the OUR became a bit easier during the period with the redesigned OUR website which was launched in 2021 May, and the moves by our Information Centre (OURIC) to digitize our catalogue. Our new-look website is now more user-friendly and contains accessibility features including the option to increase font sizes. It also contains a portal through which consumers can make contact with the OUR by filling out the short form and uploading documents if necessary. Since its launch, the website has now become the third highest mode of contact to the OUR, following telephone calls and emails. The OURIC page on our website also provides a quick option for persons to request information on any public document published by the OUR. During the period, OURIC also launched an online public access catalogue system through the National Library of Jamaica, and will be finalizing an e-book platform in the upcoming year that will provide a collection of industry-related eResources. Placing information right at your fingertip is our mantra as we complete the digital transformation of our Information Centre.

ELECTRICITY SECTOR

Exogenous factors including skyrocketing global fuel prices, rising domestic inflation and exchange rate depreciation dogged the electricity sector during the period, resulting in a negative impact on electricity prices and more cries from consumers for Government subventions to help cushion the blow.



The EV Consultation Document is the outcome of a study by an OUR Working Group which conducted international research regarding the issues that would need to be resolved for a viable and sustainable EV market in Jamaica.



The technical team completed a number of projects including: The JPS Annual Review 2021; A Stakeholders Consultation Document on Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica, 2021 April; and, an Evaluation of JPS' Projects Proposal for a Corporate Area Bulk Capacitor Bank & Hunts Bay GT10 Hot Gas Path Inspection.

ENERGY SUPPLY MIX

The increase in the use of Natural Gas (NG) has resulted in a situation where this is now the dominant energy source used for electricity production in the sector, accounting for over 62.0% of system net generation in 2021. This result highlights a significant shift in the energy matrix compared to the situation back in 2015, when liquid fuels and Renewable Energy (RE) resources accounted for 95% and 5% of primary energy requirements, respectively. Significantly, even though RE generation supplied to the grid in 2021 at 534.15 GWh, was down 1.09% relative to the 2020 level (540.01 GWh), this still represents over 12% of the electricity fuel mix, a marked improvement on the 2015 figure noted earlier.

The decline in RE generation in 2021 was primarily attributable to the lower than expected net energy output from the interconnected wind generation facilities. It is also noteworthy that RE contribution to the system net generation at 12.4% in 2021, is still well below the 15% target specified in the National Energy Policy (NEP).



Notwithstanding, the shift in the sector to greater use of RE and NG in the energy mix are significant positives for the sector at this point. Indeed, as I had occasion to note elsewhere, while, it provides little comfort to our public to be told that it could have been worse, the fact is that the switch to NG along with the foray in adding renewable capacity to the grid, has provided some cushion from the worst of the current spike in international fuel prices. This was particularly evident during the latter and early months of calendar years 2021 and 2022 respectively, when the NG facility at Bogue was taken out of operation to facilitate relocation at the port and there was the resort to Automotive Diesel Oil (ADO) as the alternative fuel.

Fortunately, the OUR was able to insist that this was not a *force majeure* situation and so by virtue of the contractual arrangement, consumers should not bear the higher ADO rate but should be billed at the rate that would have been obtained if NG was used. All of this holds valuable lessons for Jamaica in terms of the need to continue to pursue a policy that diversifies its energy sources and increases the share of indigenous fuel in its energy mix as a hedge against both international price and supply volatility.

JPS'S ANNUAL TARIFF APPLICATION REVIEW

JPS submitted its 2021 Annual Review Application on 2021 May 5 in keeping with Schedule 3 of the Electricity Licence, 2016. The OUR reviewed the application and made its decisions which took effect 2021 September 1. The OUR's decisions resulted in an average marginal increase in the tariff of 1.4% (non-fuel and fuel charges). JPS had requested an average increase of 3.5%. In response to the OUR's Determination Notice, JPS has filed an Appeal of a number of the Office's decisions. The OUR expects that the appeal will be heard in 2022.

I would wish to observe at this juncture, that since 2019 every major decision by the OUR under the 2016 JPS Licence has been the subject of appeals by JPS. This means there are a plethora of matters still to be settled which, depending on how the Tribunal rules, could result in substantial liabilities for rate payers. The hearing of these appeals have

been delayed for various reasons, and while the OUR is not seeking to attribute blame at this point, it bears noting that this situation does not inure to certainty within the sector.

DIRECTIVE TO JPS TO CEASE AND DESIST THE OPERATION OF ITS TRANSFORMER PROTECTION PROGRAMME

We found it necessary during the year to issue JPS with a Directive to cease and desist its pilot Transformer Protection Programme, which resulted in customers in communities in several parishes experiencing frequent and prolonged power outages. Complaints started reaching the OUR in 2021 July and in response to the OUR's queries, JPS in 2021 October indicated that it had implemented the pilot project to reduce the rate of failure of its transformers caused by electricity theft in approximately eighty-eight (88) communities. The OUR's investigation is still ongoing. It is anticipated that the report will be published in the third quarter of 2022. In the meantime, JPS has been barred from continuing with this practice, pending the completion of OUR's investigation.

ELECTRIC VEHICLE INITIATIVE

The OUR as part of its proactive approach, commenced work towards the formulation of a regulatory policy framework for the electric vehicle (EV) market two years ago. Emanating from this was the publication of a consultation document entitled, "Proposals

for a Regulatory Framework to Facilitate the Penetration of Electric Vehicles in Jamaica". Notwithstanding the delay in the publication of the final recommendations, I am relieved to indicate that the report with recommendations will be provided to the Government early in the next period.

The EV Consultation Document is the outcome of a study by an OUR Working Group which conducted international research regarding the issues that would need to be resolved for a viable and sustainable EV market in Jamaica. Among these are the regulatory and policy actions required to facilitate and support the uptake of EVs, as well as the obstacles that requires Government resolution.

REVIEW OF THE ELECTRICITY ACT

As part of the requirement of the Electricity Act, a Joint Select Committee of Parliament is currently reviewing that legislation. During the year, on the invitation the Committee, the OUR made submissions and appeared before it to provide explanations and answers. The OUR appreciated the invitation to provide critical comments and hopes that the positions it has articulated will find favor. We also consider the review to be even more critical and opportune, in light of the recent upheavals in energy markets globally and that it is taking place prior to 2027 when negotiations are set to be completed with JPS over the possible renewal of its Licence which is set to expire then.

WATER & SEWERAGE

While the anticipated five-year tariff submission from the NWC was not received during the period, the team was kept busy with other activities including review of the Annual Price Adjustment Mechanisms (ANPAM) for Runaway Bay Water Company Limited (RBWC), Dynamic Environmental Management Limited (DEML) and the NWC; and, the monitoring of NWC’s performance against Performance Criteria established in the 2019 Interim Tariff Determination Notice. There was also ongoing monitoring of the NWC K-Factor submissions. The OUR also provided initial comments on two (2) project proposals from the NWC.

St Jago Hills Development Company Limited (SJHDC) and Drax Hall Development Water Company submitted rate review applications but as at year-end, both were pending due to inadequate information. We have found that the matter of inadequate information to support the application is a feature of submissions by small water and sewerage service providers, and therefore we will be seeking to reacquaint licensees with the required information in the next period.

ANNUAL ADJUSTMENTS AND TARIFFS

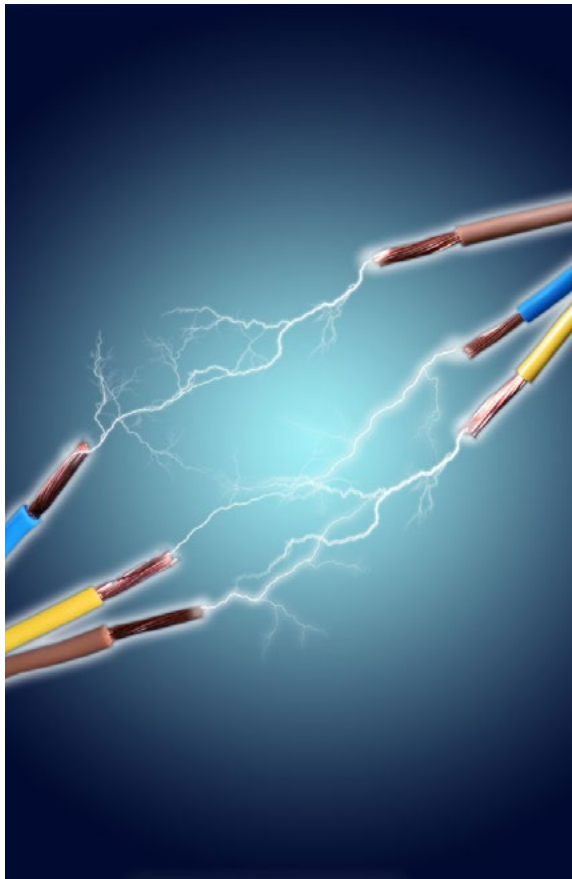
Unlike the 2020/21 period, there were several submissions by water providers for an Annual Price Adjustment Mechanism (ANPAM). The OUR reviewed ANPAM applications from RBWC, DEML and NWC. RBWC submitted its ANPAM rate adjustment application of 6.05%. The application was reviewed and approved by the OUR and became effective in 2021 September. DEML submitted its ANPAM rate adjustment application of 6.827%, which the OUR reviewed and approved with the new base rate becoming effective on 2021 November 1. The NWC submitted an ANPAM rate adjustment application on 2022 March 23 for 11.70%, which was reviewed and approved to become applicable in 2022 May. This rate adjustment is also applicable to NWC’s miscellaneous reconnection fees.



MONITORING NWC’S PERFORMANCE AGAINST PERFORMANCE CRITERIA IN THE 2019 INTERIM TARIFF DETERMINATION NOTICE.

The OUR continued its monitoring of NWC’s performance throughout the period. One major project under development by the NWC is the planned construction of a 15 million gallons per day water treatment plant at Rio Cobre, Content, St. Catherine, under a Public-Private Partnership (PPP) arrangement. The

NWC posits that this proposed facility will be a critical component of its long-term drought mitigation plan and part of its operational strategy to address the seasonal water deficit in the Kingston Metropolitan Area (KMA). Given the strategic importance of this project and its potential long-term effect on the water supply system, the OUR continues to provide its inputs and comments on various project documents even as the project is being fine-tuned for implementation.



TELECOMMUNICATIONS SECTOR

With the advent of COVID-19, telecommunications services have taken on added significance for residential and business needs. Work-from-home and school-from-home arrangements up to the end of the year were still in force and so reliable internet and mobile services continued to be in high demand. The team at the OUR was kept busy during the year ensuring we were responsive to the changing industry, while at the same time, working on other areas in the industry.



The OUR updated the mobile and fixed cost models during the period, reducing call termination rates in the process. The call termination rate is the tariff charged by a telecommunications operator for accepting calls from another telecommunications operator.



Major achievements during the period included: The publication of our Telecommunications Market Information Quarterly Reports; Number Portability Framework - Industry Number Portability Guidelines - Phase 1 - Determination Notice; and updates of the Cost Models for Fixed and Mobile Interconnection Rates.

COST MODELS FOR TERMINATION RATES

The OUR updated the mobile and fixed cost models during the period, reducing call termination rates in the process. The call termination rate is the tariff charged by a telecommunications operator for accepting calls from another telecommunications operator. Mobile termination rates were lowered from \$1.10 per minute to \$0.69 per minute, effective 2021 December 1. Fixed termination rates also went down significantly from around \$0.10 per minute to \$0.067 per minute. The rates became effective 2022 May 1.

NUMBERING ADMINISTRATION

As indicated last year, licensees levied a number of contentious charges and countercharges regarding alleged inappropriate conduct with regard to the porting of numbers. At the same time, it was increasingly evident that there was a need to revisit some aspects of the existing porting arrangements as the telecommunication market continued to evolve. Happily, I am able to report that Phase 1 of the review of the number portability framework, which focussed on the issues/proposals that are specific to the Industry Number Portability Guidelines (INPG) was

completed during 2021/22. It is anticipated that the prescriptions set out in this aspect of the review will see a minimising of the claims and risks of fraudulent or inappropriate porting transactions.

Phase 2 of the review of the number portability framework will kick off in early 2022/23 and may have implications for the short code portability framework. These codes typically have lengths of between four (4) and six (6) digits and provide a useful balance between ease of recall for mobile subscribers and the ability to convey meaningful information. The Telecommunications (Number Portability) Rules, 2014 provide for the porting of short codes, where these codes can be reached from outside the network and are exclusively assigned to a customer.

FIXED, MOBILE AND INTERNET SERVICES

As at 2021 December 31, the subscriptions for fixed, mobile and internet services all increased. Fixed subscriptions went up by 9% over the 2020 period. The penetration rate is still modest, at 17.32% compared to 15.96% in 2020. Unsurprisingly, mobile subscriptions also saw an increase, albeit by a modest 1%, with the penetration rate now at over 106%. Fixed broadband subscriptions stood as at 2021 December 31, saw a 7% increase over the previous period while mobile broadband reflected a 0.2% decrease as at 2021 December 31.

MATTERS OF ONGOING CONCERNS

We have had a long-standing tradition dating back to my distinguished predecessors of highlighting in this report, matters that are of regulatory concern and which keep us up at nights, so to speak. These involve matters specific to each regulated sector and to the institutional health of the OUR. Consistent with that custom, I have itemized below a number of such matters:

ELECTRICITY

Generating Capacity Addition - Although the matter of the timing and procurement of additional capacity is no longer within our remit, the OUR has a vested interest in ensuring that the addition of new capacity, including renewables, is carefully calibrated in such a way that the rate-payers are not left with stranded assets, for which they will have to continue to pay. In this regard, while the OUR is supportive and considers the push towards renewables to be impatient of debate, we continue to posit that this be informed by the best analysis of the immediate, medium and long-term effects on rates.

Update of the Integrated Resource Plan (IRP) - It is essential that decisions about new procurement and the strategic fuel mix are informed by the most updated data set and technical and economic analysis. In this regard, we continue to underscore the imperative of completing the revised IRP. I am therefore heartened by the assurance from the Ministry of Science Energy and Technology (MSET) that the date for completing this update is on or before 2022 December. Notably, an updated IRP is also required to inform the next JPS five-year tariff review due in 2024.

Electricity Sector Losses - After showing albeit marginal decreases in recent years, electricity losses have risen over the last two pandemic years bringing into sharp focus the need to continue sustained efforts to address this problem. The OUR remains unequivocal in its support for enforcement actions against electricity theft, but will always seek to ensure that such actions do not penalize paying customers. At the same time, we remain convinced that a mix of vigorous and sustained enforcement including speedy prosecution, carefully calibrated and targeted subsidies; and well-constructed loss reduction incentives are what is required to address losses.

TELECOMMUNICATIONS

New Information Technology Legislation - We are of the view that the time is long past to enact new legislation to take account of the rapid evolution in the Information and Communication Technology sector since the Telecommunications Act of 2000. The OUR is concerned that undue preoccupation with institutional arrangement has often stymied progress on this matter and that this need not be so. We strongly urge therefore that the

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Government forges ahead with the necessary legislative changes and we are convinced that the institutional arrangement will be resolved by logic and pragmatism.

Comprehensive Plan to Drive Broadband Roll Out and Effect Digital Transformation

- If nothing else, the pandemic has underscored the need for strategic public policy intervention to make ICT services available to and accessible by all citizens. To this end, we have often decried the absence of a comprehensive public sector led policy informed by the requisite research and studies to achieve specified objectives in set

timeline. We are therefore encouraged by recent initiatives by MSET to undertake such studies and formulate such defined objectives, to which, the OUR will give its unwavering support.

Regional Initiatives - During the year, word came that an agreement had been reached by regional heads of Government to secure a significant reduction in roaming charges within the CARICOM region. The mechanism for monitoring and reporting on this arrangement is, however, still unclear at the time of writing. Additionally, the OUR is also aware of ongoing discussions at the regional level regarding the development of a common ICT space and ultimately regional regulation but this is yet to be formally communicated. In order to deliver effective implementation strategies, we highlight the need to ensure that there is clear communication to local stakeholders about initiatives being pursued regionally.

WATER AND SEWERAGE

Water Losses - the OUR remains disappointed with the lack of evidence that water losses are headed in the right direction and that the initiatives taken so far to cauterize and reduce water losses are achieving sustained results even at the local level. It is therefore anticipated that the NWC will provide comprehensive data in its next rate review application on the success of specific water loss management initiatives it has pursued since the last review.

Water and Sewerage Sector Legislation - The water and sewerage sector stands out among the regulated sectors as the only one lacking overarching sector-specific legislation to define the roles, responsibilities and even the market structure of the sector. The OUR remains convinced that, even with the progress that has been made in the development and promulgation of a sector policy, there is still an urgent need for sector-specific legislation.

Policy Ambiguities Regarding a Desirable Structure for the Water and Sewerage Sector - Closely akin to the absence of overarching sector-specific legislation is also the sense that there are still some ambiguities as to the role that private sector investment should play



in the water and sewerage sector. The OUR is committed to spearheading the drive to develop and encourage specific financing instruments for the water sector similar to those employed in the electricity sector, to lend greater certainty to such investments without the constant call for public guaranteed and special arrangements. We anticipate that the Government will also be moving to address ambiguities where they exist.

QUALITY OF SERVICE AND CONSUMER RELATIONS

Growing Disaffection with Customer Service - I am concerned with the indications that even prior to the pandemic, there was evidence of growing complaints about the service levels for all of the utilities. This has also been borne out in the results of the OUR's 2022 Mystery Shopping and other surveys. It is increasingly clear that the providers are yet to get the model right in terms of the automation and outsourcing of customer service provisioning for their customers. The OUR will continue to make this an area of critical focus, as we are determined that the bar for customer service should be raised, not lowered.

HUMAN RESOURCE AND INSTITUTIONAL

It has been my annual refrain in this forum to emphasize the need to ensure that the OUR is properly structured and resourced with the required competencies to address the myriads of technical challenges it faces. In this regard, it is disappointing that although we have made some incremental progress in obtaining the approval of the Office for structural changes and approval of the Ministry of Finance and the Public Service for some of the additional positions, the process to obtain others have encountered delays. The inability to address this need is further fettered by the need to await the outcome of the current Public Sector Review process to address the competitive limitations of existing remuneration levels. In the meantime, we have not only been unable to attract some critical outstanding talents but have begun to hemorrhage existing talents. In the words of the ancestors, 'while the grass is growing the horse is starving'. It remains my optimistic hope that we will find a way to an expedited solution in the upcoming year.

OUTLOOK

Our most recent past experiences have confirmed that all the utilities we regulate are essential services, as stakeholders are just as reliant on quality telecommunications services as much as they do on electricity and water. Moreover, the notion that market forces, *per se*, are always sufficient to meet these demands continues to be challenged by our experiences.

The utility providers also recognized that consumer and business demands necessitate changes to their operations in order to be more responsive, while at the same time, ensuring greater reliability of service. The issue of reliability and bill accuracy were the two major factors that were of importance to customers, as identified in our recent surveys. Unfortunately, utilities continue to lag in these areas. We continue to be disheartened by the poor service quality meted out to customers. During the course of the next year, we will be working closely with the utility providers to see how some of the significant issues can be addressed.



In the upcoming year, we will be working on a number of projects, including an impact assessment of JPS's office closures, a review of the NWC's five-year Tariff application, JPS's Annual Tariff Review and an Electricity Market and Price Study.



The OUR is defending a number of its decisions before the Electricity and Telecommunications Tribunals, as well as in the courts and look forward to their outcomes. Fortunately, there are indications that in telecommunications some of these matters may be settled outside of the courts. The OUR is prepared to vigorously meet judicial challenges to its decisions and actions but this is not our preferred mode. At the same, we maintain a healthy respect for the benefit of administrative and judicial rulings in providing certainty and offering the assurance that regulatory and discretionary authorities are not without checks and constraints.

The year ahead will be yet another challenging one exacerbated by the quest to shore up the staff complement in the face of added work pressures and the continued uncertainties,

which are by no means new to us. I once again express the certainty that we will rise to the challenge as we always do.

This year marks twenty-five years since we have been in operation. We will be devising some ways to share the milestone with our stakeholders, for we do believe there is much to celebrate. This includes the track record we have established as a model regulator, the reputation we enjoy in many quarters for independent decision making, the respect for the technical competence of our staff, our well-established tradition of consultation and engagement and the evidence that most of our decisions have withstood judicial scrutiny and technological and economic evolution. We are also able to continue to underscore the fact that we have attained and have maintained ISO 9001:2015 Certification for our processes and procedures since 2014.

I maintain that the quality of an institution is largely determined by those who serve it – past and present. It is beyond dispute that the OUR has been blessed in spades by the caliber of those who have served at every level since its establishment. Our Office Members past and present have brought commitment, wisdom, collegiality and an enviable array of skills to the OUR. They give far more than they signed up for even while leaving no doubt that they enjoy the work. Our staff members are the best, I have seen anywhere. To all of you, I offer my sincere thanks for your support and help in these continued challenging times.

Toward the end of the review period, we said goodbye to former Chairman Derrick McKoy who demitted the position to become Attorney General. We miss his insight, wisdom, scholarship and humanity but we are confident that it is to the immense gain of the Cabinet of Jamaica.

I end as I did earlier in the calendar year when we kicked off our 25th Anniversary celebrations. We will attempt to convince you through the various activities we engage in this year, of our own assessment of the OUR's value and the contribution it has made to enhancing national welfare over the last twenty-five years of its existence. Ultimately, of course, that verdict rests with history and our stakeholders and I would have picked no better jurors.

Summary of Publications

TELECOMMUNICATIONS

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Determination Notices	<ul style="list-style-type: none"> Number Portability Administration Fees, 2021 Estimate of the Weighted Average Cost of Capital for Telecommunications Carriers Update of the Mobile Cost Model – The Decision on Rates Update of the Cost Model for Fixed Interconnection Rates - The Decision on Rates Review of the Number Portability Framework - Industry Number Portability Guidelines - Phase 1 - Determination Notice 	<ul style="list-style-type: none"> Improving Information Transparency in Telecommunication Markets The Jamaican National Numbering Plan and Dialing Plan & The telecommunication Numbering Rules Update of Cost Model for Fixed Termination Rates - Principles and Methodology Number Portability Administration Fees, 2020 Assessment of Fixed Infrastructure Sharing Costs - Principles and Methodology
Quarterly Sector Reports	<ul style="list-style-type: none"> Telecommunications Market Information Report July - September 2020 Telecommunications Market Information Report October - December 2020 Telecoms Market Information Report January - March 2021 Telecoms Market Information Report April - June 2021 Telecoms Market Information Report July - September 2021 	<ul style="list-style-type: none"> Telecommunications Market Information Report January - March 2020 Telecommunications Market Information Report April - June 2020
Consultation Documents	<ul style="list-style-type: none"> Review of the Number Portability Framework - Phase 1 Supplementary Consultation for the Cost Model for the Assessment of Fixed Infrastructure Sharing Rates 	<ul style="list-style-type: none"> Update of the Mobile Cost Model in Jamaica Estimate of the Weighted Average Cost of Capital for Telecommunications Carriers Update of the Cost Model for Fixed Termination Rates – Public Update of the Cost Model for Fixed Termination Rates – Confidential Cost Model for the assessment of Fixed Infrastructure Sharing Rates - Draft Model Ensuring Equivalence of Access and Choice for Persons with Disabilities in Telecommunication Markets
Industry Notifications	<ul style="list-style-type: none"> Re: Directive to Licensees to Cease and Desist Activities in the Porting Process that are in Contravention of the Industry Number Portability Guidelines Re: Engagement in Conduct by Licensees that Causes a Significant Number of Port-Out-Request to be Timed –Out Re: Federal Communications Commission Robocalls Mitigation Re: Extension of the Initial Timeline Given to Service Providers to Offer a Financial Cap on Roaming Services Re: Dialing Distinction between Local 888 Toll-Free Numbers and North American Numbering Plan 888 Toll-Free Numbers 	None was issued in this period.
Request for Quotations	<ul style="list-style-type: none"> Consultancy Services to Assess the Potential for Jamaica’s Digital Transformation 	None was issued in this period.

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Directives	None was issued in this period.	<ul style="list-style-type: none"> Directive to Cable & Wireless Jamaica Limited to comply with the Office of Utilities Regulation's Request for the submission of information in relation to the Telecommunications Market Information Requirements Directive to Columbus Communications Jamaica Limited to comply with the Office of Utilities Regulation's Request for the submission of information in relation to the Telecommunications Market Information Requirements Directive to DIGICEL (JAMAICA) Limited To Cease and Desist Activities in the Porting Process that are in Contravention of the Industry Number Portability Guidelines Directive to Cable & Wireless Jamaica Limited to Cease and Desist Activities in the Porting Process that are in Contravention of the Industry Number Portability Guidelines
Decisions	None was issued in this period.	<ul style="list-style-type: none"> Jamaican National Numbering Plan and Dialing Plan - Final Decision
Rules	None was issued in this period.	<ul style="list-style-type: none"> Telecommunication Numbering Rules and Number Assignment Guidelines
Guidelines	None was issued in this period.	<ul style="list-style-type: none"> Technical Requirements for Telecommunication Licences Application

ELECTRICITY

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Determination Notices	<ul style="list-style-type: none"> Jamaica Public Service Company Limited - Annual Review 2021 	<ul style="list-style-type: none"> Electricity Wheeling Tariff Methodology JPS 2019-2024 Tariff Review Determination Notice
Responses	<ul style="list-style-type: none"> Stakeholders Consultation Document: Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica, 2021 April - OUR's Comments on Consultation Responses 	None was issued in this period.
Directives	<ul style="list-style-type: none"> Directive to the Jamaica Public Service Company Limited to adhere to Existing Billing Quality Control Procedures Further Directive to Jamaica Public Service Company Limited (JPS) to cease and desist the curtailment of service to Communities in which it has implemented its Transformer Protection Programme Pilot Project 	<ul style="list-style-type: none"> Directive to the Jamaica Public Service Company Limited to Adhere to Existing Billing Quality Control Procedures
Consultation Documents	<ul style="list-style-type: none"> Stakeholders Consultation Document: Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica, 2021 April 	None was issued in this period.

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Public Notices	<ul style="list-style-type: none"> OUR validation of monthly Energy Rates in relation to the Net Billing Arrangement for the period 2020 October to 2021 April. Net Billing Energy Prices May - June 2021 OUR validation of monthly Energy Rates in relation to the Net Billing Arrangement for the month of 2021 July Re: Directive to the Jamaica Public Service Company Limited to cease and desist the curtailment of Service to the Communities in which it has implemented its Transformer Protection Programme Pilot Project Net Billing Energy Prices - August 2021 Net Billing Energy Prices - September 2021 Net Billing Energy Prices - October 2021 	<ul style="list-style-type: none"> Net Billing Energy Prices - February 2020 Net Billing Energy Prices - March 2020 Net Billing Energy Prices - April 2020 Net Billing Energy Prices - May 2020 Net Billing Energy Prices - June 2020 Net Billing Energy Prices - July 2020 Net Billing Energy Prices - August 2020 Net Billing Energy Prices - September 2020
Addendum	None was issued in this period.	<ul style="list-style-type: none"> Addendum to Jamaica Public Service Company Limited Rate Review 2019 – 2024: Determination Notice
Request for Proposal	<ul style="list-style-type: none"> Consultancy Services to Provide Rate Design Analysis in Response to Jamaica Public Service Company Limited 2021 Annual Filing 	None was issued in this period.
Reconsideration Decision	<ul style="list-style-type: none"> Jamaica Public Service Company Limited - Annual Review 2021 - Reconsideration Decision 	None was issued in this period.
Reports	<ul style="list-style-type: none"> Evaluation of JPS' Projects Proposal: Corporate Area Bulk Capacitor Bank & Hunts Bay GT10 Hot Gas Path Inspection 2021 April Stakeholders Consultation Document: Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica, 2021 April – Report 	<ul style="list-style-type: none"> OUR - Advanced Electricity Meters Investigation

WATER AND SEWERAGE

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Determination Notices	<ul style="list-style-type: none"> Runaway Bay Water Company Limited Annual Price Adjustment Mechanism 2021 Rate Adjustment Dynamic Environmental Management Limited Annual Price Adjustment Mechanism 2021 Rate Adjustment 	<ul style="list-style-type: none"> National Water Commission Annual Price Adjustment Mechanism 2020 Rate Adjustment Tryall Golf & Beach Club Limited - Connection/Reconnection Fees Enhancing Customer Satisfaction through Customer Contact Centre Standards for the Jamaica Public Service Company Limited and the National Water Commission Dynamic Environmental Management Limited Annual Price Adjustment Mechanism 2020 Rate Adjustment Runaway Bay Water Company Limited Water and Sewerage Rates National Water Commission Annual Price Adjustment Mechanism 2021 Rate adjustment
Directive	<ul style="list-style-type: none"> Directive to St. Jago Hills Development Company Limited (SJHDC) to cease and desist the reduction in the number of days water is pumped to the customers in the St. Jago Hills Development 	None was issued in this period.



CONSUMER AND PUBLIC AFFAIRS

Category	FY April 2021 – March 2022	FY April 2020 – March 2021
Quarterly Reports	<ul style="list-style-type: none"> Quarterly Performance Report - 2021 January – March Quarterly Performance Report - 2021 April – June Quarterly Performance Report - 2021 July – September Quarterly Performance Report - 2021 October - December 	<ul style="list-style-type: none"> Quarterly Performance Report - 2020 January – March Quarterly Performance Report - 2020 April – June Quarterly Performance Report - 2020 July – September Quarterly Performance Report - 2020 October - December
Reports	None was issued in this period.	<ul style="list-style-type: none"> OUR's Investigation Report into Customer Complaints of high billing by the Jamaica Public Service Company Limited
Recommendation	None was issued in this period.	<ul style="list-style-type: none"> OUR Analysis and Recommendation to MSET on the Request from JPS for Force Majeure Relief of Specified Quality of Standards

The Executives



Ansord E. Hewitt
Director-General



Maurice Charvis
Deputy Director-General



Cheryl Lewis
Deputy Director-General



Cedric Wilson
Deputy Director-General



Shanique Nunes
Executive Assistant



Departmental Reports

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Secretary to the Office (STTO)

This Department is responsible for the effective and efficient functioning of the Office, including its decision-making processes and its compliance with internal and external procedures. The STTO in consultation with the Office Chairman sets the regulatory agenda and ensures that matters before the Office are dealt with expeditiously. The STTO is also responsible for licence processing, the development of the Corporate Plan, and the OUR's external relations.

CORPORATE BUSINESS PLAN

In accordance with the requirements of the Public Bodies Management and Accountability Act, the OUR's 2022 - 2026 Corporate Business Plan and Budget were submitted to the Ministry of Finance and Public Service by the statutory deadline of 2021 December 31. The OUR's achievements are highlighted in the various sector reports which also provide an indication of the extent of compliance with programme timelines and the factors impinging on various work outputs.



The OUR conducted the usual due diligence exercise, resulting in recommendations for the grant of thirty-two (32) new telecommunications licenses.



Diana Cummings
Secretary to the Office



Carlene Dunbar
Licensing Officer



Thalia McPherson
Project & Research Officer

ORGANISATIONAL GOVERNANCE FRAMEWORK

The OUR received technical assistance from the Inter-American Development Bank (IADB) to perform the following:

1. Develop an organisational governance framework with related protocols to support the decision-making process between the Office and the OUR's executive management.
2. Perform a comprehensive review of the policy, legal and regulatory framework governing the sectors regulated by the OUR.
3. Strengthen institutional structure, human and material resources and support systems.

The OUR engaged a consultant, and coordination of activities for the project was done through the STTO Department. Item 1 above was completed in 2016/17. Items 2 and 3 commenced in the latter part of 2019/20 and were completed in 2021/22. The recommendations accepted from this report are in various stages of implementation and

where required, the requisite engagements with policymakers and the Ministry of Finance and the Public Service have begun.

LICENCES

There were several applications for licences in the Telecommunications sector during the period under review.

TELECOMMUNICATIONS SECTOR

The OUR conducted the usual due diligence exercise, resulting in recommendations for the grant of telecommunications licences to the entities listed in Table 3.

WATER AND SEWERAGE SECTOR

In 2021/22, there were no new applications for licences in the Water and Sewerage Sector. The recommendation for the grant of sewerage service provider licence for Kemtek Development and Construction Limited sent to the Ministry of Economic Growth and Job Creation in 2021 was at the time of this report, still being processed.

The OUR's recommendation to the Ministry in 2020, for the renewal of Water Supply Licence to Four Rivers Development Company Limited is also being processed.

An application to the OUR from Drax Hall Utilities Limited for a Sewerage Service Provider licence is also being processed.

TABLE 3: TELECOMMUNICATIONS LICENCE APPLICATIONS PROCESSED IN 2021/22

Entity	Licences Issued	New (N)/ Renewal (R)
1 Advance Cable Systems Company Limited	Carrier	N
	Internet Service Provider	N
2 Amber Innovations Limited	Carrier	N
	Internet Service Provider	N
3 Combined Communications Limited	Carrier	N
	Internet Service Provider	N
	Internet Service Provider for Subscriber Television Operators	N
	Operators	N
4 C.T.L. Limited	Carrier	N
	Internet Service Provider	N
	Internet Service Provider for Subscriber Television Operators	N
	Operators	N
5 Digicel (Jamaica) Limited.	International Voice Services	R
6 Giant Networks Limited	Carrier	N
	Internet Service Provider	N
7 Home Time Entertainment Limited	Carrier	N
	Internet Service Provider	N
	Internet Service Provider for Subscriber Television Operators	N
	Operators	N
8 Hospitality Communications Information Systems Limited	Internet Service Provider	R
	International Services Provider	R
9 Introlink Café Communication Limited	Carrier	N
	Internet Service Provider	N
10 Kayla Internet Service Provider Limited	Carrier	N
	Internet Service Provider	N
11 Linscom Network Limited	Carrier	N
	Internet Service Provider	N
12 NYCMAR Communications Limited	Carrier	N
	Internet Service Provider	N
13 Orbit Links IP Services Company Limited	Carrier	N
	Internet Service Provider	N
14 QES-46 Limited	Carrier	N
	Internet Service Provider	N
	Internet Service Provider for Subscriber Television Operators	N
	Operators	N
15 Rock Mobile Limited	Mobile Carrier Licence	N
	Domestic Mobile Service Provider	N
16 Rural Net Solutions Company Limited	Carrier	N
	Internet Service Provider	N

Consumer & Public Affairs (CPA)

The Consumer and Public Affairs Department (CPA) administers the OUR’s consumer affairs regulatory functions. This includes monitoring and evaluating the customer service performance of all regulated utilities. It also serves as the primary point of contact for members of the public – utility consumers in general. The CPA Department spearheads all utility customer consultations, manages the organization’s public image and discharges the OUR’s public education functions. The Department consists of two units. The Consumer Affairs Unit (CAU) handles complaints and appeals and drives utility consumer policy development. The Public Affairs Unit (PAU), which is guided by the OUR’s Communications Policy and Procedures, handles the corporate communication portfolio, interfaces with the news media and develops and implements all approved public education activities for the OUR. The OUR’s Information Centre (OURIC), which houses the OUR’s public documents falls under the PAU.

KEY ACTIVITIES:

- ✓ Implementation of First Call Resolution Rate for JPS and NWC Call Centres.
- ✓ Two workshops held with Private Water and/or Sewerage Service Providers to reinforce and encourage compliance with their Licence and Quality of Service (GoS) obligations.
- ✓ Launch of the OUR Utility Beat video series.
- ✓ OUR’s new website launched.
- ✓ Growth of social media audience by 16.6%.

CONSUMER AFFAIRS

CONSUMER APPEALS AND RESOLUTION

During the 2021 April 1-2022 March 31 period, the CAU received 5,792 contacts concerning the provision of utility services (See Table 4). Of these contacts, thirty-two (32) (or 1%) were accepted for investigation under the Appeals Process, 2,405 (or 42%) were handled in-house, while the remaining 3,355 (or 57%) were referred to their respective service providers for resolution. The contacts received represent a 15% decrease over the period 2020 April 1- 2021 March 31.



Yvonne Nicholson
Director, Consumer & Public Affairs



Elizabeth Bennett-Marsh
Public Education Specialist



Collette Goode
Specialist, Consumer Affairs (Policy)



Gordon Brown
Coordinator, Public Affairs



Naomi Watkins
Coordinator, Consumer Affairs (Operations)



Colleen Mignott
Coordinator, OURIC/
Information Officer



Jody-Anne Lawrence
Coordinator, Public Affairs
(Social Media)



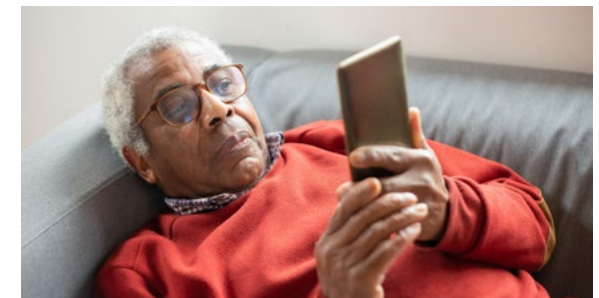
Jodian Coultman
Consumer Affairs Officer

**TABLE 5: APPEALS SUMMARY FOR 2021
APRIL 1-2022 MARCH 31**

Description	No. of Appeals
Appeals from Previous Periods	24
Appeals Received during Reporting Period	32
Total Appeals for Reporting Period	56
Appeals Resolved during Reporting Period	(46)
Total Appeals at End of Reporting Period	10

TABLE 4: ANNUAL CONTACTS MANAGED BY CONSUMER AFFAIRS OFFICERS (2017-2022)

Service Providers	Periods				
	2021/22	2020/21	2019/20	2018/19	2017/18
JPS	2,608	2,794	1,433	1,559	1,364
NWC	1,363	1,380	924	955	965
C&WJ (Flow)	465	1,126	867	428	520
Columbus Communications (Flow)	965	970	499	474	485
Digicel	164	275	245	245	395
Others	227	325	128	107	147
Total	5,792	6,870	4,096	3,768	3,876



Forty-six (46), representing 82% of the fifty-six (56) appeals investigated during the period were resolved. Four percent (4%) were resolved through reaching a compromise, nine percent (9%) were in favour of the customers, and 87% were resolved in the utilities' favour. Further details on appeals resolution can be seen in Figure 1, while details on appeals resolution for the period 2017-2022 are provided in Table 6.



Thirty-two (32) new appeals were received, which were shared equally between the Jamaica Public Service Company Ltd (JPS) and the National Water Commission (NWC). Twenty-four (24) appeals remained unresolved up to 2021 March 31 (Table 5) and these were carried forward to the new reporting period, bringing the total number of appeals to fifty-six (56).



Beverley Green
Consumer Affairs Officer



Shara Barnett
Consumer Affairs Officer



Jade-Anne James
Consumer Affairs Officer



Camesha Irving
Administrative Assistant

FIGURE 1: APPEALS RESOLUTION

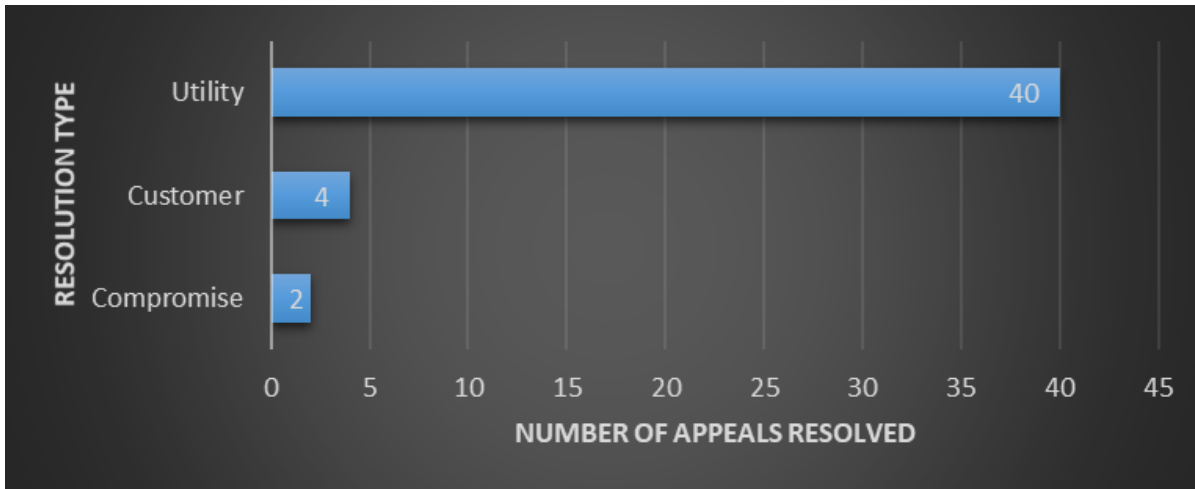


TABLE 6: APPEALS RESOLUTION FOR THE PERIOD 2016-2021

Description	2021/22	2020/21	2019/20	2018/19	2017/18
Appeals from previous periods	24	16	21	21	28
Appeals received during the reporting period	32	67	38	51	49
Total appeals for reporting period	56	83	59	72	77
Appeals resolved during reporting period	46	59	43	51	56
Appeals resolution rate for reporting period	82%	71%	73%	71%	73%

In relation to the established sixty-five (65) working days to complete the investigation of customers' appeals, of the fifty-six (56) appeals reviewed during the reporting period, the CAU completed 57% within the timeline and 25% outside the timeline. The remaining 18% consisted of five (5) appeals that had not exceeded the closure timeline and five (5) appeals that had exceeded the closure timeline.

For the thirty-two (32) new appeals received, in keeping with the established timeline, twenty-seven (27) were due to be closed by the end of the review period and five (5) were due to be closed in the next review period. Of the twenty-seven (27) to be completed within the review period, 74% were completed within the timeline while the remaining 26% were completed outside the timeline.

MAIN CUSTOMER CONCERNS

At 48% and 13% of total contacts respectively, billing matters and service interruptions continued to be the main cause of contacts to the OUR. The nature of the billing contacts included: customers' disputes of billed charges to their account, high consumption charges and concerns relating to estimated and retroactive billing. Disconnections, at 4%, accounted for the third-highest of total contacts, while all other contact categories each accounted for 3% or less of total contacts.

CONSUMER AFFAIRS HIGHLIGHTS

IMPLEMENTATION OF FIRST CALL RESOLUTION RATE FOR JPS AND NWC CALL CENTRES

As part of its thrust to encourage JPS and NWC to focus on continued customer satisfaction improvement through their Call Centres, the OUR included in its Determination Notice, Document No. 2020/WAS/005/DET.005, the requirement for both service providers to begin measuring and reporting on their First Call Resolution Rate (FCR) in their quarterly Call Centre report submissions. In light of challenges expressed by the service providers, the initial implementation date of 2021 October 1 was extended to 2022 April 1.

All measures, which included conducting a trial run of FCR, reviewing and discussing the FCR Trial Phase Report for both service providers, and deciding on a 70% FCR performance target, were completed to facilitate the 2022 April 1 implementation.

QUALITY OF SERVICE CONSULTATION AND MONITORING FOR PRIVATE WATER AND SEWERAGE SERVICE PROVIDERS

During the review period, the CAU hosted two (2) consultations, through workshops, with Private Water and/or Sewerage Service Providers, in an effort to reinforce and encourage compliance with their Licence, Quality of Service (QoS) obligations, that is, the Guaranteed Standards and Overall Standards reporting requirements and tariff application submissions.

Since the execution of the workshops, the CAU has noted an approximate 50% compliance in the submission of QoS reports by these service providers. The OUR intends to continue its focus on monitoring these service providers to ensure full compliance with their QoS reporting and other requirements.

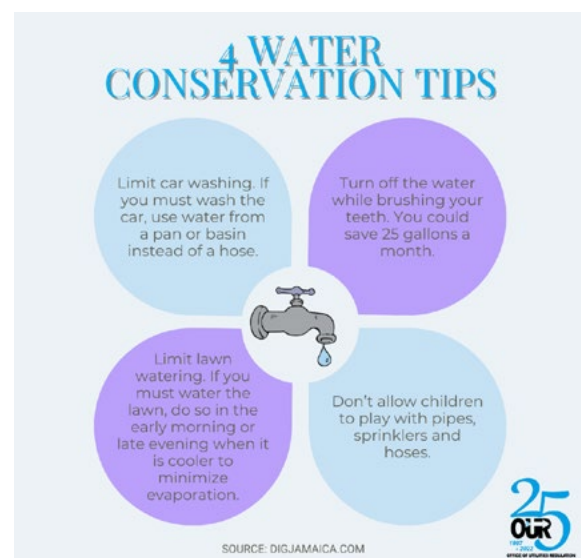


TABLE 7: LIST OF SMALL WATER AND SEWERAGE PROVIDERS

LICENCEES IN THE WATER & SEWERAGE SECTORS				
COMPANY NAME	TYPE OF LICENCE	AREA LICENCED TO SERVE	ISSUE DATE	EXPIRY DATE
Can-Cara Development Limited	Water & Sewerage	Western Spanish Town	2004	2024
Can-Cara Development Limited	Water & Sewerage	The Meadows of Irwin, Irwin St. James.	2011	2031
Central Waste Water Company Limited	Sewerage	Kingston & St. Andrew (KSA) - Soapberry St. Catherine Pumping Station at Nanse Pen in KSA and Trunk Sewers from Nanse Pen and Greenwich to Soapberry	2006	2026
Dairy Spring Limited	Water	Ocho Rios:Eastern boundary- Milford Rvr gully-Ocho Jnr Sec Sch Southwest and southeast - South Southern boundary:Shaw Park Rvr to DaCosta Drive	2018	2038
Dynamic Environmental Management Limited	Water	Vineyards Estate, Bushy Park	2005	2025
	Sewerage	Vineyards Estate, Bushy Park		
Dynamic Environmental Management Limited	Water	Morris Park, Part of Bernard Lodge, Portmore, St. Catherine	2007	2027
	Sewerage	Morris Park, Part of Bernard Lodge,		
Dynamic Environmental Management Limited			2007	2027
	Water	Caribbean Estate, Bernard Lodge		
	Sewerage	Caribbean Estate, Bernard Lodge		
On 2008 October 28, Caribbean Estates licence was amended to include Portmore Country Club				
Four Rivers Development Company Limited	Water	Shaw Park Subdivision	Renewal Pending	

LICENCEES IN THE WATER & SEWERAGE SECTORS

COMPANY NAME	TYPE OF LICENCE	AREA LICENCED TO SERVE	ISSUE DATE	EXPIRY DATE
Hampstead Citizens Association Benevolent Society	Water	Hampstead District	2007	2027
Rose Hall Development limited	Sewerage	Rose Hall, Montego Bay	2004	2024
Rose Hall Development Limited	Water	Rose Hall, Montego Bay, St. James	2011	2031
Runaway Bay Water Company	Water	Cardiff Hall, Runaway Bay	2004	2024
Runaway Bay Water Company	Water & Sewerage	Caymanas Estate, St. Catherine	2015	2035
Landmark Development Limited	Sewerage	Liberty Estates, Industry Pen, Three Hills St. Mary	2011	2031
Waterwheel Estates Ltd.	Water	Water Wheel Estates Limited, Cave Westmoreland	2011	2031
Drax Hall Utilities Limited	Water	Drax Hall East, North Between Mamme Bay and St. Anns Bay	2011	2031
St. Jago Hills Development Co. Ltd.	Water	St. Jago Hills Development in St. Catherine	2014	2034
Ironshore Utilities limited	Sewerage	Several developments located in Ironshore	2012	2032
Everoy H Chin Co. Ltd.	Water	White Hall Development, St. Mary	2013	2033
Richmond Environmental Services Ltd	Water & Sewerage	Llandoverly, St. Ann	2013	2033
Talawah Investment Ltd.	Water	5 Ballater Avenue, Kingston 10	2014	2034
Tryall Golf and Beach Club Ltd.	Water	Tryall Golf and Beach Club.	2018	2038

ST. JAGO HILLS DEVELOPMENT MATTERS

In 2022 February, the OUR was contacted by the residents of St. Jago Hills Development in St. Catherine to complain about an advisory received from St. Jago Hills Development Company Limited (SJHDC) notifying them of the decision to immediately reduce the number of days water is pumped into their pipes from three (3) times per week to one day per week. The OUR wrote to SJHDC and received confirmation of the advisory as it stated that its financial viability was compromised by the late payment of bills by its customers. SJHDC also stated that it had started purchasing bulk water from the NWC to supply its customers given the malfunctioning of its pump, and had a high outstanding amount owed to the NWC.

Following the OUR’s review of SJHDC’s response, it was deemed that the reduction in the number of pumping days is a breach of its licence obligations. As such, the company was issued with a Directive to Cease and Desist the Reduction in the Number of Days Water is Pumped to the Customers in the St. Jago Hills Development. The Directive took effect on 2022 April 1.

Additionally, SJHDC submitted a tariff application on 2022 March 14. Accordingly, a public consultation will be organised, information from which will be used in the development of the Consumer Chapter.

The SJHDC serves approximately one hundred and twenty one customers in the community.

PROCEDURE FOR APPEAL TO EXECUTIVE DIRECTORS

The OUR has an established Appeals Process which documents the process for handling appeals cases from customers. If utility customers are not satisfied, they have the opportunity to request a review by the Director of the Consumer Affairs Department.

However, there was no standardized procedure for the handling of requests for appeals against the decisions of the Director, Consumer Affairs.

During the period, the OUR moved to implement an established procedure for appeals to the Executives. This sets out the

process and timeline for such matters thereby providing certainty as to the steps involved and the resolution timeline.

QUALITY OF SERVICE SYMPOSIUM

The OUR staged its 5th annual Quality of Service Symposium on 2021 November 03, under the theme, “Excellent Customer Service Delivery – Future Trends”.

The objectives were to:

- Provide a forum for information sharing via a mini conference with presenters from counterpart regulators across the globe to share experiences of how their organizations handle quality of service and customer experience issues.
- Improve customer satisfaction by providing training and information sharing opportunities for utilities’ customer service personnel.
- Familiarise the stakeholders with the OUR’s internal processes for complaints handling and appeals.

In previous years, the symposium was held in person, but this symposium was held virtually due to the COVID-19 pandemic and number gathering limit imposed by the Government as a safety measure.

The event was attended by ninety (90) external stakeholders and represented an over 100% increase in attendance over the 2020/21 event.



OUR’s Guaranteed Standards Jingle Competition winners 2021 pose with Director-General, Ansord E. Hewitt (second right).

The Symposium focused on two main areas: “What happens on the Inside: The voices of the Customer Service Managers” and “Future Trends in delivering excellent customer service”.

A document entitled **Guidelines for Complaints Handling for Utilities’ Service Providers** which emanated from discussions at the annual symposia and input from the utility customer service representatives will be finalised and sent to utility providers in the upcoming year.

GUARANTEED STANDARDS CREDITS & COMPENSATION

The 2021 April–2022 March period saw utility companies paying over \$154.4 million to consumers, either resulting from actions taken by the CAU or compensation for breaches of the Guaranteed Standards (GS).

In relation to the GS, JPS committed 68,286 breaches that attracted compensation of approximately \$148.3 million, which was all paid out through an automatic compensation mechanism. The NWC committed 5,762 breaches, which attracted potential compensation of approximately \$22.9 million.

Actual payments amounted to approximately \$5.3 million, representing 23% of total potential amounts, while the remaining 77% was not paid due to the non-submission of the required claim forms.

Additionally, Private Water and/or Sewerage Service Providers committed 5,019 GS breaches, which attracted potential compensation of approximately \$15 million. However, actual payments amounted to only \$5,916.12, as approximately 99% of the breaches related to the meter reading GS, which the service providers reported that they: (i) billed the accounts based on an OUR approved flat rate for premises at which no meter is installed; (ii) did not have access to the meters; or (iii) the required claim form was not submitted. The compensation for the remaining 1% of GS breaches were not paid due to the non-submission of the required claim form.

The amounts secured as a result of the OUR's investigation of customers' appeals and complaints amounted to \$947,055.63.

Of the amounts secured, NWC accounted for the greatest share at 69% (\$653,130.28). Columbus Communications (Flow) accounted for 14% (\$132,214.81), with JPS and C&WJ accounting for 13% (\$121,825.98) and 4% (\$39,884.56) respectively.

SMALL PRIVATE LICENSEE SURVEY

During the period, the OUR undertook a survey of the small, private licensees. The survey was conducted by the Hope Caribbean Company Limited on behalf of the OUR. As at 2020 March 30, there are sixty-five (65) such active licensees, ten (10) from the electricity sector, thirty-nine (39) from telecommunications and sixteen (16) from the water and sewerage sector. The OUR provides an avenue of appeal for utility consumers from decisions made by these companies with regard to customer complaints.

Overall, the project aimed to provide information to develop appropriate communication strategies to respond to the public education and the other needs of licensees and to benchmark and track their satisfaction index over time.

Specifically, the study aimed to:

- ✓ Ascertain the current level of awareness of the operations of the OUR and their understanding of the organization's role;
- ✓ Determine the overall customer satisfaction rating of the OUR;
- ✓ Determine the licensees' level of knowledge of the OUR's services;
- ✓ Ascertain major areas of satisfaction and dissatisfaction;
- ✓ Gather information to inform how to improve satisfaction;
- ✓ Ascertain the views of licensees regarding what the OUR should be doing that is not currently being done
- ✓ Assess how the licensees view the effectiveness of the OUR and;
- ✓ Ascertain the extent to which the licensees understand their licence obligations (for example, regulatory fees, reporting requirements, etc.,) and the extent to which they are compliant with same.

The overall approach incorporated the use of quantitative and qualitative research methods and utilized online and telephone survey methodologies to gather quantitative data, and in-depth interviews to gather qualitative data. The target populations for the study were:

- ✓ Active licensees operating in the water and sewerage sector
- ✓ Active licensees operating in the electricity sector
- ✓ Active licensees operating in the telecommunications sector

Trained interviewers, using a structured questionnaire, conducted one-on-one telephone interviews with the representatives from consenting private licensees. Structured surveys were conducted among employees of active licensees in all three sectors.

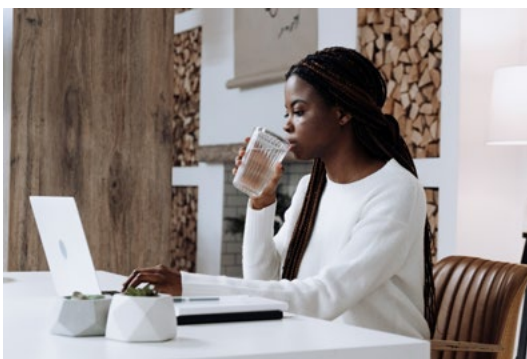
The project had an overall response rate of 69% with 12% refusal rate and 18% being unreachable (See Table 8)

TABLE 8: PRIVATE LICENSEES' PARTICIPATION IN OUR SURVEY

Sector	Number of Private Licensee Companies Listed	Number of Private Licensee Companies Participating In Survey	Rate of Completion
Telecommunications	39	28	72%
Water and Sewerage	16	14	88%
Electricity	10	3	30%
TOTAL	65	45	69%

The outcome of the survey revealed the following:

- ✦ Overall, the majority of private licensee (75%) were very/ somewhat satisfied with the services provided by the OUR. The issuing of licence (85%), renewing of licence (82%), provision of advice and general information (80%), application of tariff (71%) and evaluation (71%) services offered by the OUR had the highest levels of satisfaction with the majority, indicating that they were very satisfied/ somewhat satisfied.
- ✦ Routine inspection for compliance (69%), monitoring (67%), dispute mediation (62%) and transfer of licence (56%) were identified as services requiring improvement, with six in ten respondents indicating that they were very satisfied/somewhat satisfied with these services.
- ✦ Nine in ten respondents (90%) endorsed the OUR as being very effective/ somewhat effective in carrying out its function and duties. The reasons noted as to why the OUR was considered as being very effective was 'quality service was provided' (73%). A quarter of respondents who described the OUR as being somewhat effective noted that they provided quality service (25%). Slow service (13%), bureaucratic service (9%), along with there being room for improvement (9%), were noted as the reasons the OUR was rated as somewhat effective in carrying out its function and duties.
- ✦ Just under three quarters of respondents (73%) indicated that they were able to easily comply with the regulations that governed their sector/company. The top reasons given by respondents as to why they were always able to easily comply with regulations that govern the sector were that they were: easy to comply with/ no issues in complying (25%), no other choice/ have to comply (16%) and it's a required standard (16%).



2022 Mystery Shopping Survey

The OUR undertook its annual Mystery Shopping Survey during the period. It was conducted by Market Resreach Services Limited which was awarded the contract following a Request for Quotations (RFQ) procurement process. The 2022 tool featured changes that allowed for a more probing evaluation where a wider range of scenarios were implemented. These were specific to the different utility companies and were reapplied equally across the different service modalities (in store, call centre, web chat). These changes have resulted in a new baseline set of results that are not comparable to the other years. This became necessary due to the changes that came with COVID-19 and the resultant change in customers' experiences when dealing with the utilities.

The mystery shopping involved the selection of a range of different persons across all demographic groups who visited, made calls to and participated in online chats with the various stores, call centres and chat rooms of the different utility companies respectively. Each Shopper was given a specific scenario to "shop", including:

Telecoms: Enquiring about internet, Bill Payment IVR, Bill Payment App., Refund Process

JPS: Bill Estimate, Service Application, Upgrade in Deposit, Refund Process

NWC: Water Schedule, Water Billing, Refund Process

Shoppers remained anonymous throughout the process. OUR’s Mystery Shopping exercise was conducted between 2022 February and 2022 March. The findings will be shared with the utility providers and members of the public, once finalised in the 2022/23 period.

2022 National Consumer Satisfaction Survey

The OUR’s latest National Consumer Satisfaction Survey was also done during 2021/22. It is undertaken every 18-24 months to obtain a measure of utility customers’ satisfaction with the service being delivered, with the view to provide recommendations for areas needing attention and improvement. The contract to carry out this survey was awarded to Market Research Services Limited following an RFQ process.

An island-wide survey of 1059 residential and 49 was carried out between 2021 October 30 and December 13. Face to face interviews were carried out using a structured questionnaire developed in collaboration with OUR.

The data was collected by the combined efforts of MRSL’s interviewers and field supervisors. A post field validation of a random selection of 30% of customers was carried out by way of call back to respondents’ home to verify that the information collected was in fact true.

The findings for residential customers indicate that Flow Mobile continues to have the highest satisfaction level among customers. JPS experienced the steepest decline in satisfaction since 2019, as indicated in Table 9.

TABLE 9: SATISFACTION WITH SERVICE PROVIDERS

Average Satisfaction (out of 10)			
	2021 Average Score out of 10	2021 % Satisfaction Score out of 10	Change since 2019*
Flow Mobile*	7.05	70.5%	+0.15
Digicel Mobile*	6.90	69.0%	+0.20
Digicel Internet	6.90	69.0%	+0.20
Flow Internet	6.20	62.0%	-0.50
NWC	6.10	61.0%	-0.70
JPS	5.40	54.0%	-1.20

Unsurprisingly, reliability and accuracy are the most important factors when considering the services received from service providers as shown in Table 10. Since 2019, reliability has become even more important to customers.

TABLE 10: IMPORTANCE OF AND PERFORMANCE IN THE KEY SERVICE PILLARS.

Importance of Key Performance Pillar (out of 8)		
	2021	Change since 2019
Reliability	2.80	-1.23
Accuracy	3.02	-0.88
Cost Efficiency	4.06	-0.01
Product Quality	4.23	+0.24
Compliance	4.72	+0.10
Sustainability	5.23	+0.32
Safety & Security	5.29	+0.32
Access	5.31	+0.30

In relation to the OUR, the data showed that:

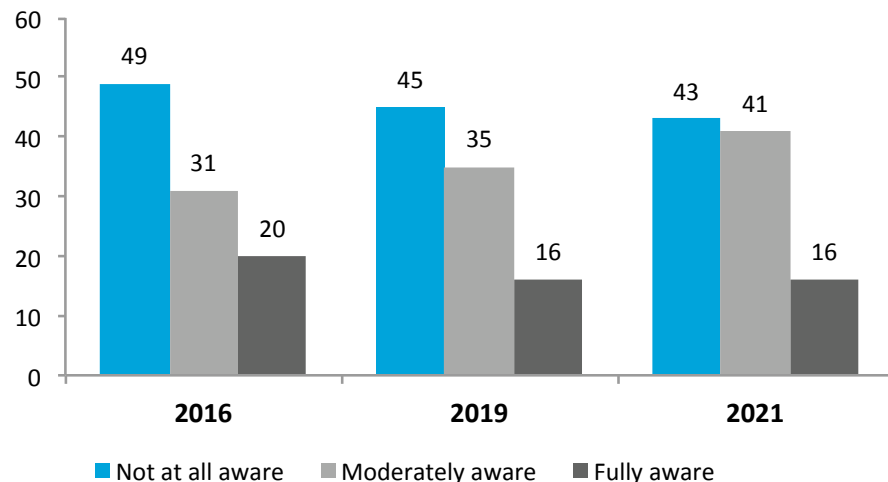
- ✦ Fewer persons claimed awareness of the OUR in 2021 at 65% compared to 69% in 2019.
- ✦ The level of knowledge about the OUR among those aware has declined in all areas.
- ✦ Public education and providing information are still the roles of which the public is most aware.
- ✦ Customers who are fully and mostly aware of the OUR’s core functions as a watchdog has remained stable since 2019 at 21%.



Awareness of the OUR’s Appeals process remains low, as shown in Figure 2, while similar to the 2019 figures only 7% of respondents claimed to have sent an appeal to the OUR.



FIGURE 2: INCIDENCE OF AWARENESS OF THE OUR’S APPEALS PROCESS



UPCOMING ACTIVITIES

For the upcoming year, in addition to maintaining our continued vigilance, the CAU will engage in other activities to further strengthen our efforts to protect the interest of consumers, namely:

1. Comprehensive review of the JPS and NWC Guaranteed Standards
2. Consultation to establish Automatic Compensation for Quality-of-Service Standards in the Telecommunications Sector; and
3. Consultation to review Utility Providers’ Refund Policies/Procedures

PUBLIC AFFAIRS

COMMUNITY/WORKPLACE OUTREACH

Similar to the preceding year, the persistence of COVID-19 and the attendant restrictions, restricted the public education face-to-face engagement thrust. Despite this ongoing reality, the Public Affairs Unit (PAU) sought opportunities to engage external stakeholders for public education using a virtual format where feasible, and where appropriate, via in-person events while maintaining the applicable Government restrictions. Even with the best of outreach efforts, the OUR recognizes that many utility consumers remained unreachable due to the limits on access to broadband internet service, and the priority placed on using mobile internet data plans for online classes and for work.

Notwithstanding, the PAU conducted five (5) public education outreach activities during the 2021/22 financial year. Of these, three (3) were conducted virtually, and the other two (2) by the in-person format towards the end of the review year, when the Government’s COVID-19 restrictions were relaxed. The final outreach event was held in person in a community within St Catherine. Having been made aware that a significant number of residents from that area had regularised their water supply, the OUR hosted the outreach to educate the new NWC customers on their rights and responsibilities and allow direct engagement with the OUR and NWC personnel.



Timely issued E-newsletters emailed to contacts in the OUR's database, media releases on OUR's decisions, webinars, as well as daily posts on the OUR's social media channels, facilitated continued communication with utility consumers.



CUSTOMER CONSULTATION

The PAU supported the organization's regulatory agenda with timely support for one (1) customer consultation on a tariff application from Drax Hall Utilities Ltd, which was hosted virtually. Approximately 99% of the utility's customers communicated their agreement to a virtual forum, through their respective Citizen's Associations.

WEBINARS

In keeping with the commitment to bring important developments within the ambit of the OUR's work to the nation's attention, the PAU hosted three (3) webinars during the reporting period. Webinars are used as a tool to combine public education and corporate communication pursuits. These fora are carried live on OUR's YouTube channel and Facebook page. The topics and timing are varied to enhance or foster interest among the various stakeholder groups being served. Table 11 indicates a few details on these global broadcasts.

TABLE 11: OUR HOSTED WEBINARS

Topics	Date
Creating a Regulatory Framework for Electric Vehicles (EVs) in Jamaica: What's Needed?	2021 June 9
OUR's Mystery Shopping Results Revealed: How did Digicel, FLOW, JPS & NWC measure up?	2021 July 29
Energy Market Jitters & Electricity Demand Trends	2022 March 16

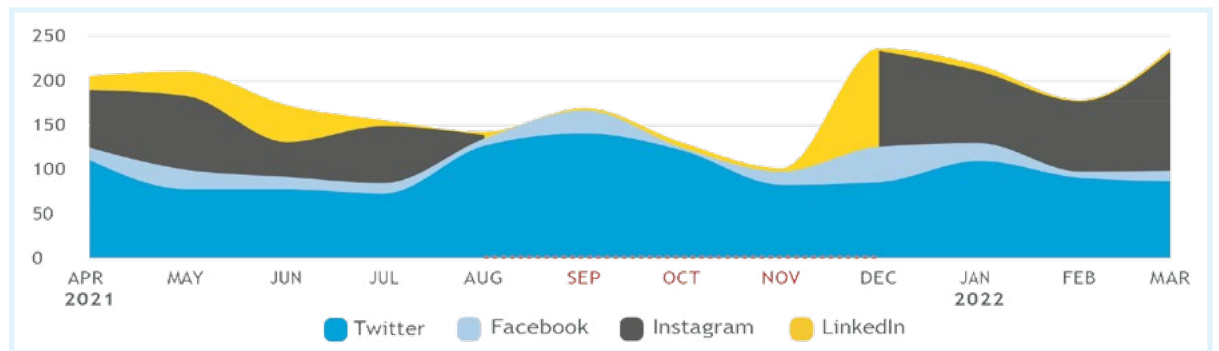
The video recordings of the livestreamed events are available on OUR's YouTube channel.

SOCIAL MEDIA

During the review period, the OUR's Social Media platforms continued to provide members of the public with easily accessed information. As a public education platform, they have helped utility consumers to learn, for example, how to submit an appeal, gain knowledge about the Guaranteed Standards, and how to hold the utility providers responsible for quality of service and other matters. Additionally, utility consumers are offered another method for submitting their complaints.

From 2021 April to 2022 March, the platforms overall had a 176.1% impression increase over the previous year. There were 3,242,505 impressions, with 47,568 Engagements (an 8.3% increase over the previous year). With OUR's social media having achieved 18,006 Link clicks, this represents an increase of 261.5% over that of the preceding year. Total audience growth was 16.6 %. There were fewer likes or similar responses than the previous year. However, there was a net audience growth of 2,145 with Twitter having expanded by 1,171, followed by Instagram with 655 net follower growth, Facebook with 193 net page likes and LinkedIn with 126. These statistics are revealed in **Figure 2**.

FIGURE 3: SOCIAL MEDIA AUDIENCE GROWTH



Audience matrix can be seen in **Table 12**.

TABLE 12: OUR'S SOCIAL MEDIA AUDIENCE

Audience Metrics	Totals	% Change
Total Audience	17,542	↗ 16.6%
Total Net Audience Growth	2,151	↘ 52.8%
Twitter Net Follower Growth	1,175	↘ 35.1%
Facebook Net Page Likes	193	↘ 69.3%
Instagram Net Follower Growth	657	↘ 66%
LinkedIn Net Follower Growth	126	↘ 31.9%

CONSUMER CONTACTS VIA SOCIAL MEDIA

During the review period, direct messages from consumers through the OUR's social media pages became a convenient method through which customers made contact with the OUR.

'OUR UTILITY BEAT' VIDEO SERIES

During the review period, the OUR, being mindful of increasing trends and how consumers absorb information, launched its 'OUR's Utility Beat' video series on its YouTube platform. The content of the eight (8) short videos, derived mainly from the 'persons on the street', sought to gauge consumer understanding, through vox pops, about their understanding of some basic consumer rights, and the role of the OUR. Misperceptions were corrected where applicable, through the packaged features. It was created to augment both general social media viewership, and specifically, subscription to the OUR's YouTube platform. The initiative was also marketed on all OUR's social media pages.

The project's success was evidenced by the total Reach on Facebook and Instagram which were 460,746 and 522,286 respectively. OUR's YouTube portal gained 94 new subscribers over the period in which there was sustained publicity.

GS JINGLE COMPETITION

The final phase of the GS Jingle Competition was completed in the reporting period. This phase included: an online voting period, followed by the final decision by the panel of judges, then finalisation of the top six (6) finalists and studio recording of their respective entries, after which was the announcement of the winners.



NEW WEBSITE

A completely redesigned, much more responsive website was launched in 2021 May. Navigation is now much easier, as the 'new-look' portal is based on the more user-friendly WordPress content management system. It enables many more features and facilitates a more streamlined coupling with OUR's social media platforms. The website has accessibility features for persons with disabilities, including the option to increase font sizes. It provides direct access for persons desiring to contact the OUR in writing. This feature has proven to be one of the more popular features on the website with an average of 20 contacts received via this method during the last two quarters of the year.

MASS MEDIA

Among the corporate communications elements was the production of the pre-recorded five (5) minute radio feature, **Inside the OUR**. This feature continued to provide the public with updates, utility consumer information and advice, highlighting many regulatory projects and building the motivation to have utility consumers augment their knowledge about the Guaranteed Standards for the regulated sectors.



.....
Additionally, the live 'talk radio' segment on the 'Hotline' show, Call the OUR, on Radio Jamaica 94 FM, aired twice per month, facilitated a forum for providing on-air discussions of several matters related to OUR's work, while simultaneously allowing live on-air utility consumer complaints handling.



.....

To maintain information transparency, the public was also constantly kept updated on OUR's latest decisions and projects through media releases and public notices in the major news media. The OUR continued to remain available for requests for additional information or clarification and to direct journalists to specific content in support of enquiries on a variety of news stories being researched for publication. The PAU maintained its adherence to its response time limits and when feasible, provided interviews on developing news stories, thus enabling journalists to give a balanced perspective.

DIRECTOR-GENERAL'S STAKEHOLDER ENGAGEMENT

The 8th annual OUR Director-General's Stakeholder Engagement was held in 2022 March. Like the year before, the event was held online and the audience was extended to persons outside of the country.

The Director-General delivered a State of the Utility Sector address and the issue, *"The Future of Utilities in a Post-Pandemic World"* was ventilated by expert panellists. The format was well received based on the post-event questionnaire completed by attendees.

25TH ANNIVERSARY OBSERVATION

2022 January 6 marked the 25th anniversary of the OUR's operations, and the OUR started the year with a thanksgiving church service on Sunday, 2022 January 9, hosted by the Faith Cathedral Deliverance Centre (FCDC). Given the limitations on in-person attendance, only a few members of staff could join the organization's executives and other leaders in person. Also, various external stakeholders were allowed to have one representative attend in-person. However, the FCDC's livestream on YouTube enabled those not present to view the proceedings. Additional activities to highlight this significant organisational milestone are being planned for the calendar year 2022.

REGIONAL MEDIA WORKSHOP ON 5G

With the ever-growing interest in 5G technology, in 2021 September, the PAU hosted a virtual workshop for media workers from across the Caribbean, to engage international and regional experts within the field of telecommunications and information and communications technology, as well as utility providers, to discuss plans regarding the introduction of this technology within the Caribbean.

OUR'S INFORMATION CENTRE (OURIC)

OURIC RE-IMAGINED - THE OUR INFORMATION CENTRE - ANYTIME, ANYWHERE

During the review period, the rapid pace of change and innovation has altered user behaviour, which has heralded a radical reimagining of the access model. Thus, OURIC advanced plans that address the diverse, changing needs of its users, by implementing systems that enable digital access. The transformation involved additional digitizing of functions, processes, resources and services, many of which were once only facilitated by visits. The emphasis on access by digital channels has ushered in a new era, which is likely to be irreversible and this revolution in service delivery has enabled a re-imagined OURIC with unlimited access... anytime and anywhere.

ONLINE CATALOGUE

OURIC implemented an online library catalogue in 2020 July. It provided a database of titles of materials held by the Information Centre. The primary objective was to allow virtual access by members to browse the listed resources within the collection and borrow desired items. During the reporting period, this system was augmented and facilitated direct digital access to many titles within the resource pool.

OURIC WEBPAGE

In support of the enhanced direct access to resources, during the review period, OURIC crafted a new, dedicated, interactive webpage on the OUR's new website. It boasts modern features such as a search form, a curated list of links to resources on utilities regulation and a variety of online forms that facilitate delivery of OURIC's services. The portal's creation is in response to research that indicated the necessity to inform staff and public on the available procedures and decisions made by the OUR.

In addition, the page offers:

- ✓ Research Tips;
- ✓ Subscription/Membership databases such as JustisOne, Ziplaw, Competition Policy International, ScienceDirect and ProQuest;
- ✓ Digital resources such as eMagazines and Journals, eNewspapers and archives and newsletters, and
- ✓ Open access databases, videos and online tutorials.

DIGITAL LIBRARY SOFTWARE

Within the upcoming financial year, OURIC will benefit from the procurement of a digital library software solution to provide a collection of industry-related eResources both acquired from eBook publishers, and converted from conventional material. The digital library will:

- ✓ Be accessible by staff members and stakeholders via the internet;
- ✓ Facilitate full-text searching;
- ✓ Facilitate engagement across multiple devices, channels and modalities;
- ✓ Be accessed 24/7.



UPCOMING ACTIVITIES

For the upcoming year, the PAU will seek to further educate consumers and emphasize their rights and responsibilities. These activities include:

1. Development of a drama series to be aired on its YouTube page.
2. Unveiling of its National Consumer Satisfaction, Mystery Shopping and Small Licensees survey findings.
3. Roll-out of an e-book platform for access by internal and external users.

Regulation, Policy, Monitoring & Enforcement (RPME)

ELECTRICITY

The effects of COVID-19 persisted in the 2021/22 review period. The electricity sector experienced soaring global fuel and commodity prices, exchange rate depreciation and rising domestic inflation.

KEY ACTIVITIES:

- ✓ Jamaica Public Service Company Limited (JPS) - Annual Review 2021.
- ✓ Activities surrounding the OUR’s response to JPS’s Electricity Appeal Tribunal submission
- ✓ Cease and Desist Directive to JPS in relation to its Transformer Protection Programme Pilot Project.
- ✓ Stakeholders Consultation Document: Proposals for a Regulatory Framework to Facilitate the Penetration of Electric Vehicles in Jamaica, 2021 April.

ELECTRICITY SYSTEM PERFORMANCE INDICATORS

CUSTOMER STATISTICS

For 2021, JPS reported a total customer base of 689,132 customers, representing a modest increase of 1.71% relative to the 2020 customer count (677,526). The customer base is comprised of various rate classes (defined in JPS’s “Rate Schedules”), including Rate 10 (Residential), Rate 20 (Small/Medium Commercial and Industrial – C&I), Rates 40 & 50 (Large C&I), Rate 60 (streetlights & stoplights) and Rate 70 (Wholesale Class). The residential category accounts for almost 90% of the total number of JPS’s customers in 2021. The data in Table 14 shows that there was an incremental increase in the customer base in 2021, despite the adverse effects of the prevailing COVID-19 pandemic and other negative effects on JPS’s utility operations.

TABLE 13: JPS’S CUSTOMER BASE

JPS’s CUSTOMER COUNT BREAKDOWN (2019 – 2021)									
YEAR	RATE 10	RATE 20	RATE 40	RATE 50	RATE 60	RATE 70	OTHER	TOTAL	% CHANGE
2019	600,857	69,059	1,862	147	475	23	2	672,425	-
2020	606,095	68,882	1,879	149	497	24	-	677,526	0.76%
2021	616,804	69,784	1,890	148	482	24	-	689,132	1.71%
2021 Share	89.5%	10.13%	0.27%	0.02%	0.07%	0.01%	-	100.00%	-



Evona Channer
Manager - Regulation & Policy: ICT



Marsha Minott
Senior Utility Analyst



Gordon Swaby
Telecommunications Engineer



Nakesha Allen
Analyst - Telecommunications



Fay Samuels
Analyst - Telecommunications



Courtney Francis
Manager - Engineering & Technical Analysis



Andre Lindsay
Regulatory Engineer



Peter Johnson
Manager - Project Management



Valentine Fagan
Specialist Consultant - Power Systems



Winston Robotham
Manager - Regulation & Policy: Electricity, Water & Sewerage



Sashana Miller
Senior Utility Analyst



Shonna-Kaye Sappleton
Regulatory Analyst



Antoinette Harris
Regulatory Analyst



Nadine Johnson Dunkley
Project Coordinator/
Executive Assistant

SYSTEM DEMAND INDICATORS

Based on JPS’s system performance reports, the annual peak demand recorded for 2021 was 631.6MW. This was 6.4MW or 1% lower than the 2020 peak (638.0MW), and 29.3MW below the level registered in 2019 (660.9MW).

The related annual system net generation measured for 2021 was 4,303.96 GWh, which translates to an average annual system load factor of approximately 78%. This energy generated consisted of electricity sales of 3,086.19 GWh and system losses of 1,217.77 GWh or 28.29% (see the 2021 System Energy Balance in Table 15).

TABLE 14: SYSTEM ENERGY BALANCE (2020 VS 2021)

COMPONENT	2020 ENERGY BALANCE		2021 ENERGY BALANCE		CHANGE
	Energy Distribution (GWh)	% of Net Generation	Energy Distribution (GWh)	% of Net Generation	
Technical Losses (TL)	334.31	7.91%	340.49	7.91%	6.18
Non-Technical Losses (NTL)	850.48	20.12%	877.28	20.38%	26.80
TOTAL SYSTEM LOSSES	1,184.79	28.03%	1,217.77	28.29%	32.98
BILLED ENERGY SALES	3,042.64	71.97%	3,086.19	71.71%	43.55
TOTAL (NET GENERATION)	4,227.43	100.00%	4,303.96	100.00%	76.53

As shown in the 2021 System Energy Balance Table 15, system losses increased marginally by 0.26 percentage points or 32.98 GWh relative to the 2020 performance. Of the total system losses, technical losses (TL) accounted for 7.91% and non-technical losses (NTL) was responsible for 20.38%.

TABLE 15: JPS'S SYSTEM PERFORMANCE MATRIX (2019-2021)

Year	Peak Demand (MW)	Net Generation (GWh)	Load Factor (%)	Billed Sales (GWh)	System Losses (%)	Average Fuel Rate (US ¢/kWh)
2019	660.9	4,429.83	76.52%	3,273.33	26.05%	-
2020	638.0	4,227.43	75.43%	3,042.64	28.03%	-
2021	631.6	4,303.96	77.79%	3,086.19	28.29%	22.234

System net generation recorded for 2021 was 4,303.96 GWh, reflecting an increase of 1.8%. Total billed sales grew by 43.55 GWh or 1.4% in 2021 (See Table 16).

The data also show that there was a slight reduction in residential and small commercial customers’ electricity consumption in 2021 relative to the 2020 performance. In contrast, increases in electricity consumption were realized in the large C&I rate classes. The energy sales breakdown for the 2019 - 2021 is shown in Figure 4.

OUR OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefit of All

Invites you to a Webinar:
Creating a Regulatory Framework for Electric Vehicles (EVs) in Jamaica: What's needed?

2021 June 9, 1 pm EST
1:00 pm

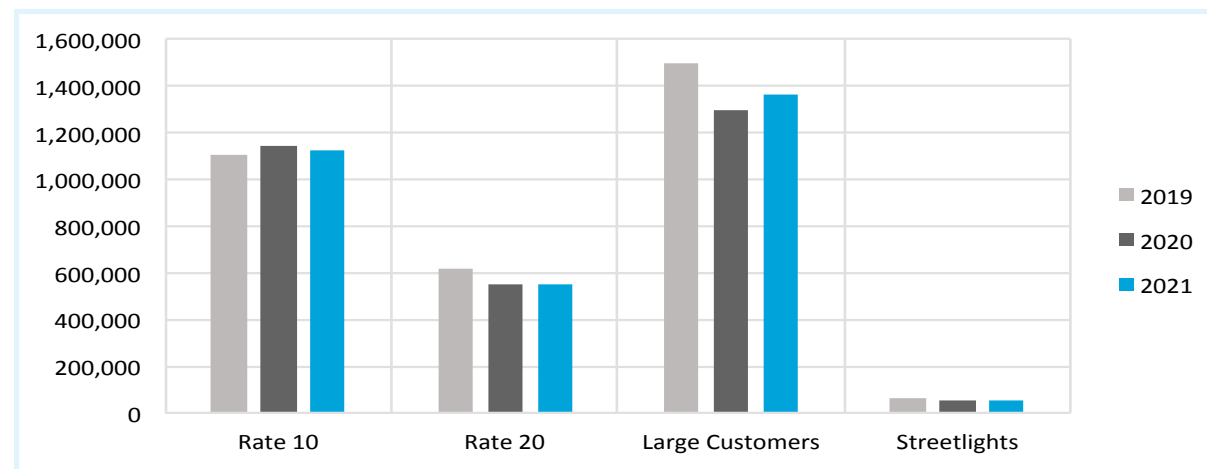
Join us live on OUR's social media channels:
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PANELLISTS | **MODERATOR**

Andre Lindsay
Regulatory Engineer, OUR

Valentine Fagan
Electricity Generation Consultant, OUR

Elizabeth Bennett Marsh
Specialist, Public Education, OUR

FIGURE 4: JPS'S ELECTRICITY SALES BREAKDOWN (2019-2021)**MONTHLY SYSTEM DEMAND MEASUREMENTS**

The monthly system demand measurements reported for the review period (2021 April – 2022 March) are presented in Table 16.

TABLE 16: MONTHLY SYSTEM DEMAND MEASUREMENTS (2021 APRIL – 2022 MARCH)

SYSTEM DEMAND MEASUREMENTS [2021 APRIL – 2022 MARCH]						
Month/Year	Peak Demand (MW)	Net Generation (MWh)	Electricity Sales (MWh)	System Losses (%)	Fuel Rate (US¢/kWh)	Average IPP Charge (US¢/kWh)
2021 April	579.0	341,063	243,705	28.55%	15.937	6.429
2021 May	599.7	367,230	262,797	28.44%	13.903	6.291
2021 June	617.1	367,813	263,745	28.29%	14.347	6.529
2021 July	631.6	384,319	275,544	28.30%	13.942	6.125
2021 August	629.0	367,135	263,080	28.34%	15.373	6.144
2021 September	613.4	372,893	266,376	28.57%	14.919	5.887
2021 October	606.8	374,227	266,865	28.69%	16.625	5.648
2021 November	595.6	359,142	257,067	28.42%	21.068	6.219
2021 December	603.5	363,120	260,379	28.29%	19.280	6.084
2022 January	584.4	351,500	251,925	28.33%	18.708	6.750
2022 February	579.9	321,205	230,000	28.39%	23.406	6.973
2022 March	584.6	362,994	259,610	28.48%	18.524	7.106



The data indicate that there were variations in the system generation and demand for the 12-month period. This is attributable to seasonality, which affects consumption patterns. Specifically, the system monthly net generation varied between a maximum of 384,319 MWh in 2021 July and a minimum of 321,205 MWh for 2022 February. Electricity sales reflected a similar pattern, peaking at 275,544 MWh in 2021 July, while registering its lowest level (230,000 MWh) in 2022 February. Notably, the system peak demand of 631.6MW also occurred in 2021 July. However, system losses were at its highest level (28.69%) in 2021 October.



FIGURE 5: SYSTEM GENERATION/DEMAND PROFILE (2021 APRIL - 2022 MARCH)

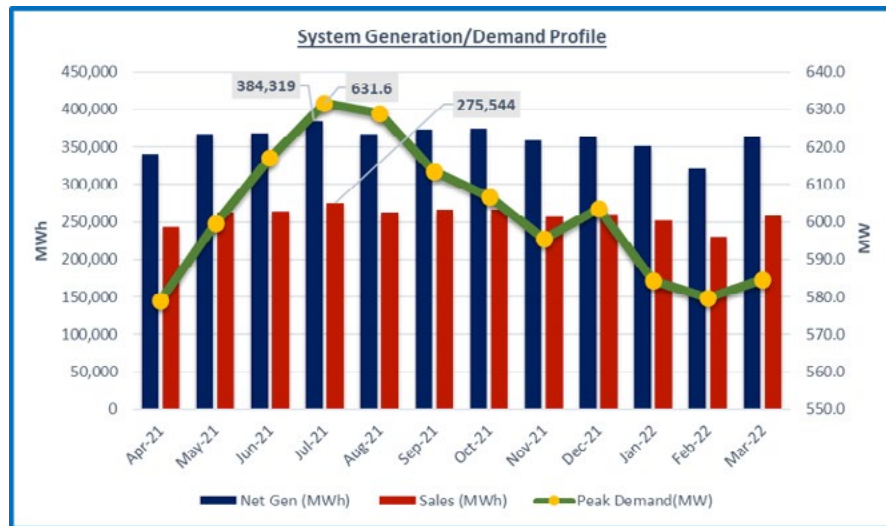
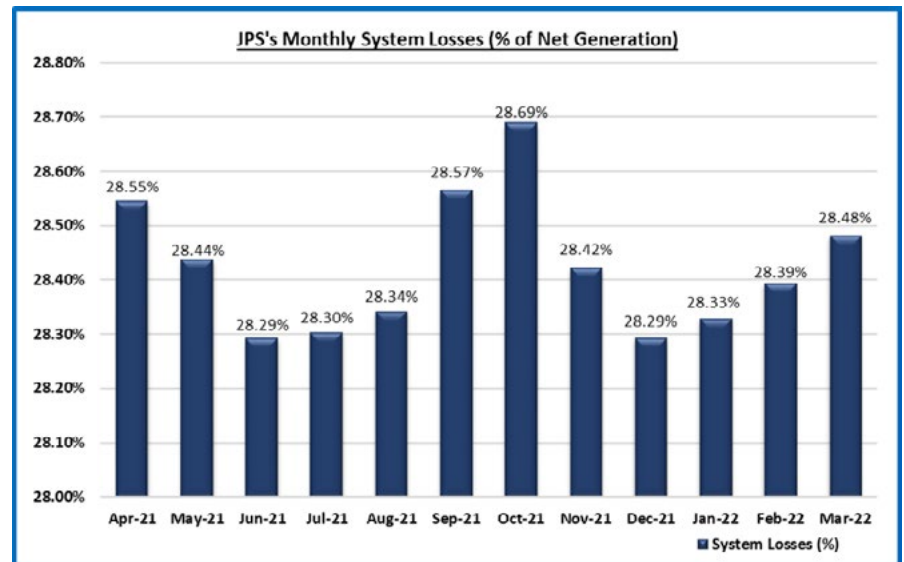


FIGURE 6: JPS'S MONTHLY SYSTEM LOSSES (2021 APRIL - 2022 MARCH)



SYSTEM DEVELOPMENTS (2016-2021)

Since 2016, the sector has made steady progress towards a more sustainable, secure and cost-effective supply energy mix. Notable developments include the:

- ✓ Commissioning of three (3) renewable energy (RE) Power Generation Facilities by IPPs, totaling 80.3MW in 2016;
- ✓ Introduction of Natural Gas (NG) in the electricity sector in 2016, with the subsequent reconfiguration of JPS's Bogue CCGT Unit to operate on NG;

- ⚡ Repowering of Bogue GT#11(20MW) to operate on NG, in third quarter 2018;
- ⚡ Commissioning of Eight Rivers Energy Company Limited's (EREC's) 37MW Solar PV Generation facility at Paradise Park, Westmoreland, in 2019 June;
- ⚡ Commissioning of JPS's 24.5MW/16.6MWH HESS, in 2019 December;
- ⚡ Commissioning of the South Jamaica Power Company (SJPC) 194MW NG/ADO-fired CCGT plant in 2019 December;
- ⚡ Commissioning of NFE-JAMALCO 94MW NG/ADO Combined Heat & Power (CHP) plant, in 2020 February;
- ⚡ Commissioning of JPS/CB 10MW CHP plant at Hill Run St, Catherine, in 2021 December.

Notwithstanding these advances, decisions regarding the expansion of the electricity system, including RE resources, reside with the Ministry with responsibility for Energy. Based on the existing electricity sector governance framework, the Ministry is responsible for developing the Integrated Resource Plan (IRP) to determine the timing and quantity of generating capacity required to meet future system demand in an economical and reliable manner. After the generation capacity requirements are identified, the Generation Procurement Entity (GPE) is responsible for procuring the system's new generation capacity. The OUR's role in the sector's governance is to ensure that prices evolve within the prevailing regulatory framework on the lowest trajectory possible.

ENERGY SUPPLY MIX

Within the existing energy matrix, the primary energy sources used for the production of electricity are: Heavy Fuel Oil (HFO), Automotive Diesel Oil (ADO), Natural Gas (NG) and Renewable Energy (RE) resources. Table 17 shows annual net generation disaggregated by energy sources over the period 2019-2021.

TABLE 17: DISTRIBUTION OF SYSTEM ANNUAL NET GENERATION BY PRIMARY ENERGY SOURCE

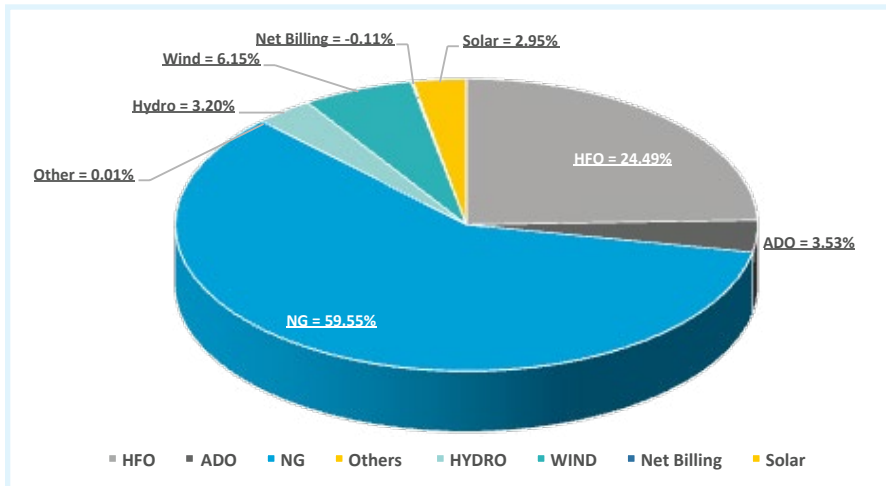
NET GENERATION BY FUEL TYPE (GWH)									
YEAR	HFO	ADO	NG	HYDRO	WIND	SOLAR	NET BILLING	OTHER	TOTAL
2019	2,647.27	103.04	1,162.36	152.71	274.51	86.23	3.37	0.34	4,429.83
2020	1,167.55	38.31	2,481.19	134.48	281.42	119.93	4.18	0.37	4,227.43
2021	1,054.25	152.09	2,563.17	137.69	264.55	127.06	4.85	0.32	4,303.96



For 2021, NG contributed 59.55% to net generation, followed by HFO with 24.49%. ADO was responsible for 3.53% and RE supplied 12.41% of the overall net generation (see Figure 8).



FIGURE 7: 2021 SYSTEM NET GENERATION BY PRIMARY ENERGY SOURCE



The salient observation from this distribution is that NG is now the dominant energy source used for electricity production in the sector, which in 2021, accounted for over 59.55% of system net generation. This result highlights a significant shift in the energy matrix compared to the situation back in 2015, when liquid fuels and RE resources accounted for 95% and 5% of primary energy requirements, respectively.

Essentially, this outcome is the result of the indicated developments in the generation segment since 2016, which have accelerated the transition from the use of HFO (the previous dominant fuel) for electricity generation, to NG. Based on the current energy supply mix, the National Energy Policy’s (NEP’s) fuel diversification targets in respect of NG have been surpassed and may require rationalization in the future.

RENEWABLE ENERGY DEVELOPMENT

The annual generation from RE sources for the 2019/2021 period is shown in Table 18. As shown, RE generation supplied to the grid in 2021 was 534.15 GWh, down 1.09% or 5.9 GWh relative to the 2020 level (540.01 GWh). The decline in RE generation in 2021 was primarily

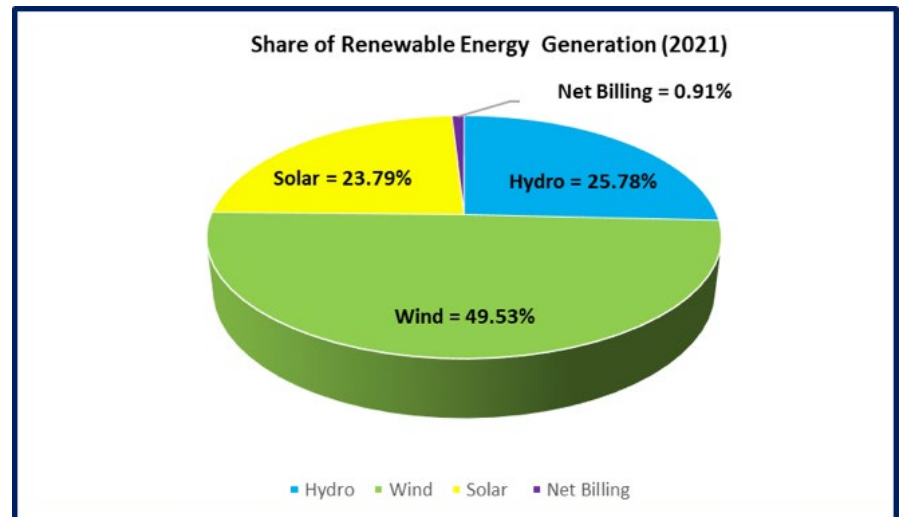
attributable to the lower than expected net energy output from the interconnected wind generation facilities. Despite this reduction, wind power continues to be the largest contributor of RE-based electricity supplied to the grid each year. The full breakdown of the 2021 RE generation is shown in Figure 8.

TABLE 18: ANNUAL GENERATION FROM RE SOURCES (2019-2021)

Components	2019	2020	2021	Remarks
RE Generation (GWh)	516.82	540.01	534.15	
System Net Generation (GWh)	4,429.83	4,227.43	4,303.96	
RE % of Net Generation	11.67%	12.77%	12.41%	
NEP RE Target (%)		15.00%	-	2020 RE Target not yet achieved.

Given that RE contribution to the system net generation was 12.4% in 2021, this suggests that the actual performance in this area lags the 15% target specified in the National Energy Policy (NEP).

FIGURE 8: BREAKDOWN OF THE 2021 RE GENERATION



It is important to note that although consumers experienced electricity price shock arising from the spike in international oil prices in 2021, the shift in the sector to greater use of RE (12.41%) and NG (59.55%) in the energy mix provided a significant buffer against the full effect of the shock.

FUEL COST AND CHARGES

FUEL SUPPLY AND PRICE DYNAMICS

The movement in prices of fuel utilized in the production of electricity supplied to the grid over the period 2016 - 2021, is represented in Table 19

TABLE 19: AVERAGE PRICE OF FUELS USED FOR ELECTRICITY GENERATION (2016-2021)

YEAR	AVERAGE PRICE OF FUELS USED FOR ELECTRICITY GENERATION					REMARKS
	HFO (US\$/BBL)	ADO (US\$/MMBTU)		NG* (US\$/MMBTU)		
2016	42.72	6.79	66.18	11.36	13.02	Start of NG use in Bogue CCGT
2017	60.25	9.58	78.24	13.43	12.90	
2018	75.56	12.02	100.95	17.33	13.04	
2019	67.19	10.69	96.35	16.54	12.66	
2020	47.65	7.58	64.87	11.14	11.82	
2021	73.21	11.64	95.28	16.36	14.25	NG accounts 59.55% of net gen

As shown, there have been wide fluctuations in average fuel prices over the 2016/2021 period, which have been reflected in the monthly/annual fuel costs associated with grid electricity generation over the period. HFO, the plant gate prices to JPS's generation plants, varied widely between US\$42.72/Barrel (US\$6.79/MMBTU) and US\$75.56/Barrel (US\$12.02/MMBTU). In the case of ADO, its prices also exhibited significant fluctuations, residing within the range of US\$66.18/Barrel (US\$11.19/MMBTU) to US\$100.95/Barrel (US\$17.33/MMBTU).



In contrast, plant gate prices for NG since its introduction to the energy mix in 2016, have only fluctuated slightly between a low of approximately US\$ 11.76/MMBTU and a high of US\$ 14.25/MMBTU.

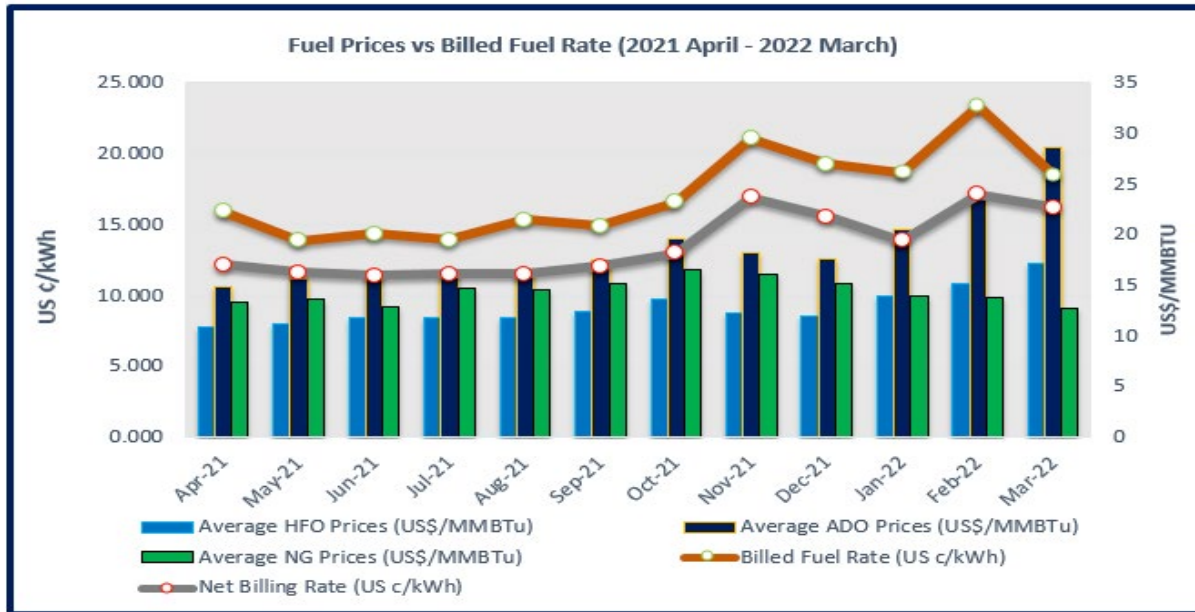


FUEL RATES AND CHARGES

Variations in fuel prices are captured in the monthly fuel rates that are applied in the billing process. For the review period (2021 April – 2022 March), the monthly average prices of the fuels used for electricity production is shown in Figure 9. The plot below shows the relative movement in the monthly fuel prices versus the billed fuel rate over the review period.

FIGURE 9: VARIATIONS IN AVERAGE FUEL PRICES AND FUEL RATES (2021 APRIL - 2022 MARCH)

Year/ Month	Average HFO Prices		Average ADO Prices		Average NG Prices	Fuel Rate	Net Billing Rate
	US\$/BBL	US\$/MMBTU	US\$/BBL	US\$/MMBTU	US\$/MMBTU	US\$/kWh	US\$/kWh
2021 Apr	68.51	10.90	86.39	14.83	13.29	15.937	12.18
2021 May	70.87	11.27	91.10	15.64	13.72	13.903	11.65
2021 Jun	74.76	11.89	95.53	16.40	12.84	14.347	11.43
2021 Jul	74.63	11.87	95.54	16.40	14.68	13.942	11.56
2021 Aug	74.06	11.78	94.51	16.22	14.65	15.373	11.56
2021 Sep	78.41	12.47	102.18	17.54	15.20	14.919	12.07
2021 Oct	85.51	13.60	114.43	19.64	16.59	16.625	13.00
2021 Nov	77.72	12.36	106.74	18.32	16.10	21.068	16.95
2021 Dec	75.65	12.03	102.52	17.60	15.25	19.280	15.60
2022 Jan	87.64	13.94	119.85	20.58	14.02	18.708	13.90
2022 Feb	95.43	15.18	137.17	23.55	13.82	23.406	17.16
2022 Mar	108.47	17.25	167.18	28.70	12.68	18.524	16.22



The monthly fuel rates over the period fluctuated between 13.903 US\$/kWh and 23.406 US\$/kWh. In addition to international fuel prices, fluctuations in the fuel rate may also be explained by sales volumes and the merit order for plant dispatch.

NET BILLING RATE

Similar to the fuel rate, the average Net Billing Rate used to determine the energy payments to Net Billing customers or Self-generators, for excess energy supplied to the grid, under Standard Offer Contracts (SOCs), also exhibited a similar trend over the review period. This was expected because the Net Billing rate is indexed to the fuel rate, and as such, would therefore be influenced by the same factors impacting fuel prices, but also the net energy output (NEO) from facilities participating in the Net Billing programme relative to total system net generation.

FUEL COST ADJUSTMENT MECHANISM

Monthly fuel rates are also influenced by the Fuel Cost Adjustment Mechanism which is used to determine the monthly fuel rates, the monthly fuel costs associated with JPS's thermal plants which are subjected to efficiency adjustment using Heat Rate parameters (Heat Rate Target and Actual Heat Rate). This is an efficiency adjustment mechanism which compares JPS's actual heat rate performance against established targets. This mechanism is designed to incentivize JPS to improve its operational efficiency as well as to optimize its generation dispatch operations. The embedded incentive mechanism delivers financial benefits or penalties to JPS depending on the extent of the company's over-achievement or under-achievement, relative to the applicable Heat Rate target.

JPS'S HEAT RATE PERFORMANCE

The Heat Rate indicator measures the fuel conversion efficiency of the power generation plants interconnected to the system. In the JPS Review 2019-2024 Determination Notice, the Office sets annual Heat Rate targets of 9,675 kJ/kWh, 9,667 kJ/kWh, 9,495 kJ/kWh and 9,470 kJ/kWh for JPS, to be applied over the period 2020/21 to 2023/24, respectively. At the 2021 Annual Review, JPS posited that the pre-established 2021/22 Heat Rate target should be adjusted upwards to 9,927 kJ/kWh.

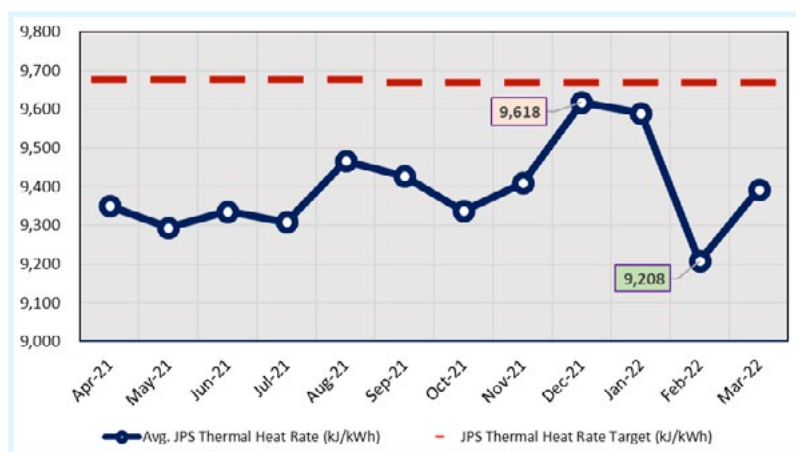
The reported monthly Heat Rate performance of JPS's thermal plants (actual Heat Rate versus Targets) for the review period (2021 April - 2022 March) is summarized in Table 20.

TABLE 20: JPS'S MONTHLY HEAT RATE PERFORMANCE (2021 APRIL -2022 MARCH)

JPS's MONTHLY ACTUAL HEAT RATE VERSUS TARGET [2021 APRIL -2022 MARCH]													
Component (kJ/kWh)	2021 APR	2021 MAY	2021 JUN	2021 JUL	2021 AUG	2021 SEP	2021 OCT	2021 NOV	2021 DEC	2022 JAN	2022 FEB	2022 MAR	AVE kJ/kWh
Heat Rate	9,350	9,294	9,336	9,308	9,466	9,426	9,337	9,409	9,618	9,590	9,208	9,393	9,395
Target	9,675	9,675	9,675	9,675	9,675	9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,667-
Variance	-325	-381	-339	-367	-209	-241	-330	-258	-49	-77	-459	-274	-276

The Heat Rate performance during the review period is further illustrated in Figure 10.

FIGURE 10: JPS'S THERMAL PLANTS MONTHLY HEAT RATE PERFORMANCE



As shown in Table 20, the applicable Heat Rate target was achieved by JPS for all the months in the review period, with a monthly average margin of 276 kJ/kWh in favour of the company. The average monthly Heat Rate for the review period was 9,395 kJ/kWh, reflecting an improvement of approximately 6.26% over the value reported for the previous period.

JPS'S RELIABILITY PERFORMANCE

The annual reliability performance of the electricity system is measured by three (3) "quality indices" (SAIFI, SAIDI, and CAIDI). JPS's reliability performance for the period 2019-2024 is summarized in Table 21.

TABLE 21: JPS’S SYSTEM RELIABILITY PERFORMANCE METRICS

SYSTEM RELIABILITY INDICES [2019-2021]							
YEAR	Total Number of Outages	Planned Outages	Forced Outages	SAIFI (Interruptions/ Customer)	SAIDI (Minutes/ Customer)	CAIDI (Minutes/ Interruption)	MAIFI (Interruptions/ Customer)
2019	46,282	1,893	44,389	13.5	1,448.6	107.2	9.2
2020	63,217	2,453	60,764	8.6	1,486.8	173.2	13.8
2021	70,563	4,064	66,499	7.7	1,862.7	243.2	12.0

For 2021, JPS reported that a total of 70,563 outages occurred across the system, of which the company scheduled 4,064 to facilitate planned maintenance/works on the system infrastructure, while 66,499 were classified as forced outage events. Notably, the total number of recorded forced outages is comprised of “sustained” and “momentary” outage events, accounting for 61,828 and 4,671 outages, respectively. Additionally, 57,333 forced outages were designated by JPS as ‘Reportable’. This means that 13.8% of the total forced outages (9,116 outages) were classified as ‘Non-Reportable’, which far exceeds the established 5% threshold.

The measurement of the system’s reliability performance in 2021 based on the reported forced outages and service interruptions indicates the following:

- ✓ SAIDI (average time customers are interrupted) for 2021 increased to 1,862.7 minutes/customer, reflecting a deterioration in performance of 25% relative to the level achieved for 2020.
- ✓ In contrast, the 2021 SAIFI (average frequency of sustained interruptions per customer) matrix decreased to 7.7 interruptions/customer, representing a 10% improvement over the 2020 level.
- ✓ CAIDI (the average time required to restore service to average customer per sustained interruption), which is a derivative of SAIDI and SAIFI, declined precipitously in 2021, worsening by over 40% relative to the 2020 level. Based on the data, this outcome

was largely influenced by the significant increase in average outage duration in 2021 relative to 2020.

According to JPS, the poor performance of SAIDI and CAIDI in 2021 is due to the general adverse weather conditions, particularly in 2021 August. It was also affected by Tropical Storms Grace and Ida, which resulted in broken poles, landslides and flooding, severely inhibiting JPS’s ability to respond promptly to power outages. However, these claims are concerning given the level of capital investment approved by the Office and deployed by JPS for system infrastructure modernization and reliability improvement since 2016, with the aim of ensuring a robust, reliable and resilient grid.

Since 2020, there has been a marked increase in the number of forced outages occurring on the system, resulting in frequent and sustained interruptions in electricity

supply to customers across the network. According to JPS, “equipment failure” and “vegetation infringement” are the main drivers contributing to the escalation in system forced outages. While these outage causes are generally recognized across the industry, particularly for predominantly overhead electricity networks, the number of forced outages recorded for 2020 and 2021 raise questions about the efficacy of JPS’s reliability improvement programme and the projected benefits to customers.

DETERMINATION ON JAMAICA PUBLIC SERVICE (JPS) 2021 ANNUAL TARIFF APPLICATION

JPS submitted its 2021 Annual Review Application in 2021 May in keeping with Schedule 3 of the Electricity Licence, 2016. The OUR reviewed the application and made its decisions which took effect in 2021 September .

The OUR's decisions resulted in an average marginal increase in the tariff of 1.4% (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%

In response to the OUR's Determination notice, JPS has filed an Appeal of a number of the Office's decisions. The OUR expects that the appeal will be heard in 2022.

DIRECTIVE TO JPS TO CEASE AND DESIST THE OPERATION OF ITS TRANSFORMER PROTECTION PROGRAMME

In 2021 July, the OUR started receiving complaints of frequent and prolonged power outages in several communities across the country. In response to the OUR's queries, JPS in 2021 October indicated that it had implemented a 'Transformer Protection Programme' pilot project to reduce the rate of failure of its transformers caused by electricity theft in approximately eighty-eight (88) communities. The information provided by the company suggests that the outages were more concentrated in sections of St. Catherine, Kingston and St. Andrew South, Kingston and St. Andrew North, Clarendon and St. James. This programme indiscriminately affected paying customers and non-paying consumers in these community.

Accordingly, the OUR issued a Directive to JPS (dated 2021 October 15) to immediately "cease and desist" the operation of this pilot project, pending an investigation into its legitimacy and effects.

Arising from JPS's tardiness in providing information on the programme, the OUR issued a further Directive on this matter, effective 2022 January 18 for 180 days. The OUR's investigation is still in progress.

APPEAL AGAINST THE JPS 2019-2024 RATE REVIEW DETERMINATION NOTICE

On 2020 December 24, the OUR published its decision on the 2019-2024 JPS Rate. An Addendum to the Determination Notice was issued on 2021 January 29 to tighten the spread of the rate increases across large Commercial and Industrial customers.

On 2021 January 22, JPS filed an Appeal with the Electricity Tribunal (Tribunal), challenging aspects of the Determination Notice, and on 2021 February 21, an amended notice of Appeal was filed by JPS against the decisions of the OUR in the Determination Notice as well as the Addendum.

However, the tribunal hearings were halted in 2021 July amidst questions concerning whether the Electricity Appeals Tribunal was properly constituted. Hearings are expected to resume in 2022/23 with new tribunal members.

ELECTRIC VEHICLE INITIATIVE

Electric vehicles (EVs) are gaining increasing popularity worldwide as a means of providing more economical and environmentally friendly transportation. According to the IEA Global EV Outlook 2021, in 2020, the global EV car fleet exceeded 10 million with new EV sales accounting for approximately 2% of new vehicles sales.

Among the key benefits identified from EV adaptation are:

- ✦ Lower operating and life cycle costs due to their better efficiency;
- ✦ Improved air quality as a result of the low or no emissions;
- ✦ Reduction in petroleum dependency; and
- ✦ Improvement in a country's energy security.

With the increasing global appeal of electric vehicles as a means of transportation, it is evident that the existing regulation on the supply of electricity requires assessment to facilitate the development of a framework that will allow for the efficient roll-out of this new technology.

During the period, the OUR undertook work towards the formulation of a regulatory policy framework for the electric vehicle (EV) market. In 2021 May, the OUR issued a Consultation document entitled, **“Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica.”**

The **EV Consultation Document** is the outcome of a study by an OUR Working Group which conducted international research regarding the issues that would need to be resolved for a viable and sustainable EV market in Jamaica. Among these are the regulatory and policy actions required to facilitate and support the uptake of EVs as well as the obstacles for Government resolution.

The responses from these consultations are being translated into recommendations, which will be transmitted to the Government in the first half of fiscal year 2022/23.

REVIEW OF THE ELECTRICITY ACT

During the 2021/22 period, the OUR made a submission to the Joint Select Committee of Parliament set up to review the Electricity Act (2015). This is important even as the Government prepares to enter into negotiations with JPS over its Licence, 2016 which expires in 2027 July.

UPCOMING ACTIVITIES

For the upcoming year, the RPME will focus on major activities, including:

- ✦ **JPS's 2022 Annual Rate Review:** As required by the Electricity Licence, 2016, another review of JPS's rates is due in 2022.
- ✦ **Electricity Market & Price Study:** With changes taking place in the electricity sector, along with the disruptive effect

of new technologies, it is critical for the Regulator to understand the possible configurations the market could take and the associated price trajectory. The OUR therefore intends to undertake such a study during the upcoming period.

- ✦ **Audit: Merit Order System and Generation Despatch Operations:** Pursuant to section 45 (7) of the Electricity Act (EA), 2015, and in light of generation dispatch issues that have surfaced, the OUR plans to undertake an audit of JPS's Merit Order and Generation Dispatch System.
- ✦ **Assessment and Monitoring of JPS's Smart Streetlight Programme (SSP) – Phase 3:** The SSP is an energy efficiency initiative mandated by the Government of Jamaica (GOJ), in the Electricity Licence, 2016. An assessment is, therefore, necessary to evaluate the cost, coverage and impact of the new technology on the grid.
- ✦ **National Electricity Loss Reduction Plan Consultancy (IDB Collaboration):** The GOJ with the support of the Inter-American Development Bank (IDB), is conducting a study to review the current situation and audit the energy losses on the electricity grid. The aim is to design a loss reduction plan, which will define the action and roles of the main stakeholders as well as the targets and cost benefits linked to the plan. The OUR plans to make its contribution to the endeavor.

WATER & SEWERAGE

In some respects, fiscal year 2021/22 was a relatively quiet year for the Water and Sewerage Sector. The National Water Commission (NWC) did not submit its tariff review in the second quarter of the fiscal year as was expected. Notwithstanding, the OUR was kept busy with other tariff reviews for the NWC and private providers, as well as assessing applications for licences and conducting surveillance of the NWC K-Factor regime. The OUR also supported the Government's policy of encouraging Public-Private Participation and was engaged in the day-to-day monitoring and enforcement of consumer protection policies, and resolution of appeals.

KEY ACTIVITIES

- ✓ Runaway Bay Water Company Limited (RBWC) Tariff Review.
- ✓ Drax Hall Utilities Limited (DHU) Tariff Application.
- ✓ St Jago Hills Development Company Limited (SJHDC) Tariff Review.
- ✓ Annual Price Adjustment Mechanism (ANPAM) Reviews: RBWC, DEML and NWC.
- ✓ Monitoring NWC's performance against Performance Criteria established in the 2019 Interim Tariff Determination Notice.

RUNAWAY BAY WATER COMPANY LIMITED (RBWC) DETERMINATION NOTICE

Runaway Bay Water Company Limited (RBWC) submitted its tariff application in 2020 July, seeking an increase in its retail water and sewerage rates and its wholesale water rate.

Based on RBWC's water and sewerage Licences, the computation of the company's tariffs should be guided by the rate of return (or "cost-plus") methodology. However, in the context of limited availability of cost and operational data, the OUR has, over the years, applied what has been referred to as the "No Objection Policy" for the approval of rates for private water and sewerage service providers. In applying the "No Objection Policy" methodology, RBWC's proposed retail rates were benchmarked to comparable rates for the NWC and Can-Cara Development Limited (CDL), another private water and sewerage provider. RBWC retail rates were approved by the OUR and a Determination Notice was published 7in 2021 April.



**Conservation
Tip**

Cover your windows in the day and open them in the evening. Windows without UV protection can increase the temperature. This allows heat rays in, therefore raising the temperature of the home. Practicing this will limit your a/c or fan usage.

SOURCE: <https://www.swflectric.com/blog/ways-to-stay-cool-without-power-or-ac>



The OUR denied RBWC's application for wholesale rates. The OUR continued its monitoring of RBWC's activities and verified its monthly Price Adjustments during the period.



DRAX HALL UTILITIES LIMITED (DHUL) TARIFF APPLICATION

Drax Hall Utilities Ltd (DHUL) was incorporated in 2010 September for the specific purpose of operating and maintaining the water and sewerage network within Drax Hall Estate.

DHUL submitted an application in 2021 January for the approval of both potable water and sewerage tariff. Given that DHUL is without a sewerage licence, the OUR indicated to the company that its tariff application for sewerage rates was invalid. It has since applied for a sewerage licence which is now being processed. At the end of the 2021/22 final year, DHUL’s tariff application was still under review as additional data was required.

ST JAGO HILLS DEVELOPMENT COMPANY LIMITED (SJHDC) DETERMINATION NOTICE

St Jago Hills Development Company Limited (SJHDC) is a privately owned company and holder of a Water Supply Licence in 2014 July. The company provides potable water to its residential development lots in the St Jago Hills area of eastern St. Catherine.

In 2022 March, SJHDC submitted an application to the OUR for tariff approval. The application is being reviewed but has suffered setbacks primarily due to inadequate cost information. In addition, in response to complaints from customers concerning SJHDC’s reduction in water pumping activities from three (3) days to one (1) day per week, the OUR issued a cease and desist order to the company, even as it reviewed SJHDC’s tariff application.

ANNUAL PRICE ADJUSTMENT MECHANISM (ANPAM): RBWC, DEML, NWC

The Price Adjustment Mechanism (PAM) is an approved indexation adjustment to base rates for water and sewerage service providers. The PAM captures the effects of movements in indices, which are associated with the service provider’s major input costs, over which it has no control. The three (3) indices utilized in the calculation are: (1) the Consumer Price Index (CPI), (2) the Jamaican dollar exchange rate relative to the United States Dollar (FE), and (3) Electricity Prices (KWh).

The PAM adjustment rate is applied monthly and is reflected as a separate line item on customers’ bills.



The mechanism further allows for an adjustment of base rates by rolling in the cumulative monthly PAM rate into the base rates annually. This annual reset of the tariff base rates is referred to as the Annual Price Adjustment Mechanism (ANPAM).



During the 2021/22 period, the OUR reviewed ANPAM applications from RBWC, DEML and NWC. On 2021 July 9, RBWC submitted its ANPAM rate adjustment application of 6.05%. The application was reviewed and approved by the OUR and became effective in 2021 September. DEML submitted its ANPAM rate adjustment application of 6.827% on 2021 September 16. The OUR reviewed and approved the application, and the new base rate became effective on 2021 November 1. The NWC submitted an ANPAM rate adjustment application on 2022 March 23 for 11.70%, which was reviewed and approved to become applicable in 2022 May.

MONITORING NWC'S PERFORMANCE AGAINST PERFORMANCE CRITERIA ESTABLISHED IN THE 2019 INTERIM TARIFF DETERMINATION NOTICE.

The OUR continued its monitoring of NWC's performance throughout the period. One major project under development by the NWC is the planned construction of a fifteen (15) million gallons per day water treatment plant at Rio Cobre, Content, St. Catherine, under a Public-Private Partnership (PPP) arrangement. The NWC posits that this proposed facility will be a critical component of its long-term drought mitigation plan and part of its operational strategy to address the seasonal water deficit in the Kingston Metropolitan Area (KMA). Given the strategic importance of this project and its potential long-term effect on the water supply system, the OUR continues to provide its inputs and comments on various project documents even as the project is being fine-tuned for implementation.

PRIVATE WATER PROVIDERS' POTABLE WATER STATISTICS

The contribution of private companies in the water and sewerage sector remains critical. Nonetheless, as shown in Table 22, for 2021/22 the data for three (3) private providers indicate that collectively, production declined by approximately 6.24% compared to the 2020/21 period. Overall consumption also registered an 8.07% decline over the same period.

TABLE 22: PRODUCTION AND CONSUMPTION OF PRIVATE WATER PROVIDERS FOR 2020 AND 2021

Private Water Providers	2020		2021	
	Production (m ³)	Consumption (m ³)	Production (m ³)	Consumption (m ³)
Can-Cara Development Limited	206,351	206,351	Unavailable	Unavailable
Dairy Spring Limited	150,157	150,855	Unavailable	Unavailable
Dynamic Environmental Management Limited	700,297	432,715	715,113.80	451,351.20
Rose Hall Development Limited	977,742	745,647	1,100,638	849,236
Runaway Bay Water Company Limited	2,517,819	2,005,765	2,469,195.87	1,954,882.16
Total	4,552,366	3,541,333	4,284,947.67	3,255,469.36

NWC’S POTABLE WATER STATISTICS

As shown in Table 23, for the fiscal year 2021/22, water produced by the NWC decreased by 0.6%, while consumption slightly increased by 0.7% over the 2020/21 period. Non-revenue water (NRW) saw a marginal decrease this reporting period, moving from 75.2% to 74.9%. The NWC reported a 0.5% growth in customer connections for the 2021/22 period relative to the previous year.

TABLE 23: NWC WATER PRODUCTION AND CONSUMPTION - 2020/21 AND 2021/22

Fiscal Year ending	Production (MG)	Consumption (MG)	Non-Revenue Water	No. of Active Connections
2020/21	73,957.56	18,337.32	75.2%	381,681
2021/22	73,535.82	18,456.78	74.9%	383,491

Note: MG represents Million Gallons

NON-REVENUE WATER (NRW)

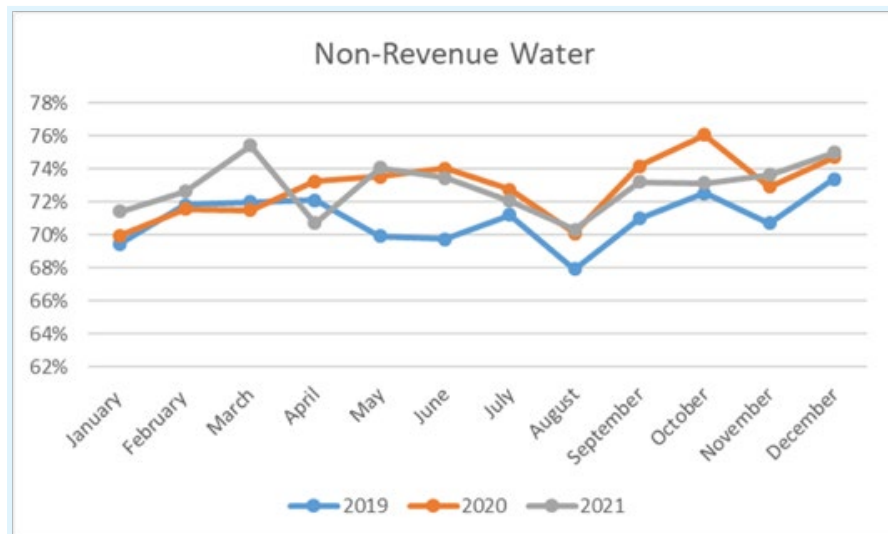
Water losses continued to bedevil the NWC’s operations, hovering at just over 75% of its production. Indeed, the 2020 and 2021 losses statistics essentially reversed the encouraging results that were recorded in 2019. Figure 11 shows the movements in NWC’s NRW for the 3-year period 2019 to 2021. NWC reports that the effect of the pandemic also exacerbated its collection difficulties.



The NWC’s collection rate for 2020 April to 2021 February ranged from a low of 65% to a high of 91%, and has been attributable to the effects of COVID-19. However, it is worth noting that collection rate as at 2021 December was 87.2% and the year-to-date collection rate was 85.9%.



FIGURE 11: NWC'S NRW 3-YEAR TREND



NWC'S K-FACTOR PROGRAMME

The K-factor funding programme was established to finance capital-intensive efficiency improvement projects. The aim of the programme is to reverse the effects of under-funded and inadequate capital funding in critical areas of the NWC's operation and to put the company on the path of increased efficiency. The NWC is required to obtain approval from the OUR for all projects that qualify for K-Factor funding, prior to implementation. The K-Factor, in its original construct, was linked to the efficiency improvements in NWC's operations captured in the X-factor. Currently, the K- and X-Factors represent 20% and 5% of the company's billed revenues, respectively. The K-Factor regime is scheduled to remain in place until 2032 December 31.

The K-Factor fund is currently being used to service a portion of the NWC's US\$133M loan programme with the Inter-American Development Bank (IDB), to fund its Kingston Metropolitan Area (KMA) Water Supply Improvement Programme. The Co-management programme between NWC and MIYA Jamaica, which targets the reduction of NRW in KSA, is funded by this IDB loan.



K-FACTOR FUND OPERATIONS 2021/22

For fiscal year 2021/22, K-Factor programme inflows exceeded outflows by J\$2.13 billion. The total inflow was J\$5.65 billion, representing a 24.5% increase over the corresponding period of J\$4.54 billion, while the reported total outflow was J\$3.52 billion, a decrease of 11% over the previous year's total of J\$3.96 billion.

Approximately 85% of K-Factor outflows (J\$2.98B) were in relation to debt service, while the remaining 15% (J\$5.32M) was used as direct financing of existing projects. Notably, debt service increased by 0.46% from J\$2.97 billion compared to the previous fiscal year, while direct financing decreased by 45.8% to J\$5.32 million.

UPCOMING ACTIVITIES

Among the projects on the Work Plan for 2022/23 are:

- ✓ Review of NWC's 5-year Tariff Application
- ✓ Regional & Seasonal Tariff Study for the National Water Commission
- ✓ Private Water and/or Sewerage Providers Rate Reviews for St Jago Hills Development Co. Ltd and Drax Hall Utilities Ltd
- ✓ Review of NWC's 45MW floating photovoltaic renewable energy system at the Mona Reservoir PPP project
- ✓ Further review of the fifteen (15) million gallons per day water treatment plant at Rio Cobre, Content, St. Catherine
- ✓ Review and approval of Annual Price Adjustment Mechanism for private providers and NWC

TELECOMMUNICATIONS

Information And Communications Technology (ICT) has been positioned and is recognized as a major driver of national development. The national strategy for this sector is to expand the broadband network island-wide and encourage greater use of information and communications technology (ICT). Specifically, the strategy is to create an appropriate regulatory environment conducive to investments in ICT and network development, promote multiple modes of information delivery systems and networks including new wireless and wired broadband technologies, implement appropriate compliance measures, and improve billing and collection procedures.



KEY ACTIVITIES

- ✔ Number Portability Administration Fees, 2021.
- ✔ Estimate of the Weighted Average Cost of Capital for Telecommunications Carriers - Determination Notice.
- ✔ Update of the Mobile Cost Model - The Decision on Rates.
- ✔ Update of the Cost Model for Fixed Interconnection Rates - The Decision on Rates.
- ✔ Consultation document - Review of the Number Portability Framework - Phase 1.
- ✔ Review of the Number Portability Framework - Industry Number Portability Guidelines - Phase 1 - Determination Notice.
- ✔ Telecommunications Market Information Quarterly Reports.
- ✔ Supplementary Consultation for the Cost Model for the Assessment of Fixed Infrastructure Sharing Rates.

COST MODELS FOR TERMINATION RATES

The call termination rate is the tariff charged by a telecommunications operator for accepting calls from another telecommunications operator. As call termination is a monopoly service, if left alone, there is the potential for operators to charge a termination rate that is significantly above the true cost of providing the service. Pursuant to the Telecommunications Act, the OUR has a responsibility to ensure that the rates for wholesale termination services are calculated based on a forward-looking long-run incremental cost (LRIC), whereby the relevant increment is the wholesale termination service and which includes only avoidable costs.

1. UPDATE OF THE MOBILE COST MODEL

In 2021 September, a Determination Notice outlining the mandated mobile termination rates was issued. In the document, two termination rates were established:

- ✔ 0.76 JMD per minute - effective 2021 October 01 - 2021 November 30
- ✔ 0.69 JMD per minute - effective 2021 December 01 until the next update

The mobile termination rate shall be charged on a per-second basis. The previous termination rate was \$1.10 JMD per minute.

2. UPDATE OF THE FIXED COST MODEL

Consultation on the updated draft Fixed Cost Model began in 2020 December and ended in 2021 February. The existing model had been updated to reflect changes in market conditions and technology based on the methodology outlined in a 2020 Determination Notice. On 2022 March 31, the OUR issued a Determination Notice for fixed interconnection rates. The rates which became effective on 2022 May 1 are outlined in Tables TEL1 and TEL2:

TABLE 24: FIXED TERMINATION RATES

Termination services (JMD cent/min)	Effective 2022 May 1	Previous Rates	Difference
Terminating to fixed local	6.72	9.39	-28%
Terminating to fixed national	6.72	9.58	-30%
Terminating from international direct to fixed	6.72	10.04	-33%

TABLE 25: RATES FOR TERMINATION OF SPECIAL SERVICES

Termination services (JMD cent / min)	Effective 2022 May 1	Previous Rates	Difference
Terminating to weather warning service	13.79	18.62	-26%
Terminating to national freephone access service	6.72	9.58	-30%
Terminating to own freephone access service	6.72	9.11	-26%
Terminating to international freephone access service	6.72	9.57	-30%
Terminating to home country direct collect service	4.62	7.29	-37%
Terminating to emergency services	0.07	0.09	-25%
Terminating to national DQ	0.07	0.10	-33%
Terminating to international DQ	0.07	0.10	-33%

ASSESSMENT OF FIXED INFRASTRUCTURE SHARING COSTS

Infrastructure sharing is a means by which developing countries and other emerging economies can extend and improve internet access services, especially for those marginalized communities that remain excluded from pervasive and affordable broadband. Globally, operators are also embracing the principle of sharing, as the traditional ownership model where individual network operators owned and/or operated all of the infrastructure required to provide services to their customers has been increasingly challenged. To have a reliable means by which to determine infrastructure sharing charges in a timely manner, the OUR has decided that it will develop a set of tools to evaluate the costs of infrastructure sharing services. A stand-alone fixed infrastructure sharing cost model is the first tool to be developed.

A Determination Notice outlining the methodological framework to be used to develop the fixed infrastructure sharing model was published in 2020 December. The decisions in the Determination Notice included the period of time to be modelled, the definition of the reference operator, the cost standards and cost elements to be considered and the services to be included in the model. Consultation on the draft Fixed Infrastructure Sharing Model and the accompanying consultation document began in 2021 January and ended on 2021 April 12. However, based on feedback from stakeholders, further consultation was required and a supplementary consultation document was issued on 2021 September 3. A draft model and comments document has been prepared and is currently being reviewed with the aim to publish in the second quarter of fiscal year 2022/23.

ESTIMATE OF THE WEIGHTED AVERAGE COST OF CAPITAL FOR TELECOMMUNICATIONS CARRIERS

It is important that an appropriate cost of capital be estimated for the telecommunications sector as it measures the return on capital companies in the sector are allowed to earn. Therefore, the Weighted Average Cost of Capital (WACC) estimate is a critical input into any pricing model to be developed or approved by the OUR. To take account of the differences in the risk and capital structure of

fixed carriers and that of mobile carriers, the OUR calculated separate WACCs for the fixed and the mobile sector.

The Determination Notice reestablishing the new WACCs was published on 2021 September 1. The following WACCs became effective on 2021 November 28:

- ✓ Fixed telecommunication sector - A nominal pre-tax WACC of 10.70% in USD terms and 14.96% in JMD terms.
- ✓ Mobile telecommunication sector - A nominal pre-tax WACC of 12.63% in USD terms and 16.95% in JMD terms.

ESTABLISHMENT OF OUTAGE/ DISASTER PROTOCOL FOR THE TELECOMMUNICATIONS SECTOR

Jamaicans rely on their telecommunications services for work, social life, leisure, and access to various public services and types of assistance. Given that Jamaicans are more reliant than ever on telecommunications services, their unavailability can have an adverse impact on security, public safety (including response and recovery capabilities), and the economy. In 2021 October, the OUR embarked on a project to establish outage/ disaster protocols for the telecommunications sector. The project involves the categorization of outages based on different criteria and establishing notification processes for telecommunications licensees in the event of such outages. It also involves the establishment of measures to improve network resiliency during disasters. The outage protocols will provide the OUR with



the data required to assess the magnitude of outages, follow up service restoration activities, and identify common recurrent threats to the normal functioning of networks and services, to ensure that service providers take the necessary countermeasures to mitigate the risk of recurrences in the future. The draft consultation document is being reviewed for publication in the first quarter of fiscal year 2022/23.

NUMBERING ADMINISTRATION

During the period, the OUR continued its efforts to ensure the availability of adequate and appropriate numbering resources for telecommunications carriers and service providers, and the efficient assignment of those resources. This included the audit of some numbering resources, the processing of applications for Central Office Codes (NXXs) and Local Toll-Free Numbers, and the handling of number portability-related complaints and disputes.

The OUR also pursued the following numbering administration projects:

1. Review of the Existing Number Portability Framework
2. Development of a Porting Framework for Common Short Codes.

REVIEW OF THE NUMBER PORTABILITY FRAMEWORK - PHASE 1

Phase 1 of the review of the number portability framework focussed on the issues/proposals that only impact the Industry Number Portability Guidelines (INPG), while Phase 2 will address issues/proposals that will require modifications to the Telecommunications (Number Portability) Rules, 2014 (“the Rules”). During the period, the INPG was reviewed to ensure continual improvement of the porting process and, where necessary, to implement measures to minimise the risk of fraudulent or inappropriate porting transactions occurring

in the process. The issue of potential fraudulent porting transactions was first brought to the OUR's attention in mid-year 2020 by a concerned service provider. The OUR observed, through subsequent investigation, that additional consumer safeguards were necessary in the porting process to ensure that the regime's integrity remained intact. The Consultation Document was published in 2021 December and the Determination Notice outlining the modifications to the INPG on 2022 March 31. The revised INPG will be effective on 2022 April 19.

The modifications to the INPG address matters such as:

- ✦ The inclusion of additional consumer safeguards into the porting process to minimise the recurrence of fraudulent or inappropriate porting transactions.
- ✦ Approval for the use of an electronic version of the Porting Request Form while providing safeguards against issues identified in the OUR's investigation of allegations of fraudulent and inappropriate porting transactions.
- ✦ The need for a detailed and transparent emergency repatriation process (including the automation of the process) that protects the interest of both customers and service providers.
- ✦ Expansion of the locations from which porting requests may be initiated, and by so doing, provide clarity as to what constitutes a "point of sale".

FACILITATING THE USE OF IMSIS ON FIXED NETWORKS

Given the cost of deploying wired fixed networks, new entrants in the fixed segment of telecommunications sectors globally, have been utilizing fixed wireless networks as a more cost-effective alternative. The operators who use mobile technology to provide fixed services also utilize the International Mobile Subscriber Identity (IMSI) numbering resource in the authentication of subscribers on their networks. In Jamaica, the Mobile Country Code and Mobile Network Code (MNC+MCC) number resources used in the construction of the IMSI can only be utilized by operators providing public mobility services with international roaming. This means that currently, a fixed licensee who does not hold a mobile licence is not allowed to utilize IMSIs in its provision of fixed services.

A Consultation Document outlining proposals on the assignment of MNCs to standalone fixed operators has been drafted and will be published in fiscal year 2022/23

DEVELOPMENT OF A PORTING FRAMEWORK FOR COMMON SHORT CODES

Numbering resources that are non-standard in length and with fewer digits than a typical phone number are referred to as "Short Codes". These codes typically have lengths of between four (4) and six (6) digits and provide a useful balance between ease of recall for mobile subscribers and the ability

to convey meaningful information. Whenever a short code can be used to access the same service across different mobile networks, it is referred to as a Common Short Code (CSC). The Telecommunications (Number Portability) Rules, 2014 provide for the porting of short codes, where these codes can be reached from outside the network and are exclusively assigned to a customer. Since Phase 2 of the review of the number portability framework ("Phase 2") will kick off in early 2022/23 and may have implications for the short code portability framework, it was decided to incorporate the draft short code portability framework into the Phase 2 Consultation Document.

UPDATE ON IMPORTANT TELECOMMUNICATIONS SECTOR INDICATORS

FIXED SERVICE

Fixed subscriptions stood at 471,520 as at 2022 March 31, representing a 6% increase compared to the similar period in 2021. There has been a steady increase in the uptake of fixed services subscriptions, specifically the residential category, notwithstanding a downward trend in business services subscriptions. The onset of the global Covid-19 pandemic contributed to this increase as more customers subscribed to fixed broadband service to facilitate 'work from home' and/or online classes, with service providers including a telephone subscription as a part of the broadband package.

TABLE 26: FIXED LINE SUBSCRIPTION ('000) & PENETRATION RATES (2012-2021)

YEAR	SUBSCRIPTIONS			PENETRATION RATE
	TOTAL	RESIDENTIAL	BUSINESS	
2012	253.14	175.92	77.23	9.52%
2013	250.34	174.86	75.48	9.23%
2014	253.50	180.10	73.40	9.31%
2015	252.84	181.04	71.80	9.28%
2016	310.21	234.99	75.22	11.39%
2017/18	347.67	274.99	72.68	12.74%
2018/19	368.49	297.83	70.66	13.50%
2019/20	398.31	329.33	68.98	14.57%
2020/21	443.68	378.02	65.66	16.23%
2021/22	471.52	407.51	64.84	17.25%

TABLE 27: MOBILE SUBSCRIPTIONS ('000) & PENETRATION RATES (2012-2021)

YEAR	SUBSCRIPTIONS			PENETRATION RATE
	TOTAL	PREPAID	POST-PAID	
2012	2,714.94	2,563.63	151.3	100.11%
2013	2,846.20	2,696.41	149.79	104.95%
2014	3,005.49	2,851.09	154.4	110.36%
2015	3,137.21	2,970.78	166.42	115.20%
2016	3,267.34	3,085.09	182.26	119.98%
2017/18	3,107.12	2,910.54	196.58	113.86%
2018/19	2,988.74	2,783.87	204.87	109.52%
2019/20	2,966.88	2,746.53	220.35	108.51%
2020/21	2,844.68	2,620.87	223.81	104.04%
2021/22	2,919.39	2,680.83	238.57	106.78%

MOBILE SERVICE

Mobile service subscriptions totalled 2,919,390 as at 2022 March 31, representing an increase of 3% when compared with the similar period in 2021 which recorded 2,844,679 subscriptions.



INTERNET SERVICE

Fixed broadband subscriptions stood at 416,122 as at 2022 March 31, representing an 8% increase over the previous period when it stood at 386,162. Regarding mobile broadband, these subscriptions reflected a marginal increase of 1% as at 2022 March 31 when compared to the similar period in 2021.

TABLE 28: DISTRIBUTION OF INTERNET SUBSCRIPTION ('000) & PENETRATION RATES (2012-2021)

YEAR	SUBSCRIPTIONS			PENETRATION RATE	
	TOTAL	FIXED NARROWBAND	FIXED BROADBAND		
2012	124.17	1.12	123.05	4.58%	
2013	998.10	0.98	140.82	856.31	36.80%
2014	1,384.61	0.97	156.04	1,227.60	50.84%
2015	1,670.28	0.96	163.96	1,505.36	61.33%
2016	1,781.40	---	192.07	1,589.33	65.41%
2017/18	2,000.17	---	263.24	1,736.93	73.30%
2018/19	1,729.05	---	293.22	1,435.83	63.36%
2019/20	2,001.16	---	331.98	1,669.18	73.19%
2020/21	2,123.84	---	386.16	1,737.36	77.68%
2021/22	2,165.82	---	416.12	1,749.34	79.22%



UPCOMING ACTIVITIES

For the upcoming year, the Telecommunications Unit's work plan will include the following projects:

- ✦ **Operationalization of Common Short Codes Scheme (2022 May 1):** Short codes can facilitate everyday communication experiences; making them faster, easier and more interactive by being easy to remember and by their ability to convey meaningful information (a short code often spells a word or a brand name). The operationalization of the Jamaican Common Short Code Scheme will benefit consumers through the promotion of entrepreneurship, innovation and competition in the telecommunications market.
- ✦ **Review of the Number Portability Framework - Phase 2:** The Phase 2 review of the number portability framework will address issues/proposals that will require modifications to the Telecommunications (Number Portability) Rules, 2014 ("the Rules") such as the porting timeframes and reasons for denial of a porting request. It will also address the establishment of porting frameworks for numbering resources such as Common Short Codes and Local Toll-Free Numbers.

- ✦ **Revision of Information Requirements:** During the upcoming year, the OUR will be updating its monitoring/data collection mechanisms. This includes revising the Information Requirements to ensure that it is capturing the indicators that are necessary to monitor developments in the Telecommunications/ICT sector.
- ✦ **Quality of Service/Experience (QoS/QoE) Monitoring Framework:** During 2022/23 the OUR will take steps to establish a Quality of Service/Experience (QoS/QoE) monitoring and reporting regime, which will take into account the legacy and advanced/emerging telecommunications services provided in the sector.

Legal

The Legal Department advised on a number of regulatory and administrative matters, ensuring that the Office of Utilities Regulation (OUR) observed due process, and complied with all legal requirements in discharging its regulatory functions. The Department also provided legal inputs in several of the organization’s regulatory and administrative processes and managed the litigation and tribunal matters in which the OUR was involved.

LEGISLATIVE AND REGULATORY REFORM

In relation to its advisory functions, the OUR provided advice and recommendations to the Ministry of Science, Energy and Technology (MSET), Cabinet Office, and Joint Select Committees of Parliament on various general and sector-specific policy and legislative matters. In particular, the OUR provided feedback and recommendations on such matters as the amendment of the Office of Utilities Regulation Act, the reviews of the Electricity Act, 2015 and the Protected Disclosures Act, 2011 and the draft National Cybersecurity Strategy. The OUR also reviewed draft rules to govern quality of service and infrastructure sharing in the telecommunications sector.

“
The Legal Department advised on a number of regulatory and administrative matters, ensuring that the OUR observed due process, and complied with all legal requirements in discharging its regulatory functions.
 ”

KEY ACTIVITIES

- ✦ Thirteen litigation matters handled during the period.
- ✦ Directives issued to Cable & Wireless Jamaica Limited and Digicel regarding the initiation of porting transactions at points of sale as defined in the Industry Number Portability Guidelines of 2014.

LITIGATION MATTERS

From 2021 April to 2022 March, our legal officers managed thirteen (13) litigation matters, nine (9) of which were carried over from previous periods.

During the year, one (1) appeal each was filed against decisions of the OUR with the Electricity Appeal Tribunal (EAT) and the Telecommunications Appeal Tribunal (TAT) and one (1) matter each was filed by and against the OUR in the Supreme Court. The active matters are comprised as follows: three (3) matters before the EAT; one (1) matter before the TAT; three (3) matters before the Supreme Court; and six (6) matters for which the judgment debt or costs are awarded by various courts, including the Privy Council, Court of Appeal, Supreme Court and Parish Court, are outstanding and/or being pursued. Some of the matters are highlighted as follows:



Chenée Riley
General Counsel



Wayne McGregor
Senior Legal Counsel



Nicole Morgan
Legal Counsel



Lorraine Patterson-Walters
Consultant - Legal Services

ELECTRICITY SECTOR

ELECTRICITY APPEAL TRIBUNAL

By Notice of Appeal dated 2022 January 27 and filed with the EAT, JPS appealed the OUR's Jamaica Public Service Company Limited Annual Review 2021 Reconsideration Decision (Document No. 2021/ELE/016/RCN.001) dated 2021 December 28 (Reconsideration Decision). The Reconsideration Decision, set out the OUR's final position on various determinations in the Jamaica Public Service Company Limited Annual Review 2021: Determination Notice (Document No. 2021/ELE/010/DET.001) dated 2021 September 1, which JPS requested the OUR to revisit. Progress of the matter is in abeyance pending the appointment of new members of the EAT.

In 2021 January and February, JPS filed a Notice of Appeal and Amended Notice of Appeal respectively, with the EAT. By these Notices, JPS appealed against various decisions of the OUR with respect to the company's 2019 - 2024 Tariff Application as set out in the OUR's Jamaica Public Service Company Limited Rate Review 2019 - 2024: Determination Notice (Document No. 2020/ELE/016/DET.003) dated 2020 December 24, and an Addendum to that Determination Notice (Document No. 2021/ELE/001/ADM.001) dated 2021 January 29 (together referred to as the Tariff Determination Notice). The Tariff Determination Notice sets out the OUR's decisions regarding, inter alia, the tariffs that JPS may charge over the five-year period - 2019 to 2024 - and is the first such rate review under the revenue cap regime established by the Electricity Licence, 2016. At a hearing of the matter on 2021 July 13, the Tribunal ruled that it was not properly constituted, and therefore could not hear the appeal. Progress of the matter is in abeyance pending the appointment of new members of the EAT.

In 2019 June, JPS filed an appeal with the EAT against several of the OUR's decisions set out in the documents Final Criteria - Jamaica Public Service Company Limited: 2019-2024 Rate Review Process (Document No. 2019/ELE/003/RUL.001) dated 2019 March 14, and Addendum to Final Criteria - Jamaica Public Service Company Limited: 2019 - 2024 Rate Review Process (Document No. 2019/ELE/007/ADM.001) dated 2019 April 24 - together referred to as the Final Criteria.

The Final Criteria was published by the OUR, after a consultative process, pursuant to requirements in Schedule 3 of JPS' Electricity Licence 2016, and contains various criteria which informed and guided JPS in the preparation of its business plan and five-year rate review submission that was due in 2019. Progress of the matter is in abeyance pending the appointment of new members of the EAT.





TELECOMMUNICATIONS SECTOR

TELECOMMUNICATIONS APPEAL TRIBUNAL

The OUR issued a Directive to Cable & Wireless Jamaica Limited (C&WJ) dated 2020 September 17 (Document No. 2020/TEL/017/DIR.004) concerning the initiation of porting transactions at points of sale as defined in the Industry Number Portability Guidelines of 2014 (INPG). By Notice of Appeal dated 2021 September 10 and filed with the TAT, C&WJ appealed against the OUR’s decision (i) not to accept a reconsideration request of 2021 June in connection with the Directive and (ii) to investigate alleged use of field agents to port numbers outside of its points of sale. Progress of the matter was pending the appointment of the members of the Telecommunications Appeal Tribunal.

SUPREME COURT

By Fixed Date Claim Form dated 2021 October 14, the OUR sought an injunction against C&WJ requiring its compliance with OUR’s Directive dated 2020 September 17 (Document No. 2020/TEL/017/DIR.004) in relation to the initiation of porting transactions at points of sale as defined in the INPG, and compelling the company to provide information to the OUR in relation to an investigation into allegations that it has acted in breach of the Directive. The substantive hearing in the matter was completed on 2022 February 2, at which time the Court reserved judgement until 2022 May 19.

On 2021 September 17, C&WJ filed a Fixed Date Claim Form seeking various declarations and orders regarding the appropriate construction of the term “points of sale” as used in the INPG. Progress of the matter was pending the scheduling of the first hearing by the Supreme Court Registry.

George Neil was a principal of companies that previously held several telecommunications licences. His failure to pass the licensee fit and proper requirements has resulted in a refusal to grant telecommunications licences to a company with which he was associated.

In 2019 January, Mr. Neil brought an action in the Supreme Court against the Attorney-General, the OUR and the Spectrum Management Authority seeking relief for breach of various constitutional and other rights. The trial of the matter is scheduled for 2022 June to July.

Information Technology and Risk (ITRD)

The Information Technology and Risk Department (ITRD) continued its high performance in its support of the organization delivering its mandate during the second year of the COVID-19 pandemic. The ITRD continued to ensure that the organization uses the technology needed and required for its activities and projects.

As in the previous years, the ITRD ensured that all staff members could work virtually when required due to the ongoing pandemic, with the deployment of new hardware and the use of a secure connection to access on-premises information systems.

KEY ACTIVITIES

- ⚡ Some obsolete equipment were replaced during the year, mainly laptops and servers. These pieces of equipment had reached the end of their lifespan and needed to be replaced to ensure that there were no interruptions in the organization’s operations.
- ⚡ There was no downtime of the information technology services due to the continued review and actions taken to mitigate against cyber-attacks on the OUR’s information technology infrastructure.
- ⚡ The continued review and enhancement of in-house developed applications included the upgrading of the License Application System (LINKS), Customer Information Database System (CIDS), Regulatory Decision Management System (INKS), Project Monitoring System and Electronic Document and Records Management System (EDRMS).

QUALITY MANAGEMENT SYSTEM (QMS)

The organisation maintained its certification against the ISO¹ 9001:2015 Standard after undergoing a re-certification audit conducted by the National Certification Body of Jamaica (NCBJ).

.....
With the maintenance of this international certification, the organization demonstrates to all its stakeholders its emphasis on delivering measurable quality service.



Leighton Hamilton
 Director, Information Technology & Risk



Otis Anderson
 Manager - Information Technology & Risk



Judene Channer
 Help Desk Coordinator/
 Graphic Officer



Renaldo Davis
 Solution Developer



Kareem Steen
 Solution Developer



Sheldon Lecky
 Information System Security Officer

The activities that were undertaken during the 2021/22 fiscal year facilitated the organisation’s success and included, among other things:

1. A process audit to determine measures to improve the efficiency of the OUR and stakeholders experience with the OUR.
2. The execution of the QMS Management Review and approval for all the organisation’s core processes.

For the 2022/23 fiscal year, the OUR will look to maintain its certification against ISO 9001:2015 QMS Standard.

ENTERPRISE RISK MANAGEMENT (ERM)

The Enterprise Risk Management System (ERMS) has been improved with its integration with the employee performance monitoring system.

The ERMS produced quarterly enterprise risk reports for risks associated with regulatory projects and support activities, and was used to complement and enhance the QMS.

It should be noted that the COVID-19 pandemic impacted the 2021/22 projects and activities of the organization, but mitigation action was implemented to ensure the successful execution of the organization’s mandate.

UPCOMING ACTIVITIES

For the next fiscal year, the ITRD will:

- ✓ Replace more obsolete equipment as part of the continued improvement in the information technology system management.
- ✓ Continue with the planned upgrading of the hardware and software of our systems.
- ✓ Implement new technologies and systems to improve the information provided to all OUR stakeholders.



Human Resource and Administration (HR/ADMIN)

The Human Resource and Administration Department has responsibility for human capital, public procurement, records and information management, access to information, and property and office services. During the reporting period, the Department remained focused on ensuring that the organization’s human capital and other related resources were available to support the mandate.

KEY ACTIVITIES

- Recruitment for a number of key posts.
- Collaborated with the IT Department for the development of the OUR’s Learning Management System (LMS).
- Conducted well-being focussed presentations to staff members.



During the reporting period, the Department remained focused on ensuring that the organisation’s human capital and other related resources were available to support the mandate.



TALENT ACQUISITIONS, INTERNAL APPOINTMENTS AND RESIGNATIONS

During the reporting period, there were talent acquisitions, internal appointments and resignations. The talent acquisitions were for the posts of Solution Developer, Regulatory Engineer, Information System Security Officer, Administrative Assistant for the Consumer and Public Affairs Department, Coordinator Public Affairs, Regulatory Economic Specialist, Utilities Monitoring Analyst, Accounting Officer (temporary) and Senior Accounting Officer (temporary). The internal appointments were for the posts of Manager, Property & Office Services and Manager, Human Resource. Resignations were tendered from staff occupying the posts of Solution Developer, Coordinator Public Affairs, Regulatory Engineer, Accounting Officer, Budget Officer, and Director Human Resource and Administration. The first three (3) positions were filled. Resignations for the latter three (3) posts were tendered later in the reporting period and are to be filled during the upcoming period.



Rohan McCalla
Director, Human Resource and Administration



Lyndon Adlam
Manager - Records & Information Management



Nova Barnett
Manager - Public Procurement



Ingrid Brown-Cripps
Manager - Property & Office Services



Roxan Jackson
Senior Records & Information Management Officer

CAPACITY DEVELOPMENT

The organisation improved the capacity of staff through various initiatives that included, but were not limited to those detailed below.

Writing Policies and Procedures	Essentials of Records Management	Chartered Secretary	Communications Management
Elevate Your communication	Employer-Employee Negotiations	Engage your team and Energize your Business	Online Taxation
Web Application/Web Content Management System/Web Site Management	Competition Law in the CSME & Compliance Consideration for Attorneys	Cardiopulmonary resuscitation (CPR), Automatic External Defibrillator (AED) and First Aid	Customer Service: Essentials for the Physical and Virtual Office
Master Class in Certified Information Security Manager	Finance for Non-Financial Managers	Business Writing and Grammar Skills	Payroll, Staff Benefits and Statutory Deductions
People Manager's Qualification (PMQ)	Intricacies of Payroll and Payroll Taxes	Continuing Legal Education	Procurement Evaluation
Annual IFRS	World Class Internal Audit	Fundamentals of Internal Audit	Facility Management
Defensive Driving	Computer Graphics	Strategic Facilities Management	Power Purchase Agreement

PERFORMANCE MANAGEMENT

The HR and Administration Department continued to improve the performance management system by actively engaging staff about the preparation of performance targets, reviews and appraisals. Staff were supported in creating and maintaining their Employee Development Plan.

INFORMATION SYSTEMS

Following the implementation of the Government of Jamaica's integrated human resource and payroll solution, MyHR+, efforts went into better understanding, using, and maintaining it to achieve greater organisational efficiencies and effectiveness.

The HR and Information Technology Departments worked collaboratively on the OUR's Learning Management System (LMS) that was developed using the open-source Moodle platform. The system allows staff to improve their knowledge on contents such as policies and procedures, standards, laws, etc., which are relevant to the work of the organisation. The system also provides the options for staff to choose from external capacity development options. Staff members are expected to be evaluated on aspects of the content in the LMS. Scores obtained will go towards their final Employee Performance Management appraisal. The LMS is also intended to serve as an orientation and onboarding portal.

QUALITY MANAGEMENT SYSTEM (QMS)

We continued to promote continual improvement by helping new and existing members of staff to understand the organization's Quality Management System (QMS). The Department also reviewed and revised policies and procedures that support the system.

WELLNESS AND WELL-BEING

The Department organised its fourth Health Fair for members of staff. The virtual presentations and conversations were focused on psychiatric and psychological health, dental hygiene, male and female reproductive health, nutrition and physiotherapy.

An Employee Assistance Programme (EAP) was launched for members of staff. The EAP is a formal and structured way of offering professional support to staff towards improving their wellness and well-being.

Five (5) well-being focused presentations from professionals in the various fields, were organised for staff. Presentations were made on investments, Group Life and Group Health insurance and real estate investment and acquisition. The National Housing Trust (NHT) and the National Insurance Scheme (NIS) made presentations on their roles, programmes and benefits to contributors.

The Director HR and Administration launched a series of conversations with staff. The conversations were titled: Discovering the Real Me; No Time for “Smalling” Myself Up; My Well-being Matters; Finding my Purpose in Life; Why do Emotions Matter; The Power of Networking; Building and Maintaining Networks; Putting my Best Foot Forward for my Next Promotion; and Creating and Maintaining my Personal and Employee Development Plan.

CORPORATE SOCIAL RESPONSIBILITY

During the year, the OUR remained aware of its need to give back to the society, and so staff made donations to and continued to help mentor residents of the Wortley Home for Girls. The organisation also provided support to the Sunbeam Boys’ Home.

PROCUREMENT OF GOODS, GENERAL, AND CONSULTANCY SERVICES

The Procurement Unit continued to ensure that all procurement activities were conducted in accordance with prescribed guidelines and procedures. Timely Quarterly Contract Awards (QCA) reports and requests for information were submitted to the Integrity Commission and the Ministry of Finance and the Public Service. During 2021/22, seventeen (17) contracts, valuing over \$500,000 and six (6) valuing below JM\$500,000, were awarded.

OCCUPATIONAL SAFETY AND HEALTH

Selected staff, including Emergency Wardens, received capacity development training in Cardiopulmonary Resuscitation (CPR), Automatic External Defibrillator (AED) and First Aid.

RECORDS AND INFORMATION MANAGEMENT (RIM)

The RIM Unit continued to manage paper-based, digital, and electronic documents and records that are held in the possession, custody and control of the OUR and are declared active, semi-active, and inactive. The Unit continued its control of documented information such as forms, templates, policies, procedures, guidelines and manuals, under the OUR’s QMS.



Venetia Cooke
Records & Information Management Officer



Kadine Williams
Records & Information Management Officer



Rolando Johnson
Records Clerk



Francine Brown
Senior Procurement Officer



Rahsaan Thomas
Clerical Assistant



UPCOMING ACTIVITIES

The Department continues to develop and enhance its processes and services to ensure continual improvement towards increased customer awareness, satisfaction and engagement. Towards this end, it will continue to focus on:

- ✓ Improved initiatives related to talent acquisition, talent management, and succession management.
- ✓ Employee engagement, employee satisfaction, and retention.
- ✓ Employer branding.
- ✓ Wellness and well-being.
- ✓ Capacity development; performance management; human resources information systems; quality management system.
- ✓ Corporate social responsibility.
- ✓ Procurement of goods, general and consultancy service.
- ✓ Property and office services.
- ✓ Access to information.
- ✓ Records and information management.

ACCESS TO INFORMATION (ATI) ACT REQUESTS

Two (2) requests were received for licences that were issued to holders. Full grant of access was provided in both instances. All required reports were submitted to the Access to Information Unit.



Patricia Watson
Administrative Assistant



Lorraine Baker
Telephone Operator/
Receptionist



Joan Bailey-Banton
Office Attendant



Granville McKoy
Security Officer/ Driver



Adeka Minns
Driver/ Messenger

Finance

Ten-Year Statistical Highlights	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUE, EXPENSES, AND NET SURPLUS - \$'000										
Gross Revenue	965,153	876,291	850,967	811,904	771,608	764,976	704,098	588,526	627,648	532,316
Regulatory Fees	948,379	860,434	829,202	798,614	740,302	738,366	669,205	559,082	558,692	514,100
Deferred Income	(118,505)	(15,370)	(39,693)	(14,315)	(18,786)	(23,600)	-	-	-	-
Discount Allowed	(101,622)	(60,634)	-	-	-	-	-	-	-	-
Administration and Other Expenses	(806,892)	(814,746)	(843,464)	(733,109)	(716,913)	(746,021)	(594,605)	(560,297)	(486,404)	(522,963)
Staff Costs	(593,811)	(594,418)	(613,362)	(530,579)	(495,459)	(482,219)	(418,948)	(370,290)	(337,595)	(338,181)
Net (Deficit)/Surplus	(61,866)	(14,459)	(32,190)	64,480	35,909	18,955	109,493	28,229	141,244	9,353
BALANCE SHEET EXTRACTS - \$'000										
Total Assets	988,633	929,902	868,670	730,253	772,863	757,705	790,633	639,646	612,008	510,833
Receivables	95,338	131,415	100,543	70,412	153,081	91,989	127,437	120,802	118,943	101,713
Trade Receivables Before Credit Loss Provision	76,843	137,171	113,921	77,294	124,118	72,334	120,997	153,797	145,688	128,725
Short Term Investments, Cash and Cash Equivalents	785,541	662,850	617,222	577,701	487,412	488,738	523,969	376,100	368,470	295,160
Reserves	346,584	421,997	365,190	430,069	400,260	570,314	554,156	458,615	433,051	318,751
Payables	243,029	215,050	171,762	129,633	152,000	123,024	172,110	116,664	114,590	127,715
FINANCIAL RATIOS										
Year End Trade Receivables/Regulatory Fees	8.10%	15.94%	13.74%	9.68%	16.77%	9.80%	18.08%	27.51%	26.08%	25.04%
Administration and Other Expenses/Regulatory Fees	85.08%	94.69%	101.72%	91.80%	96.84%	101.04%	88.85%	100.22%	87.06%	101.72%
Staff Costs/Administration Costs	73.59%	72.96%	72.72%	72.37%	69.11%	64.64%	70.46%	66.09%	69.41%	64.67%
Staff Costs/Regulatory Fees	62.61%	69.08%	73.97%	66.44%	66.93%	65.31%	62.60%	66.23%	60.43%	65.78%
OTHER DATA										
Financial Year-end Exchange Rate US\$1.00 = J\$	152.38	146.58	135.39	126.47	125.98	128.67	122.04	115.04	109.57	98.89
Inflation Rate Year Over Year	5.18%	5.18%	4.81%	3.39%	3.94%	4.09%	2.96%	3.96%	8.34%	9.13%
Number Of Staff	71	70	72	69	72	72	72	69	65	59
MAJOR CONTRIBUTORS TO REVENUE (SECTORS)										
Telecommunications	41%	41%	42%	42%	40%	43%	42%	44%	46%	42%
Electricity	37%	37%	35%	40%	42%	41%	42%	40%	40%	38%
Water	22%	22%	23%	18%	18%	16%	16%	16%	14%	19%
Transportation	-	-	-	-	-	-	-	-	-	1%

During the financial year ended 2022 March 31, the Finance Department was able to carry out its functions effectively and efficiently, notwithstanding the continuing negative effects of the COVID-19 global pandemic that once again affected nearly all areas of operation of the OUR, resulting in many planned projects, and activities, including training and travelling, being curtailed. The reduced level of activities resulted in under-expenditure on some budgeted items, but there were also additional expenditures on sanitization, and new costs relating to reimbursements and subsidies. Furthermore, management, having given due consideration to the various events, made the decision to once again provide discounts on regulatory fees to the major utilities, totalling \$101.6 million (2020/21 \$60.6 million).

Creditably, notwithstanding the lingering challenges of the pandemic, the OUR continued to properly execute, with fiscal discipline, its mandate of providing regulatory oversight to the utility sectors within the constraints of the approved budget, and in accordance with relevant Government guidelines and regulations.

The organisation’s financial statements reflect a net deficit of \$61.9 million for the fiscal year (2020/21 - \$14.5 million) due primarily to the activities undertaken, the aforementioned discounts allowed of \$101.6 million (2020/21 - \$60.6 million), and net regulatory fees deferred of \$118.5 million (2020/21 - \$15.4 million), representing in part, net under-expenditure due to projects planned for, but were not carried out during the financial year, as well

as those projects brought forward from prior years for which activities took place during the year. Administration and other expenses were also lower than in the prior year due to the pandemic effect.

The organisation’s aforementioned net deficit of \$61.9 million was increased by remeasurement losses of the pension fund’s defined benefit obligation and pension plan assets, of \$13.5 million (2020/21 - gains of \$71.3 million), both components of Total Comprehensive Income, resulting in the organisation’s reserves as per the balance sheet at the year-end decreasing to \$346.6M (2020/21 - \$422.0 million).



Duhaney Smith
Financial Controller



Deslyn Nwude
Budget Officer



Laverne Small
Accountant



Renae Gayle
Senior Accounting Clerk



Shavouy Drake
Accounting Clerk



Shennel-Ann Reynolds
Accounting Clerk



Carol Crooks
Financial Consultant



Beverley Robinson
Administrative Assistant

INCOME

TABLE 29: INCOME AND EXPENDITURE SUMMARY

	2022 \$'000	2021 \$'000
Net regulatory fees	728,252	784,430
Processing fees	1,295	1,990
Other operating income	190	1,159
Interest income	15,289	12,708
	745,026	800,287
Staff Costs	(593,811)	(594,418)
Other administrative and other expenses	(213,081)	(220,328)
	(806,892)	(814,746)
NET DEFICIT	(61,866)	(14,459)

TABLE 30: TOTAL INCOME

	2022 \$'000	2021 \$'000
Regulatory fees	948,379	860,434
Processing fees	1,295	1,990
	949,674	862,424
Deferred income	(118,505)	(15,370)
Discounts allowed	(101,622)	(60,634)
Operating Income	729,547	786,420
Interest income	15,289	12,708
	744,836	799,128
Other operating income	190	1,159
	745,026	800,287

Total income fell by 6.9% year over year, moving from the prior year's \$800.3 million to the current financial year's \$745.0 million. This is comprised of operating income of \$729.5 million (2021/22 - \$786.4 million) a 7.2% reduction, year over year, net of deferred income and discount allowed of \$118.5 million (2020/21 - \$15.4 million) and \$101.6 million (2020/21 - \$60.6 million), respectively.

FIGURE 12: SECTOR CONTRIBUTION TO REGULATORY FEES

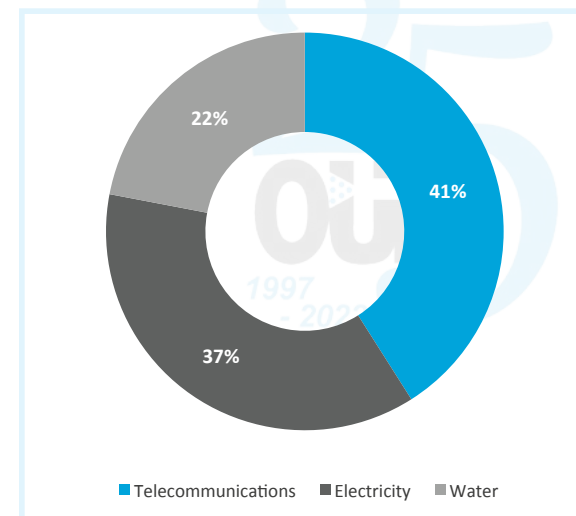
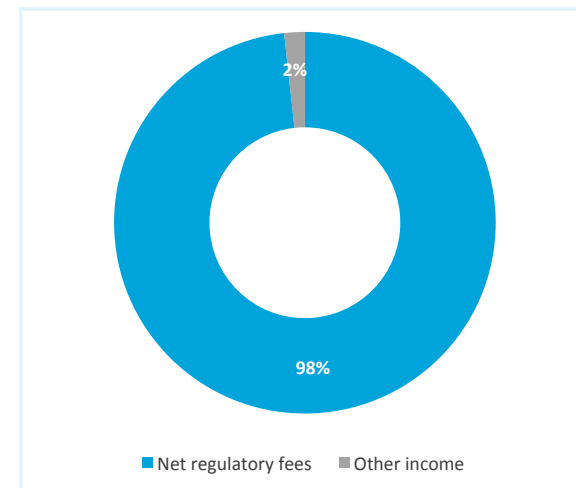


FIGURE 13: GROSS REVENUE

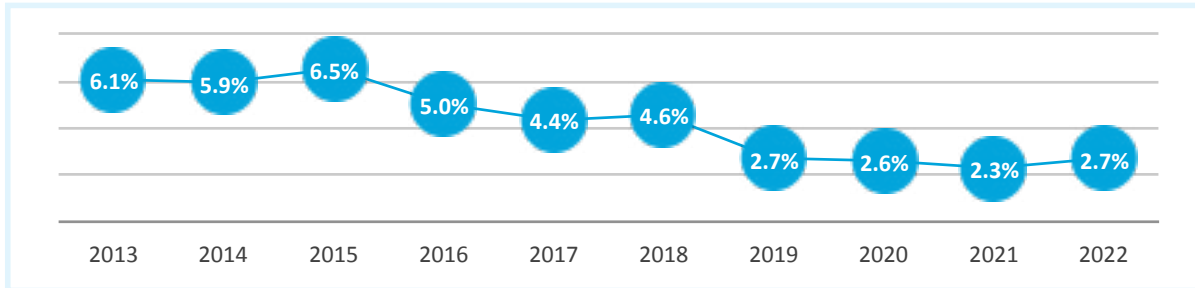


Regulatory fees, the major component of total income, were \$728.3 million (net) after discount allowed and deferred income, a reduction of 7.2% compared to the prior year's

\$784.4 million. The contributions from the various sectors to regulatory fees for the financial year are as follows: Telecommunications - 41% (2020/21 - 41%); Electricity - 37% (2020/21 - 37%); Water - 22% (2020/21 - 22%).

ANNUAL AVERAGE RETURN ON INVESTMENTS

FIGURE 14: AVERAGE ANNUAL RETURN ON INVESTMENTS



Interest income of \$15.3 million (2020/21 - \$12.7 million) represents earnings from investments at various financial institutions. The reduction in average annual returns on investments, from a high of 6.5% in 2014/15 to the current 2.7%, reflects the overall downward trend of interest rates over the past seven- (7) financial years.

ADMINISTRATION AND OTHER EXPENSES (INCLUDING STAFF COSTS)

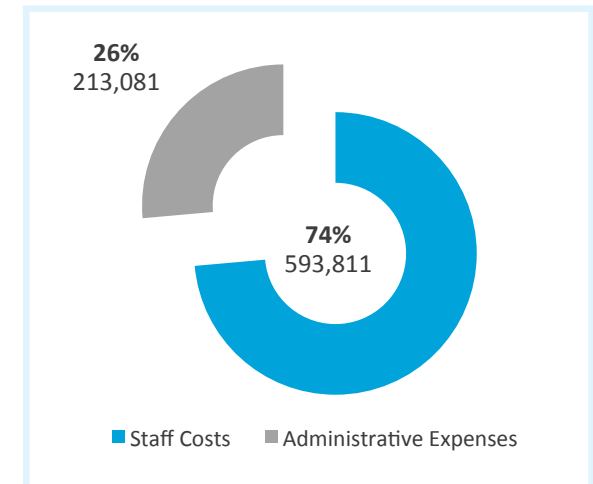
Management adapted to the changing landscape created by the pandemic by making decisions which were based on fundamental principles employed in earlier years, that saw a variety of cost management measures being exercised to keep costs under control. These included expenditure justification and tight budgetary oversight. These efforts, together with the second year of reduced level of operational activities due to the pandemic, resulted in lower administration and other expenses compared to the previous year.

ADMINISTRATION AND OTHER EXPENSES

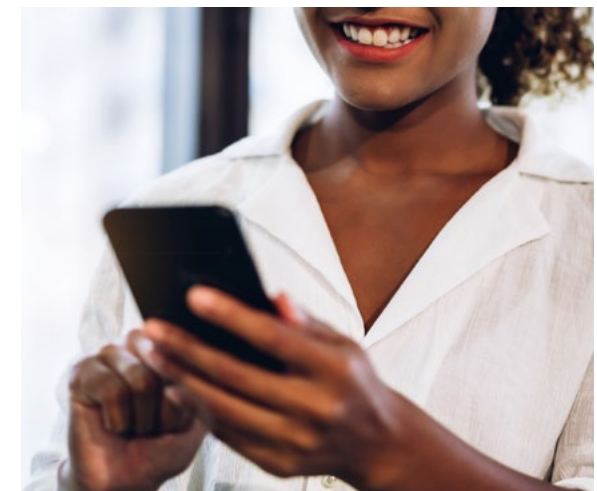
FIGURE 15: ADMINISTRATIVE AND OTHER EXPENSES

	2022 \$'000	2021 \$'000
Staff Costs	593,811	594,418
Administrative Expenses	213,081	220,328
	806,892	814,746

FIGURE 16: ADMINISTRATIVE AND OTHER EXPENSES (\$'000)



Total expenses for the financial year of \$806.9 million reflect a decrease of 1.0% over the previous financial year's \$814.7 million. Staff costs represent 73.6% (2020/21 - 73.0%) of total expenses, and at \$593.8 million (2020/21 - \$594.4 million), show a decrease of only 0.1% over the previous financial year.

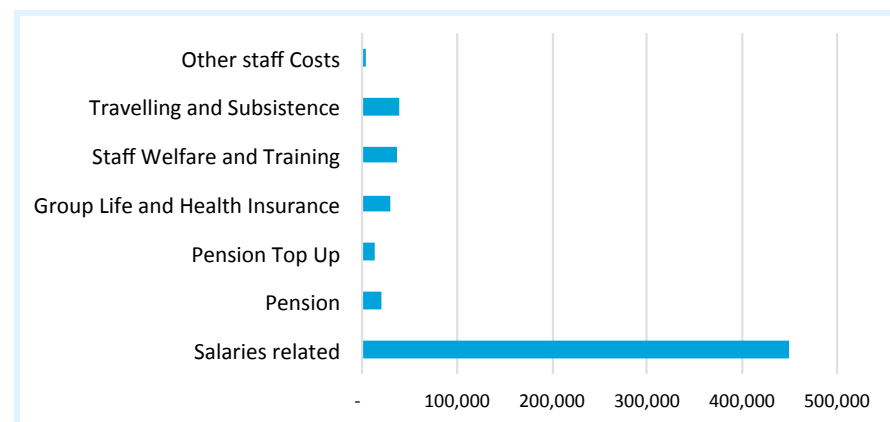


STAFF COSTS

TABLE 31: STAFF COSTS

	2022 \$'000	2021 \$'000
Salaries related	449,474	449,402
Pension	19,768	29,326
Pension Top Up	12,700	-
Group Life and Health Insurance	30,925	30,945
Staff Welfare and Training	37,707	35,939
Travelling and Subsistence	39,736	46,833
Other staff Costs	3,501	1,973
	593,811	594,418

FIGURE 17: STAFF COSTS (\$'000)



Staff costs on a whole remained on par with the previous financial year. There were however, changes in the various elements of this category of cost, where, for example, travelling and subsistence fell by 15.2%, due mainly to a cessation of the reimbursement of travel expenses incurred by staff as a result of the Covid-19 pandemic. This reduction was partially offset by a 4.9% increase in staff welfare and training, and a 10.7% increase in pension cost arising from the IAS 19 valuation and a pension top-up of \$12.7 million, calculated by the actuaries as an amount

that would bring pension payments to retirees in line with inflationary increases over the past years. Group life and health premiums were in line with the prior financial year's amount at \$30.9 million for both years.

ADMINISTRATIVE AND OTHER EXPENSES (EXCLUDING STAFF COSTS)

Administration and Other Expenses excluding Staff costs is 26.4% (2020/21 - 27.0%) of total expenses, and at \$213.1 million reflects a net decrease of 3.3% compared to the prior financial year's \$220.3 million.

TABLE 32: ADMIN. EXPENSES SHOWING NOTABLE INCREASES OVER PRIOR YEAR

	2022 \$'000	2021 \$'000
Telephone	15,043	12,377
Office and general expenses	11,049	9,702
Legal and professional fee	9,679	7,334
Bad debts (recovered)/written off	7,890	(990)
Public relations	7,661	6,706
Foreign exchange (gain)/loss	(9,507)	(7,360)
Repairs and Maintenance	13,705	9,837
Covid utility grant	17,537	-
Amortization of intangible asset	8,310	5,054
	81,367	42,660

Notable increases in expenses occurred primarily in relation to telephone charges which grew in part as a result of additional staff members being issued cell phones during the pandemic, to assist in work from home communications, increased bad debt provisions, and COVID-19 related charges for office expenses and maintenance, higher amortization charges on intangible assets, and a subsidy paid to staff in the form of a COVID Utility Grant, totalling \$17.5 million.

TABLE 33: ADMIN. EXPENSES SHOWING NOTABLE REDUCTIONS OVER PRIOR YEAR

	2022 \$'000	2021 \$'000
Customer expenses	3,443	6,613
Subscriptions	28,688	30,575
Stationery, printing, and postage	632	813
Interest expense - right-of-use-asset	7,282	9,711
Office rental	(5,931)	12,255
Projects	46,814	53,953
Loss on disposal of fixed asset	860	1,624
Depreciation	34,466	42,279
Office members' remuneration	10,850	12,880
Advertising and promotion	1,073	3,427
	128,177	174,130



The increases were offset by notable reductions in customer expenses, subscription charges, interest expense on right-of-use assets, and office rental, which saw the organisation receiving a refund on maintenance charges following an audit commissioned by the Landlord. Project expenses also fell, due to the carryover effects of the pandemic and high demand on internal manpower resources, which saw a higher number of projects being deferred compared to the prior year. Depreciation (including amortization - right-of-use assets) charges reflect the expected reduction due mainly to disposals and full write-downs within the computers & accessories category of property, plant, and equipment. Office members' remuneration fell as a result of there being fewer meetings in the current year compared to the previous financial year.



FIGURE 18: FINANCIAL YEARS FOREX MOVEMENTS (J\$ VS. US\$)

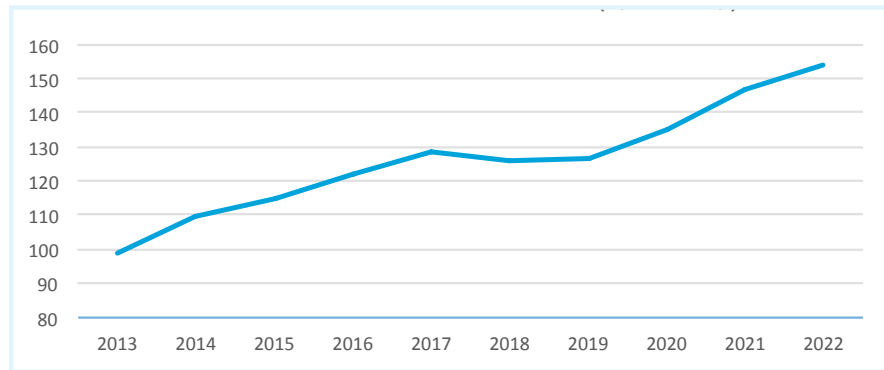
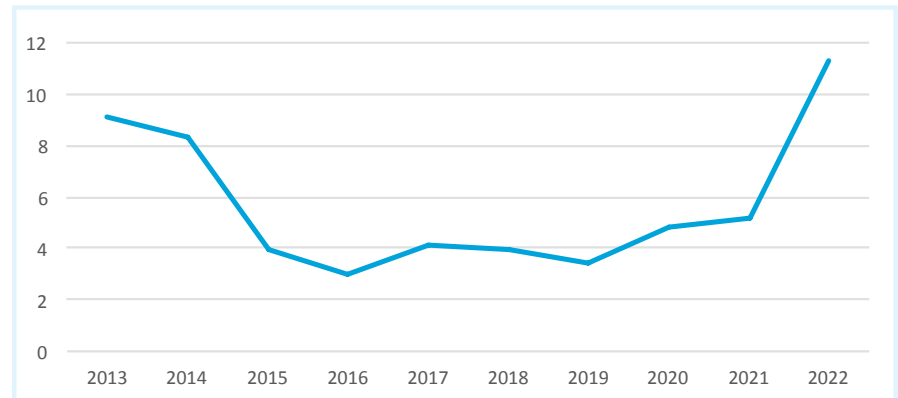


FIGURE 19: FINANCIAL YEARS INFLATION RATES



ASSETS

TheOUR's total assets at \$983.6 million reflect a 5.8% growth over the previous financial year's \$929.9 million. This is due mainly to a 40.4% increase in cash and cash equivalents from \$397.1 million to \$557.7 million as at year-end, as a result of improved collection of outstanding regulatory fees which resulted in a 27.5% fall in receivables. The increases were further offset by a 14.2% reduction in short-term investments and a 25.8% fall in non-current assets, which fell from the previous year-end's \$128.0 million to \$94.9 million at the current year-end.

RESERVES AND LIABILITIES

Reserves at \$346.6 million (2020/21 - \$422.0 million) show a decrease of 17.9% as a result of the negative pension fund valuation-related adjustments of \$13.5 million (2020/21 - positive adjustments of 71.2 million) and the current year's net deficit of \$61.9 million (2020/21 - deficit of \$14.5 million).

The organisation's total liabilities increased by 25.4% to \$637.0 million, from the \$507.9 million which existed at the prior year-end. Payables at \$243.0 million (2020/21 - \$215.1 million) represent 38.1% (2020/21 - 42.3%) of total liabilities, and deferred income at \$344.1 million (2020/21 - \$225.6 million) 54.0% (2020/21 - 44.4%). The change in deferred income reflects a net increase in the value of projects deferred to the following year for completion.



Reflecting a reduction in lease liability, non-current liabilities fell from \$42.6 million to \$25.3 million, a 40.7% reduction. The change is due to IFRS 16 adjustments.



Internal Audit (IA)

The Internal Audit Unit is responsible for providing independent and objective assurance of the OUR's operations. Our aim is to foster improved effective internal controls, risk management and corporate governance using a systematic and disciplined approach. Our independence is maintained by reporting directly to the Office's Audit Committee.

Throughout the year, COVID-19 continued to impact the Unit. Work-from-home schedules impacted the turn-around time for auditees to provide Internal Audit with evidence which is only available in physical formats. The execution, flow of audits, and audit activities were also affected.

Internal Audit remained committed to helping the organization achieve its overall goals and continued to support it by providing value-added solutions through audits and advisory services. Audits are a requirement under the Quality Management System (QMS). As such, the Unit has the responsibility to schedule, plan and execute these audits according to the QMS ISO 9001:2015 Standard.

These audits are categorised as Process Audits. With the oversight of the Unit, the OUR maintained its certification to the ISO 9001:2015 Standard. During the 2021/22 period, there were two (2) externally conducted Process Audits under the QMS. The OUR continues to have the distinction of being one of the few regulatory bodies worldwide to have attained this international accreditation.

Operational Audits were planned with inputs from the Director-General and the Office's Audit Committee. Special Activities are unknown at the planning and scheduling stage of the financial year and are executed as requested by or through the Director-General and/or the Audit Committee.

In an effort to improve the audit process, members of the Internal Audit Unit were trained in the use of audit management and analysis tool during the last quarter of the financial year. This tool will assist in the automation of audits, reporting, follow-up and monitoring process.

For the financial year 2021/22, the Unit completed seventeen (17) assignments, eight (8) more than the revised schedule. Operational and Process Audit assignments completed were one (1) more for each than the revised schedule. Unscheduled Special Activities accounted for six (6) of the seventeen (17).



Hope James
Chief Internal Auditor

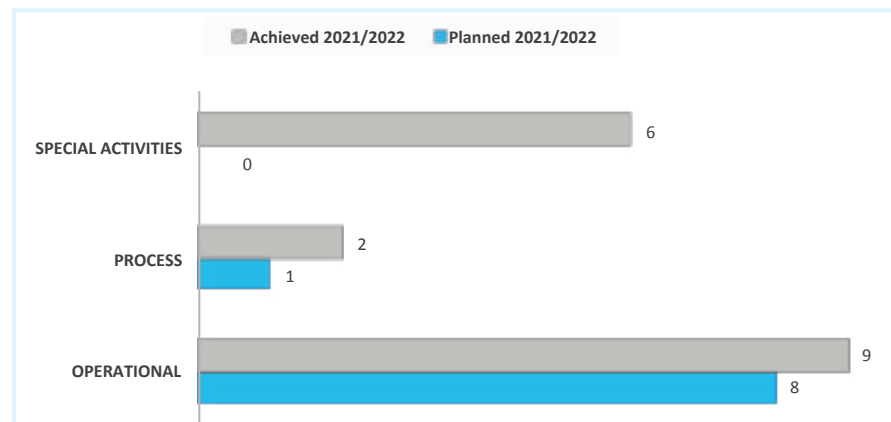


K. Antonio Mullings
Internal Auditor

TABLE 34: AUDIT ASSIGNMENTS SCHEDULED AND COMPLETED 2021/22

Types of Assignments	Revised Schedule of Assignments 2021/22	Completed Assignments 2021/22	Percentage Completed
Operational	8	9	113%
Process	1	2	200%
Special Activities	0	6	-
Total	9	17	189%

FIGURE 20: AUDIT ASSIGNMENTS SCHEDULED AND COMPLETED 2021/22



During the 2021/22 financial year, the Internal Audit Unit monitored 187 cumulative findings, of which eighty-four (84) were resolved.



During the current year, thirty-five (35) of the sixty-three (63) External Audit findings raised, were resolved to represent 56%. For Process Audits, fourteen (14) or 31% of findings raised in 2021/22 were resolved. Two (2) current-year Operational findings were resolved.



Thirty-three (33) or 60% of the fifty-five (55) findings brought forward from the previous years were resolved in 2021/22 (See Table 2).

TABLE 35: RESOLUTION OF AUDIT FINDINGS 2021/22

2021/22	Process Audits (ISO 9001)	Percentage Resolved	Operational Audits	Percentage Resolved	External Audits	Percentage Resolved	Total Issued	Percentage Issues Resolved
Total Findings: Issued	45	31%	24	8%	63	56%	132	39%
Resolved	14		2		35		51	
Brought Forward								
From previous years	32	25%	16	38%	5	40%	53	60%
Resolved	8		6		2		16	

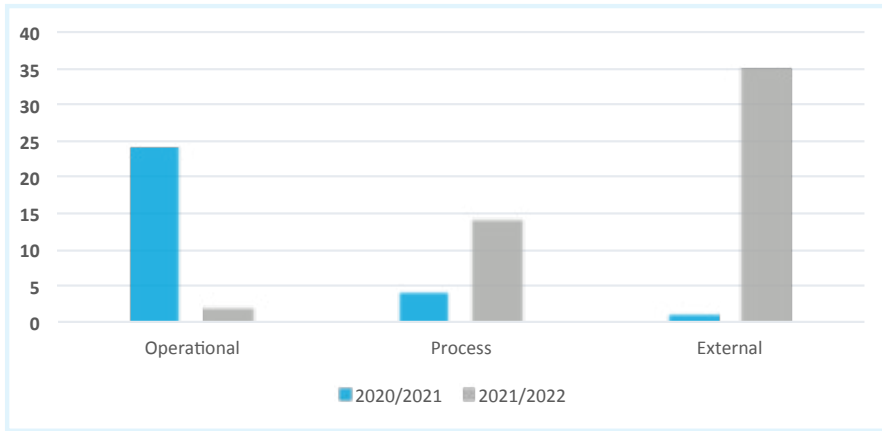
Fifty-one (51) of the findings generated in 2021/22 were resolved. This represented a 76% increase on those resolved in 2020/21. Resolution of Process and External audit issues were the main contributors to this increase.

TABLE 36: COMPARATIVE FINDINGS GENERATED AND RESOLVED IN THE YEARS 2020/21 AND 2021/22

Findings Generated and Resolved	2020/21	2021/22	Percentage Increase/Decrease
Operational	24	2	-92%
Process	4	14	250%
External	1	35	3400%
Total	29	51	76%



FIGURE 21: AUDIT FINDINGS GENERATED



The Director-General and members of the Office’s Audit Committee reviewed audit findings through monthly and quarterly audit reports. The resolution of the Internal Audit’s findings has improved policies, procedures and processes.



OUR’s Internal Audit Universe spans a thirty-six (36)-month period. Thirty-five percent (35%) of the Audit Universe was covered in 2021/22.



TABLE 37: AUDIT COVERAGE COMPLETED VS THE AUDIT UNIVERSE

	Audit Universe 36-Month Plan	Completed 2021/22	Percentage Covered
Process	5	5	100%
Operational and other non-Process activities	38	10	26%
Total	43	15	35%

One hundred fifteen percent (115%) of the scheduled Audit Universe for 2021/22 was covered as shown in Table 5.

TABLE 38: AUDIT UNIVERSE COVERAGE SCHEDULED AND COMPLETED FOR 2021/22

2021/22 Audit Universe			
	Scheduled for 2021/22	Completed in 2021/22	Percentage of Schedule Completed
Process Audits	4	5	125%
Operational Audits	9	10	111%
Total	13	15	115%

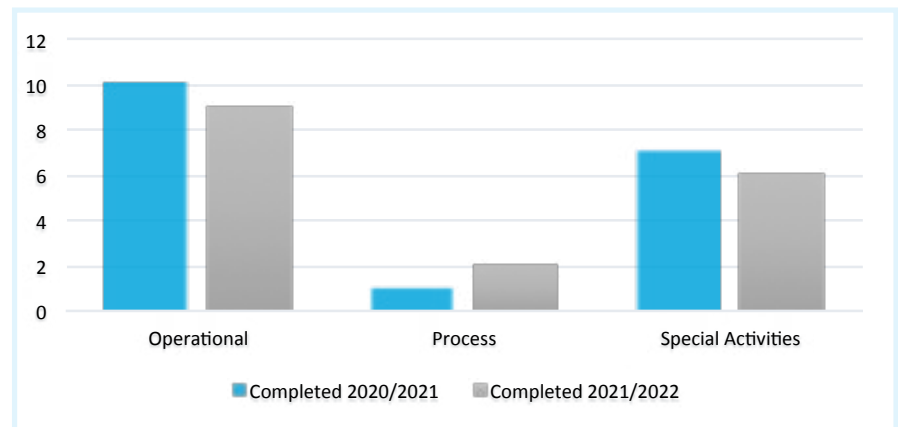
PRODUCTIVITY OF INTERNAL AUDIT UNIT

Table 6 shows categories of assignments completed by Internal Audit for the 2021/22 reporting period when compared with 2020/21.

TABLE 39: INTERNAL AUDIT’S PERFORMANCE BY CATEGORIES

Types of Assignments	Completed 2020/21	Completed 2021/22	Percentage Change
Operational	10	9	-10%
Process	1	2	100%
Special Activities	7	6	-14%
Total	18	17	-6%

FIGURE 22: INTERNAL AUDIT’S PERFORMANCE BY CATEGORY



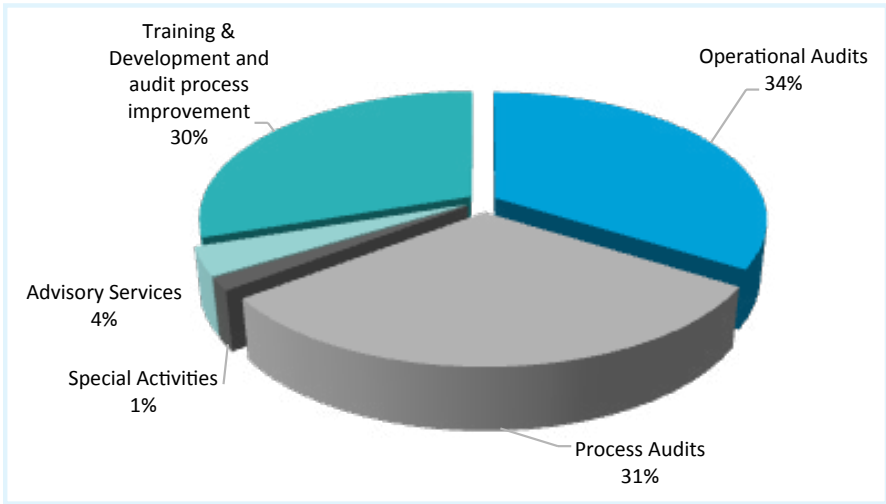


INTERNAL AUDIT AVAILABLE HOURS

AUDIT PROCESS IMPROVEMENT

Internal auditors continued their professional development through relevant internal and external sources.

FIGURE 23: ALLOCATED AUDIT HOURS IN PERCENTAGES



UPCOMING ACTIVITIES

Internal Audit plans for the Financial 2022/23 include:

- ⚡ Operational Audits 14
- ⚡ Process Audits 2



Consumer Advisory Committee on Utilities (CACU) Report

Consumer Advisory
Committee on Utilities



"The Consumers' Voice on Utilities"

"Rebound or Resurgence within Reason"

Yasmin Chong
CACU Chairman



The COVID-19 pandemic is not only a global pandemic and health crisis – it has been a disruptor, severely affecting the global economy and financial markets. Jamaica is at that pivotal point of coming to terms with its economy reeling from the negative impact of a two-year stint with the COVID-19 plague, emerging gravely wounded with severe consequences on communities and individuals alike. Significant reductions in income, a rise in unemployment and disruptions in transportation, services and the manufacturing sector, are the consequences of the measures implemented in the country. As consequential as the economic contraction has been, the question facing consumers and Governments today is: Is it possible to rebound or resurge within reason in the near term? As disease outbreaks are not likely to disappear any time soon, proactive and deliberate actions are required to save lives and protect economic prosperity.

Over the past twenty-four (24) months, the COVID-19 pandemic has had a deleterious impact on income due to premature deaths, workplace absenteeism and a reduction in productivity, creating a near-term, negative supply shock with manufacturing productive activity slowing down due to global supply chain disruptions and closures of factories.

The Consumer Advisory Committee on Utilities (CACU) was not spared the wrath of the hazard, as our ability to conduct advocacy work was severely hampered due to measures restricting movement across the island.

During the 2021/22 regulatory year, CACU Members persevered, to ensure that our core mandate was being fulfilled and to deploy

the strategic targets of a) full participation in, and support for the regulatory consultative process and, b) continuous learning by attendance at local and international (virtual) technical and advocacy training offered by the US National Association of State Utility Consumer Advocates (NASUCA). Regular monthly meetings became essential as they served as a “finger on the pulse” mechanism for continued engagement with stakeholder groups across the spectrum of consumer interests.

Global supply chain issues have led to price hikes for consumer goods and services in the utilities sector – electricity, water, telecommunications and transportation. Oil price increases globally have had a severe

impact on local utilities, all of which are dependent on oil supply to produce the energy needed to spur economic production. Within the past year, the regulated utilities continued to experience their fair share of consumer problems, from long and extended rate review periods, continued service disruptions due to industrial action, customer dissatisfaction with the quality of service standards and heightened concerns regarding the financial health of the utility sector generally, and more specifically in the telecommunications industry. The sector continues to be plagued by high costs of service and the ever-increasing incidence of theft and the associated costs of replacing/repairing infrastructure across all regulated entities.

These problems continue to threaten the further development, growth and delivery of a modern, reliable and affordable utility services market in Jamaica. A sustained and combined national effort is urgently required to correct these illegal practices.

The current circumstance of economic instability reinforces the need for continuous public education programmes to empower consumers.

The CACU reiterates its position that the time is ripe to seize the opportunity before us, to create a more enabling environment where we invest in, and support independent and informed consumer advocacy, to encourage more heightened engagement in the public discourse and national decision-making.

The Committee will continue its efforts at transforming itself to become a more dynamic, essential, relevant and influential voice that advances the interests of consumers, to achieve safe, reliable, modern and reasonably-priced utility services. Further, the revamped CACU will ensure that those interests remain foremost in the national dialogue on utilities issues.

The upcoming year promises nothing more than a true test of our resolve to rebound or recover within a reasonable timeframe by providing support to encourage competitive neutrality and fairness, sound design of economic programmes and avoid distortions.



The transition to rebound and recover will require that particular attention be paid to the design and objective of temporary support programmes, and more importantly, to plan for the unwinding and exit from these support programmes.



The current environment calls for a renewal of the partnership among all stakeholders to support the full advocacy effort. We remain resolute and committed to contributing to the development of a modern, efficient, affordable and sustainable utility sector, to make Jamaica the best-in-class utility infrastructure market globally, and to achieve the Vision 2030 goal of making Jamaica the preferred place to live, work, raise families and conduct business.



CORPORATE HIGHLIGHTS

OUR UTILITY BEAT SERIES

1. Coordinator – OUR’s Information Centre, Colleen Mignott, is the presenter of the OUR Utility Beat video series. It was recorded in Clarendon, Trelawny and Kingston and St. Andrew.
2. Time was spent interacting with customers as well. Here, Public Education Specialist Elizabeth Bennett Marsh talks to a member of the disabled community in Falmouth, Trelawny.

VISIT TO WORTLEY GIRLS’ HOME

3. The OUR visited and gifted girls at the Wortley Girls’ Home in 2021 December as a part of its Corporate Social Responsibility. Pictured is OUR’s Analyst - Telecommunications, Fay Samuels (right).

NAJ GENERAL MEETING

4. Coordinator – Public Affairs, Gordon Brown, gives a presentation on behalf of the OUR at the Nurses Association of Jamaica’s Annual General Meeting on 2021 October 14.

GS JINGLE WINNERS

5. Anthony “Papa Michigan” Fairclough (right) and Jewel Smith, of the Hampton School in St. Elizabeth, were first place winners in the OUR’s Guaranteed Standard Jingle Competition in the Open and Student Categories, respectively. Both secured for themselves cheques valued at JM\$250,000. They were presented with these awards on 2021 May 28.

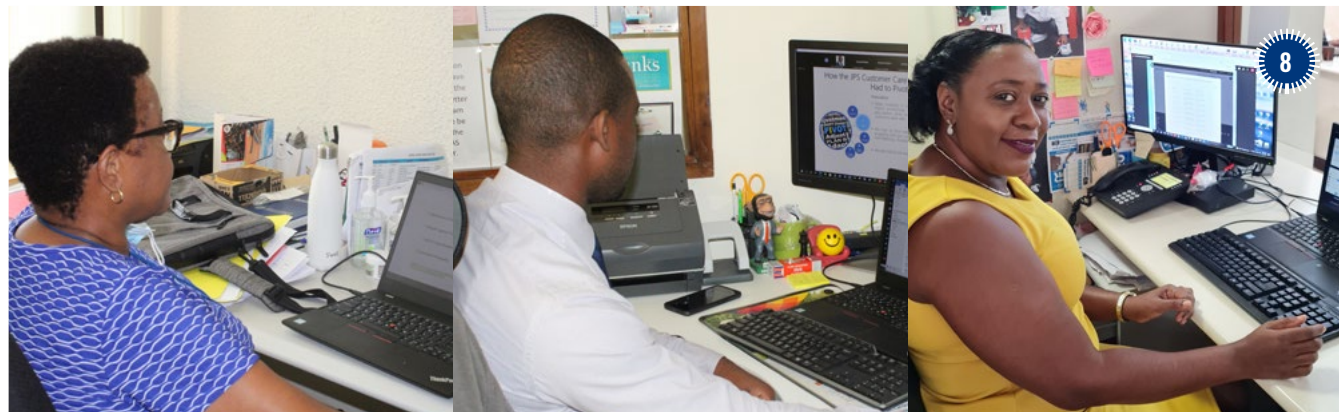




OUR'S 25TH ANNIVERSARY CHURCH SERVICE

6. Present and former OUR staff members pose for a photo following a special church service at the Faith Cathedral Deliverance Centre on Waltham Park Road on 2022 January 9 as part of the OUR's 25th Anniversary celebrations. From left, Carol Crooks - Financial Consultant, Shirley Stewart - (former) Driver/ Messenger, Collette Goode - Specialist, Consumer Affairs (Policy), Ingrid Brown Cripps - Manager, Property & Office Services, Clara Johnson - (former) Executive Assistant, Rohan McCalla - Director, Human Resource and Administration, Ansdord E. Hewitt - Director- General, Venetia Cooke - Records & Information Officer, Cheryl Lewis - Deputy Director-General, Cedric Wilson - Deputy- Director-General, Nadine Johnson Dunkley - Executive Assistant, Jody-Anne Lawrence - Coordinator, Public Affairs (Social Media) and Elizabeth Bennett Marsh - Public Education Specialist.

7. D-G Ansdord E. Hewitt addressed the congregation at the Church service before presenting a token of appreciation to Bishop, Dr Alma Blair, Pastor of the church.



QOS SYMPOSIUM

8. Staff members virtually attended the 8th Quality of Service Symposium. From left, Consumer Affairs Officer - Beverley Green, Manager, Property & Office Services - Ingrid Brown Cripps, and Manager, Records and Information Management - Lyndon Adlam.



OUR SITE VISIT TO NEW FORTRESS LNG OLD HARBOUR PLANT

9. OUR team members visited the New Fortress Energy LNG site in Old Harbour on 2021 July 1. From Left, Research Officer - Thalia McPherson, Public Education Specialist - Elizabeth Bennett Marsh, Director- General - Ansdord Hewitt, Office members, Dr. Damien King and Yasmin Chong, and Regulatory Engineer - Andre Lindsay.

OUTREACH

10. The OUR held its first physical community meeting on 2022 March 20 in the Magazine Lane community in St Catherine. General Counsel, Chenée Riley, watches on as a resident registers his name on the attendance list.

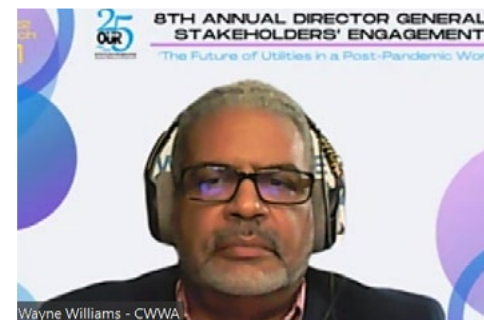
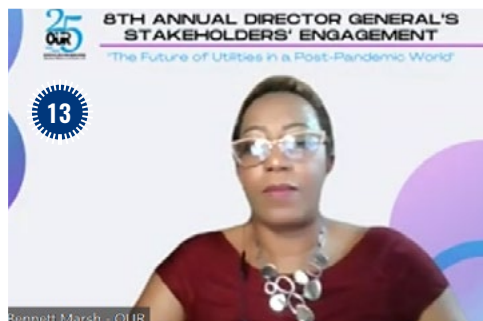
11. NWC's Community Relations Manager, Delano Williams, explains to residents how to read their digital meter at the community outreach meeting.

WORLD CONSUMER RIGHTS DAY

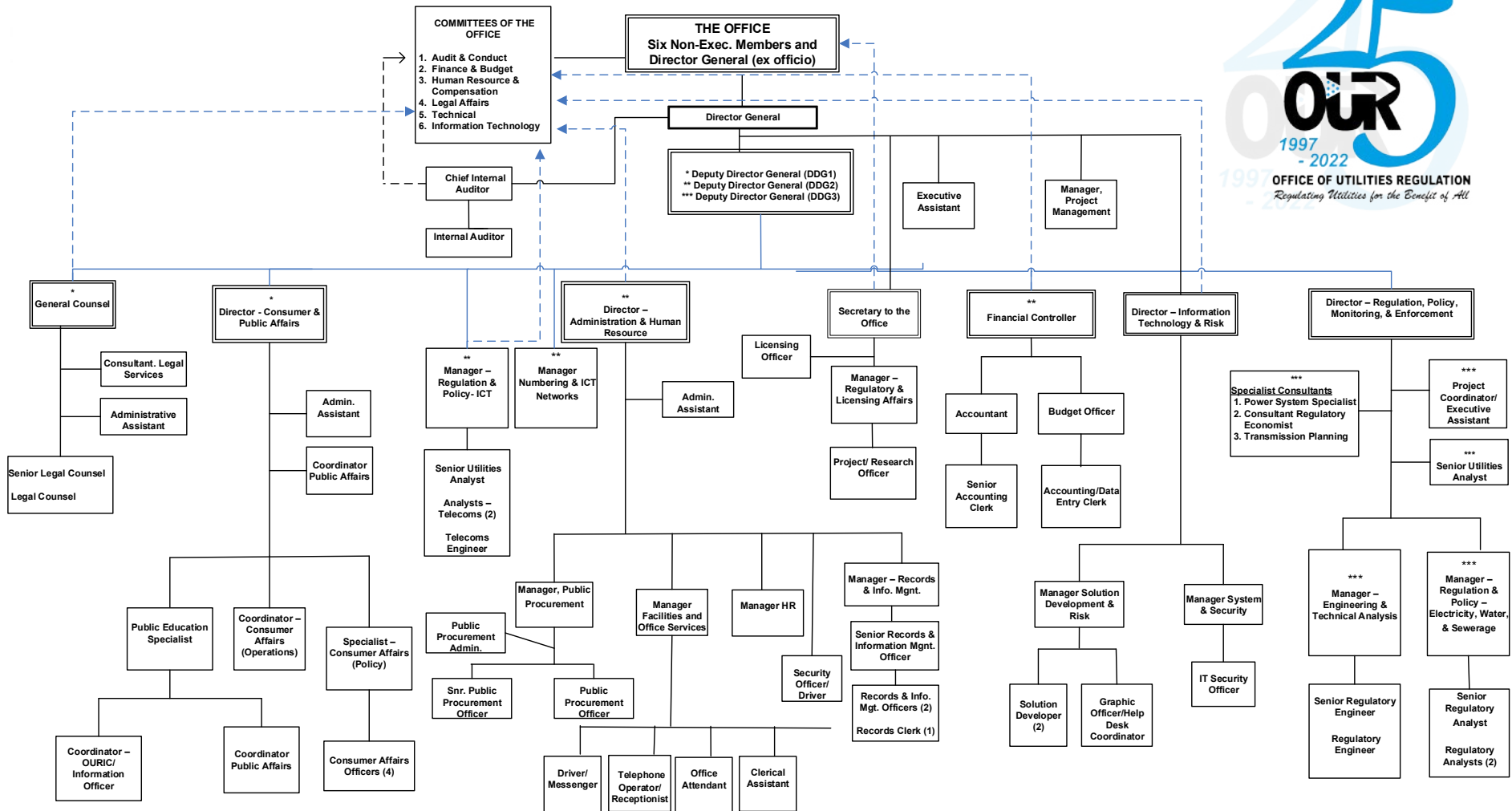
12. Specialist - Consumer Affairs (Policy), Collette Goode presents at the Consumer Affairs Commission's virtual town hall meeting as a part of their recognition of World Consumer Rights Day on 2022 March 15.

DG'S STAKEHOLDERS ENGAGEMENT

13. Panellists at the 8th Director-General's Stakeholder's Engagement held virtually on 2022 March 31. Top row (L-R) includes OUR's Public Education Specialist - Elizabeth Bennett Marsh, OUR's Manager, Engineering and Technical Analysis - Courtney Francis, and CARICOM Secretariat member - Jennifer Briton. Bottom row (L-R) features Director of Energy Studies at the Public Utilities Research Centre at the University of Florida (PURC) - Ted Kury, Executive Director of the Caribbean Water and Wastewater Association (CWWA) - Wayne Williams and OUR's D-G Ansord E. Hewitt.



Organisational Chart 2021/22



*** & *** Direct reporting among the three Deputy Director General and reports.

Compensation and remuneration

SENIOR MANAGEMENT COMPENSATION

Name and Position of Senior Executive	Year	Basic Salary \$	Gratuity \$	Travelling Allowance or Deemed Motor Vehicle Allowance \$	Pension Benefits \$	Other Allowances ¹ \$	Non-cash Benefits ² \$	Total \$
Ansord E. Hewitt <i>Director-General</i>	2021/22	15,519,447	3,879,862	1,697,148	None	90,000	535,603	21,722,060
Maurice Charvis <i>Deputy Director-General (Telecommunications)</i>	2021/22	14,052,718	3,513,179	1,697,148	None	90,000	433,166	19,786,211
Cedric Wilson <i>Deputy Director-General (Electricity & Water)</i>	2021/22	12,025,049	3,006,262	140,000	None	90,000	506,978	15,768,288
Cheryl Lewis <i>Deputy Director-General (Legal and Consumer & Public Affairs)</i>	2021/22	13,347,214	3,336,803	1,697,148	None	140,000	409,095	18,930,260
Chenée Riley <i>General Counsel</i>	2021/22	9,619,420	None	1,697,148	798,412	140,000	379,978	12,634,958
Rohan McCalla <i>Director of HR and Administration</i>	2021/22	7,695,535	None	1,697,148	638,729	90,000	466,604	10,588,016
Yvonne Nicholson <i>Director of Consumer and Public Affairs</i>	2021/22	8,699,299	None	1,697,148	722,042	90,000	544,381	11,752,870
Leighton Hamilton <i>Director of Information Technology</i>	2021/22	10,902,010	2,725,502	1,697,148	None	90,000	640,757	16,055,417
Diana Cummings <i>Secretary to the Office</i>	2021/22	9,619,420	None	1,697,148	798,412	90,000	613,509	12,818,489
Hope James <i>Chief Internal Auditor</i>	2021/22	8,030,123	None	1,697,148	666,500	90,000	594,138	11,077,909
Duhaney Smith <i>Financial Controller</i>	2021/22	10,260,715	2,565,179	1,697,148	None	90,000	622,550	15,235,592

OFFICE MEMBERS' REMUNERATION

Name and Position of Office Member	Board Fees(\$)	Motor Vehicle Upkeep/ Travelling or Value of assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Ben- efits as applicable (\$)	Total (\$)
Derrick Mckoy - Chairman	2,520,000.00	NIL	NIL	NIL	2,520,000.00
Noel daCosta - Deputy Chairman	2,280,000.00	NIL	NIL	NIL	2,280,000.00
Damien King - Non-Executive Office Member	1,350,000.00	NIL	NIL	NIL	1,350,000.00
Simon Roberts - Non-Executive Office Member	1,950,000.00	NIL	NIL	NIL	1,950,000.00
Yasmin Chong - Non-Executive Office Member	1,800,000.00	NIL	NIL	NIL	1,800,000.00
Ansord E. Hewitt - Executive Office Member	NIL	1,697,148	NIL	20,024,912	21,722,060.00
Total	9,900,000.00	1,697,148	NIL	20,024,912	31,622,060.00

Notes

1. Clothing/robing allowance
2. Health and group life insurance benefits



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Financial Statements

2021/22





Tel: (876) 926-1616/7, 926-4421
 Fax: (876) 926-7580
 www.bdo.com.jm

Chartered Accountants
 26 Beechwood Avenue
 P.O. Box 351
 Kingston 5, Jamaica

INDEPENDENT AUDITORS' REPORT

To the Members of the Office
 Office of Utilities Regulation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Office of Utilities Regulation (the organization) set out on pages 4 to 44, which comprise the statement of financial position as at 31 March 2022, and the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organization as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Partners: S. M. McFarlane, K.A. Wilson, J. Hibbert, D. Hobson, B. Vanniel
 Associate Partner: D. Brown
 Offices in Montego Bay, Mandeville and Ocho Rios
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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of the Office
 Office of Utilities Regulation

Responsibilities of Management and the Office for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

The Office is responsible for overseeing the organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.

Statement of Comprehensive Income

YEAR ENDED 31 MARCH 2022



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of the Office
Office of Utilities Regulation

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Office regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

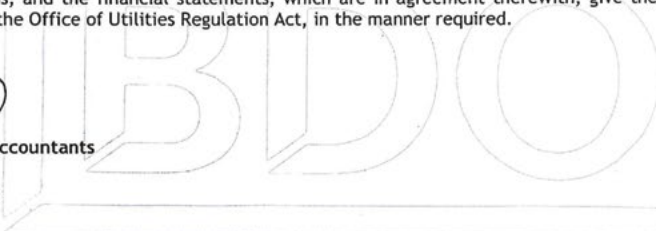
Report on additional matters as required by the Office of Utilities Regulation Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Office of Utilities Regulation Act, in the manner required.

Chartered Accountants

11 July 2022



	<u>Note</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
REVENUE	6	729,547	786,420
Other operating income	7	<u>190</u>	<u>1,159</u>
		729,737	787,579
Administrative and other expenses	8	<u>(806,892)</u>	<u>(814,746)</u>
		(77,155)	(27,167)
Interest income		<u>15,289</u>	<u>12,708</u>
NET DEFICIT		<u>(61,866)</u>	<u>(14,459)</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to statement of income -			
Remeasurement (loss)/gain of the defined benefit obligation	13	(2,150)	66,387
Remeasurement (loss)/gain of the pension plan assets	13	(11,397)	4,959
Revaluation of property, plant and equipment	10	<u>-</u>	<u>(80)</u>
		<u>(13,547)</u>	<u>71,266</u>
TOTAL COMPREHENSIVE INCOME		<u>(75,413)</u>	<u>56,807</u>

Statement of Financial Position

31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	30,385	37,744
Intangible asset	11	17,478	10,097
Right-of-use asset	12(a)	38,845	58,268
Post-employment benefit	13	8,235	21,899
		<u>94,943</u>	<u>128,008</u>
CURRENT ASSETS:			
Receivables	14	95,338	131,415
Taxation recoverable	15	7,811	7,629
Short term investments	16	227,888	265,709
Cash and cash equivalents	17	557,653	397,141
		<u>888,690</u>	<u>801,894</u>
		<u>983,633</u>	<u>929,902</u>
RESERVES AND LIABILITIES			
RESERVES:			
Retirement benefit reserve	13	8,235	21,899
Revaluation reserve		11,676	11,676
Retained earnings		326,673	388,422
		<u>346,584</u>	<u>421,997</u>
NON-CURRENT LIABILITY:			
Lease liability	12(b)	25,280	42,620
CURRENT LIABILITIES:			
Payables	18	243,029	215,050
Deferred income	19	344,118	225,613
Lease liability - current portion	12(b)	24,622	24,622
		<u>611,769</u>	<u>465,285</u>
		<u>983,633</u>	<u>929,902</u>

Approved for issue by the Office on 11 July 2022 and signed on its behalf by:


 Professor Alvin Wint - Chairman


 Dr. Damien King - Member

Statement of Changes in Reserves

YEAR ENDED 31 MARCH 2022

	Retirement Benefit Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 APRIL 2020	(39,322)	14,248	390,264	365,190
TOTAL COMPREHENSIVE INCOME				
Net deficit	-	-	(14,459)	(14,459)
Other comprehensive income	71,346	(80)	-	71,266
	71,346	(80)	(14,459)	56,807
TRANSFER BETWEEN RESERVES				
Transfer from retirement benefit reserve	(10,125)	-	10,125	-
Transfer to retained earnings	-	(2,492)	2,492	-
	(10,125)	(2,492)	12,617	-
	61,221	(2,572)	(1,842)	56,807
BALANCE AT 31 MARCH 2021	21,899	11,676	388,422	421,997
TOTAL COMPREHENSIVE INCOME				
Net deficit	-	-	(61,866)	(61,866)
Other comprehensive income	(13,547)	-	-	(13,547)
	(13,547)	-	(61,866)	(75,413)
TRANSFER BETWEEN RESERVES				
Transfer from retirement benefit reserve	(117)	-	117	-
	(13,664)	-	(61,749)	(75,413)
BALANCE AT 31 MARCH 2022	8,235	11,676	326,673	346,584

Statement of Cash Flows

YEAR ENDED 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net deficit		(61,866)	(14,459)
Items not affecting cash resources:			
Amortization of intangible asset	11	8,310	5,054
Depreciation	10	15,043	22,857
Depreciation - right-of-use asset	12(a)	19,423	19,422
Retirement benefit expense	13	19,768	29,326
Interest income		(15,289)	(12,708)
Interest expense - right-of-use asset	12(b)	7,282	9,711
Exchange gain on foreign balances		(8,448)	(10,503)
Deferred income	19	118,505	15,370
Movement in expected credit losses provision	14	7,890	(990)
Adjustments to property, plant and equipment		1,128	-
Loss on disposal of property, plant and equipment		<u>860</u>	<u>1,624</u>
		112,606	64,704
Changes in operating assets and liabilities:			
Receivables		29,332	(29,944)
Payables		27,981	43,288
Taxation recoverable		(181)	(1,225)
Retirement benefit contributions paid		<u>(19,651)</u>	<u>(19,201)</u>
Cash provided by operating activities		<u>150,087</u>	<u>57,622</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		14,142	12,770
Proceeds from disposal of property, plant and equipment		-	4,965
Purchase of intangible asset	11	(15,691)	(4,468)
Purchase of property, plant and equipment	10	(9,672)	(11,142)
Short term investments		<u>40,825</u>	<u>(96,350)</u>
Cash provided by/(used in) investing activities		<u>29,604</u>	<u>(94,225)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Lease payments	12(b)	<u>(24,622)</u>	<u>(24,622)</u>
Cash used in financing activities		<u>(24,622)</u>	<u>(24,622)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Exchange gain on foreign cash balances		5,443	5,601
Cash and cash equivalents at beginning of year		<u>397,141</u>	<u>452,765</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	<u>557,653</u>	<u>397,141</u>

Notes to the Financial Statements

31 MARCH 2022
1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

- (a) The Office of Utilities Regulation (OUR) was established by the Office of Utilities Regulation Act 1995, which has since been amended by the Office of Utilities Regulation (Amendment) Act, 2000 and 2015. The registered office of the organization is 36 Trafalgar Road, Kingston 10.
- (b) The main activity of the organization is regulating the provision of utility services throughout Jamaica in the following sectors:
- Electricity
 - Telecommunications
 - Water and sewerage

This includes receiving and processing all applications for licenses to provide utility services as defined under the Act, set rates where applicable and to monitor the operations of such utilities, ensuring that consumers are provided with adequate levels of service, that the needs of the community are met and that the environment is protected.

- (c) The OUR is exempt from income tax pursuant to section 12 (b) of the Income Tax Act. The organization is designated a tax withholding entity under the General Consumption Tax Act.

2. REPORTING CURRENCY:

Items included in the financial statements of the organization are measured using the currency of the primary economic environment in which the organization operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the organization's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and have been prepared under the historical cost convention. They are also prepared in accordance with the requirements of the Office of Utilities Regulation Act.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organization's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The organization has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following amendment is relevant to its operations:

Amendment to IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 April 2021). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. This amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. There was no impact on the organization's financial statements from the adoption of this amendment as the organization did not receive rent concessions.

New standards, amendments and interpretations not yet effective and not early adopted

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but not yet effective and which the organization has not early adopted.

The amendments which management considered may be relevant to the organization are as follows:

Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2023). These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exists at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the organization.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

Amendments to IAS 1, 'Presentation of Financial Statements', IFRS Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2023). The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The adoption of these amendments is not expected to have a significant impact on the organization.

Amendment to IAS 16, 'Property, Plant and Equipment', (effective for accounting periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The adoption of this amendment is not expected to have a significant impact on the organization.

Amendment to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', (effective for accounting periods beginning on or after 1 January 2022). This amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The adoption of this amendment is not expected to have a significant impact on the organization.

Annual Improvements 2018-2020, (effective for accounting periods beginning on or after 1 January 2022). The IASB issued its Annual Improvements to IFRSs 2018-2021 cycle amending a number of standards, of which the following are relevant to the organization: IFRS 9, 'Financial Instruments' to clarify the fees that should be included in the 10% test for derecognition of financial liabilities; IFRS 16, 'Leases', which was amended to remove the reimbursement of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives. The adoption of these amendments is not expected to have a significant impact on the organization.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in the statement of comprehensive income.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical or deemed cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Annual rates of property, plant and equipment are as follows:

Leasehold improvements	10%
Furniture and fixtures	10%
Office machinery and equipment	10%
Motor vehicles	20%
Computer equipment	33 1/3%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

(d) Intangible assets

Computer software, is deemed to have a finite useful life of three years and is measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which, there are separately identified cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Right-of-use asset

Right-of-use assets are initially measured at an amount equal to the initial value of the lease obligation which is subsequently adjusted for the following items:

- (i) Any lease payments made at or before the commencement date, less any lease incentives received;
- (ii) Any initial direct costs incurred by the organization;
- (iii) An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

For short-term leases that have a lease term of 12 months or less and low-value assets, the organization has elected to not recognize a lease obligation and right-of-use asset and instead will recognize a lease expense as permitted under IFRS 16.

The right-of-use asset will be depreciated using the straight-line method from the date of commencement to the lease to the earlier of the end of the useful life of the asset or end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, Impairment of Assets, which replaces the previous requirement to recognize a provision for onerous lease contracts under IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Leases

Leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a term of 12 months or less.

The lease obligation is measured at the present value of the contractual obligation, discounted using the interest rate implicit in the lease term, unless that rate is not readily determinable, in which case the organization will use its incremental borrowing rate.

The lease term determined by the organization comprises:

- (i) The non-cancellable period of lease contracts, including a rent-free period if applicable;
- (ii) Periods covered by an option to extend the lease if the organization is reasonably certain to exercise that option;
- (iii) Periods covered by an option to terminate the lease if the organization is reasonably certain not to exercise that option.

The commencement date of the lease begins on the date on which the lessor makes the underlying asset available for use to the organization. Lease payments included in the measurement of the lease obligation are comprised of the following:

- (i) Fixed lease payments, including in-substance fixed payments;
- (ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- (iii) Amounts expected to be payable under a residual value guarantee;
- (iv) The exercise price of purchase options that the organization is reasonably certain to exercise;
- (v) Lease payments in an option renewal period if the organization is reasonably certain to exercise the extension option;

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Leases (cont'd)

- (vi) Penalties for early termination of the lease unless the organization is reasonably certain not to terminate early; and
- (vii) Less any incentive receivable.

Variable payments for leases that do not depend on an index or rate are not included in the measurement of the lease obligations. The variable payments are recognized as an expense in the period in which they are incurred. Having elected to do so, the organisation accounts for any lease and associated non-lease components as a single arrangement, which is permitted under IFRS 16.

Interest on the lease obligations is calculated using the effective interest method and increases the lease obligation while rent payments reduce the obligation. The lease obligation is re-measured whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, or there is a change in the assessment of the exercise of an extension option. The lease obligation is re-measured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset or is recorded in gain or loss if the carrying amount of the right-of-use asset has been reduced to zero or the modification results in a reduction in the scope of the lease. The revised carrying amount is amortised over the remaining lease term.

(h) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Financial assets

(i) Recognition and derecognition

Financial assets are initially recognised on the settlement date, which is the date that an asset is delivered to the organization. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The organization derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognised financial assets that is created or retained by the organization is recognised as a separate asset or liability.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Classification

The organization classifies all of its financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The organization classifies its financial assets as those measured at amortised cost.

(iii) Measurement

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The organization's financial assets measured at amortised cost comprise receivables, cash and cash equivalents and short term instruments in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of three months or less.

(iv) Impairment

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Financial instruments (cont'd)

Financial assets (cont'd)

(iv) Impairment (cont'd)

Impairment provisions for receivables from related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial liabilities

The organization's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. At the reporting date, the organization classified lease liability and payables as financial liabilities.

The organization derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled.

(i) Employee benefits

Defined benefits plans

The organization operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The plan is generally funded through payments to a trustee-administered fund, determined by periodic actuarial calculations.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(i) Employee benefits (cont'd)

Defined benefits plans (cont'd)

Actuarial gains and losses arising from Experience Adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Other

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

A provision is made for the estimated liability for untaken vacation leave as a result of services rendered by employees up to the end of the reporting period.

(j) Provisions

Provisions are recognized when the organization has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(k) Revenue recognition

Regulatory fees are recognized in the statement of comprehensive income on an accrual basis. Regulatory fees are measured at the fair value of the consideration receivable.

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis unless collectability is doubtful.

Deferred income

Deferred income is recognized in the statement of comprehensive income as income earmarked, based on the organization's approved budget, for specified projects that have either not commenced or have been delayed after commencement and which, after management's review, will not be completed within the financial year for which completion was projected.

Notes to the Financial Statements

31 MARCH 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(l) Grants

The organization receives the following types of grants:

(i) Revenue grants

Revenue grant which covers operating expenses is recognized as income in the statement of comprehensive income over the period necessary to match it with the related cost for which it is intended to compensate. Any unspent portion will be written back to income.

(ii) Capital grants

Capital grant is received for the exclusive purpose to aid in the acquisition of property, plant and equipment. Capital grant is recognized as deferred income initially and upon acquisition of property, plant and equipment is written off to the statement of comprehensive income as income on a systematic basis which coincides with the estimated useful lives of the related assets and which is consistent with the depreciation policy. Any unspent portion will be written back to income.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the organization's accounting policies

In the process of applying the organization's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) Key sources of estimation uncertainty

The organization makes certain estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes to the Financial Statements

31 MARCH 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(i) Retirement benefit obligations

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The organization determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations.

In determining the appropriate discount rate, the organization considered interest rate of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. Other key assumptions for the retirement benefits are based on current market conditions.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The organization applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in the statement of comprehensive income through impairment or adjusted depreciation provisions.

(iii) Allowance for impairment losses on trade receivables

Allowances for doubtful accounts are determined upon origination of the trade receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables.

Notes to the Financial Statements

31 MARCH 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(iii) Allowance for impairment losses on trade receivables (cont'd)

Under this ECL model, the organisation segments its trade receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the trade receivables.

The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

5. FINANCIAL RISK MANAGEMENT:

The organization is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

The organization is exposed to risks that arise from its use of financial instruments. This note describes the organization's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the organization's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the organization, from which financial instrument risk arises, are as follows:

- Receivables
- Cash and cash equivalents
- Short term investments
- Receivables
- Payables
- Lease liability

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category

Financial assets

	Amortised cost	
	2022	2021
	\$'000	\$'000
Short term investments	227,888	265,709
Cash and cash equivalents	557,653	397,141
Receivables (excluding non-financial assets of \$61,143,000 (2021 - \$30,148,000))	<u>34,195</u>	<u>101,267</u>
Total financial assets	<u>819,736</u>	<u>764,117</u>

Financial liabilities

	Amortised cost	
	2022	2021
	\$'000	\$'000
Payables (excluding non-financial payables of \$165,270,000 (2021 - \$145,849,000))	77,759	69,201
Lease liability	<u>49,902</u>	<u>67,242</u>
Total financial liabilities	<u>127,661</u>	<u>136,443</u>

(c) Financial risk factors

The Office has overall responsibility for the determination of the organization's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the organization's finance function. The Office receives monthly reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The organization's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The Office has established committees/departments for managing and monitoring risks, as follows:

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

• Finance Department

The Finance Department is responsible for managing the organization's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the cash flow and liquidity risks of the organization. The department ensures compliance with statutory requirements and in particular, the provisions of the Public Bodies Management and Accountability Act (PBMA), the Financial Administration and Audit Act (FAA), Income Tax Act, and the Government's Procurement guidelines

• Enterprise Risk Management Team

The Audit Committee of the Office provides oversight to the operations of the Enterprise Risk Management Team which provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

• Audit Committee

The Audit Committee oversees how management monitors compliance with the organization's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the organization. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The overall objective of the Office is to set policies that seek to reduce risk as far as possible without unduly affecting the organization's flexibility. Further details regarding these policies are set out below:

(i) Market risk

Market risk arises from the organization's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar short term investments, cash and cash equivalents, other receivables and payables. The organization manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The organization further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Concentration of currency risk

The organization is exposed to foreign currency risk in respect of US dollars as follows:

	<u>2022</u> <u>J\$'000</u>	<u>2022</u> <u>US\$'000</u>	<u>2021</u> <u>J\$'000</u>	<u>2021</u> <u>US\$'000</u>
Short term investments	61,800	404	56,645	395
Cash and cash equivalents	<u>114,250</u>	<u>748</u>	<u>102,805</u>	<u>718</u>
	<u>176,050</u>	<u>1,152</u>	<u>159,450</u>	<u>1,113</u>

Foreign currency sensitivity

The following table indicates the sensitivity of net deficit to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated short term investments and cash and cash equivalents and adjusts their translation at the year-end for 8% (2021 - 6%) depreciation and a 2% (2021 - 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of reserves.

	<u>% Change in</u> <u>Currency Rate</u> <u>2022</u>	<u>Effect on</u> <u>Net deficit</u> <u>31 March</u> <u>2022</u> <u>\$'000</u>	<u>% Change in</u> <u>Currency Rate</u> <u>2021</u>	<u>Effect on</u> <u>Net deficit</u> <u>31 March</u> <u>2021</u> <u>\$'000</u>
Currency:				
USD	-8	(14,084)	-6	(9,567)
USD	<u>+2</u>	<u>3,521</u>	<u>+2</u>	<u>3,189</u>

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. As the organization does not have a significant exposure, market price fluctuations are not expected to have a material effect on the net results.

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the organization to cash flow interest rate risk, whereas fixed rate instruments expose the organization to fair value interest rate risk.

Short term investments and cash and cash equivalents are the only interest bearing assets within the organization. The organization's short term investments and cash and cash equivalents are due to mature within 12 months and 3 months of the reporting date respectively.

Interest rate sensitivity

A 3% increase /0.05% decrease (2021 - 1% increase/1% decrease) in interest rates on short term investments would result in a \$6,837,000 decrease and \$1,139,000 increase (2021 - \$2,657,000 increase/decrease) in net deficit for the organization.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from short term investments, trade and other receivables and cash and cash equivalents.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of short term investments, cash and cash equivalents and trade receivables in the statement of financial position.

Short term investments and cash and cash equivalents

Cash transactions are limited to high credit quality financial institutions. The organization has policies that limit the amount of credit exposure to any one financial institution.

Trade receivables

The organization is a regulatory body and its customer base consists of entities falling within the utility sectors. The organization has policies in place to ensure that these entities are legitimate and have a strong financial base.

The organization manages its credit risk by screening its licensees and putting in place procedures geared towards recovery of amounts owed.

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables (cont'd)

Trade receivables impairment provision

The impairment requirements of IFRS 9 are based on an Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities.

The organization estimates expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following tables provide information about the ECL's for trade receivables as at 31 March 2022 and 31 March 2021.

2022

<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
Current (not past due)	4,866	0.07	352
1 - 30 days	13,324	-	-
31 - 60 days	-	-	-
61 - 90 days	-	-	-
91 days and over	<u>58,653</u>	79.03	<u>46,358</u>
Total	<u>76,843</u>		<u>46,710</u>

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables (cont'd)

Trade receivables impairment provision (cont'd)

<u>Aging</u>	<u>2021</u>		<u>Lifetime ECL Allowance</u> <u>\$'000</u>
	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	
Current (not past due)	23,246	1.28	297
1 - 30 days	6,485	-	-
31 - 60 days	46,340	1.85	859
61 - 90 days	14,248	-	-
91 days and over	<u>46,852</u>	80.39	<u>37,664</u>
Total	<u>137,171</u>		<u>38,820</u>

Expected credit losses on trade receivables

Movements on the provision for expected credit losses on trade receivables are as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
At 1 April	38,820	39,810
Provision for expected credit losses	<u>7,890</u>	<u>(990)</u>
At 31 March	<u>46,710</u>	<u>38,820</u>

The creation and release of provision for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Expected credit losses estimates have been adjusted based on actual collection patterns.

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables (cont'd)

Concentration of risk - trade receivables

The following table summarizes the organization's credit exposure for trade receivables at their carrying amounts, as categorized by the utility sector:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Telecommunications	30,266	50,229
Electricity	5,806	2,768
Water	40,771	83,572
Other	-	<u>602</u>
	76,843	137,171
Less: Provision for expected credit losses	<u>(46,710)</u>	<u>(38,820)</u>
	<u>30,133</u>	<u>98,351</u>

(iii) Liquidity risk

Liquidity risk is the risk that the organization will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

The organization's liquidity risk management process, as carried out within the organization and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis.
- (ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimizing cash returns on investments.

Notes to the Financial Statements

31 MARCH 2022

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities

The maturity profile of the organization's financial liabilities, based on contractual undiscounted payments, is as follows:

	<u>Within 1</u> <u>Year</u> <u>\$'000</u>	<u>1 to 2</u> <u>Years</u> <u>\$'000</u>	<u>2 to 5</u> <u>Years</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
31 March 2022				
Payables	77,759	-	-	77,759
Lease liability	<u>24,622</u>	<u>30,777</u>	<u>-</u>	<u>55,399</u>
Total financial liabilities (contractual maturity dates)	<u>102,381</u>	<u>30,777</u>	<u>-</u>	<u>133,158</u>
31 March 2021				
Payables	69,201	-	-	69,201
Lease liability	<u>24,622</u>	<u>49,244</u>	<u>6,155</u>	<u>80,021</u>
Total financial liabilities (contractual maturity dates)	<u>93,823</u>	<u>49,244</u>	<u>6,155</u>	<u>149,222</u>

6. REVENUE:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Regulatory fees	948,379	860,434
Processing fees	<u>1,295</u>	<u>1,990</u>
	949,674	862,424
Less: deferred income discounts allowed	<u>(118,505)</u>	<u>(15,370)</u>
	<u>(101,622)</u>	<u>(60,634)</u>
	<u>729,547</u>	<u>786,420</u>

The following are the major contributors to revenue:

	<u>2022</u> <u>%</u>	<u>2021</u> <u>%</u>
Telecommunications sector	41	41
Electricity sector	37	37
Water sector	<u>22</u>	<u>22</u>

Notes to the Financial Statements

31 MARCH 2022
7. OTHER OPERATING INCOME:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Other income	<u>190</u>	<u>1,159</u>

8. EXPENSES BY NATURE:

Total administrative and other expenses:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Staff costs (note 9)	593,811	594,418
Office members' remuneration	10,850	12,880
Covid Utility Grant	17,537	-
Telephone	15,043	12,377
Audit fee	1,300	1,300
Motor vehicle expenses	2,237	2,238
Legal and professional fees	9,679	7,334
Bad debts written off/(recovered)	7,890	(990)
Public relations	7,661	6,706
Customer expenses	3,443	6,613
Subscriptions	28,688	30,575
Office rental	(5,931)	12,255
Repairs and maintenance	13,705	9,837
Advertising and promotion	1,073	3,427
Stationery, printing and postage	632	813
Office and general expenses	11,049	9,702
Projects	46,814	53,953
Foreign exchange gain	(9,507)	(7,360)
Interest expense - ROU	7,282	9,711
Amortization of intangible asset	8,310	5,054
Amortization - right-of-use asset	19,423	19,422
Depreciation	15,043	22,857
Loss on the disposal of fixed asset	<u>860</u>	<u>1,624</u>
	<u>806,892</u>	<u>814,746</u>

9. STAFF COSTS:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Salaries, wages and statutory contributions	449,474	449,402
Pension (note 13)	19,768	29,326
Pension Top Up	12,700	-
Group life insurance	6,180	6,282
Health insurance	24,745	24,663
Staff training	14,838	14,752
Staff welfare	22,869	21,187
Travelling and subsistence	39,736	46,833
Other staff costs	<u>3,501</u>	<u>1,973</u>
	<u>593,811</u>	<u>594,418</u>

The number of persons employed by the organization at the end of the year was 71 (2021 - 70).

Notes to the Financial Statements

31 MARCH 2022
10. PROPERTY, PLANT AND EQUIPMENT:

	Leasehold Improvements \$'000	Furniture & Fixtures \$'000	Office Equipment \$'000	Computer & Accessories \$'000	Motor Vehicles \$'000	Total \$'000
At cost/deemed cost -						
1 April 2020	13,878	10,901	8,593	33,990	27,000	94,362
Additions	383	1,444	3,615	5,700	-	11,142
Disposal	-	(137)	(36)	-	(8,800)	(8,973)
Revaluation adjustment	-	-	(80)	-	-	(80)
31 March 2021	14,261	12,208	12,092	39,690	18,200	96,451
Reallocation	-	(759)	815	(56)	-	-
Adjustments	-	(1,126)	-	-	-	(1,126)
Additions	354	4,970	370	3,978	-	9,672
Disposals	-	(137)	(1,102)	(42)	-	(1,281)
31 March 2022	<u>14,615</u>	<u>15,156</u>	<u>12,175</u>	<u>43,570</u>	<u>18,200</u>	<u>103,716</u>
Depreciation -						
1 April 2020	13,568	1,546	975	14,945	7,200	38,234
Charge for the year	79	1,643	1,106	15,176	4,853	22,857
Eliminated on disposal	-	(32)	(5)	-	(2,347)	(2,384)
31 March 2021	13,647	3,157	2,076	30,121	9,706	58,707
Reallocation	-	(291)	348	(57)	-	-
Adjustments	-	(18)	20	-	-	2
Charge for the year	101	1,679	1,432	6,978	4,853	15,043
Eliminated on disposal	-	(23)	(356)	(42)	-	(421)
31 March 2022	<u>13,748</u>	<u>4,504</u>	<u>3,520</u>	<u>37,000</u>	<u>14,559</u>	<u>73,331</u>
Net Book Value -						
31 March 2022	<u>867</u>	<u>10,652</u>	<u>8,655</u>	<u>6,570</u>	<u>3,641</u>	<u>30,385</u>
31 March 2021	<u>614</u>	<u>9,051</u>	<u>10,016</u>	<u>9,569</u>	<u>8,494</u>	<u>37,744</u>

Notes to the Financial Statements

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11. INTANGIBLE ASSET:

	<u>Computer Software</u> \$'000
At cost -	
1 April 2020	22,409
Additions	<u>4,468</u>
At 31 March 2021	26,877
Additions	<u>15,691</u>
At 31 March 2022	<u>42,568</u>
Depreciation -	
1 April 2020	11,726
Charge for the year	<u>5,054</u>
31 March 2021	16,780
Charge for the year	<u>8,310</u>
31 March 2022	<u>25,090</u>
Carrying value -	
31 March 2022	<u>17,478</u>
31 March 2021	<u>10,097</u>

12. LEASES:

(a) Right-of-use asset

	<u>Land and building</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
1 April	58,268	77,690
Depreciation charge for the year	<u>(19,423)</u>	<u>(19,422)</u>
31 March	<u>38,845</u>	<u>58,268</u>

Notes to the Financial Statements

31 MARCH 2022

12. LEASES (CONT'D):

(b) Lease liability

	<u>Land and building</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
1 April	67,242	82,153
Interest expense	7,282	9,711
Lease payments	<u>(24,622)</u>	<u>(24,622)</u>
31 March	49,902	67,242
Less: current portion	<u>(24,622)</u>	<u>(24,622)</u>
	<u>25,280</u>	<u>42,620</u>

(c) Amounts recognized in statement of profit or loss

Depreciation - right-of-use assets	19,423	19,422
Interest on lease liability	<u>7,282</u>	<u>9,711</u>
	<u>26,705</u>	<u>29,133</u>

(d) Contractual undiscounted cash flows maturity analysis

The contractual undiscounted cash flows maturity analysis is disclosed under liquidity risk in the financial risk management note 5(c)(iii).

(e) Nature of leasing activities

The organization leases the property from which it operates.

13. POST-EMPLOYMENT BENEFIT:

	<u>2022</u> \$'000	<u>2021</u> \$'000
The amounts recognized in the statement of financial position are determined as follows:		
Present value of funded obligations	(425,098)	(359,429)
Fair value of plan assets	<u>433,333</u>	<u>381,328</u>
Assets/(liabilities) in the statement of financial position	<u>8,235</u>	<u>21,899</u>

Notes to the Financial Statements

31 MARCH 2022

13. POST-EMPLOYMENT BENEFIT (CONT'D):

The organization operates a defined benefit plan, which is open to all permanent employees and administered for the Office of Utilities Regulation by Guardian Life Limited. Retirement benefits are based on the average annual earnings in the last three years to retirement, and death benefits on members' accumulated contributions.

The plan is valued annually by independent actuaries, Eckler Consultants + Actuaries, using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 March 2022.

The movement in the present value of funded obligations over the year is as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	359,429	362,164
Current service cost	18,948	23,958
Interest cost	<u>30,528</u>	<u>23,429</u>
	<u>408,905</u>	<u>409,551</u>
Remeasurements -		
Loss/(gain)/from change in financial assumptions	17,300	(70,008)
Experience (gain)/loss	(15,150)	<u>3,621</u>
	<u>2,150</u>	<u>(66,387)</u>
	411,055	343,164
Members' contributions	17,281	16,829
Benefits paid	(3,238)	(564)
Balance at the end of the year	<u>425,098</u>	<u>359,429</u>

The movement in the fair value of the plan assets during the year is as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	381,328	322,842
Interest income	33,756	21,875
Remeasurements -		
Return on plan assets, excluding amounts included in interest income	(11,397)	4,959
Members' contributions	17,281	16,829
Employer's contributions	19,651	19,201
Benefits paid	(3,238)	(564)
Administrative fees	(4,048)	(3,814)
Balance at end of year	<u>433,333</u>	<u>381,328</u>

Notes to the Financial Statements

31 MARCH 2022

13. POST-EMPLOYMENT BENEFIT (CONT'D):

The amounts recognized in the statement of comprehensive income are as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Current service cost	18,948	23,958
Interest cost on obligations	30,528	23,429
Interest income on plan assets	(33,756)	(21,875)
Administrative fees	<u>4,048</u>	<u>3,814</u>
Total included in staff costs (note 9)	<u>19,768</u>	<u>29,326</u>

The distribution of the plan assets in Pooled Funds was as follows:

	<u>2022</u> <u>%</u>	<u>2021</u> <u>%</u>
Equities	26.17	20.47
JA\$ bonds	36.87	32.59
Foreign assets	18.03	25.42
Cash and short-term deposits	9.37	19.10
Real estate	<u>9.56</u>	<u>2.42</u>
	<u>100</u>	<u>100</u>

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Expected contributions to the post employment plan for the year ending 31 March 2023 is \$19,300,000 (2022 actual - \$19,651,000). The actual return on the plan assets was positive \$18,311,000 (2021 - positive \$23,020,000).

The principal actuarial assumptions used were as follows:

	<u>2022</u> <u>% p.a.</u>	<u>2021</u> <u>% p.a.</u>
Discount rate	8.0	8.5
Future salary increases	6.5	7.0
Inflation rate at year end	<u>5.0</u>	<u>5.5</u>

Post-employment mortality for active members as well as mortality for pensioners and deferred pensioners is based on the RP-2014 Employee and Healthy Annuitant Mortality Rates projected to the 2021 measurement dates, using Society of Actuaries' Scale MP-2014.

Given the recent reduction in life expectancies due to the pandemic and the uncertainty of the impact on future life expectancies, mortality improvements beyond 2021 was not included.

Notes to the Financial Statements

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13. POST-EMPLOYMENT BENEFIT (CONT'D):

The in-service specimen rates (number of occurrences per 1,000 members) are as follows:

Age	Males			Females		
	Withdrawals from service	Ill-health retirements	Deaths in service	Withdrawals from service	Ill-health retirements	Deaths in service
20	-	-	0.347	-	-	0.139
25	-	-	0.427	-	-	0.155
30	-	-	0.405	-	-	0.204
35	-	-	0.477	-	-	0.271
40	-	-	0.561	-	-	0.362
45	-	-	0.856	-	-	0.588
50	-	-	3.561	-	-	2.520
55	-	-	5.191	-	-	3.395
60	-	-	7.215	-	-	4.811
65	-	-	10.200	-	-	7.255
<u>70</u>	<u>-</u>	<u>-</u>	<u>15,241</u>	<u>-</u>	<u>-</u>	<u>11,382</u>

The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan and the five-year experience adjustments for plan assets and liabilities is as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2019</u> \$'000	<u>2018</u> \$'000
Fair value of plan assets	433,333	381,328	322,842	318,854	281,389
Defined benefit obligation	<u>(425,098)</u>	<u>(359,429)</u>	<u>(362,164)</u>	<u>(307,235)</u>	<u>(250,593)</u>
Surplus/(deficit)	<u>8,235</u>	<u>21,899</u>	<u>(39,322)</u>	<u>11,619</u>	<u>30,796</u>
Experience adjustments:					
Gain/(loss) -					
Arising on plan assets	(11,397)	4,959	(36,785)	(2,190)	(16,999)
Arising on plan liabilities	<u>15,150</u>	<u>(3,621)</u>	<u>(259)</u>	<u>10,366</u>	<u>7,594</u>

14. RECEIVABLES:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Trade receivables	76,843	137,171
Provision for expected credit losses	<u>(46,710)</u>	<u>(38,820)</u>
	30,133	98,351
Due from employees	10,164	1,647
Deposits	15,928	5,146
Prepayments	34,894	23,197
Other	<u>4,219</u>	<u>3,074</u>
	<u>95,338</u>	<u>131,415</u>

Notes to the Financial Statements

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15. TAXATION RECOVERABLE:

This balance represents withholding tax arising on short term investments and short term deposit included in cash and cash equivalents. The organization received an exemption from Tax Administration Jamaica, from the deduction of withholding tax at source from its investments for the three-year-period ended 31 January 2023.

16. SHORT TERM INVESTMENTS:

This represents securities purchased under resale agreements with original maturities greater than 90 days but less than one (1) year.

The weighted average interest rate on short term investments denominated in Jamaican dollars and United States dollars was 2.86% and 2.75%, respectively (2021 - 1.95% and 2.20%, respectively). These investments mature within twelve months (2021 - twelve months).

17. CASH AND CASH EQUIVALENTS:

For the purpose of the cash flow statement, cash and cash equivalents comprise short term deposits, cash at bank and cash in hand as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Short term deposits	360,653	296,328
Cash at bank	196,995	100,808
Cash in hand	<u>5</u>	<u>5</u>
	<u>557,653</u>	<u>397,141</u>

The weighted average interest rate on short term deposits denominated in Jamaican dollars and United States dollars was 3.15% and 1.35%, respectively (2021 - 3.15% and 1.35%, respectively) and these deposits mature within three months (2021 - three months).

There are no non-cash transactions included in the statement of cash flows.

18. PAYABLES:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Accrued vacation pay	57,765	51,512
Gratuity payable	53,168	45,534
Accounts payable	22,974	21,910
Other accruals	<u>109,122</u>	<u>96,094</u>
	<u>243,029</u>	<u>215,050</u>

Notes to the Financial Statements

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19. DEFERRED INCOME:		
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
At 1 April	225,613	210,243
Project income deferred	166,670	78,350
Transferred to revenue	(48,165)	(62,980)
At 31 March	<u>344,118</u>	<u>225,613</u>
20. RELATED PARTY TRANSACTIONS AND BALANCES:		
(a) Transactions between the organization and its related parties		
Regulatory fees -		
During the year, the organization billed regulatory fees of \$181,521,000 and \$308,744,000 (2021 - \$184,831,000 and \$318,259,000) to the National Water Commission and the Jamaican Public Service Company Limited, respectively.		
(b) Key management compensation		
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and other short term employee benefits	162,606	161,986
Payroll taxes - Employer's portion	8,346	9,230
Pension	<u>3,624</u>	<u>3,075</u>
	<u>174,576</u>	<u>174,291</u>
Office members' emoluments -		
Fees	10,850	12,880
Management remuneration (included above)	<u>64,827</u>	<u>60,350</u>
	<u>75,677</u>	<u>73,230</u>
(c) Year-end balances arising from transactions with related parties		
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Due from -		
National Water Commission	26,041	71,188
Jamaica Public Service Company Limited	-	300
Jamaica Urban Transit Company Limited	-	764
	<u>26,041</u>	<u>72,252</u>

These amounts are included in receivables.

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21. LITIGATIONS:
(a) Supreme Court Claim No. 2018 HCV 2304 and Court of Appeal Application Nos 276 and 277 of 2018; Symbiote Investments Limited v MSET and OUR as Interested Party
The OUR issued a Notice of Investigation and Request for Information in December 2016 to Symbiote Investments Limited (Symbiote) advising of its intention to conduct investigations into various allegations that the company was operating in breach of the requirements of the Telecommunications Act. During its investigation, the OUR received information which resulted in the submission of a recommendation for the revocation of Symbiote's telecommunications licences to the Minister of Science, Energy and Technology (Minister) in October 2017. In April 2018 the Minister revoked the company's telecommunications licences, which decision was confirmed in June 2018 by the Minister after reconsideration on the request of Symbiote.
Symbiote sought leave of the Supreme Court to seek judicial review of the Minister's decision to revoke its licences in June 2018. The OUR successfully applied to be joined in the suit as an Interested Party. In December 2018 the Supreme Court dismissed Symbiote's application. Symbiote subsequently unsuccessfully appealed the Supreme Court decision at the Court of Appeal which delivered its decision orally in March 2019, and in writing in April 2019. The Court of Appeal also refused Symbiote's application to appeal its decision to the Judicial Committee of the Privy Council (JCPC). In November 2019, Symbiote filed an application with the JCPC seeking special leave to appeal the decisions of the Court of Appeal. The JCPC refused the application on 21 July 2020, awarding costs to the Minister and the OUR. The OUR has been unsuccessful in settling the matter of costs with the appellants.
Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 31 March 2022: Our attorneys have been unsuccessful in their follow up with our United Kingdom Solicitors regarding the pursuit of the awarded costs.
(b) Court of Appeal - Supreme Court Civil Appeal No. 122 of 2012 & Claim No. 2011 HCV 05613, Dennis Meadows, Betty Ann Blaine & Cyrus Rousseau v the Attorney General of Jamaica, Jamaica Public Service Company Limited & Office of Utilities Regulation
The claimants filed suit against the Attorney General of Jamaica (AG), the Jamaica Public Service Company Limited (JPS), and the OUR challenging the legality of JPS's All-Island Electric Licence, 2001 (Licence). The claimants argued that the exclusivity of the Licence granted to JPS was void, as it was outside the scope of section 3 of the Electric Lighting Act and/or it was an unlawful fetter of the Minister's discretion. The claimants also contended that the OUR acted unlawfully in making a recommendation for the grant of an exclusive licence. In the Supreme Court, it was held, inter alia, that there was no evidence that the OUR had recommended the grant of an exclusive licence nor had acted ultra vires its powers. On appeal, the Court of Appeal confirmed the decision of the Supreme Court regarding the OUR's exercise of powers, and awarded costs to the OUR for both the Court of Appeal and Supreme Court actions.

Notes to the Financial Statements

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21. LITIGATIONS (CONT'D):

- (b) **Court of Appeal - Supreme Court Civil Appeal No. 122 of 2012 & Claim No. 2011 HCV 05613, Dennis Meadows, Betty Ann Blaine & Cyrus Rousseau v the Attorney General of Jamaica, Jamaica Public Service Company Limited & Office of Utilities Regulation (cont'd)**
 The OUR has pursued the recovery of its costs awarded in the Supreme Court and Court of Appeal and has respectively received awards of costs in the amounts of \$3,838,162.95 and \$5,032,800.00 plus interest against the claimants. To date, the judgement debts remain unpaid, and attempts by the bailiff to locate the claimants and/or assets upon which to levy execution have been unsuccessful.

Status of Payment of Legal Fees: No outstanding legal fees at the end of the Audit period.
Status after 31 March 2022: The OUR continues to pursue options regarding the recovery of the costs awarded to it.

- (c) **Supreme Court - Claim No. 2014 HCV 02345 OUR v Computers & More Limited**
 The OUR filed a claim against Computers & More Limited (Defendant) for the recovery of the sum of \$1,614,000.00 together with interest, for breach of contract; whereby the Defendant failed to supply twenty (20) Microsoft Surface Pro Tablets and twenty (20) Targus USB 2.0 Docking Stations with Video to the OUR pursuant to their contract.

On 17 May 2017, the Supreme Court struck out the Defendant's defence and entered judgment in favour of the OUR in the sum of \$1,614,000.00 together with interest at 10% per annum from 15 May 2014 to 17 May 2017 totalling \$2,670,351.50. Also, summary judgment was entered in favour of the OUR in respect of the Defendant's counterclaim and costs on the Claim and Counterclaim. The Defendant, on 26 May 2017, filed an appeal against the judge's decision with the Court of Appeal. We are however yet to be notified of a date for case management in the matter.

The OUR has since pursued recovery of the Supreme Court judgement debt. To date the sum of \$1,715,000.00 has been recovered by the bailiff and paid over to the OUR less commission and taxes.

Status of Payment of Legal Fees: No outstanding legal fees at the end of the Audit period.
Status after 31 March 2022: We await further updates from the bailiff regarding the recovery of the judgement debt.

Notes to the Financial Statements

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21. LITIGATIONS (CONT'D):

- (d) **Supreme Court - Claim No. 2011 HCV 01117 The Office of Utilities Regulation v Jamaica Urban Transit Company Limited**
 The OUR filed suit against the Jamaica Urban Transit Company Limited (JUTC) to recover the sum of \$22,469,130.00 being monies due and owing for outstanding regulatory fees. On 29 September 2015, judgment was entered in the Supreme Court in favour of the OUR in the sum of \$16,000,000.00 inclusive of interest and costs. JUTC made payments towards settling the judgment debt in the sum of \$6,000,000.00.

On 15 June 2017, an agreement was reached between the OUR and JUTC for the repayment of the outstanding balance of the judgment debt of \$10,000,000, by way of 36 monthly instalments at an interest rate of 5% amortized over the said period. Payments in the monthly amount of \$299,709.00 commenced in September 2017. On 25 February 2022 a final payment was made by JUTC settling the total outstanding debt.

Status of Payment of Legal Fees: No outstanding legal fees at the end of the Audit period.
Status after 31 March 2022: The files on this matter have now been closed.

- (e) **Supreme Court - Claim No. 2018 HCV 05030 George Neil v Attorney-General, Office of Utilities Regulation and Spectrum Management Authority**
 George Neil was a principal of companies that previously held several telecommunications licences. His failure to pass the licensee fit and proper requirements have resulted in a refusal to grant telecommunications licences to a company with which he was associated.

In January 2019, Mr. Neil brought an action in the Supreme Court against the Attorney-General, the OUR and the Spectrum Management Authority seeking relief for breach of various constitutional and other rights. Trial of the matter was scheduled for 20 June 2022 to 6 July 2022.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 31 March 2022: The trial scheduled for 20 June 2022 is currently being heard.

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21. LITIGATIONS (CONT'D):

- (f) **Supreme Court - Claim No. 2021 CV 03913**
Cable & Wireless Jamaica Limited v The Office of Utilities Regulation
 On 17 September 2021, Cable & Wireless Jamaica Limited (C&WJ) filed a Fixed Date Claim Form seeking various declarations and orders regarding the appropriate construction of the term "points of sale" as used in the Industry Number Portability Guidelines (INPG). We await notification concerning the scheduling of the first hearing in the matter.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.

Status after 31 March 2022: By Joint Notice of Discontinuance dated 11 May 2022, C&WJ discontinued its action against the OUR, with each party bearing its own costs.
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- (g) **Supreme Court - Claim No. SU 2021 CD00 436**
The Office of Utilities Regulation v Cable & Wireless Jamaica Limited
 By Fixed Date Claim Form dated 14 October 2021, the OUR sought an injunction against C&WJ requiring its compliance with a Directive dated 17 September 2020, in relation to the initiation of porting transactions at points of sale as defined in the INPG, and compelling it to provide information to the OUR in relation to an investigation into allegations that it has acted in breach of the Directive. The substantive hearing in the matter was completed on 2 February 2022, at which time the Court reserved judgement until 19 May 2022.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.

Status after 31 March 2022: By Joint Notice of Discontinuance dated 11 May 2022, the OUR discontinued its action against C&WJ, with each party bearing its own costs.
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- (h) **St. Elizabeth Parish Court - Claim No. ST 2019 CV00805**
John Ledgister & Sunnycrest Enterprises Ltd v OUR
 In September 2019 the claimants filed an application in the Parish Court seeking various declarations from the court and compensation in relation to a disagreement with the OUR's handling of a complaint lodged with the OUR by Mr. Ledgister. The complaint related to alleged breaches of several of the National Water Commission Guaranteed Standards.

The Court issued its decision on 12 December 2019 dismissing the claims and awarding costs to the OUR in the amount of \$30,000.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.

Status after 31 March 2022: The awarded costs remain outstanding.
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Notes to the Financial Statements

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21. LITIGATIONS (CONT'D):

- (i) **St. Elizabeth Parish Court - Claim No. ST 2019 CV00885**
John Ledgister & Sunnycrest Enterprises Ltd v OUR
 In December 2019, the claimants filed an application in the Parish Court seeking various declarations from the court and compensation in relation to a disagreement with the OUR's handling of complaints lodged with the OUR by Mr. Ledgister. The complaints related to disputed billing and service interruption/disconnection issues with C&WJ, as well as C&WJ's installation of its equipment on several JPS poles located on property occupied by the claimants.

The Court issued its decision on 29 January 2020, striking out the claims and awarding costs to the OUR in the amount of \$30,000.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.

Status after 31 March 2022: The awarded costs remain outstanding.
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- (j) **All-Island Electricity Appeal Tribunal - Appeal No. 1 of 2019**
JPS Appeal against the Final Criteria - JPS 2019-2024: Rate Review Process dated 14 March 2019 and Addendum dated 24 April 2019.
 On 6 June 2019, the OUR was served with an "Amended Notice of Appeal" filed by the Jamaica Public Service Company Limited (JPS) with the All-Island Electricity Appeal Tribunal (the Tribunal). By way of the Notice, JPS appealed against several of the decisions of the OUR set out in its Final Criteria Document and Addendum to Final Criteria to be used to inform the preparation of JPS' Business Plan and Five Year Rate Review Submission. At a hearing of the Tribunal in August 2019, JPS requested that the matter be adjourned until after the OUR issued its tariff determination on JPS' 2019-2024 Rate Review Submission. The OUR issued its tariff determination in December 2020. In January 2021, JPS filed an appeal with the Tribunal against the tariff determination, and subsequently applied to the Tribunal to have the appeal against the Final Criteria heard along with that appeal. The Tribunal did not allow the application, and ordered that JPS may pursue its appeal against the Final Criteria if it wished, after the disposal of its appeal against the tariff determination.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.

Status after 31 March 2022: With the constitution of a new Tribunal panel, effective 9 May 2022, we now await notification from the Tribunal regarding the scheduling of a hearing to discuss the way forward with this matter.
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Notes to the Financial Statements

31 MARCH 2022

21. LITIGATIONS (CONT'D):

- (k) **All-Island Electricity Appeal Tribunal - Appeal No. 1 of 2021**
JPS Appeal against the JPS Rate Review 2019 - 2024 Rate Determination Notice dated 24 December 2020 and Addendum dated 29 January 2021.
 The OUR issued its decisions on JPS' 2019 - 2024 Rate Review Submission in a Determination Notice issued on 24 December 2020, and an Addendum issued on 29 January 2021 (together referred to as the Tariff Determination Notice). The Tariff Determination Notice sets out the OUR's decisions regarding, *inter alia*, the tariffs that JPS may charge its customers over the five year period 2019 to 2024. By Notice of Appeal dated 22 January 2021 and Amended Notice of Appeal dated 12 February 2021 filed with the Tribunal, JPS appealed against several of the decisions in the Tariff Determination Notice. At a hearing of the matter on 13 July 2021, the Tribunal ruled that it was not properly constituted, and therefore could not hear the appeal.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 31 March 2022: With the constitution of a new Tribunal panel, effective 9 May 2022, we now await notification from the Tribunal regarding the scheduling of a hearing to discuss the way forward with this matter.

- (l) **All Island Electricity Appeal Tribunal -Appeal No. 1 of 2022**
JPS Appeal against the OUR's Reconsideration Decision on the Annual Adjustment Determination for 2021 dated 28 December 2021
 The OUR issued the Jamaica Public Service Company Limited Annual Review 2021:Determination Notice on 1 September 2021. JPS requested a reconsideration of several of the decisions in that Determination Notice by letter dated 13 September 2021. The OUR issued its Reconsideration Decision by way of the Jamaica Public Service Company Limited Annual Review 2021 Reconsideration Decision dated 28 December 2021. The JPS by Notice of Appeal dated 27 January 2022 and filed with the Electricity Appeal Tribunal, has appealed the OUR's decisions set out in the Reconsideration Decision.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 31 March 2022: With the constitution of a new Tribunal panel, effective 9 May 2022, we now await notification from the Tribunal regarding the scheduling of a hearing to discuss the way forward with this matter.

Notes to the Financial Statements

31 MARCH 2022

21. LITIGATIONS (CONT'D):

- (m) **Telecommunications Appeal Tribunal - Cable & Wireless Jamaica Limited v OUR**
CWJ Appeal against OUR decision to reject its reconsideration request of June 2021 and to investigate its alleged use of field agents to port numbers outside of a defined point of sale
 C&WJ submitted a request for reconsideration of the OUR's 17 September 2021 Directive in relation to the initiation of porting transactions at points of sale as defined in the INPG, and indicated that it did not agree with the OUR's interpretation of a "point of sale". The OUR advised in its reconsideration decision that the INPG was prescriptive in its definition of points of sale and confirmed its Directive. By Notice of Appeal dated 10 September 2021 and filed with the Telecommunications Appeal Tribunal, C&WJ appealed against the OUR's decision not to accept a further reconsideration request of June 2021, and to investigate alleged use of field agents to port numbers outside of its points of sale. Progress of the matter was pending the appointment of the members of the Telecommunications Appeal Tribunal.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 31 March 2022: By Notice of Withdrawal dated 11 May 2022, C&WJ discontinued its action against the OUR, with each party bearing its own costs.

22. IMPACT OF COVID-19 PANDEMIC:

The Covid -19 pandemic has affected the operations of the OUR since the start of the previous fiscal year, and its effects continued into the current year. With this in mind, management made decisions regarding the level of discount on regulatory fees to be given to the regulated entities, expenditure to be made on certain operating expenses, and the amount of an expense subsidy to be granted to staff that worked from home. These decisions also gave due recognition to savings that arose from, *inter alia*, training, travel, and motor vehicle expenses that were not incurred, due to, e.g., restrictions on local and overseas travel.

Arising from the deliberations, the OUR after careful consideration, provided regulatory fee discounts totaling \$101.6M (prior year \$60.4M) to the utility companies, and incurred costs of \$21.8M (prior year \$3.3M) covering expenses relating to a grant to employees that worked from home, janitorial, cleaning, and sanitization expenses. Cost savings over the financial year was \$45.0M (prior year \$43.0M), resulting in a net cost of \$78.4M (prior year \$20.7M), as a result of the pandemic.

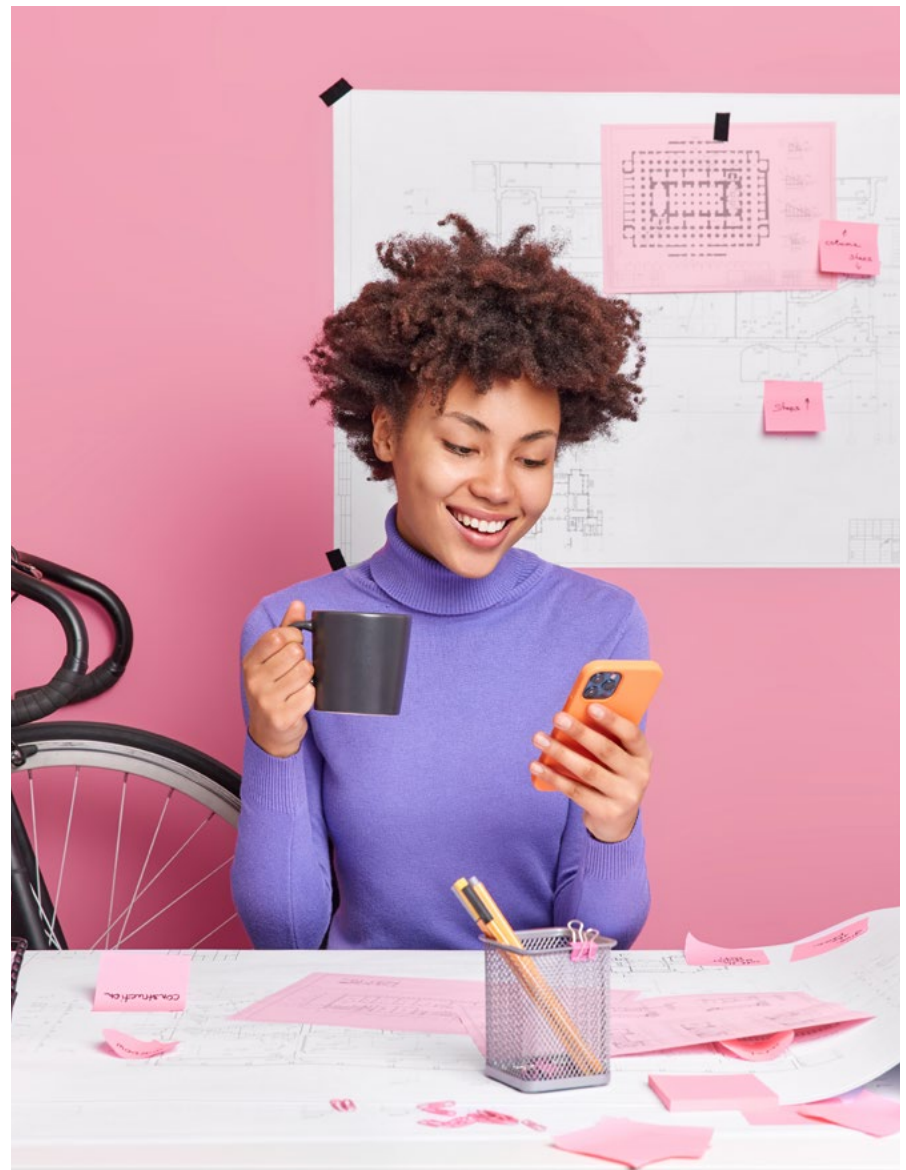
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**3RD FLOOR PCJ RESOURCE CENTRE
36 TRAFALGAR ROAD, KINGSTON 10**

Tel: 876-968-6053

Toll Free: 888-CALL-OUR (225-5687)

Fax: 876-929-3635

Email: consumer@our.org.jm

Website: www.our.org.jm



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