

## JPS Customers to See 1.6% Average Rate Increase

**(KINGSTON, Jamaica; 2023 August 24):** Jamaica Public Service Company Limited (JPS) customers will see an average 1.6% increase in their electricity bills following the Office of Utilities Regulation’s (OUR’s) review of the 2023 JPS Annual Tariff Adjustment submission.

The OUR’s decisions became effective on 2023 August 9 and will be reflected in bills received for consumption following that date.

In its application to the OUR, JPS had requested, among other things:

- An overall non-fuel tariff adjustment of 13.2%.
- Annual Revenue Target for 2023 of J\$55.1 billion.
- No adjustment to the 2023 Annual Revenue Cap’s Q-Factor
- No Z-Factor adjustment in relation to its capital project transactions.
- No Z-Factor adjustment on major projects, given this is the subject of a pending appeal by JPS.

JPS had estimated that the proposed 13.2% increase on non-fuel tariff would have a bill impact effect of approximately 0.8% and 0.2% increase for residential and RT40 customers, respectively, and a 2.5% reduction in the average rates of commercial and industrial customers. However, the OUR’s analysis of JPS’s data suggests that the average overall increase for all customer categories would have been about 4.9%.

The OUR approved 5.5% increase on JPS’s 2022 approved Non-fuel Revenue Target. This will result in an average bill increase of approximately 1.6%. The associated changes to the non-fuel rate and charges by customer categories are shown in the Table below.

<b>RATE SCHEDULE -2023 Non-Fuel Rates (Base Exchange Rate J\$155.00:US\$1.00)</b>										
Rate Category	Blocks	Customer Charge (J\$/Month)	Energy Charge (J\$/kWh)				Demand Charge (J\$/kVA)			
			STD	Peak	Partial Peak	Off Peak	STD	Peak	Partial Peak	Off Peak
Rate 10 STD	0 - 100	603.54	8.31							
	> 100		23.86							
Rate 10 Pre-Paid	0 - 117		15.72							
	> 117		23.86							
Rate 20 STD		1,286.87	10.25							
Rate 20 Pre-Paid	0 - 10		138.94							
	> 10		10.25							
Rate 40 STD		9,066.66	6.91			3,105.57				
Rate 40 TOU		9,066.66		6.66	5.96	5.81	1,732.18	1,278.40	371.07	
Rate 50 STD		9,066.66	4.90				2,151.84			
Rate 50 TOU		9,066.66		5.52	4.95	4.82	1,335.70	989.77	353.17	
Rate 60 Streetlight		3,655.91	14.06							
Rate 60 Traffic Signal		3,655.91	13.55							
Rate 70 STD		9,066.66	4.89				2,852.04			
Rate 70 TOU		9,066.66		6.03	5.39	5.26	1,513.41	987.77	354.57	
Electric Vehicles				66.88	13.52	10.32				

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The OUR's approved revenue target of \$50.8 billion is \$4.3 billion less than the \$55.1 billion proposed by JPS.

The OUR approved non-fuel pre-paid rates for residential customers are:

- (i) J\$15.72/kWh for the first 117kWh within a thirty (30)-day consumption cycle.
- (ii) J\$23.86/kWh for each additional kWh thereafter, within that thirty (30)-day consumption cycle.

The OUR also determined that it will retain the previously established heat rate target of 9,470 kj/kWh. JPS had proposed that the heat rate be maintained at the current level of 9,495 kj/kWh. The heat rate indicates the efficiency of JPS's generation plants.

JPS's 2023 Annual Review application is in keeping with the provisions of the Electricity Licence, 2016, which allows for the realignment of the company's revenue targets each year against inflation and foreign exchange rate movements, as well as its performance in the previous year. The Electricity Licence also provides for an Extraordinary Rate Review in the event of any exceptional circumstances that have a significant impact on the electricity sector and/or JPS that were not considered or known at the preceding 5-year rate review. The Annual Review application, submitted by JPS on 2023 May 8, is the third such application for rate adjustment following the 2019 - 2024 Rate Review under the revenue cap regime.

The JPS's 2023 Annual Tariff Review Determination Notice can be found on [OUR's website](#).