

**FOR IMMEDIATE RELEASE**

**JPS 2023 Annual Tariff Adjustment Application Under Review by OUR**

**(Kingston, Jamaica; 2023 May 11):** The Jamaica Public Service Company Limited (JPS) has submitted its 2023 Annual Tariff Adjustment application to the Office of Utilities Regulation (OUR). This is provided for under the Electricity Licence, 2016.

The annual tariff adjustment request seeks to realign electricity rates based on the Performance Based Rate-making Mechanism (PBRM) specified in the Licence. The PBRM allows the company's revenue each year to be adjusted to reflect inflation and foreign exchange rate movements, as well as its performance in the previous year.

**Bill Impact**

JPS states that with the proposed adjustments, residential and some commercial customers will see a marginal increase of 0.8% and 0.2% respectively. Other commercial and industrial customers could see reductions above 2.3%, if JPS's proposal is accepted by the OUR.

**2023 Annual Revenue Target (ART)**

JPS's 2023 Annual Revenue Target (ART) is J\$55.084 billion. The performance and growth-related adjustments being sought by JPS to the 2023 ART include the following:

- An Annual Growth adjustment factor of 39.54% relative to the 2022 approved revenue cap of J\$38.78B;
- Volumetric performance adjustment of positive J\$0.23B;
- System losses performance adjustment of negative J\$0.49B;
- Foreign exchange surcharge of positive J\$0.99B;
- Net interest expense surcharge of positive J\$0.15B.

Further, JPS's proposed performance targets for 2023 include revisions to the Quality of Service (Q-Factor), Thermal Efficiency (Heat Rate) and System Losses performance.

JPS has asked the OUR to consider its operational performance in 2022, and, in accordance with Paragraph 43 of Schedule 3 of the Licence, make adjustments based on its annual performance to the schedule of rates for implementation as of 2023 July 1.

JPS has stated that it has submitted its 2023 Annual Tariff Adjustment Application without prejudice to its rights or positions in respect of the matters which are the subject of the appeals before the Electricity Tribunal. Therefore, the utility is explicitly preserving its right of appeal against aspects of the 2021 and 2022 Annual Adjustment Rate Determination Notices and the 2019-2024 Rate Review Determination Notice.

As is customary, the OUR will make public its decisions on the JPS annual adjustment application. The 2023 JPS Annual Tariff Adjustment application can be found on OUR's website: [www.our.org.jm](http://www.our.org.jm).