ANNUAL **REPORT**

OUR

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

ISO 9001:2015 CERTIFIED

2022 - 2023

CONTENTS

This, the twenty-sixth 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 2022 April 1 to 2023 March 31.

INTRODUCTION

The OUR was established in 1995 by the Office Utilities Regulation (OUR) 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

THE OUR MISSION:

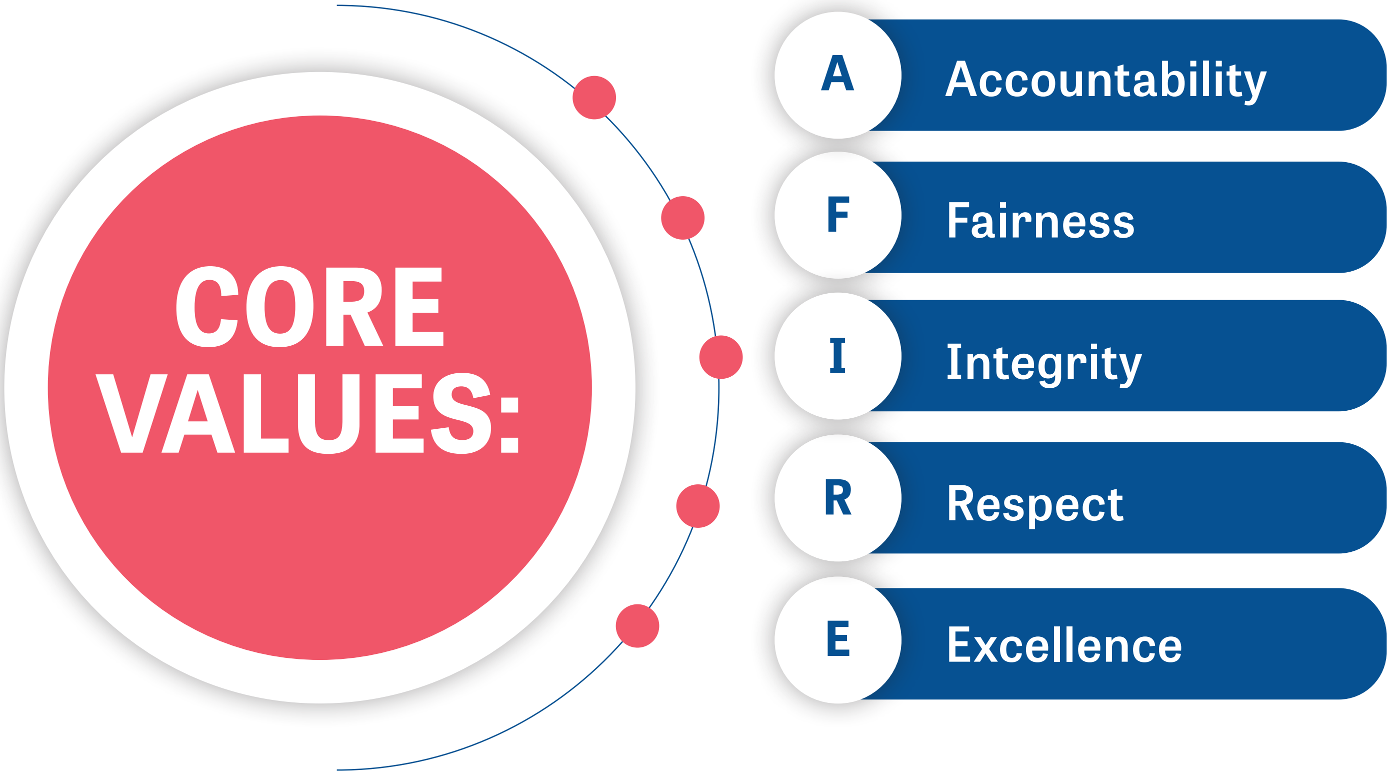
OUR contributes to national development by the effective regulation of utility services that enables consumer access to modern, reliable, affordable and quality utility services while ensuring that service providers have the opportunity to make a reasonable return on their investment.

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.

OUR OBJECTIVES ARE TO:

- 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.



Our Quality Management System (QMS) Objectives are to:

- Maintain certification through successful surveillance audits.
- Maintain a customer satisfaction index of over 90% for OUR customers who utilise the appeals process or complaints procedure.
- Improve the average score for Employees' Collective Interest in Health and Well-being, by 5%, over the 2019 score, by 2023.

THE OFFICE

Professor Alvin Wint
CHAIRMAN

Professor The Honourable Alvin Wint is the 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, before the OUR was established, 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 the Chairman of the Generation Procurment Entity (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 a Professor Emeritus 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 Business Administration in the field of International Business from Harvard University, a Master of Business Administration (MBA) from Northeastern University and a Bachelor of Science degree from the University of the West Indies. He was bestowed with the Order of Jamaica in 2022 for his invaluable contribution to academia and service to both the public and private sectors. Other awards include the Vice Chancellor's Award for All-round Excellence at UWI, an honourary Doctor of Humane Letters degree from Northern Caribbean University, and inaugural membership in the St. Elizabeth Technical High School Hall of Fame.

Noel daCosta
DEPUTY CHAIRMAN

Mr. Noel daCosta has served on numerous boards in the private and public sectors, as well as on charitable organisations 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 twenty (20) years of 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, he was appointed by the Government of Jamaica to the Order of Distinction in the Rank of Commander (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's and Master's degrees in International Relations (minor in Economics) and Public Administration respectively. She has also completed other professional and certificate courses.

She 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, Damien 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. In public service, Damien 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

Ansord E. Hewitt

DIRECTOR-GENERAL
(EX OFFICIO MEMBER)

Mr. Simon Roberts is an engineering and business consultant, focusing on the areas of manufacturing improvements, logistics, compensation design and project management. He 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 (3) food manufacturing plants, and as CEO of Hardware and Lumber Ltd. He also led several new product and manufacturing process innovations, compensation design and implementations, major construction projects, and community development activities at GraceKennedy. He also has over fifteen (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.

He 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.

Mr. Ansord E. Hewitt is the 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. His tenure as Director-General was renewed in 2023 January for a period of five (5) years.

He is a Regulatory Specialist, Economist, and Attorney-at-Law and has over twenty-six (26) years of 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.

Mr. Hewitt joined the OUR in 2000 February and before that worked at the Fair Trading Commission and the Jamaica Bauxite Institute. 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
Alvin Wint ***Chairman***	x	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	x		
Simon Roberts	x	x	x	x		x	x	x	x
Ansord E. Hewitt	x	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 and policy guidance and has oversight of the management team, thus ensuring that the sectors regulated by the OUR receive sound and effective regulatory interventions. The Office also ensures fiscal responsibility, good internal controls and compliance with statutory obligations.

Office Members

The full Office complement comprises six (6) appointed Members and the Director-General, an ex-officio Member. During Fiscal Year 2022-2023, the Office operated with five (5) appointed members, as the vacancy created with one (1) previous member opting not to be re-appointed in 2022 January, was not filled. The Members are highly competent across a range of disciplines including finance, engineering, law, economics, and human resources management. They also evidence a mix of private and public sector and academic experience in areas regulated by the OUR. The current gender mix is one (1) female and five (5) males.

Office Committees

The work of the Office is done through six (6) Committees, which consider matters submitted by staff for analysis and decision. The Committees then make recommendations to the full Office for final decisions and determinations. Each Committee has a minimum of two (2) Members of the Office and is guided by its own Terms of Reference, which outlines its roles and functions. The Committees are supported by the Executive and other staff members as required. Currently, two (2) co-opted Members provide expert advice to three (3) 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	Ensures the OUR's financial integrity, and provides oversight of the organisation's internal controls, risk management, internal audit, and appointment of auditors.	✓ Damien King, Chair ✓ Noel daCosta, Deputy Chair ✓ Simon Roberts, Member ✓ Donald Reynolds (Co-opted Member)
Finance and Budget	Monitors and reviews the effectiveness of the accounting, treasury, materials management, payroll activities, and financial statements.	✓ Simon Roberts, Chair ✓ Damien King, Deputy Chair ✓ Donald Reynolds (Co-opted Member) ✓ Ansord E. Hewitt, Member
Technical	Provides 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.	✓ Noel daCosta, Chair ✓ Yasmin Chong, Deputy Chair ✓ Simon Roberts, Member ✓ Joseph Matalon (Co-opted Member) ✓ Ansord E. Hewitt, Member
Legal Affairs	Provides general legal oversight, guidance to the Legal Department, conducts legal reviews of matters and makes recommendations to the Office. Reviews policy recommendations and monitors the implementation of legislative revisions.	✓ Ansord E. Hewitt, Chair ✓ Cheryl Lewis, Deputy Chair ✓ Alvin Wint, Member
Human Resource and Compensation	Monitors and reviews the effectiveness of the Human Resources 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.	✓ Yasmin Chong, Chair ✓ Noel daCosta, Deputy Chair ✓ Ansord E. Hewitt, Member
Information Technology Committee	Assists 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.	✓ Simon Roberts, Chair ✓ Ansord E. Hewitt, Deputy Chair ✓ Alvin Wint, Member

Table 2: 2022-2023 Attendance Record for Office and Committee Meetings

Office	Full Office (N=11)	Audit (N=4)	Finance & Budget (N=3)	Human Resources & Compensation (N=9)	Technical (N=12)	Legal Affairs (N=1)	IT (N=2)
Alvin Wint	11+1*	N/A	2+1**	7	11	1	1
Noel daCosta	10+1*	4+1**	N/A	8	12	N/A	N/A
Damien King	11+1*	4+1**	3+2**	N/A	N/A	N/A	N/A
Simon Roberts	11+1*	4+1**	3+2**	N/A	12	N/A	2
Yasmin Chong	11+1*	N/A	1*	9	12	N/A	N/A
Ansord E. Hewitt	7+1*	N/A	3+1**	9	10	1	2
KEY: N: - Total number of meetings; N/A: - Not applicable- that is, the person is not a member of that Committee. * Attendance optional ***or*** Special meeting. ** Joint Committee meetings							

Office Meetings

The Office met eleven (11) times to consider matters recommended by the various Committees. A special meeting was convened to approve the Corporate Business Plan and Budget for 2023-2026.

Reports of the Committees

The Audit Committee had four (4) quarterly meetings in the 2022-2023 Fiscal Year. In these meetings, the Committee received regular reports on internal audits, which included findings and resolutions arising from the audits conducted. Furthermore, the Committee reviewed and approved the external auditors' report on the OUR's financial statements for Fiscal Year 2021-2022 in a joint meeting with the Finance and Budget Committee.

The Committee also focused on governance and risk management matters as part of its activities. These included reviewing risk reports, the Procurement Rules and Contracts, as well as the Enterprise Risk Management (ERM) and Business Continuity Plan (BCP) Frameworks. The purpose of these reviews and the resulting recommendations is to enhance the OUR's effectiveness and efficiency in managing the risks faced by the regulator. Additionally, they aim to ensure the timely continuation of critical business processes in the event of a major disruption to operations.

The Committee also recommended a revised Code of Conduct and Business Ethics for approval during the period and provided its views on sector-related matters, including the redrafting of the rules governing the Electricity Disaster Fund.

The Finance and Budget Committee had four (4) meetings during 2022-2023, including a special meeting to approve the Budget for 2023-2024. The Committee also had one (1) joint meeting with the Audit Committee. Throughout the year, the Committee carried out general financial oversight of the OUR's operations. This involved reviewing financial statements and reports, assessing financial management and projections, evaluating operating reserve requirements, deliberating on the budget, and along with the Audit Committee, overseeing the management of the external audit. The Committee also recommended the OUR's Fraud Policy for Office approval during the period.

The Technical Committee met with the highest frequency during the period as it continued its diligent effort to ensure the OUR's delivery of efficient and effective regulations that are appropriate for the sectors under its purview. During its meetings, the Committee advised the technical staff on policy matters, assessed their submissions, and made recommendations to the Office for decisions, determinations, and other

actions. Over the course of the 2022-2023 Fiscal Year, the Committee convened twelve (12) times, including a special meeting to consider the JPS's Annual Rate Adjustment and Extra Ordinary Rate Review Submission for 2022.

Electricity sector matters recommended for approval included the Electric Vehicle Regulatory Framework. The Committee also reviewed the Integrated Resource Plan; JPS's Residential and General Service Time of Use (TOU) Rates; Wigton Windfarm's request for a new Generation Licence; JPS's 2022 Annual Review; JPS's Transformer Protection Programme; and other matters highlighted in the sector reports.

In the water and sewerage sectors, the Committee recommended OUR approvals of tariffs for service providers, including the National Water Commission's Annual Price Adjustment Mechanism for 2022 Rate Adjustment, the NWC's Non-Revenue Water Analysis, and recommendations for licences. These are further detailed in the section on Sector reviews.

The Committee's work in the telecommunications sector included the review of recommendations for carrier and service provider licences and the Determination Notice on Number Portability Administration Fees. 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.

The Human Resources and Compensation Committee had nine (9) meetings in 2022-2023 and continued its focus on OUR's human resource strategy and policies. The Committee provided diligent oversight of the development of crucial policy matters including Sexual Harassment, Recognition and Reward, and Records and Information Management. These policies were subsequently recommended to and approved by the Office. Additionally, the Committee addressed matters pertaining to OUR's Leave Policy and its implementation.

The Legal Affairs Committee convened once during the review period and provided advice or recommendations to the Office on matters pertaining to compliance, oversight, and legal remedies. These included the Electricity Appeal Tribunal and various litigations.

The Information Technology Committee conducted two (2) meetings during the reporting period where it addressed various issues. These included the OUR's proactive steps to ensure compliance with the forthcoming Data Protection Act, with a specific focus on the implementation of Cloud services for secure data storage.

OUR'S Corporate Business Plan and Budget

The Office, as in previous years, was fully involved in the development of the OUR's Corporate Business Plan and Budget for 2023-2027. This spanned providing policy direction in the initial strategic planning stage and approving the final draft Plan and Budget for submission to the Ministry of Finance and the Public Service.

Continuing Development, Awards and Recognition

The Office is required to be up to date on information involving the various industries, regulatory and legislative matters, and areas of national concern such as Data security, etc. For the fiscal year, there was no collective training of members, however, the Chairman and other members participated in training in areas such as Data Protection, Cyber Security, Corporate Governance and Environmental, Social and Governance (ESG) matters.

The OUR participated in the Ministry of Finance and the Public Service's Public Bodies Corporate Governance Awards competition and won the Ann Marie Rhoden Award for Compliance and Disclosure of Information.

Corporate Social Responsibility

In the area of 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. For the Office, it is a *sine qua non* that as a regulator, everything that the OUR does must be in the public interest and for the public good. OUR Members also participated in sensitisation sessions put on by the Ministry of Finance and the Public Service in this area as well as on ESG matters.

The OUR's source of income is the fees it collects from the regulated entities and for licence applications. This is provided for by statute which precludes the OUR using any part of these fees for non-regulatory purposes. The OUR is therefore constrained in its ability to participate financially 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 the regulated entities. The OUR encourages its staff in their individual philanthropic activities.

CHAIRMAN'S REPORT

Professor Alvin Wint
Chairman

I am pleased to report on the OUR's activities for the year under review, specifically on the performance of the Office and preparations for the upcoming period.

As with the prior year, the Office executed its duties with five (5) appointed members, as the vacancy created with one (1) previous member opting not to be re-appointed in 2022 January, was not filled. Notwithstanding, the OUR continued to benefit from the competencies of the Office members who provide a range of experience in finance, engineering, law, economics, and human resources management.

The dedication of the members is exemplified through the rigour with which matters that appear before the Office's six (6) committees are assessed and recommended for Office approval. The achievements of the various committees are detailed in the Corporate Governance section of this Report. The Office, via the Audit Committee, paid keen attention to continued good corporate governance through the review of documents relating to the Business Continuity Plan and the Enterprise Risk Management Frameworks aimed at ensuring the timely continuation of critical business processes in the event of any major disruptions to operations.

The Office's Code of Conduct and Business Ethics was also revised based on the Ministry of Finance and the Public Service's (MoFPS) recommendations for Public Bodies.

"I am also happy to note that in 2022 December, we received the Ann Marie Rhoden Award for Compliance and Disclosure of Information at the Public Bodies Corporate Governance Awards."

We were pleased to receive this independent endorsement.

During the period, the Office reviewed three (3) Determination Notices for the water and sewerage sector, and one (1) each for the electricity and telecommunications sectors. It accepted recommendations from the Technical Committee on licence applications, including eight (8) for consideration for renewal and nine (9) new ones.

The Corporate Planning process is integral to the work of the OUR and to that end, the Office Members were involved in the preparation of the 2023-2027 Corporate Business Plan from the initial strategic planning session to its completion and submission to the Ministry of Finance and the Public Service (MoFPS), in compliance with the stipulations of the Public Bodies Management and Accountability Act (PBMAA).

Information and Communication Technology (ICT) is recognized as a major driver of national development. The national strategy for this sector is to expand the broadband network island-wide and continue to create a regulatory environment conducive to

The OUR received the Ann-Marie Rhoden Award for Compliance and Disclosure of Information at the Public Bodies Corporate Governance Awards held on 2022 December 1. Pictured are Minister of Finance and the Public Service, Nigel Clarke; OUR's Director of Consumer & Public Affairs (Acting), Elizabeth Bennett Marsh and Secretary to the Office, Diana Cummings; Principal Director in the Corporate Services Division, Cabinet Office, Sandra Wright and then President of the Private Sector Organisation of Jamaica, Keith Duncan.

investments in the ICT sector and the country as a whole. The OUR has sought to build on this strategy and has made significant achievements in this regard. Notable among these was the promulgation of Telecommunications (Infrastructure Sharing) Rules, 2022 which became effective on 2023 February 1. The objectives of the Rules are to - (i) optimize the utilization of existing infrastructure; (ii) protect the natural environment by reducing the proliferation and duplication of infrastructure installed across Jamaica; (iii) promote fair and open competition through the provision of equitable access to infrastructure; and (iv) promote the availability of high-quality, efficient, cost-effective and competitively priced telecommunications services to customers.

Challenges faced in the electricity sector continue to be the high cost of fuel and its attendant costs. The Government has again stressed the importance of diversifying the fuel mix, giving particular attention to the generation of electricity from renewable energy sources. The OUR received a number of queries and presentations relating to projects that would be using energy from renewable sources, which could lead to a more economical cost of electricity.

Activities in the sector include tariff reviews, addressing the implications of developments in the sector such as distributed generation and the introduction of electric vehicles, promoting initiatives and incentives to reduce system losses, recommending measures to address sector resilience to technology change, losses and natural disasters and leveraging technology to offer consumers more choices, autonomy and information.

The ongoing promotion of initiatives to reduce non-revenue water was another focus for the water sector. So too, the regulation of private water and sewerage services, and promoting initiatives to expand the water supply.

Utility consumers form our largest block of stakeholder groups, so great emphasis was placed on stakeholder engagements through various activities, educating consumers about emerging trends, monitoring quality of service for all sectors and taking necessary actions to ensure customers' wellbeing.

"Assessing customer satisfaction with not just the utility providers but with OUR's services is also important to us and we will continue to use the necessary tools to conduct this feedback."

Transparency and accountability are action words at the OUR and the Office will continue to ensure that business is conducted in a manner that can withstand scrutiny.

"As I conclude my first full year in the position, I extend my warmest appreciation to the other members of the Office for whom I have the highest regard."

They continue to do sterling work in the national interest, for which I remain very grateful. I also wish to acknowledge the work done by the management and staff of the OUR which enabled the delivery of sound regulatory decisions in the best interest of Jamaica. The Office remains committed to the OUR's mandate and continues to support national development.

DIRECTOR-GENERAL'S REPORT

It is reporting time again and the OUR welcomes and embraces another opportunity to provide an accounting of what we have been doing to fulfil our mandate. As I have often intimated the production of this annual report cannot simply be for the OUR, a perfunctory discharge of statutory obligations. Rather it presents the opportunity for the OUR to provide its best albeit, self-assessment of our annual performance with the expectation that our readers will let us know the extent to which what is presented in the ensuing pages accords with their own realities.

In short it reflects our own acceptance of and commitment to accountability and transparency.

In many respects, 2022-2023 marked a return to normality for both the OUR and the regulated sectors albeit, as is now both a truism and a cliché – a new normal. The OUR found it useful in terms of its operational efficiency to continue and embed some of the practices and modes adopted to good effect during the pandemic. Notably, we continued to exercise flexibility with regard to remote work, the deployment and use of technology and virtual engagement with stakeholders. At the same time, we returned to welcoming face-to-face contact with many of our stakeholders including walk-in customers. The utilities made commendable efforts to re-institute performance measures put on hold since 2020 March . We were also heartened to note a gradual reduction in customer complaints to the OUR from quarter to quarter during the year.

Notably while the sectors continued to show some level of rebound, there continue to be challenges, however, through all of this, opportunities abound.

Electricity Sector

For the electricity sector, the Ukraine/Russia conflict following hard on the COVID pandemic, disrupted the fuel supply chain and led to spikes in fuel prices stymieing the pace of electricity demand recovery from the pandemic. This was exacerbated by increasing defection from the grid as customers seek more cost-effective solutions to their electricity supply in the face of escalating financial costs in transmitting and distributing electricity. As a result, demand for electricity even while evidencing recovery was still below the annual demand attained prior to the pandemic.

We remain cognisant that electricity is the highest monthly utility expense for residential and business customers. It is also the case that a significant major input cost into the final determination of electricity rates is both unregulated and outside of the control of the system operator. In the face of this reality, the OUR maintains the firm conviction that continuing the drive to diversify fuel sources, modernise the generation and transmission system, and attain greater cost efficiencies are policy and operational imperatives.

We are heartened though by no means satisfied with our progress since 2016. Between 2016 and 2022, the electricity sector attracted over US$1-billion worth of investment in various projects. Concurrent with this, the increase in the percentage of renewables in the fuel mix doubled, moving from 6% to 12.4%. The OUR is also keeping in focus the government's aspirational target to increase renewable energy to 50% of the fuel mix by 2030. While we accept that achieving this target will hinge a great deal on the work of other entities such as the Generation Procurement Entity (GPE) and the Ministry of Science, Energy, Technology and Transportation (MSETT), the OUR is committed to lending its support to the attainment of this objective and to ensuring that it results in a greater public benefit to rate payers. Indeed, it is noted that at the time of preparation of this report, the GPE has already given notice of its intention to procure some 100MW of renewable generation capacity beginning later in the calendar year 2023. We estimate that the overall investment requirement to achieve meet the 50% renewable portfolio target by 2030 is in the order of US$1.2 billion

Director-General, Ansord E. Hewitt (centre) participated in a panel discussion on "Regulatory Responses to Evolving Technologies" at the CANTO Annual Conference on 2022 July 17-20, in Miami, Florida.

Last year I underscored how the conversion to Liquefied Natural Gas (LNG) as a deliberate policy by the Government of Jamaica and supported by the OUR and other stakeholders held us in good stead and allowed Jamaica to weather the COVID storm in less treacherous waters than it could have been for the electricity sector if we had retained our heavy or sole reliance on Heavy Fuel Oil (HFO) and Automotive Deisel Oil (ADO). That point was further amplified in the ensuing effects of the Ukraine/Russia conflict where even though the price of LNG went up, the adverse effect on Jamaica would have been far worse were the same outdated HFO and ADO fuelled plants still in operation. Notably, the greater use of indigenous renewable generation sources also served as a cushion against the increases that were seen in international fuel prices. We continue to make the point because it bears emphasizing that the benefits of the initiatives that have been taken in the electricity sector in recent years have to be assessed within the context of the relative changes in the prices of HFO and natural gas, the cost of integrating renewables into the grid, the capacity, efficiency and operating cost of the new plants and any improvement in the reliability of the electricity system and its capacity to deliver improved service to the public.

As we continue looking for opportunities in the electricity sector to lower rates, the OUR is convinced that emphasis must be placed on increasing both the aggregate and per capita electricity consumption. Therefore, policies that diversify the use of electricity and incentivize consumption outside of traditional high-cost periods are encouraged. Our initiatives to provide the government with recommendations on the development of a policy and legislative framework to guide the efficient introduction and sustainability of the electric vehicle market in Jamaica and make provisions within our tariff determination for the introduction of Time of Use electricity rates are manifestations of our conviction in this regard.

System Reliability

Without a doubt, the electricity system has seen significant improvements over the last two decades, rendering instances of frequent, widespread outages and interruptions distant memories. Indeed, today's consumers are impatient of any interruption to the power system and rightly so as there is a need for vigilance to ensure that the well-won achievements in system reliability are maintained and improved upon. To this extent, a critical element in maintaining this focus is ensuring the accurate measurement and monitoring of system operating performance parameters. In this regard, performance metrics are used by the OUR to provide a framework for quantitative reliability measurements and quality of service (Q-Factor) assessments. While there is perhaps no need to sound the alarm at this stage, the OUR is concerned that those metrics have indicated a deterioration in the system outage performance in the year under review.

For 2022, JPS recorded 106,343 system outages, representing a 51% increase over 2021 (70,563). Of this total, 2,712 were reported as "planned outages", while 103,631 were recorded as outage events, which resulted in supply interruptions to customers. The 2022 reliability data also show that on average, momentary interruptions per customer increased drastically (204.2%) in 2022 relative to 2021, reflecting a worsening in performance over the period.

Notably, a decline in these variables in 2021 resulted in JPS suffering a financial penalty when its performance was evaluated in the 2022 Annual Tariff Review against the pre-established targets. The 2023 Annual Tariff Review was underway at the time of preparing this report but suffice it to say that the level of reported interruptions seen for 2022 does not bode well.

Water Sector

As is also the case elsewhere, sufficient capital has long been the bugbear of the water sector where state ownership dominates. Therefore, the strategic approach is to use Public Private Partnership (PPP) arrangements to mobilize the necessary capital to improve efficiency and water access. For Jamaica, the reactivated Rio Cobre Water Treatment project and the Non-Revenue Water (NRW) project are examples of this. The latter, done in collaboration with MIYA Jamaica, by NWC's account, has already seen over twenty (20) percentage point reduction in NRW for Kingston and St. Andrew. The project with the OUR's approval has moved to Portmore where it is hoped that there will be similar if not better results. The K-Factor Fund has been instrumental in fund-sourcing for this well-needed project.

With respect to the RIO Cobre project, the NWC, under a PPP arrangement with its private partners, is seeking to procure the design, financing, building, operating and maintenance of a 15 million gallons per day (MGD) facility to increase water supply to the Kinston and St. Andrew area. The facility will eventually be handed back to the NWC after a fixed number of years. The OUR has reviewed and supports the project in principle and will be vigilant to ensure that it delivers the best value to ratepayers.

The NWC has also signalled its intention to implement an All-Island NRW Programme to address NRW in the various water systems. The OUR considers this a commendable move by the NWC but will also need evidence of the success of previous projects before giving this its imprimatur.

Small Water Providers

Matters pertaining to the small water providers continue to concern me. In 2022-23, we received three applications for rate reviews by small water providers. The quality of the submissions has effectively delayed our review as in all cases, the OUR had to request additional information to enable it to make informed decisions on the applications. This suggests that some work is needed to further educate small water providers about the provisions under their licences, how rate reviews should be conducted, how they are applied, and the essential supporting information required to be submitted with such applications.

Much time was spent during the period focussing on the ongoing issue affecting residents of St. Jago Hills community in St. Catherine whose supplier, St. Jago Hills Development Limited indicated that it would discontinue service to the community as of 2022 December 31. The OUR continues to intercede within its regulatory powers as we remain committed to assisting with a long-term solution to the provisioning of water to the community.

It is also clear at this stage that there may be a need to urgently review the approach to recommending the award of licences to small providers and the conditions attached to such operators. There is also emerging concerns regarding company structure, capital financing and operating asset ownership. This is a matter to which the OUR will direct its focus in the upcoming years, especially in the context of its expressed commitment to pay more attention to these operators going forward. Government's enactment of comprehensive sector legislation, a matter that has been a constant refrain in this message for as long as I have been writing it, would be of some help in addressing these matters.

Notably, the expected tariff application from NWC did not materialize during the year. The continued delay by the NWC is a matter of concern to the OUR especially given its effect on our planning process. We therefore continue to urge the NWC to conclude its analysis and make its submission in the upcoming year.

Telecommunications Sector

Jamaica's Information and Communication Technology (ICT) sector is recognized as a major driver of national development. The national strategy aims to expand the broadband network across the country and promote greater use of ICTs. To achieve this, the OUR is constantly seeking to ensure that there is a regulatory environment that is favourable to ongoing ICT investments, promotes various information delivery systems and networks, incentivises compliance, and improve the delivery of services to customers.

Among the activities undertaken during the year in support of these objectives were developing Consultation documents on Outage Protocol to improve network resiliency, reviewing the International Mobile Subscriber Identity (IMSI) Assignment Guidelines, promulgating

Infrastructure Sharing Rules and continuing our work with MSETT which is responsible for ICT and the Office of the Parliamentary Counsel to complete rules to define and report on quality of service standards and for dispute resolution.

The Infrastructure Sharing Rules which aim to facilitate the sharing of active and passive infrastructure among operators have been long in their gestation so I am happy that their promulgation is now realised. The rules are applicable to both mobile and fixed infrastructure and outline the process by which licensees can request to share the infrastructure of another licensee. My hope is that the existence of these rules will reduce the need for duplication of facilities and make new investments and diversification of services less costly.

The consultation on an Outage/Disaster Protocol aims to provide the OUR with the needed data/tools to monitor the service restoration activities of the operators, the magnitude of outages and identify common recurrent threats to the normal functioning of networks and services with a view to ensure that service providers take the necessary countermeasures to mitigate the risk of recurrences in the future. Once finalized, this will enable the OUR to monitor service restoration activities, identify recurrent threats, and ensure appropriate countermeasures were taken. The protocol will also address the resilience and redundancy of telecommunications networks during disasters, including national roaming agreements and emergency mobile roaming. I am personally looking forward to our decision document on the Outage Protocol and the resiliency measures that will be published in by the third quarter of 2023-2024, as we continue to address some glaring gaps in the ICT sector.

Quality of Service

As we continue to place heavy focus on Quality of Service (QoS) issues, I

am pleased to report that the final phase of our Information Transparency in the Telecommunications sector decisions was implemented on 2022 April 1. The decisions were phased in between 2020 and 2022 and are designed to ensure greater transparency by the telecommunications entities in their initiatives and services to customers.

Concurrent with our collaborative efforts to get finalised quality of service rules, the OUR's ICT Unit is working on establishing a Quality of Service/Experience (QoS/QoE) monitoring and reporting regime to provide consumers with meaningful information about the quality of telecommunication services. We expect therefore that once the long-awaited QoS Rules are in place, we will be able to hit the ground running.

Mobile and Fixed Broadband Services

The broadband market continues to grow steadily. As of 2022 December 31, there was a 3% increase in fixed broadband subscriptions over the prior year and an 8% increase in mobile broadband subscriptions when compared to the figure for 2021.

Given the continued demand for numbers increasingly for other uses, such as machine-to-machine communication (Internet of Things), we anticipate the activation of the 658 area code through the roll-out of numbers under this new code in 2023-2024.

Looking ahead, apart from the activation of the new area code, we will review the Number Portability Framework, develop a regulatory framework for Mobile Virtual Network Operators (MVNOs), and operationalise the quality-of-service and dispute resolution rules. We will also need to continue to deepen and expand OUR collaboration across all sectors, institutions and stakeholders, closing all gaps and leaving no one behind. The brave, intimidating and fascinating new world of Artificial Intelligience (AI) is also upon us and the OUR will also need to grapple with the implications of this for both its operation and what it places on its ICT regulatory agenda.

Consumer and Public Education Matters

One of our primary mandates is to address consumer issues and ensure they receive service quality as legislated. We interact with utility customers daily and remain the avenue of appeal for utility customers who are dissatisfied with how the applicable utility provider handled their matter.

During 2022-2023, we saw a decline in contacts made to our Consumer Affairs Unit compared to 2021-22 and 2020-21. This is not unexpected, as the prior two years saw an unusual spike in complaints due to service quality issues and increased usage brought about by the COVID-19 pandemic. Complaints about billing and service interruptions remain the significant areas of complaints received. Notwithstanding the decline, the figure is still higher than pre-pandemic levels. We will continue to monitor and report on this but even more importantly we are also keen to ensure that the result of this informs the initiatives we take to further empower utility consumers.

Notably in this regard is that apart from handling individual customer matters, our Consumer and Public Affairs Department continued work on service quality issues affecting a broad crosssection of utility customers. These include developing draft decision documents on revised Guaranteed Standards for JPS and NWC and complaints handling procedures for the utility providers.

Our annual Mystery Shopping exercise for 2022 yielded disappointing results and showed a deterioration in service received at the major utilities, whether in-store, via telephone or online. The findings were shared with the utility providers, and some focus was placed on them at our annual QoS Symposium held in 2022 November. I look forward to seeing improved results in the 2023 Mystery Shopping exercise.

Stakeholder Engagements

Stakeholder engagement is an essential component of our work activity throughout the year. I was pleased that we were able to stage the 9th Annual Director-General's Stakeholder Engagement under the theme, 'The Advancement of Technology and Impact on Customer-Utility Relationship'. Deputy Director-General Cheryl Lewis gave the State of the Utility Sector address. We received unique perspectives on the topic from our panelists who were drawn from Jamaica, Barbados, the USA and Ghana.

As we continue educating the media about emerging utility matters, we were also pleased to host another Regional Media Workshop. The focus was on 'Electric Vehicles – the Road to a New Market'. We heard varied views of the regulator, electricity provider and supplier with panelists drawn from Jamaica, St. Lucia and Canada.

We always consider it a duty to meet utility customers where they are most comfortable, to educate them about their rights and responsibilities and what we do at the OUR. To this end, we continued to participate in outreach activities across the island, whether they be face-to-face or virtual, in the workplace or community. We also broadcast two webinars on salient utility matters and held customer consultations on tariff applications reviewed.

Human Resources

We continue to grapple with inadequate human resources in some departments, to carry out some of our critical functions efficiently. Obtaining approvals for additional critical posts and appropriate remuneration levels to put the OUR in a position to attract and retain the right skill is critical to resolving this issue which is rapidly approaching a critical breakpoint. We did substantial work to complete an organisational review and job assessment exercise during the year and expect to present this to the Ministry of Finance and the Public Service during fiscal 2023-2024 for expedited approval. We are also hopeful that the finalization of the OUR's compensation package following the settlements for the wider public sector will provide us with realistic options in terms of the remuneration levels we will be able to offer especially the core skill set the OUR requires in order to continue to be an effective and progressive regulator.

As an important corollary to remuneration levels and being outfitted with the appropriate positions, ongoing capacity development is and has always been a critical focus for the OUR. We will therefore continue to devote substantial resources towards this. This put on hold some projects and, in some instances, scaled back our efforts over the last two years. However, we expect to return to full throttle on this front in the next fiscal period.

Quality Management System (QMS)

I am happy to report that the OUR has maintained its ISO 9001:2015 certification after undergoing our annual surveillance audit conducted by the National Certification Body of Jamaica (NCBJ).

Our Internal Audit Unit continues to be vigilant in ensuring we remain in compliance with our QMS systems by conducting the required Process Audits. In addition, the Unit ensured effective internal controls and governance through audits and advisory services, leading to improvements in the organisation's operations.

Table 1: Director-General's Stakeholder Participation

No	Date	Event	Presentation Topic/Participation
1.	2022 May 4-5	US Department of Commerce Workshop on Digital Connectivity	Digital Connectivity
2.	2022 May 30 – June 3	World Summit on the Information Society Forum 2022	Reported on actions being taken by Jamaica to bridge the digital divide considering new technologies and gaps exposed by the COVID-19 pandemic and ensuring inclusiveness for vulnerable groups in society such as persons with disabilities.
3.	2022 July 17-20	CANTO- 37th Annual Conference and Exhibition Show (Miami)	**Panel discussion -** Regulatory Responses to Evolving Technologies
4.	2022 September 6-9	US Department of Commerce	Follow–up Workshop on Digital Connectivity
5.	2022 September 20	Caribbean Climate-Smart Opportunities Summit	**Panel discussion -** Grid Resilience in a Disruptive Climate Environment
6.	2022 September 26 – October 14	International Telecommunications Union Plenipotentiary Conference 2022	Part of Jamaica's delegation
7.	2022 October 27	Sensitization Session for Key Decision Makers Workshop Development Bank of Jamaica (IDB)	Workshop on the use of Public Private Partnership financing instrument.
8.	2023 January -31 – February 3	IDB Caribbean Energy Dialogue	Meeting in Washington to engage in dialogue on policy initiatives to drive the adoption of renewables.
9.	2023 February 24	Information and Communication Technologies (ICT) Pulse Podcast	**Panel discussion** Regulation- Is it still needed in our Increasingly Digital World?
10.	2023 February 28 – March 1	Caribbean Development Bank, Regional Electricity Sector Regulatory Workshop in Barbados	Made remarks on behalf of Organisation of Caribbean Utility Regulators (OOCUR) and cochaired a panel

Stakeholder Participation

The OUR has never been an insular institution. We are known for taking the lead in the international arena and lending our expertise locally, regionally and internationally. I am committed to continuing this tradition which is pretty much embedded in our institutional DNA. Consistent with this, I had the opportunity to participate in a number of local and international events (in-person and virtually) during the year as we continue to share perspectives and gain new ones on the regulatory environment over which the OUR has oversight. Some of these are included in the Table 1.

It is my considered view that the extension of invitation to participate in these activities in a number of instances at the invitees' expense underscored the value that is placed on the OUR's input. At the same time our participation continues to give the OUR's the kind of local, regional and international exposure that further burnishes our image as a leading international regulator.

25th Anniversary Observation

The observance of the OUR's 25th-anniversary continued throughout 2022 culminating with a Long Service Awards and Dinner in December. Staff members who served between five (5) and (25) years were honoured. It was a fitting end to the year-long observation. It is also a source of great satisfaction to me that of the approximately 74 members on our team 51, or about 69% were honoured. At the function I said then, and reiterate here that I salute my team members for the contribution they have made to creating a first-class institution which has and I am supremely confident will continue to meet the challenges of the time and to take a hold of, and continue to bend the arc of the country's infrastructure and development towards ongoing progress.

Outlook

In some respects, the OUR is an institution in transition and a concerted effort will need to be made over the next few years to ensure that as we lose critical skills to other prospectors, mortality and retirement, there are able replacement and that there is also the accumulation, preservation and transitioning of institutional knowledge and capacity. I propose to give this special attention over the ensuing years in terms of increasing our attention to professional development, entrenching a learning management system and making sure that more of our processes and practices are formally documented for posterity and succession. At the same time, I propose to continue the efforts to bring new functions within the organisation to meet expanded responsibility and work volume even while ensuring that our staffing decisions are optimal.

The upcoming year, despite our best efforts, will likely see the coinciding of both the JPS five-year tariff review and the delayed NWC tariff review. At the same time, the procurement activities planned and being executed by the GPE will make a significant call on the OUR's resources both formally and informally. The ICT sector is expected to continue to buzz with planned and unplanned activities some of which are not even formally included in our work plan. The experience has also been that the OUR continues to be called upon to lead and lend its expertise to activities that are no longer formally within its remit but for which by dint of legacy experience, it still retains skill sets and institutional knowledge.

I am conscious of the tremendous pressure that all this places and will place on our staff who continue to give their professional best and operate with grace under pressure. Even so, we admit that there are still a number of work plan items and projects that are well behind schedule and for which we will need to redouble our efforts to get back on track.

It has been another demanding year for the appointed members of the Office who continue to lend time and cerebration to the OUR's work well beyond normal expectations. The OUR and the country continue to owe them a debt of gratitude for the work that they do.

The planned activities for 2023-2024 and beyond are set out in our 2023-2027 Corporate Business Plan which has been uploaded on our website. We invite our stakeholders to peruse this to get a more detailed sense of the priority matters on our agenda for the next period.

We have also reported herein on a number of matters that are pending before Tribunals and the Courts relating to past decisions. While we are confident that we have been thoughtful, deliberate, rational and evenhanded in the decisions we have made, we also respect and welcome challenges by aggrieved stakeholders as we consider that these both serve to enhance accountability and provide greater clarity as to what is settled in law. At the same time, we have a duty to alert the public to the risk that in the event that we are reversed on some of these decisions, they may have adverse retroactive cost repercussions.

We thank our public for affording us the privilege of serving you for another year, putting up with our shortcomings, engaging with us on our various consultations, telling us often when you disagree with us and on a few occasions commending us for the work we do. We commit to continue to think and work creatively to resolve difficulties, to remain forward-looking and to do all in our powers to merit your respect even when we disagree.

Ansord E. Hewitt
Director-General

Summary of Publications

TELECOMMUNICATIONS		
Category	***FY 2022 April – 2023 March***	***FY 2021 April – 2022 March***
Determination Notices	✓ Number Portability Administration Fees, 2022	✓ 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
Quarterly Sector Reports	✓ Telecommunications Market Information Report 2021 October - December ✓ Telecoms Market Information Report 2022 January - March ✓ Telecoms Market Information Report 2022 April - June ✓ Telecoms Market Information Report 2022 July - September	✓ Telecommunications Market Information Report 2020 July - September ✓ Telecommunications Market Information Report 2020 October-December ✓ Telecoms Market Information Report 2021 January - March ✓ Telecoms Market Information Report 2021 April - June ✓ Telecoms Market Information Report 2021 July - September
Consultation Document	✓ Outage Reporting Protocol and Measures to Improve Resiliency in Disasters ✓ Use of IMSIs in the Fixed Network	✓ Review of the Number Portability Framework - Phase 1 ✓ Supplementary Consultation for the Cost Model for the Assessment of Fixed Infrastructure Sharing Rates
Industry Notification	✓ Telecommunications Industry Notification - Re: Operationalisation of the Jamaican Common Short Code Scheme ✓ Telecommunications Industry Notification - Re: Approval for the Establishment of Temporary Fixed Locations in Residential Communities to Facilitate Porting Transaction	✓ 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: Dialling Distinction between Local 888 Toll-Free Numbers and North American Numbering Plan 888 Toll-Free Numbers
Request for Quotation	None was issued in this period.	✓ Consultancy Services to Assess the Potential for Jamaica's Digital Transformation
Guidelines	✓ The Telecommunications (Number Portability) Rules 2014 - Industry Number Portability Guidelines ✓ Technical Requirements for Telecommunications Licences Application ✓ Technical Requirements for Telecommunications Licences Renewal Application	None was issued in this period.

ELECTRICITY		
Category	***FY 2022 April –2023 March***	***FY 2021 April – 2022 March***
Determination Notices	✓ Jamaica Public Service Company Limited Annual Review 2022	✓ Jamaica Public Service Company Limited - Annual Review 2021
Responses	None was issued in this period.	✓ 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
Directives	✓ Second 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	✓ 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
Consultation Document	None was issued in this period.	✓ Stakeholders Consultation Document: Proposals For A Regulatory Framework To Facilitate The Penetration Of Electric Vehicles In Jamaica, 2021 April
Public Notice	✓ Net Billing Energy Prices – 2021 November - 2022 May ✓ Net Billing Energy Prices - 2022 June ✓ Net Billing Energy Prices - 2022 July ✓ Net Billing Energy Prices - 2022 August ✓ Net Billing Energy Prices - 2022 September ✓ Net Billing Energy Prices - 2022 October ✓ Net Billing Energy Prices - 2022 November & December ✓ Net Billing Energy Prices - 2023 January	✓ 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 2021 May - June ✓ 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 – 2021 August ✓ Net Billing Energy Prices – 2021 September ✓ Net Billing Energy Prices – 2021 October
Request for Proposal	None was issued in this period.	✓ Consultancy Services to Provide Rate Design Analysis in Response to Jamaica Public Service Company Limited 2021 Annual Filing
Reconsideration Decision	None was issued in this period.	✓ Jamaica Public Service Company Limited - Annual Review 2021 - Reconsideration Decision
Report	✓ NFE South Power Holding Limited - Request for Recovery of Duties for 94MW CHP Plant - Evaluation Report ✓ Jamaica Public Service Co. Ltd Parish Office Closure Impact Assessment - Phase One ✓ Investigation into Jamaica Public Service Company Ltd Transformer Protection Programme Pilot Project - Investigation Report	✓ Evaluation of JPS's 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

WATER AND SEWERAGE		
Category	**FY 2022 April – 2023 March**	**FY 2021 April – 2022 March**
Determination Notices	✓ National Water Commission Annual Price Adjustment Mechanism–2022 Rate Adjustment ✓ Runaway Bay Water Company (RBWC) Annual Price Adjustment Mechanism–2022 Rate Adjustment ✓ Dynamic Environment Management Limited Annual Price Adjustment Mechanism–2022 Rate Adjustment	✓ Runaway Bay Water Company Limited Annual Price Adjustment Mechanism – 2021 Rate Adjustment ✓ Dynamic Environmental Management Limited Annual Price Adjustment Mechanism – 2021 Rate Adjustment
Directive	None was issued in this period.	✓ 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

CONSUMER AND PUBLIC AFFAIRS		
Category	**FY 2022 April – 2023 March**	**FY 2021 April – 2022 March**
Quarterly Performance Reports	✓ Quarterly Performance Report – 2022 – January - March ✓ Quarterly Performance – 2022 April – June ✓ Quarterly Performance – 2022 July – September ✓ Quarterly Performance – 2022 October – December	✓ Quarterly Performance Report – 2021 January - March ✓ Quarterly Performance – 2021 April – June ✓ Quarterly Performance – 2021 July – September ✓ Quarterly Performance – 2021 October – December
Directive	✓ Directive To Cable & Wireless Jamaica Limited and Columbus Communications Jamaica Limited to Comply with the Office of Utilities Regulation's Information Request Regarding Compliance with the Improving Information Transparency in Telecommunications Markets Determination Notice	✓ None was issued during this period

OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefits of All...

Maurice Charvis Deputy Director-General | **Cheryl Lewis** DeputyDirector-General | **Ansord E. Hewitt** Director-General | **Cedric Wilson** Deputy Director-General | **Patricia Watson** (standing) Executive Assistant

THE EXECUTIVES

DEPARTMENTAL **REPORTS**

OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefits of All...

SECRETARY TO THE OFFICE (STTO)

Diana Cummings Secretary to the Office	**Carlene Dunbar** Licensing Officer	**Peta-Gaye Locke Rankin** Manager, Licensing	**Thalia McPherson** Project/ Research Officer

SECRETARY TO THE OFFICE (STTO)

This Department is responsible for the effective and efficient functioning of the Office, including its decision-making processes and 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 application 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 2023-2027 Corporate Business Plan and Budget were submitted to the Ministry of Finance and the Public Service by the statutory deadline of 2022 December 31. The Plan includes work in the sectors as well as the supporting aspects of the business.

Regulatory Document Standardisation Project

This project's scope encompasses a comprehensive standardization process of regulatory documents produced by the OUR. The aim is to enhance the clarity of the regulatory papers and address the idiosyncrasies related to the various sectors while streamlining the formatting, significantly reducing the time dedicated to such document preparation. The project commenced on 2023 March 13, with a kick-off meeting and a review of the existing Determination Notices and Directives.

Licences

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

Table 1 –Telecommunications Licence Applications Processed in 2022-2023

	Entity	Licences Issued	New (N)/ Renewal (R)
1	Apito Limited	(i) Internet Service Provider	R
2	Broadband by Home Town Limited	(i) Internet Service Provider (ii) Carrier	N N
3	Digicel (Jamaica) Limited	(i) Internet Service Provider (ii) Data Service Provider	R R
4	Neptune Communications (Jamaica) Limited	(i) Internet Service Provider (ii) Carrier	N N
5	NextGen Solutions Ltd	(i) Internet Service Provider (ii) Carrier	N N
6	Solar Internet Repairs S.I.R. Tech Jamaica Limited	(i) Internet Service Provider (ii) Carrier	R N
7	Starlink Services Jamaica Limited	(i) Internet Service Provider (ii) Carrier	N N
8	Telecomb Networks Limited	(i) Internet Service Provider (ii) Domestic Voice Service Provider (iii) Domestic Carrier	R R R
9	Verge Communications Limited	(i) International Voice Service Provider	R

Telecommunications Sector

The OUR conducted the usual due diligence exercise, resulting in recommendations for grant of telecommunications licences to the following entities:

Water and Sewerage Sector

In 2022-2023, there were four (4) new and three (3) renewal applications for licences in the Water and Sewerage Sector. All applications received are currently being processed. 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 (MEGJC) in 2021 was, at the time of this report, still being processed.

The renewal of Water Supply Licence to Four Rivers Development Company Limited was issued by MEGJC on 2023 March 1.

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

CONSUMER & PUBLIC AFFAIRS (CPA)

(From left) **Peta-Gaye Campbell** Consumer Affairs Officer (Acting) | **Beverley Green** Consumer Affairs Officer | **Colleen Mignott** Coordinator - OURIC & Information Officer | **Jade-Anne James** Consumer Affairs Officer | **Shara Barnett** Consumer Affairs Officer | **Beverley Robinson** Consumer Affairs Officer (Acting) | **Jodian Coultman** Coordinator- Consumer Affairs (Operations (Acting) | **Elizabeth Bennett Marsh** Director, Consumer and Public Affairs (Acting) | **Gordon Brown** Coordinator, Public Affairs

CONSUMER AND 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 who are utility customers in general. The CPA Department spearheads all utility customer consultations, manages the organisation's public image, and discharges the OUR's public education functions. The Department consists of two units. The Consumer Affairs Unit (CAU) which 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 during the period

- **JPS and NWC Guaranteed Standards Review Consultation**
- **Guidelines for Complaints Handling**
- **2022 Mystery Shopping**
- **Director-General Stakeholder Engagement**
- **Launch of OUR's Digital Library**

CONSUMER AFFAIRS UNIT

Consumer Appeals and Resolution

Between 2022 April 1 and 2023 March 31, the Consumer Affairs Unit (CAU) received three thousand eight hundred and twenty-three (3,823) contacts, in relation to the provision of utility services (See Table 1). Of these contacts, thirty-three (33) (or 1%) were accepted for investigation under the Appeals Process, two thousand and fifty-two (2,052) (or 54%) were handled in-house, while the remaining one thousand seven hundred and thirty-eight (1,738) (or 45%) were referred to their respective service providers for resolution. The contacts received represent a 34% decrease over the 2021 April 1 - 2022 March 31 period.

Table 1: Annual Contacts Managed by Consumer Affairs Officers (2018 – 2023)

Service Providers	Periods				
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
JPS	1,955	2,608	2,794	1,433	1,559
NWC	1,055	1,363	1,380	924	955
C&WJ (FLOW)	156	465	1,126	867	428
Columbus Communications (FLOW)	458	965	970	499	474
Digicel	108	164	275	245	245
Others	91	227	325	128	107
Total	**3,823**	**5,792**	**6,870**	**4,096**	**3,768**

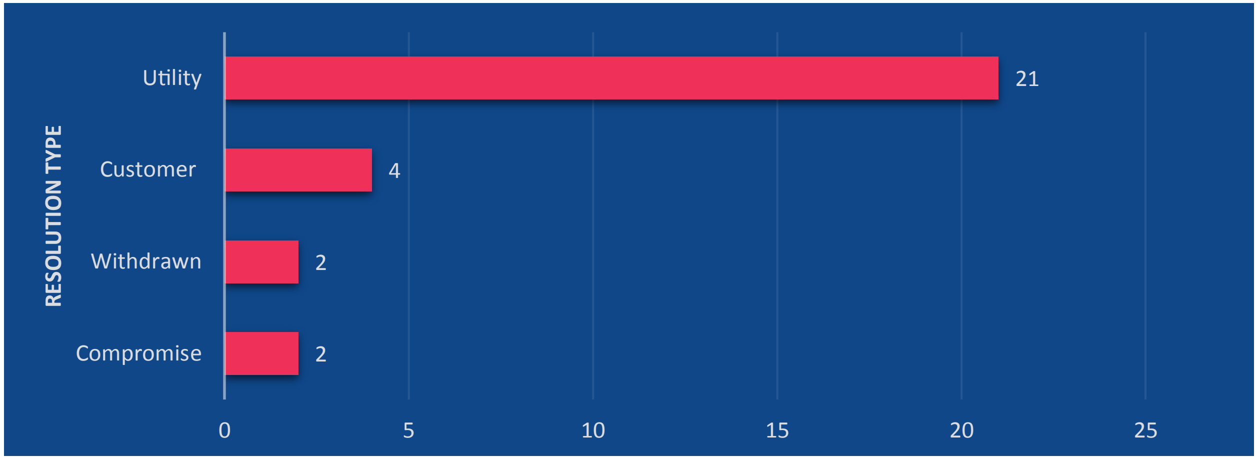
Thirty-three (33) new appeals were received of which Jamaica Public Service Company Ltd (JPS) and the National Water Commission (NWC) accounted for eighteen (18) and fifteen (15) respectively. Ten (10) appeals remained unresolved up to 2021 March 31 (Table 2) and these were carried forward to the new reporting period, bringing the total number of appeals to forty-three (43).

Twenty-nine (29), representing 67% of the forty-three (43) appeals that were investigated during the period were resolved. Of those resolved, 7% were resolved through reaching a compromise,

Table 2: Appeals Summary for 2022 April 1 – 2023 March 31

Description	No. of Appeals
Appeals from Previous Periods	10
Appeals Received during Reporting Period	33
Total Appeals for Reporting Period	43
Appeals Resolved during Reporting Period	29
Total Appeals at End of Reporting Period	**14**

Figure 1: Appeals Resolution



Collette Goode
Manager, Consumer Affairs

Table 3: Appeals Resolution for the Period 2018-2023

Description	2022-2023	2021-2022	2020-2021	2019-2020	2018 -2019
Appeals from previous periods	10	24	16	21	21
Appeals received during the reporting period	33	32	67	38	51
Total appeals for reporting period	43	56	83	59	72
Appeals resolved during reporting period	29	49	59	43	51
Appeals resolution rate for reporting period	67%	82%	71%	73%	71%

Camesha Irving
Administrative Assistant

7% were withdrawn by the customer, 14% were in favour of the customer and 72% 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 3.

In relation to the established sixty-five (65) working days to complete investigations of customers' appeals, of the forty-three (43) appeals reviewed during the reporting period, 51% were completed within the timeline and 16% were completed outside the timeline. The remaining

33% percent consisted of: nine (9) appeals that had not exceeded the closure timeline and five (5) appeals that had exceeded the closure timeline.

For the thirty-three (33) new appeals received, eighteen (18) were due to be closed by the end of the review period and fifteen (15) were due to be closed in the next review period, in keeping with the established appeals timeline. Of the eighteen (18) to be completed within the review period, 78% were completed within the established timeline while the remaining 22% were completed outside the timeline.

Main Customer Concerns

At 51% and 14% of total contacts respectively, billing matters and service interruptions continued to be the main cause of persons contacting the OUR. The nature of the billing contacts included: customers' dispute of billed charges to their account, high consumption charges and concerns relating to estimated and retroactive billing. Disconnection, at 5%, accounted for the third highest number of total contacts, while all other contact categories each accounted for 3% or less of total contacts.

Consumer Affairs Highlights:

JPS and NWC Guaranteed Standards Review Consultation

The Guaranteed Standards (GS) are performance measures that guide the provision of utility services delivered by the NWC, small water providers and JPS. If the companies fail to honour the agreement, the affected customers are entitled to compensation, which is applied as a credit to their utility accounts.

The OUR, during 2022, completed the consultation on the review of the GS for JPS and NWC. The consultation was conducted to garner feedback from the public, including the service providers, on, among other things, the:

i. Relevance of the existing GS Schemes for JPS and NWC;
ii. Levels of satisfaction or dissatisfaction with the areas of focus under the existing GS Schemes for JPS and NWC; and
iii. Changes, if any, that are needed to ensure that the GS Schemes for JPS and NWC meet the needs of customers; and reasonableness of the circumstances under which JPS is seeking exceptions/exemptions from specific GS.

The feedback received from the consultations has been reviewed and considered in the decisions to be made by the OUR, which will be issued within the second quarter of 2023.

Guidelines and Determination Notice for Complaints Handling

Resulting from the consultations and discussions had at the Quality of Service Symposia since 2017, the OUR, in collaboration with the service providers, developed Guidelines for Complaints Handling (Guidelines). The Guidelines outline the customer service practices to be followed by utility customer service/customer experience representatives and other staff responsible for handling disputes or complaints. The Guidelines

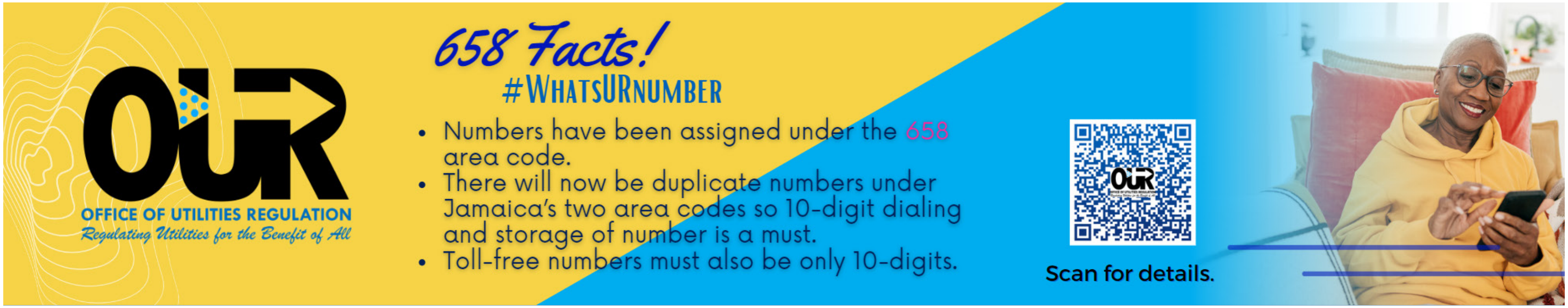
Document was issued to the service providers in 2022. The OUR is in the process of finalizing its Determination Notice on Complaints Handling for Utility Service Providers, where the decisions will be derived from the Guidelines.

JPS's Prepaid Metering/Pay-As-You-Go (PAYG) Service Concerns

The OUR started discussions with JPS in 2022 April regarding complaints from customers about prolonged delays in being connected and/or service disruption due to malfunctioning PAYG or prepaid meters. Customers claim that they were told by JPS that the delay in service connection was because only prepaid service was being offered and the company was out of meters for that service. The complaints were from communities in Kingston and St Andrew and St Catherine. The OUR also wrote to JPS on the submission of its Terms and Conditions of Service for pre-paid service, as well as its reporting on the Guaranteed Standards for this type of service. The OUR will continue to engage with JPS on these matters.

NWC Bill Payment Kiosks

The NWC, by way of a media release on 2023 January 27 indicated that it was currently installing 'user-friendly' bill payment kiosks at all its commercial offices on a phased basis. So far, kiosks are in its offices at Marescaux Road in St Andrew, Bevin Avenue in St James and in Portmore, St Catherine. The NWC has indicated that there will be a $100 charge for the use of the kiosks. The OUR received complaints from customers about this charge. Some customers felt they no longer had the free option to pay via customer service agents at the NWC's commercial offices. The OUR has taken an active interest in this matter and has had dialogue with the NWC. It notes that the NWC has since clarified that customers still have the option to pay their bills over the counter at its offices. The NWC has also indicated that it will be reviewing the phased roll-out of kiosks before introducing them at its other commercial offices across the island.



Mystery Shopping

The findings of the 2022 Mystery Shopping survey commissioned by the OUR to assess the quality of service being provided by utility providers revealed a significant decline in their performance. The overall average performance score across all service providers was 49%.

The survey was conducted by Market Research Services Limited (MRSL) and it examined the quality of service provided to the mystery shoppers in-store, via telephone calls to call centres and online chats with utility providers' representatives. As shown in Table 4, the combined figures indicate that the best-performing utility providers were JPS and Digicel with scores of 56% and 55% respectively. NWC followed with 45% and FLOW with 38%.

As indicated in Table 5, the worst-performing service area for the utility providers was the online chat, while they performed best through their call centres.

OUR's Mystery Shopping exercise was conducted between 2022 February and 2022 March. It involved a range of 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 providers.

The OUR has also started the 2023 Mystery Shopping project and has selected Market Research Services Limited following an RFQ process, to conduct this exercise. The results are expected to be reviewed in the second quarter of 2023-2024.

Quality of Service Symposium

The OUR hosted its 6th Annual Quality of Service (QoS) Symposium on 2022 November 03, under the theme, "Results-Oriented, Purpose-Driven". It was attended by customer service representatives of the major and small utility providers. Panel discussions focused on two (2) salient matters, namely "Improving Service and QoS Responsibilities for Small Utility Providers" and "2022 Mystery Shopping Findings – Utility

Table 4: Utilities' Performance in Total Customer Experience
(In-Store, Call Centre & Online Chats)

	Total score	Peak	Off-peak
FLOW	38%	38%	37%
DIGICEL	55%	52%	59%
JPS	56%	57%	54%
NWC	45%	47%	40%
Average score	49%	49%	48%

Table 5: Service area Performance

	In-Store	Call Centre	Online Chat
FLOW	64%	46%	8%
DIGICEL	59%	61%	46%
JPS	60%	89%	21%
NWC	63%	57%	17%
Average	62%	63%	23%

Response". Joan Edwards, Group Client Experience Manager, JMMB, delivered the keynote address. Following the symposium, the major utility providers were asked to further indicate plans to remedy aspects of their customer service delivery for which they received low reviews in the OUR's Mystery Shopping exercise.

Utility Consumer Force Majeure Relief – concept paper

The Covid-19 pandemic brought into focus the need to balance the interest of consumers under force majeure conditions given the provisions in place for the utility providers to make applications for relief. In light of this and in keeping with the overarching function of the OUR, we deemed it important to embark on a study for the development of a Utility Consumer Force Majeure Relief – Concept Paper.

The services of a consultant were engaged to:

- Assess the current force majeure clauses in utility consumer contracts and to provide examples of such;
- Assess the current reliefs available to consumers under force majeure conditions; and
- Make recommendations for further relief for consumers.

The OUR is in receipt of the final document which will act as a guide for any further deliberations on this matter.

Credits and Compensation

The 2022 April – 2023 March period saw utility companies paying over $180 million to consumers, either resulting from actions taken by the OUR or compensation for breach of the Guaranteed Standards.

In relation to the GS, JPS committed a total of seventy-seven thousand, three hundred and fifty-seven (77,357) breaches that attracted potential compensation of approximately $173,855,121.39, which was all paid out through automatic compensation. The NWC committed a total of eight thousand and ninety-nine (8,099) breaches which attracted potential compensation of approximately $33,984,970. Actual payments amounted to approximately $5,503,547 representing 16% of total potential amounts. The remaining balance was not paid out as the required claim forms were not submitted.

Additionally, Private Water and/or Sewerage Service Providers committed a total of five hundred and fifty-four (554) GS breaches, attracting potential compensation of approximately $2,078,393.36. However, no payments were made as all the breaches committed related to the meter reading GS for 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 amounts secured resulting from our investigation of customers' appeals and complaints during the period amounted to $1,486,609.64. Of the amounts secured, NWC accounted for the greatest share at 66% ($979,185.16) while JPS accounted for most of the remaining 34% ($502,326.92). Columbus Communications (Flow) paid out less than one percent of the total compensation.

Upcoming Activities

Other activities contemplated in the upcoming year to further strengthen our efforts to protect the interest of consumers include:

1. **Review of NWC's Billing Cycle Practices.**
2. **JPS Parish Office Closure Impact Assessment.**
3. **Consultation to review utility providers' refund policies/ procedures.**
4. **Determination Notice on JPS and NWC Guaranteed Standards Scheme.**
5. **Determination Notice on Complaints Handling.**
6. **Automatic Compensation for Telecoms Quality of Service Breaches.**

Table 6 – Webinars held in 2022-2023

Webinar Title	Sector Focus	Event Date	Panelists
OUR's 2022 Mystery Shopping Findings Revealed	Electricity, Telecommunications, Water and Sewerage, Consumer	2022 July 29	• Kishka-Kaye O'Connor Anderson – CEO, Market Research Services Limited • Beverley Green – Consumer Affairs Officer, OUR
Stumbling Blocks and Stepping Stones to a 50% Renewable Energy Mix by 2030	Electricity	2023 February 23	• Elizabeth Butler – Legal Advisor, International Clean Energy Projects, Butler Law Offices LLC, USA • Blaine Jarrett – Vice President, Energy Delivery, JPS • Valentine Fagan – Power Generation Systems Consultant, OUR

PUBLIC AFFAIRS UNIT

Community/Workplace Outreach

During the period, restrictions regarding face-to-face activities were eased, allowing the OUR to resume some of its outreach activities on the road. The COVID-19 pandemic and the ensuing mitigating actions created challenges as well as opportunities, among them being the increased use of technology in executing public education activities. This resulted in a model which created a perfect mix of virtual and face-to-face community and workplace outreach events, which saw an increase in public education engagements over the previous reporting period. Nevertheless, the Public Affairs Unit (PAU) realises that even though much has been done over the past year, even more needs to be achieved during the coming year to target especially vulnerable stakeholder groups such as those with special needs.

Horace Mark Kirkland
Public Education Specialist (Acting)

Jody-Anne Lawrence
Coordinator Public Affairs
(Social Media)

This paradigm shift allowed the PAU to execute nine (9) public education outreach projects during the 2022-2023 financial year. Of these, five (5) were conducted through the in-person format and the other four (4) virtually. The reach of these activities spread from tourism interests in Westmoreland and St Ann, to senior citizens' groups, students, and residents throughout the rest of the island. These activities were designed to educate utility customers on their rights and responsibilities, while providing an avenue for communication and feedback.

Customer Consultation

Customer consultations are integral to the transparent nature of the OUR's operations, especially in the tariff application processing. These activities allow for two-way dialogue between the customers and their utility providers as part of the tariff application review and assessment. During the last financial year, the PAU hosted three (3) customer consultations with owners and residents of communities served by their respective small water and/or sewerage utility providers that had submitted a tariff application to the OUR within 2022-2023. These pertained to St Jago Hills Development Company Limited, Can-Cara Limited and Richmond Environmental Services Limited.

Webinars

The OUR is committed to staying current with global trends in the utility sector especially in areas of national interest. This is facilitated by the hosting of webinars that serve public education purposes. During the financial year 2022-2023, the OUR hosted two (2) such webinars. These were carried live on OUR's YouTube channel and Facebook page. Table 6 presents a few details on these global broadcasts. Recordings of these live-streamed events are available on OUR's YouTube channel.

Social Media

The importance of social media in communicating with stakeholders cannot be overstated. It allows for the dissemination of important information, as well as updates and alerts in real-time. Social media platforms also allow the OUR to not only receive feedback but also address the concerns of stakeholders in remote locations in a more effective way. Most importantly, social media provides

Figure 2: Social Media Audience Growth

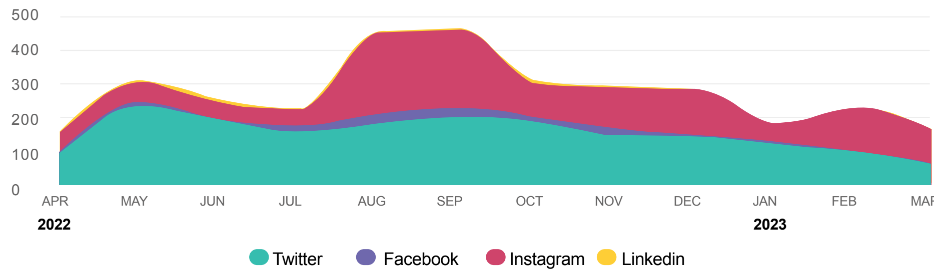


Table 7: OUR's Social Media Audience

Audience Metrics	Totals	%Change
Total Audience	**20,892**	↗19.1%
Total Net Audience Growth	**3,349**	↗55.7%
Twitter Net Follower Growth	1,833	↗ 56%
Facebook Net Page Likes	162	↘16.1%
Instagram Net Follower Growth	1,314	↗100%
Linkedin Net Follower Growth	40	↘68.3%

consumers with another option to file complaints and appeals against utility providers. It also enables public education to targeted groups of stakeholders.

Between 2022 April and 2023 March, there was an increase of four hundred and thirteen thousand, seven hundred and twenty-eight (413,728) impressions bringing the total to three million, six hundred and fifty-six thousand, two hundred and thirty-two (3,656,232) or a 12.7 % increase over the previous year. Impressions are the total number of times all posts or content are viewed on our platform. Engagements (how much our audience interacted with our content) almost doubled, with a 98.9% increase over 2021-2022, while post-link clicks also saw a considerable increase of 64.3% with twenty-nine thousand, five hundred and eighty-four (29,584) post-link clicks compared to eighteen thousand, and six (18,006) in the 2021-2022 period.
OUR's total audience grew by 19.1%. As seen in Table 7, Twitter grew by one thousand, eight hundred and thirty-three (1,833) while Instagram grew by one thousand, three hundred and fourteen (1,314) followers.

Mass Media

The OUR continues utilising radio as a main means to communicate with utility consumers via the traditional media space. To this end, it continued with its packaged five (5) minute weekly radio programme **Inside the OUR** on IRIE FM and its live bi-monthly feature **Call the OUR** aired during Hotline on Radio Jamaica 94 FM.
The OUR views transparency as a tenet in its operations and as a result, keeps the public updated on its decisions via media releases and public notices in major newspapers. Additional information requested by journalists on any publication or clarification of specific content as well as queries on any statement made publicly is easily available through the PAU. The unit stands by its commitment to established response times for these requests and grants interviews when feasible for developing news stories. This aids journalists in balanced reporting.

OUR's 'Utility Matters' Series

The OUR developed its drama series 'Utility Matters', which is broadcast on PBCJ and placed on the OUR's YouTube channel. The series gained one hundred and thirty-seven thousand, eight hundred and seventy-five

(137,875) YouTube channel views over a 2-and-a-half-month campaign period (2022 December-2023 March) and increased the organisation's subscribers from five hundred and five (505) at the beginning of the campaign to seven hundred and fifty-two (752) at the end of the reporting period. The OUR intends to develop more creative content in the upcoming period to increase knowledge and awareness of the OUR as well as consumer rights and responsibilities.

Director-General's Stakeholder Event

The 9th Annual Director-General's Stakeholder Engagement was held on Wednesday, 2023 March 29 under the theme "The Advancement of Technology and Impact on Customer-Utility Relationship". Once again, the event was held virtually and catered to local and international audience.

The format included a 'State of the Utility Sector' address delivered by Deputy Director-General, Cheryl Lewis, followed by a panel discussion and a question-and-answer segment. The event was well received and generated information of news value.

Regional Media Workshop

The rapid growth of the Electric Vehicle (EV) market in the Caribbean cannot be ignored and on 2023 January 26 the OUR's Public Affairs Unit hosted a virtual workshop for media workers from across the Caribbean to engage with local, regional, and international stakeholders in the market. This was another well-received event according to subsequent poll feedback.

25th Anniversary Celebration

The year 2022 was a year of celebration for the OUR as the organisation marked twenty-five (25) years of operations. It planned and executed several activities to commemorate this milestone, including the publication of a newspaper supplement on 2022 September 30 and a 25th Anniversary Long Service Awards and Dinner, where fifty-one (51) out of seventy-four (74) employees were recognised for their 5-25 years of service to the OUR.

OUR'S Information Centre (OURIC)

OURIC continued to respond to changes in user behaviour through improvements in its digitization processes as well as content offerings. The re-imagination of OURIC remains on a continuum as OUR's commitment to access information in the digital era requires a response to advances in technology. Over the period, OURIC completed its phased digitisation project as it continued to meet the needs of its stakeholders.

During the review period, OURIC introduced another platform through which OUR-generated and sector content can be accessed digitally. The digital strategy involved the installation and development of a digital library which was launched in 2023 March. Over 10,000 materials will be added to the library by Book Fusion, which is the host of the digital library. To date, over eight thousand (8,000) materials have been added to the platform. Materials will be added and removed during the review process based on their suitability to OUR researchers.

OURIC also continues to update and maintain its webpage on the OUR's website for currency and relevance. Through the page, external stakeholders can directly contact the library to request any OUR-generated content approved for public dissemination. Stakeholders can also access recent newsletters and other publications on utility regulation and consumer matters.

National Library and Information Week

The month of 2022 November got off to a busy start with National Library and Information Week activities during the week of 2022 November 1-4. OURIC planned and executed several activities to commemorate the week, while showcasing the OUR's Library. These included Episode II of OURIC's video series: **"Get the Facts with the OUR's Information Centre**" and a **"Get to know OURIC Exhibition"** which was run in-house and externally at an outreach event held at the Jamaica Library Service on 2022 November 4. This event brought together students, parents, teachers, and library staff who, having viewed the exhibits, were afforded the opportunity to demonstrate their understanding of the presentations by OUR and OURIC, by answering questions and winning prizes.

Upcoming Activities

For the upcoming year, the Public Affairs Unit will devise new strategies to educate consumers and continue with its other annual activities, some of which are outlined below:

- **Development and launch of the OUR's 'Utility Expert' quiz competition.**
- **Launch of OUR's Podcast series.**
- **Roll-out of the OUR's Integrated Marketing Campaign.**
- **Continuation of ongoing outreach activities.**
- **Webinars and other external stakeholder engagement.**

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

REGULATION, POLICY, MONITORING & ENFORCEMENT (RPME)

ELECTRICITY AND WATER & SEWERAGE

(from left)

Shonna-Kaye Sappleton
Regulatory Analyst

Odian Moore
Regulatory Economic Specialist

Cedric Wilson
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Antoinette Harris
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Executive Assistant/ Project Coordinator

Sashana Miller
Senior Regulatory Analyst

Andre Lindsay
Regulatory Engineer

Tanisha Parkes
Specialist, Utilities Monitoring

Craig Rattray
Regulatory Engineer

ELECTRICITY SECTOR

While the effects of the Covid-19 pandemic affected the 2022-2023 review period, it was not as impactful as in the previous year, as the country returned to pre-covid activities. The electricity sector saw the re-introduction of performance measures that were put on hold. It also experienced marginal exchange rate depreciation, rising domestic inflation, and increased global fuel and commodity prices, driven by international political unrest.

Key activities during the period

- **Jamaica Public Service Company Limited (JPS) - Annual Review 2022**
- **Activities surrounding the OUR's response to JPS's Electricity Appeal Tribunal submission**
- **Investigations into JPS's Transformer Protection Programme Pilot Project**
- **Development of Electric Vehicle Framework Policy**
- **Jamaica Integrated Resource Plan**

Electricity System Performance Indicators

Customer Statistics

For 2022, JPS reported a total customer base of Six Hundred and Eighty-two Thousand, Eight Hundred and Thirty-seven (682,837) customers, representing a slight decrease of approximately 0.91% relative to the 2021 customer count of Six Hundred and Eighty-nine Thousand, One Hundred and Thirty-two (689,132). 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 (streetlight & stoplight), Rate 70 (Wholesale Class). The residential category accounts for almost 90% of the total number of customers in 2022.

The data in Table 1 show that the Rate 10 and Rate 20 categories were the main contributors to the decline in customers in 2022. This may have been attributable to the current economic climate, post the COVID-19 pandemic.

Table 1: JPS's Customer Base

JPS's CUSTOMER COUNT BREAKDOWN (2019 – 2022)									
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%**
2022	610,733	69,533	1,899	151	497	24	-	**682,837**	**-0.91%**
2022 Share	**89.44%**	**10.18%**	**0.28%**	**0.02%**	**0.07%**	**0.00%**	**-**	**100.00%**	**-**

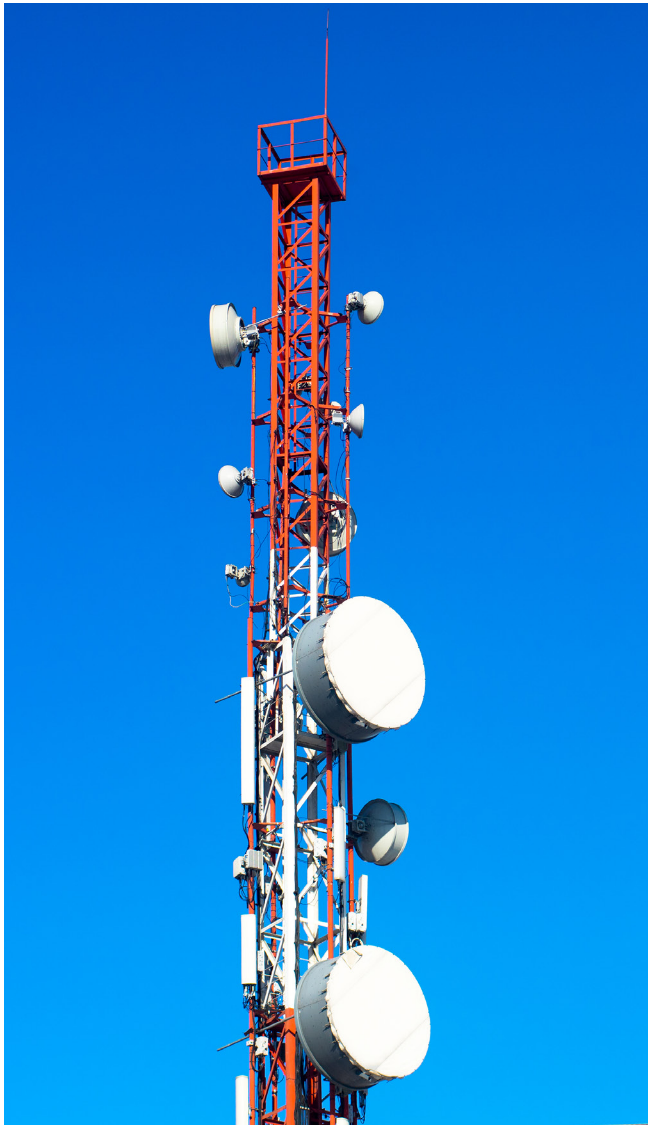
System Demand Indicators

JPS's system performance reports show that the annual peak demand recorded for 2022 was 643.7MW. This was a 12.1MW increase, approximately 2% higher than the 2021 peak (631.60MW). However, it is 16.9MW below the pre-COVID level (the 2019 peak was 660.9MW).

The related annual system net generation measured for 2022 was 4,424.77 GWh, which translates to an average annual system load factor of approximately 78%. This energy generated consisted of electricity sales of 3,170.20 GWh and system losses of 1,254.57 GWh or 28.35% of net generation (see the 2022 System Energy Balance in Table 2).

Table 2: System Energy Balance (2021 vs 2022)

COMPONENT	2021 ENERGY BALANCE		2022 ENERGY BALANCE		CHANGE
	Energy Distribution (GWh)	% of Net Generation	Energy Distribution (GWh)	% of Net Generation	Change (GWh)
Technical Losses (TL)	340.49	7.91%	343.67	7.77%	3.18
Non-Technical Losses (NTL)	877.28	20.38%	910.91	20.59%	33.63
TOTAL SYSTEM LOSSES	**1,217.77**	**28.29%**	**1,254.57**	**28.35%**	**36.80**
BILLED ENERGY SALES	**3,086.19**	**71.71%**	**3,170.20**	**71.65%**	**84.01**
TOTAL (NET GENERATION)	**4,303.96**	**100.00%**	**4,424.77**	**100.00%**	**120.81**



As shown in the 2022 System Energy Balance above, system losses increased marginally by 0.06 percentage points or 36.80 GWh relative to the 2021 performance. Technical losses (TL) accounted for 7.77% of the total system losses, and non-technical losses (NTL) were responsible for 20.59%.

Table 3: JPS's System Performance Metrics (2019-2022)

Year	Peak Demand (MW)	Net Generation (GWh)	Load Factor (%)	Billed Sales (GWh)	System Losses (%)	Average Fuel & IPP 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
2022	643.7	4,424.77	78.47%	3,170.20	28.35%	27.406

As indicated, in Table 3, system net generation recorded for 2022 was 4,424.77 GWh, reflecting an increase of 2.8%. Total billed sales grew by 84.01 GWh or 2.7% in 2022.

The data also show that there was a modest reduction in residential electricity consumption in 2022 relative to the 2021 performance. In contrast, increases in electricity consumption were realized in the large C&I rate classes. The energy sales breakdown for 2019 - 2022 is shown in Figure 1.

Monthly System Demand Measurements

The monthly system demand measurements reported for the review period (2022 Jan – 2022 Dec) are presented in Table 4.

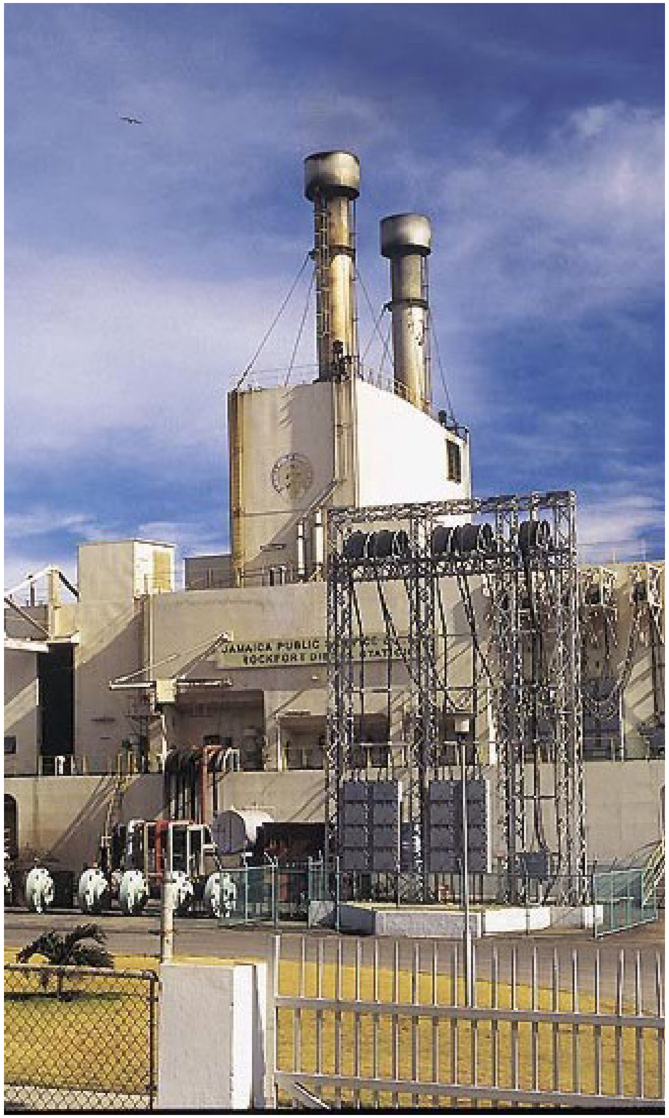
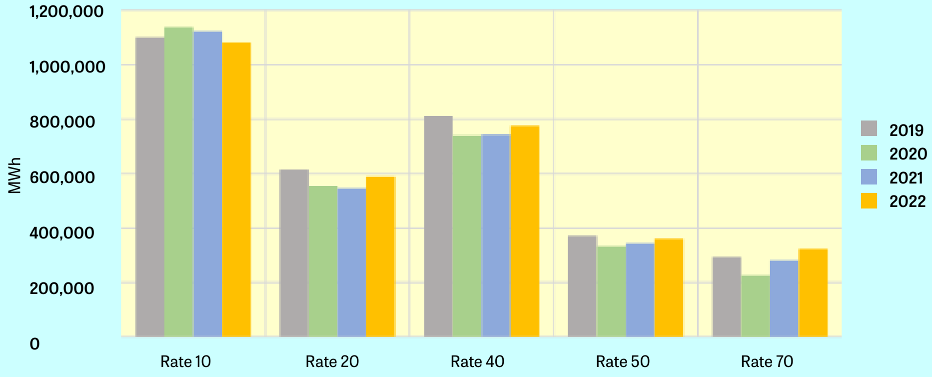


Figure 1: JPS's Electricity Sales Breakdown (2019-2022)

Total Energy Sales



The data show that there were variations in the system generation and demand for the 12-month period. This is attributable to seasonality which affects customers' consumption patterns. Specifically, the system's monthly net generation varied between a maximum of 395,577 MWh in 2022 July and a minimum of 321,205 MWh for 2022 February. Similarly, electricity sales reflected a similar pattern, peaking at 281,879 MWh in 2022 July, while registering its lowest level (230,000 MWh) in 2022 February. Notably, the system peak demand of 643.7MW also occurred in 2022 July. Consequently, system losses were also at their highest level (28.74%) in 2022 July.

System Developments

The electricity sector continues to make steady progress towards a more sustainable, secure, and cost-effective supply energy mix.

Notwithstanding the progress, decisions regarding the expansion of the electricity system, including renewable energy (RE) resources, reside with the Ministry with responsibility for Energy. Based on the existing electricity sector governance framework, the Ministry is also 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 economic and reliable manner. After the generation capacity requirements are identified, the Generation Procurement Entity (GPE) has the responsibility for procuring the new generation capacity for the system. The OUR's role in the governance of the sector is to ensure that within the prevailing regulatory framework, prices evolve on the lowest trajectory possible. In the 2022-2023 fiscal year, the OUR continued to provide technical support to the Ministry with responsibility for Energy in the development of the IRP.

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

Table 4: Monthly System Demand Measurements (2022 Jan - 2022 Dec)

SYSTEM DEMAND MEASUREMENTS [2022 Jan-Dec]						
Month/Year	Peak Demand (MW)	Net Generation (MWh)	Electricity Sales (MWh)	System Losses (%)	Fuel Rate (US¢/kWh)	Average IPP Charge (US¢/kWh)
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
2022 April	597.6	349,132	250,032	28.38	21.257	6.845
2022 May	620.4	382,248	272,813	28.63	20.066	7.597
2022 June	629.5	381,814	272,568	28.61	21.233	7.406
2022 July	643.7	395,577	281,879	28.74	22.545	6.357
2022 August	640.1	393,706	281,625	28.47	20.563	5.657
2022 September	643.0	376,002	269,397	28.35	24.711	6.155
2022 October	626.0	382,629	274,740	28.20	20.416	5.966
2022 November	609.1	365,014	261,349	28.40	20.444	6.303
2022 December	596.7	362,950	260,041	28.35	17.409	6.472

Energy Supply Mix

Within the existing energy matrix, the primary energy sources used to produce electricity are: Natural Gas (NG), Heavy Fuel Oil (HFO), Automotive Diesel Oil (ADO) and Renewable Energy (RE) resources.

For 2021, NG contributed 52.41% to net generation, followed by HFO with 29.32%. ADO was responsible for 6.45% and RE supplied 11.81% of the overall net generation (see Figure 4).

Based on Figure 4, NG continues to be the sector's dominant energy source for electricity production. It is to be noted, however, that there was a decline over the period compared to the corresponding period in 2021, which was 62.49%. This was expected as there was a disruption in the supply of natural gas to the JPS Bogue CCGT units during the period 2021 November to 2022 April. This was because of the relocation of New Fortress Energy's essential LNG infrastructure at the Montego Bay port terminal. Consequently, the JPS Bogue CCGT units had to switch

Figure 2: System Generation/Demand Profile (2022)

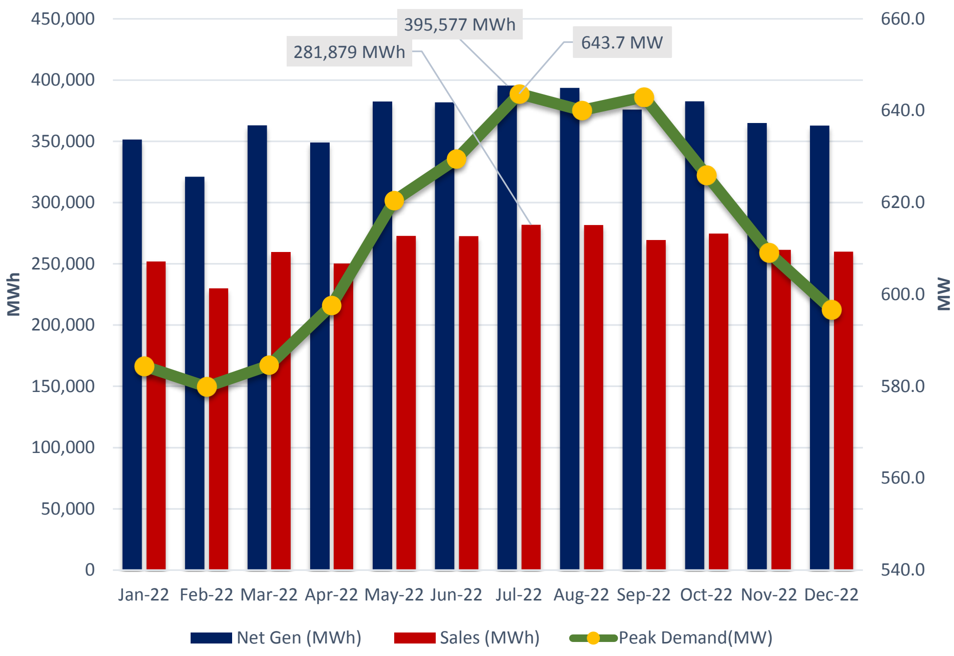
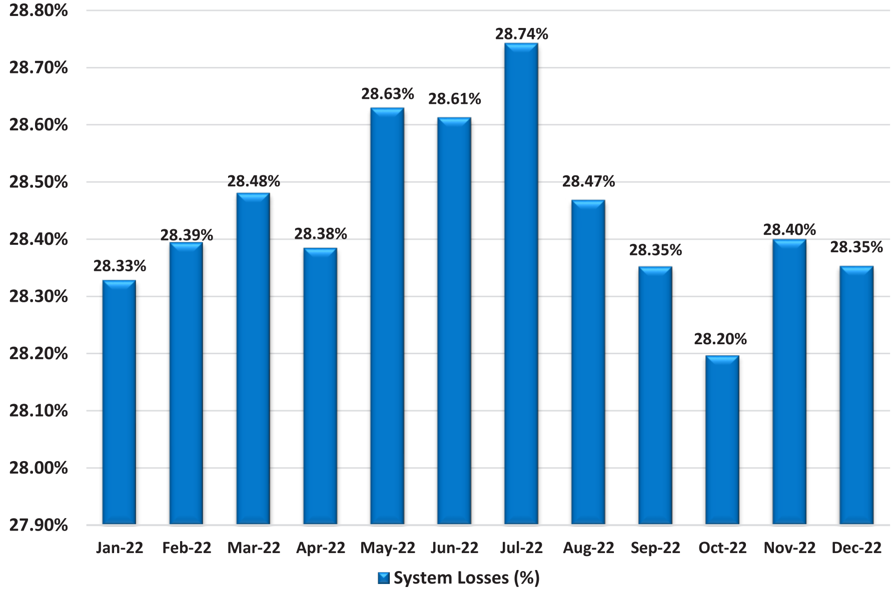


Figure 3: JPS's Monthly System Losses (2022 Jan – 2022 Dec)



to operation on ADO during this period, which saw an increase in the electricity production from the ADO energy source.

The fact that NG is now the dominant energy source, signals the development in the generation segment since 2016, which has seen the transition from the use of HFO (the previous dominant fuel) for electricity generation, to NG.

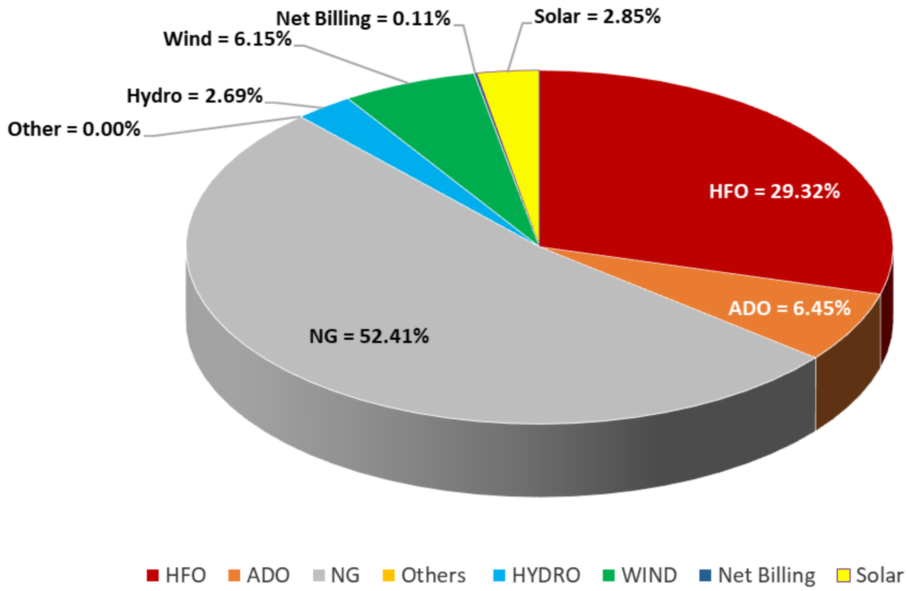
Renewable Energy Development

The annual generation from RE sources for the 2019-2022 period is shown in Table 6. As shown, RE generation supplied to the grid in 2022 was 522.59 GWh, down 11.56 GWh, relative to the 2021 level (534.15 GWh). The decline in RE generation in 2022 was largely attributable to the lower-than-expected net energy output from the interconnected wind generation facilities. Despite the reduction, wind power continues to be the largest contributor of RE-based electricity supplied to the grid each year. The full breakdown of the 2022 RE generation is shown in Figure 5.

Table 5: 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	25.74	2,689.51	137.69	264.55	127.06	4.85	0.31	**4,303.96**
2022	1,297.20	285.59	2,319.18	118.93	272.33	126.25	5.09	0.21	**4,424.77**

Figure 4: 2022 System Net Generation by Primary Energy Source



Despite the spike in international oil prices in 2022, the shift in the sector to greater use of RE (11.81%) and NG (52.41%) 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 – 2022, is represented in Table 7. As shown in the Table 7, there have been wide fluctuations in average fuel prices over the 2016 – 2022 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$91.46/Barrel (US$14.55/MMBTU). In the case of ADO, its prices also exhibited significant fluctuations, residing within the range of US$66.18/Barrel (US11.36/MMBTU) to US$195.07/Barrel (US$33.49/MMBTU). In contrast, since its introduction to the energy mix in 2016, plant gate prices for NG

Table 6: Annual Generation from RE Sources (2019-2022)

Components	2019	2020	2021	2022	Remarks
RE Generation GWh)	516.82	540.01	534.15	522.59	
System Net Generation (GWh)	4,429.83	4,227.43	4,303.96	4,424.77	
RE % of Net Generation	**11.67%**	**12.77%**	**12.41%**	**11.81%**	
NEP RE Target (%)	-	**15.00%**	-	-	2020 RE Target not yet achieved.

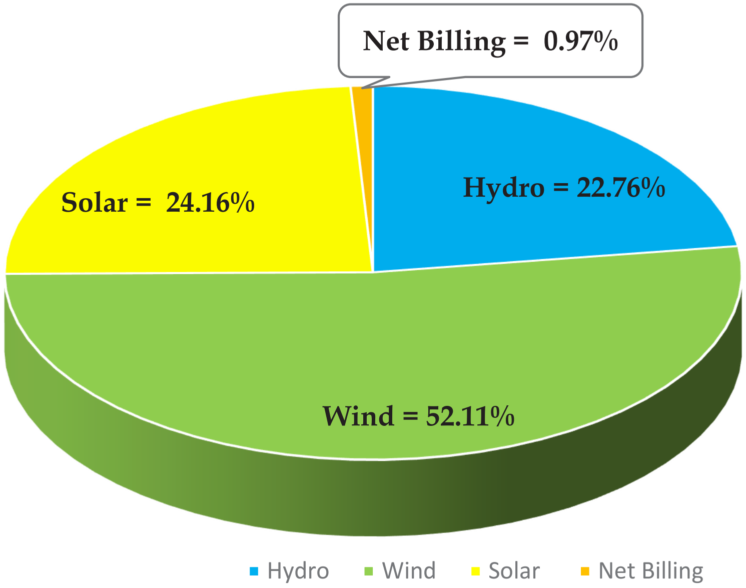
RE contribution to the system net generation in 2022 (11.81%) continues to lag the 15% target specified in the National Energy Policy (NEP).

Table 7: Average Price of Fuels used for Electricity Generation (2016-2022)

AVERAGE PRICE OF FUELS USED FOR ELECTRICITY GENERATION						
YEAR	HFO		ADO		NG*	REMARKS
	(US$/BBL)	(US$/MMBTU)	(US$/BBL)	(US$/MMBTU)	(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	66.73	10.61	96.31	16.53	12.34	
2020	48.00	7.63	65.16	11.19	11.76	
2021	73.21	11.64	95.28	16.36	14.25	
2022	91.46	14.55	195.07	33.49	16.65	NG accounts for 52% of net gen

***Adjusted to include infrastructure and Government charges.**

Figure 5: Breakdown of the 2022 RE Generation



Courtney Francis
Manager Engineering & Technical Analysis

have only fluctuated slightly between a low of approximately US$11.76/ MMBTU and a high of US$16.65/MMBTU.

Fuel Rate and Charges

Variations in fuel prices are captured in the monthly fuel rates that are applied in the billing process. For the review period (2022 Jan – 2022 Dec), the monthly average prices of the fuels used for electricity production are shown in Figure 6. The associated plot below also shows the relative movement in the monthly fuel prices versus the billed fuel rate, over the review period.

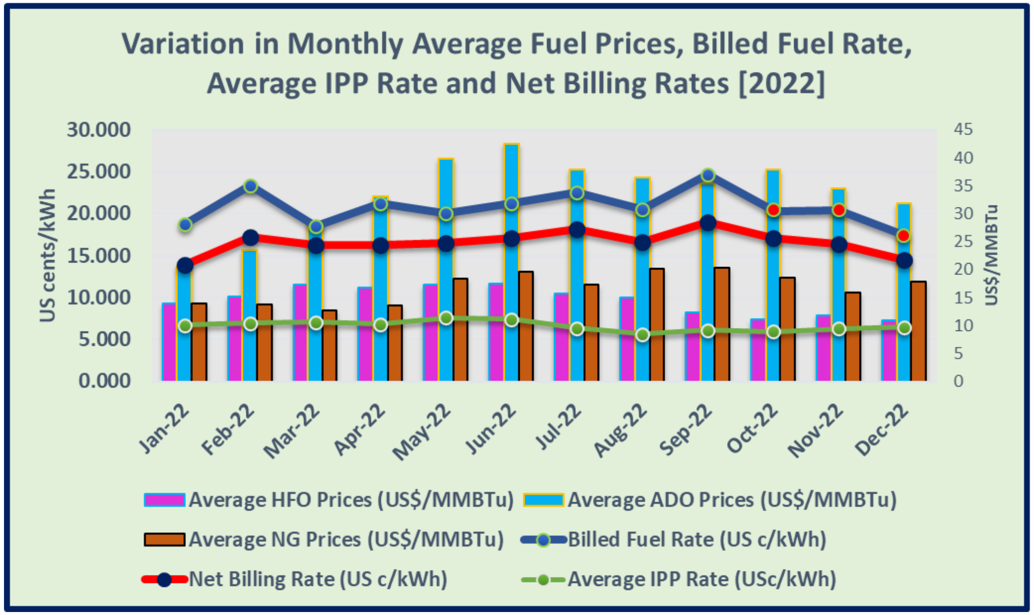
The monthly fuel rates over the period fluctuated between 17.41 US¢/kWh and 24.71 US¢/kWh. In addition to international fuel prices, fluctuations in the fuel rate may also be explained by sales volumes and the merit order for plant dispatch.

Net Billing Rate

Like 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 (SOC), 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.

Figure 6: Variations in Average Fuel Prices and Fuel Rates (2022 Jan-2022 Dec

Year-Mth	Average HFO Prices		Average ADO Prices		Average NG Prices	Fuel Rate	Average IPP Rate	Net Billing Rate
	US$/BBL	US$/MMBTU	US$/BBL	US$/MMBTU	US$/MMBTU	US¢/kWh	US¢/kWh	US¢/kWh
2022 Jan	87.64	13.94	119.85	20.58	14.02	18.708	6.75	13.9
2022 Feb	95.43	15.18	137.17	23.55	13.82	23.406	6.973	17.16
2022 Mar	108.47	17.25	167.18	28.7	12.68	18.524	7.106	16.22
2022 Apr	105.14	16.72	193.25	33.18	13.62	21.26	6.85	16.23
2022 May	109.17	17.36	232.34	39.89	18.38	20.07	7.60	16.49
2022 Jun	109.55	17.42	247.83	42.55	19.53	21.23	7.41	17.12
2022 Jul	99.07	15.76	220.85	37.91	17.39	22.55	6.36	18.10
2022 Aug	94.04	14.96	212.75	36.52	20.07	20.56	5.66	16.67
2022 Sep	78.10	12.42	206.69	35.48	20.34	24.71	6.16	18.94
2022 Oct	69.73	11.09	220.17	37.80	18.63	20.42	5.97	17.08
2022 Nov	74.18	11.80	200.99	34.51	15.94	20.44	6.30	16.35
2022 Dec	68.86	10.95	185.96	31.92	17.79	17.41	6.47	14.46



JPS's Heat Rate Performance

The Heat Rate indicator is the measure of the fuel conversion efficiency of the power generation plant 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, 9,470 kJ/kWh for JPS to be applied over the period 2020-2021 to 2023-2024, respectively.

The reported monthly Heat Rate performance of JPS's thermal plants (actual Heat Rate versus Targets) for the review period (2022 Jan. – 2022 Dec.) is summarized in Table 8.

As shown in Table 8, the applicable Heat Rate target was achieved by JPS for all the months in the review period, except for the last three months. During the last quarter of 2022 the Bogue Heat Recovery Steam Generator (HRSG) - ST14 was taken out of service for a major overhaul. For 2022 there was 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.

System Reliability

Energy is one of the most important inputs for economic development, as it drives economic productivity and industrial growth and is central to the operation of any modern economy. Therefore, the reliability of supply, especially in relation to overall system reliability and the continuity of electricity supply to customers, is paramount for the OUR.

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 9.

For 2022, JPS reported that a total of one hundred and six thousand, three hundred and forty-three (106,343) outages occurred across the system, of which, two thousand, seven hundred and twelve (2,712) were scheduled by the company to facilitate planned maintenance/works on the system infrastructure, and one hundred and three thousand, six hundred and thirty-one (103,631) were classified as forced outage events. The data indicated that forced outages reported for 2022, were approximately thirty-seven thousand, nine hundred and forty-six (37,946) higher than the outages reported for 2021.

The measurement of the system's reliability performance in 2022, based on the reported forced outages and service interruptions, indicates the following:

- SAIDI (average time customers are interrupted) for 2022 increased by 121.1 minutes/customer, as shown in the table above, reflecting a deterioration in performance relative to the level achieved for 2021.
- In contrast, the 2022 SAIFI (average frequency of sustained interruptions per customer) metric decreased to 7.5 interruptions/customer, representing an improvement over the 2021 level of 7.7 interruptions/customer.
- CAIDI (average time required to restore service to average customer per sustained interruption), which is a derivative of SAIDI and SAIFI, declined in 2022, relative to the 2021 level. Based on the data, this outcome was largely influenced by the significant increase in average outage duration in 2022 relative to 2021.

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.

Valentine Fagan
Specialist Consultant,
Power Systems

Table 8: JPS's Monthly Heat Rate Performance (2022 Jan-2022 Dec)

JPS's MONTHLY ACTUAL HEAT RATE VERSUS TARGET [2022 JANUARY - 2022 DECEMBER]													
Component (kJ/kWh)	2022 JAN	2022 FEB	2022 MAR	2022 APR	2022 MAY	2022 JUN	2022 JUL	2022 AUG	2022 SEP	2022 OCT	2022 NOV	2022 DEC	AVE kJ/kWh
Heat Rate	9,590	9,208	9,393	9,146	9,546	9,746	9,289	9,438	9,383	10,985	11,943	10,415	**9,840**
Target	**9,667**	**9,667**	**9,667**	**9,667**	**9,667**	**9,667**	**9,667**	**9,667**	**9,495**	**9,495**	**9,495**	**9,495**	**-**
Variance	-77	-459	-274	-521	-212	79	-378	-229	-112	1490	2448	920	**-231**

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 recognised across the industry, particularly for predominantly overhead electricity networks, the number of forced outages recorded for 2020 and 2021 raises questions as to the efficacy of JPS's reliability improvement programme and the projected benefits to customers.

Activities During the Period

Determination on Jamaica Public Service (JPS) 2022 Annual and Extraordinary Tariff Application

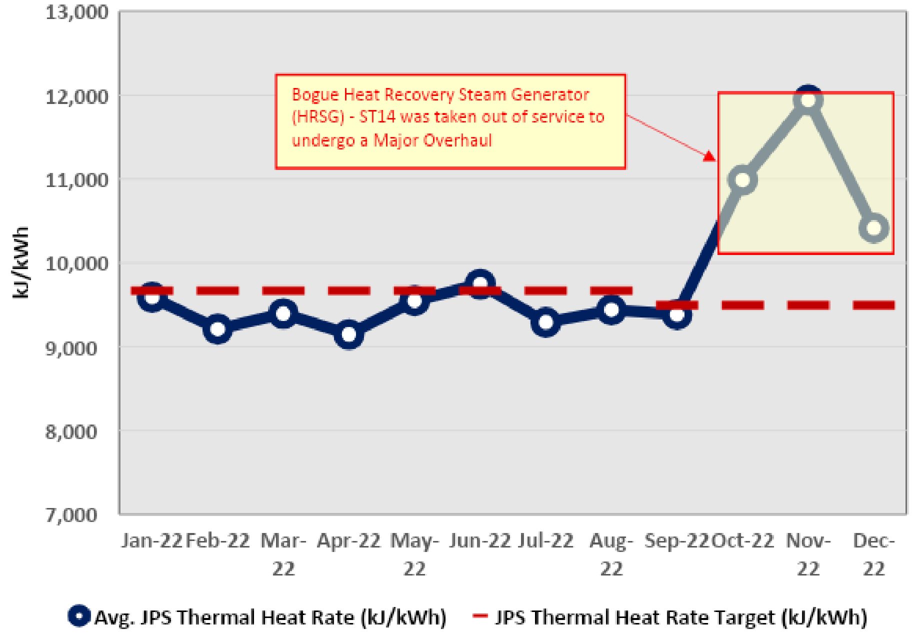
JPS submitted its 2022 Annual and Extra Ordinary Rate Review Application on 2022 May 10, in keeping with Schedule 3 of the Electricity Licence, 2016. The OUR conducted its review of the application and made its decision, which took effect 2022 August 22.

The OUR's decision resulted in an average bill impact of approximately 0.7% for customers. Based on the OUR's analysis, JPS's proposed adjustment to the rates would have had an average overall impact of 2%. The average increase in the overall rates varies from 0.4% for the very large commercial and industrial customers (RT70) to 1.2% for the large commercial and industrial customers (RT50). The table below shows the major decisions by the OUR, compared to the requests made by JPS.

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

The other three (3) projects target stability and reliability on the grid, particularly in the Corporate Area Energy System (CAES) and the North-

Figure 7: JPS's Thermal Plants Monthly Heat Rate Performance (2022 Jan-2022 Dec)



Eastern region of the island. While all the capital projects were approved, they will not be captured in JPS's revenue requirement until 2023.
In response to the OUR's Determination notice, JPS has filed an appeal against a number of the Office's decisions. The OUR expects that the appeal will be heard in 2023.

Directive to JPS to Cease and Desist the Operation of its Transformer Protection Programme
Following complaints of frequent and prolonged power outages in several communities across the country, the OUR made queries and JPS indicated that it had implemented a 'Transformer Protection Programme' (TPP) pilot project to reduce the rate of failure of its transformers caused by electricity theft in approximately eighty-eight (88) communities.

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

The OUR completed its review of JPS's TPP and concluded that the programme should not have been imposed on paying customers. The report was submitted to JPS. Following the submission, JPS requested reconsideration of some of the conclusions reached. The matter is being reviewed.

Development of Electric Vehicle (EV) Policy Framework
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 required 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 2022 July, the recommendations for a Regulatory Framework for

Electric Vehicles in Jamaica was submitted to the Ministry of Science Energy and Technology (MSET) for consideration.

Jamaica Integrated Resource Plan Report

The Integrated Resource Plan (IRP) is a comprehensive decision support tool and road map for meeting Jamaica's objective of providing economical and reliable electricity service to customers while addressing the substantial risks and uncertainties inherent in the electric utility business. MSET is responsible for the development of the IRP, and the OUR is providing significant assistance to the Ministry in this regard. During the period under review, considerable work was undertaken in relation to the IRP and a report was submitted to the Ministry for consideration.

Review and Approval of JPS's Accounting Cost Allocation Manual & Regulatory Accounts

In 2019, the OUR published a set of rules to facilitate the smooth, efficient, and transparent preparation of regulatory accounts by JPS. A part of the requirement is that JPS submits for the OUR's review and approval its Cost Allocation Manual that will guide the separation of the company's accounts.

Following our review, JPS was advised to proceed with the preparation of the regulatory accounts for 2022. The OUR is now awaiting the finalization of the Cost Allocation Manual.

Electricity Wheeling Regulations

MSET submitted its draft Electricity Wheeling Regulations to the OUR for review. The review was completed and the OUR provided the

Table 9: JPS's System Reliability Performance Metrics

SYSTEM RELIABILITY INDICES [2019-2022]							
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	70,559	4,874	65,685	7.7	1,862.7	243.2	12.0
2022	106,343	2,712	103,631	7.5	1,983.8	266.1	36.5

Ministry with its comments and recommendations on the proposed subsidiary legislation.

2023-2024 Key Work Plan Projects

The following projects will be undertaken during the 2023-2024 period in the Electricity sector:

- **JPS's 2023 Annual Rate Review:** In keeping with the Electricity Licence, 2016 another review of JPS's rates is due in 2023.

- **Electricity Market & Price Study:** With changes taking place in the electricity sector, along with the disruptive effects 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.

- **Terms and Conditions of Wheeling:** The Electricity Act 2015 (EA) mandates the JPS to implement a power wheeling service, and the OUR to set power wheeling rates. MSET had begun drafting regulations for power wheeling, which would have superseded the OUR's terms and conditions but to date, the draft regulations have not been finalised by MSET. In the absence of an overriding regulation from MSET, the OUR must draft the terms and conditions, to enable the implementation of power wheeling.

- **Review of JPS's TOU Rates & Implementation:** The OUR will implement the refinement to the original residential and small commercial time of use (TOU) Rates. As a part of the process, the OUR will be monitoring the revised TOU rates, with a view to improving the design.

- **Wigton-1 Repowering Project**: Cabinet has agreed to a new Licence for Wigton. Based on this, the OUR is tasked with the responsibility of examining the terms & conditions of the Licence. Additionally, the OUR will be required to monitor the implementation of the new plant.

- **Power Purchase Agreements (PPAs) Renewals:** Independent Power Producers (IPPs) facilities operate under 20-year PPAs that govern the commercial relationship between the IPPs and the Single Buyer. These PPAs are approved by the Office. Consequently, the OUR will assess the terms and conditions of PPAs that are up for renewal.

- **JPS's Plant Life Extension & ROFR:** According to the Minster's Plant Retirement Schedule, JPS is required to

Table 10: OUR's Decisions on JPS's 2022 Annual Tariff Application

Major Decisions		
Description	**JPS's Proposed (J$M)**	**OUR's Approved (J$M)**
2022 Annual Revenue Target	**51,301**	**48,160**
Heat Rate Target (kJ/kWh)	**9,791**	**9,495**
Overall Bill Impact (incl. fuel and IPP charges):	**2.0%**	**0.7%**
Residential Customers (RT10)	3.3%	Average 0.7%
Small Comm Customers (RT20)	0.9%	Average 0.5%
Large Comm Customers LV (RT40)	1.9%	Average 0.8%
Large Comm Customers HV (RT50)	2.1%	Average 1.2%
Large Comm Customers HV Standard (RT70)		Average 0.4%

replace approximately 170MW of retired capacity in 2023, based on its Right of First Refusal (ROFR) privilege. Due to issues relating to timing, a replacement will no longer be possible until 2026. Consequently, JPS has received approval to extend the life of several plants scheduled for retirement in 2023. Additionally, JPS still has 4MW of residual capacity to install from an earlier Right of First Refusal (ROFR) of 14MW. In this regard, the OUR is tasked with the responsibility of monitoring the implementation of the project.

- **Residential Automated Metering Infrastructure (RAMI):** The RAMI system was introduced in the low-voltage network (secondary distribution level) by JPS back in 2009, as a feasible anti-theft solution. The system is equipped with advanced metering features that can limit the degree of electricity theft. However, the RAMI system in recent times has not been meeting the original objective. Accordingly, the OUR intends to carry out an investigation into the operation and impact of the RAMI programme.

WATER AND SEWERAGE SECTOR

In some respect, the fiscal year 2022-2023 was a relatively quiet one for the Water and Sewerage Sector. However, access to, and availability of water and sewerage services remains a critical component to the development of the country. In this regard, the OUR continues to facilitate initiatives that contribute to the success of the sector. A key development in the water/sewerage sector is the increasing use of Public Private Partnership (PPP) projects to achieve improved efficiency and water access.

Rio Cobre Water Treatment Plant

During the period, the National Water Commission (NWC), under a PPP arrangement with its private partners, reactivated the Rio Cobre Water Treatment Project. The soon-to-be-constructed facility entails an agreement to design, finance, build, operate, maintain, and transfer to the NWC the water treatment facility. On completion, the facility will have a net capacity of fifteen (15) million gallons per day (MGD). The increase in water production will boost the supply and distribution of water in St. Catherine as well as in Kingston and St. Andrew. The OUR is responsible for reviewing the economics and evaluating the feasibility of the Rio Cobre Water Treatment Project. This aspect of the OUR's assessment is close to completion.

Non-Revenue Water Projects

Another noteworthy PPP project is the initiative undertaken to facilitate NWC's efforts to reduce Non-Revenue Water (NRW). This is a major issue affecting the sector; losses are estimated to be over 70% islandwide. This is excessively high, based on benchmark levels across the industry. One of the main projects under the NRW initiative is the Portmore NRW Reduction Programme. The OUR evaluated the project proposal and provided its comments to the NWC.

Additionally, the 2022 NRW performance in KSA is approximately 44% or an average of one thousand nine hundred and thirty nine (1,939) million litres per month. Figure 7 shows NRW performance for the twelve (12) months of the year 2022 and uses 2015 December as the baseline data

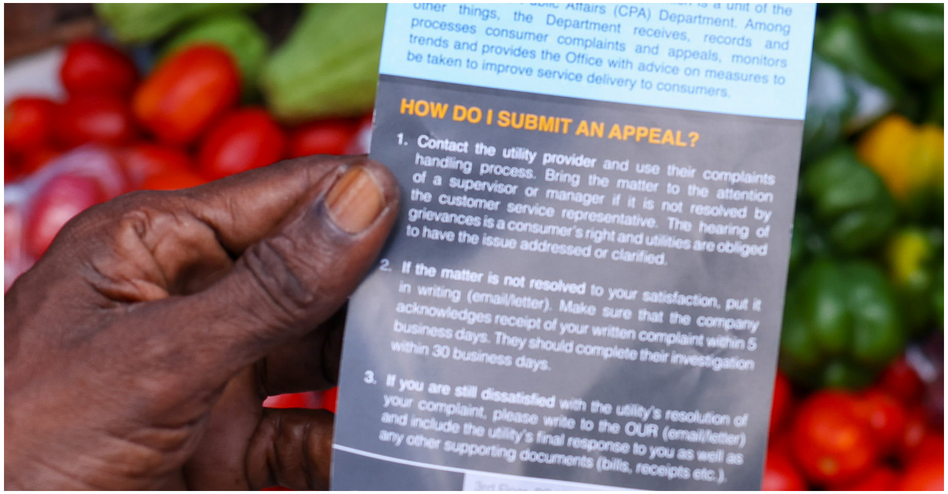
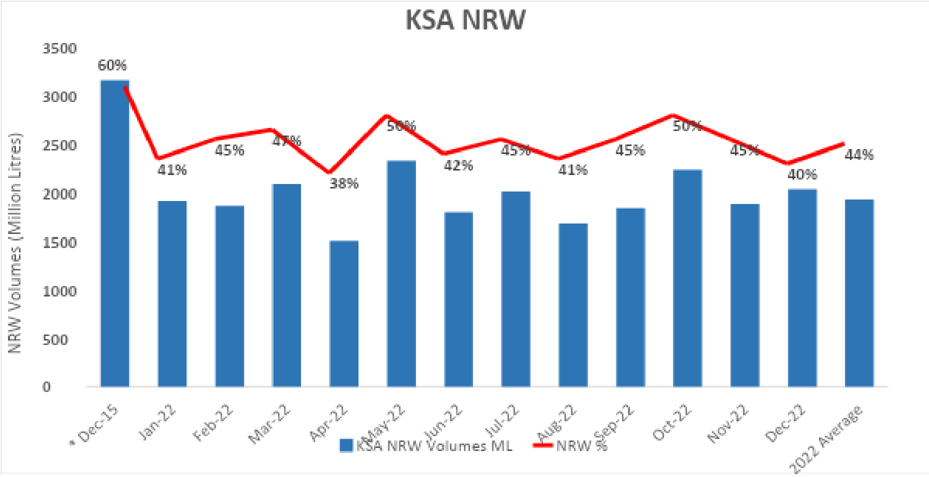


Figure 7 – Kingston & St. Andrew's NRW trend in 2022



point. The relative success of the KSA NRW project is expected to be replicated in Portmore and other areas.

NWC Non-Revenue Water Overall Performance

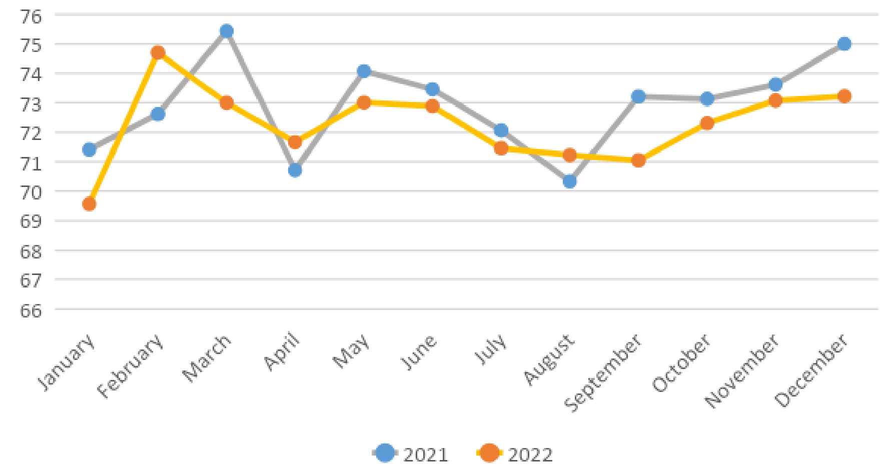
For the past two (2) years the NWC has been able to maintain NRW in the 70% range, with a maximum level of 75.44% and a minimum of hitting below the 70% range at 69.57%. The 2021 and 2022 losses statistics are reflected in Figure 8, which shows the movements in NWC's NRW for 2021 to 2022.

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 underfunded 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 must obtain approval from the OUR for all projects that qualify for K-Factor funding before implementation. In its original construct, the K-Factor was linked to the efficiency improvements in NWC's operations captured in what is referred to as 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. This represents a co-management programme between the NWC and MIYA Jamaica, which targets the NRW reduction in KSA, funded by IDB loan.

Figure 8 – The Reported All-Island Non-Revenue Water from NWC for the years 2021 and 2022



K-Factor Fund Operations 2022-2023

For fiscal year 2022-2023, K-Factor programme inflows exceeded outflows by J$1.43 billion. Table 11 shows the details of the quarterly inflows and outflows to the account over the 2022–2023 fiscal period. The total inflow was J$6.59 billion representing a 16.5% increase over the corresponding period of J$5.65 billion, while the reported total outflow was J$5.15 billion, an increase of 46.33% over the previous year's total of J$3.52 billion.

Approximately, 83% of K-Factor outflows (J$4.29B) were in relation to debt service, while the remaining 17% (J$861M) was used as direct financing of existing projects. Notably, debt service increased by 43.54% compared to the previous fiscal year from J$2.97 billion, while direct financing increased by 62% to J$861 million.

Private Water/Sewerage Services

In recent times, there has been an increase in the number of private providers in the water/sewerage service sector. This has contributed to greater access to these essential services to more Jamaicans. Over the 2022-2023 fiscal year the OUR received three (3) applications for rate reviews from private water/sewerage providers: Richmond Environmental Services Limited (RESL), Can-Cara Development Limited (CDL) and St. Jago Hills Development Company (SJHDC). The following summarizes the status of the OUR's review:

Table 11: K-Factor Inflows and Outflows 2022 April - 2023 March

PERIOD		2022-2023				TOTAL	
	2021-2022	APR-JUN	JUL-SEP	OCT-DEC	JAN-MAR	2022-2023	Annual Change
INFLOWS (J$M)							
DEEMED K-FACTOR BILLING	5,654.13	1586.12	1623.07	1629.92	1746.59	6,585.71	16.48%
OUTFLOWS (J$M)							
K-FACTOR OUTFLOWS	3,520.27	1201.65	816.43	1,723.04	1,410.12	5,151.24	46.33%
Breakdown of Outflows (J$M)							
Debt Service	2,988.21	539.86	696.95	1,671.19	1,381.29	4,289.29	43.54%
Direct Finance	532.06	661.78	119.48	51.85	28.84	861.95	62.00%
Total	3,520.27	1201.65	816.43	1,723.04	1410.12	5,151.24	46.33%

Richmond Environmental Services Limited (RESL) was granted its Water Supply and Sewerage licences in 2013 to provide services to the Richmond Development community and the immediate environs in Richmond, St. Ann. It applied for a Rate Review on 2022 August 19. As at 2023 March 31, the review was on the verge of being completed and the Determination Notice will be published in the early periods of the upcoming fiscal year 2023-2024.

Can-Cara Development Limited (CDL) was granted two (2) water supply licences in 2005 and 2011 and two (2) sewerage services licences in 2004 and 2011. It serves the Meadows of Irwin Housing Development in St. James and certain areas in Western Spanish Town, St Catherine. On 2022 November 04, CDL requested an increase to its water and sewerage rates. As at 2023 March 31, the OUR's review was incomplete and was awaiting additional data from CDL. It is envisioned that this review will be completed in the upcoming fiscal year 2023-2024, once the requested data is provided.

St. Jago Hills Development Company Limited (SJHDC) provides potable water to residents of St. Jago Hills, a small community in eastern St. Catherine. On 2022 March 14, SJHDC submitted a request for a rate review. Apart from data inadequacy, the review was complicated by the fact that the company had reduced pumping water to its customers from three (3) days per week to one (1) day weekly. In response, the OUR issued the company a Cease-and-Desist Directive. Further, on 2022 November 24, SJHDC indicated its intention to terminate service to the community on 2022 December 31. Notwithstanding, the OUR released the Rate Review Determination Notice to the company early in the 2023-2024 fiscal year.

Annual Price Adjustment Mechanism (ANPAM): RBWC, DEML and 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, which are exogenous to the company. The three (3) indices utilised in the PAM are:

1. The Consumer Price Index (CPI),
2. The Jamaican Dollar exchange rate relative to the United States Dollar (FX), 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 is referred to as the Annual Price Adjustment Mechanism (ANPAM).

During the 2022-2023 period, the OUR reviewed ANPAM applications from Runaway Bay Water Company Limited (RBWC), Dynamic Environmental Management Limited (DEML) and National Water Commission (NWC).

Table 12: NWC Water Production and Consumption – 2021 and 2022

Calendar Year	Production (mg)	Consumption (mg)	Non-Revenue Water(as at December)	No. of Active Connections (as at December)
2021	74,019.18	18,445.55	75.0%	384119
2022	72,587.61	18,528.28	73.2%	384,521

Note: MG represents Million Gallons

On 2022 May 06, RBWC submitted its ANPAM rate adjustment application of 11.70%. The application was reviewed and approved by the OUR and became effective in 2022 June; this adjustment was not extended to the company's reconnection fees as it was not requested.

Similarly, DEML submitted its ANPAM rate adjustment application of 12.3% on 2022 September 22. The application was reviewed and approved by the OUR and the new base rate became effective on 2022 November 1.

Finally, the NWC also submitted an ANPAM rate adjustment application on 2023 March 27 for 5.11%. The application will be reviewed and published in the fiscal year 2023-2024.

Monitoring NWC's Performance against Performance Criteria Established in the 2019 Interim Tariff Determination Notice

The OUR continues its monitoring of NWC's performances. This is important if the NWC is to improve its operational efficiency.

As shown in Table 12, for the year 2022, water produced by the NWC declined by 1.93%, while consumption slightly increased by 0.45% from the previous year 2021. For the year in review, NWC saw an increase of 0.10% in the number of active customers served by the company. The company also successfully lowered its NRW from 75% to 73.22% at the end of 2022.

Table 13: Production and Consumption of Private Water Providers for 2021

Private Water Provider	2021		2022	
	Production (m^3)	Consumption (m^3)	Production (m^3)	Consumption (m^3)
Can-Cara Development Limited	Unavailable	Unavailable	Unavailable	Unavailable
Dairy Spring Limited	Unavailable	Unavailable	Unavailable	Unavailable
Dynamic Environmental Management Limited	715,113.80	451.351.20	684,944.06	435,386.27
Four Rivers Development Company Limited	Unavailable	Unavailable	Unavailable	Unavailable
Rose Hall Development Limited	1,100,638	849,236	1,244,497	920,976
Runaway Bay Water Company Limited	2,469,195.87	1,954,882.16	2,671,119.99	2,060,173.26
Total	4,284,947.67	3,255,469.36	4,600,561.05	3,416,535.53

Private Water Providers' Potable Water Statistics

The private sector continues to play an important role in the water and sewerage sector. As shown in Table 13, for the year 2022, the data collected from the private providers in the table below collectively shows an increase in production by approximately 7.4% when compared to 2021.

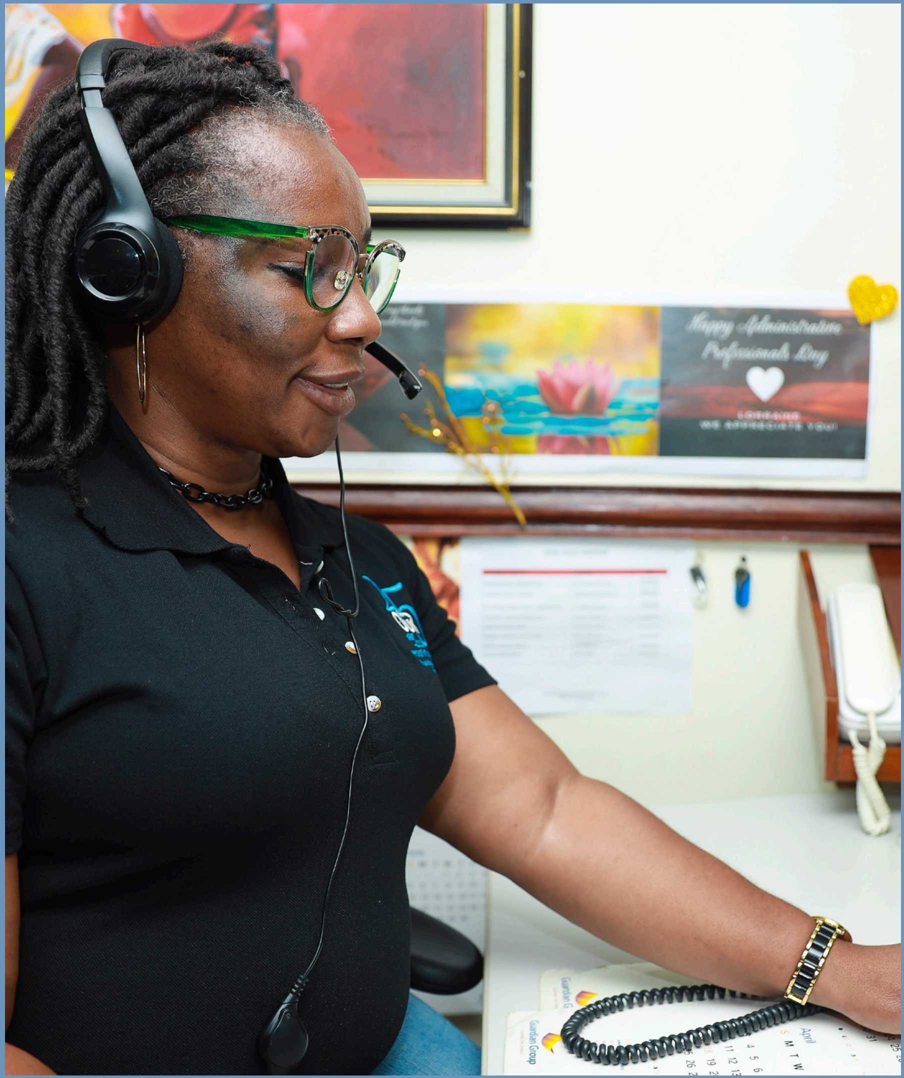
The consumption data also registered a 4.95% increase over the same period.

Additionally, the OUR continues to facilitate the entrants of new private providers to the water and sewerage sector. During the period, applications were received from WHIM Water and Wastewater Limited and Ocean Pointe Utilities Limited. These applications are currently under review.

2023-2024 Key Work Plan Projects

The following projects will be undertaken during the 2023-2024 period in the Water and Sewerage sector:

- **NWC Rate Review**
- **Enhancement of the K-Factor Programme**
- **NWC Regional, Seasonal Tariff & Asset Base Proxy Study**
- **Tariff Reviews for Private Water and Sewerage Providers**



Receptionist - Lorraine Baker

OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefits of All...

REGULATION, POLICY, MONITORING & ENFORCEMENT (RPME)

TELECOMMUNICATIONS

Evona Channer Manager, Regulation & Policy, ICT | **Marsha Minott** Senior Utility Analyst | **Nakesha Allen** Regulatory Analyst | **Gordon Swaby** Telecommunications Engineer

TELECOMMUNICATIONS

Information and Communication 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 ICTs. 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.

Major Activities During the Period

- Number Portability Administration Fees, 2022
- Outage Reporting Protocol and Measures to Improve Network Resiliency in Disasters – Consultation Document
- Review of the International Mobile Subscriber Identity (IMSI) Assignment Guidelines – Consultation Document
- Finalisation and Promulgation of the Infrastructure Sharing Rules
- Telecommunications Market Information Quarterly Reports
- Review of the Information Requirements Market Data Forms and Development of Reporting Portal
- Request for Information - Provision of Quality of Service/Experience (QoS/QoE) Monitoring Services in Jamaica
- Revision of the Industry Number Portability Guidelines

Promulgation of the Infrastructure Sharing Rules

The sharing of active and passive infrastructure among operators and across sectors can be a powerful tool for increasing affordability and accelerating the deployment of connectivity infrastructure. The private Telecommunications (Infrastructure Sharing) Rules, 2022 became effective on 2023 February 1. The objects of the Rules are to -

a. optimize the utilization of existing infrastructure;
b. protect the natural environment by reducing the proliferation and duplication of infrastructure being installed across Jamaica;
c. promote fair and open competition through the provision of equitable access to infrastructure;
d. promote the availability of high-quality, efficient, cost-effective and competitively priced telecommunications services to customers;

The Rules are applicable to both mobile and fixed infrastructure and outline the process by which licensees can request to share the infrastructure of another licensee. The Rules outline the bases on which a licensee may deny an infrastructure-sharing request and the factors the OUR should consider when determining infrastructure-sharing. The Rules also outline the principles by which an infrastructure provider shall determine infrastructure-sharing charges. All licensees who control infrastructure amenable to sharing are required to submit a Reference Access Offer to the Office.

Establishment of Outage/ Disaster Protocol and Measures to Improve Network Resiliency in Disasters

During 2022-2023 the OUR consulted on an outage protocol and measures to improve network resiliency. The draft protocol outlined measures which addressed:

- Categorisation of outages - three-tier categorisation of planned and unplanned outages proposed. The categories are minor, major, and critical and are delineated based on the severity and scope of an outage.
- Notification process for each category of outages – the timing of notifications to the regulator and end-users and the content of those notifications.
- Requirement for the submission of an outage report after the outage is resolved. This should include a root cause analysis.

The measures outlined in the protocol will provide the OUR with the requisite data/tools to monitor the service restoration activities of the operators, the magnitude of outages and identify common recurrent threats to the normal functioning of networks and services with a view to ensure that the necessary countermeasures are taken by service providers to mitigate the risk of recurrences.

In the case of disasters, the resilience and redundancy of telecommunications networks are critical in all the different phases of disaster management. Telecommunications services facilitate the dissemination of alerts and updates, access to emergency and rescue services and support of relief operations. While the Office of Disaster Preparedness and Emergency Management (ODPEM) has been given the mandate to take action in order to reduce the impact of disasters and emergencies on Jamaica's population and economy, the OUR is of the view that there are some issues related to emergency/disaster management which can and should be addressed under its remit. The OUR consulted on the following resiliency measures:

- National Roaming During Disasters: This would see the negotiation and implementation of reciprocal national roaming agreements between mobile network operators, which would be activated as soon as the designated government agency issues a warning of an impending national emergency or national disaster, and for the whole duration of such national emergency or national disaster.
- Emergency Mobile Roaming: It was proposed that mobile network operators negotiate, conclude, and implement agreements that enable users to call the designated emergency numbers (119, 911 and 112) from another network if the network of their service provider is unavailable and the area concerned is covered by another network.
- Disaster plans/Business continuity plans: It was proposed that operators be required to develop disaster preparedness and

business continuity plans which shall be submitted to the Office and updated every two years.

The decision document on the Outage Protocol and the resiliency measures will be published in the second quarter of 2023-2024.

Implementation of the Final Phase of Information Transparency Obligations

As of 2022 April 1, service providers are required to put measures in place to enable post-paid mobile customers to set a financial cap (spending limit) when roaming overseas. This initiative, coupled with previously implemented transparency initiatives such as Roaming Activation and Usage Notification Alerts, should help subscribers to avoid "bill shock". From the findings of a mystery shopping exercise conducted 2022 May, FLOW was generally compliant, while Digicel, although indicating that it would be implementing the measures starting 2022 April 1, had still not started the process of sensitisation of staff. Digicel has since rectified this and is now fully compliant.

Monitoring/Data Collection Initiatives

The OUR continues to take steps to improve its monitoring/data collection capabilities. This is in keeping with OUR's commitment to evidence/data-driven regulation. Data is critical to the OUR's regulatory mandate. It tells us where we were, where we are, what works and what does not. It is a key ingredient for identifying good practices and designing effective interventions.

Revision of Information Requirements

During 2022-2023 the information requirements were reviewed in a bid to capture relevant market data that are not currently being requested from licensees, as well as to remove market data requests that have become obsolete. A web-based Information Requirements data collection portal will be launched during the first quarter of 2023-2024. Licensees will be able to log on to the portal to submit their quarterly and annual data. They will also be able to log on and view data that they have previously submitted.

QoS Monitoring Framework

The OUR is in the process of establishing a Quality of Service/Experience (QoS/QoE) monitoring and reporting regime, which will take account of the legacy and advanced/emerging telecommunications services provided in the sector. This involves the procurement of monitoring services, and tools to measure some QoS/QoE parameters of networks and services provided by licensed telecommunications carriers and service providers. The establishment of the monitoring regime will allow the OUR to provide business and residential consumers with easily attainable, comparable, meaningful, and clear information about the quality of telecommunication services. The public provision of independently verified and comparable QoS/QoE information will assist consumers by enabling them to make better-informed purchasing decisions, thus improving consumer welfare. During 2022-2023 the OUR issued an RFI to gather information regarding the required QoS/QoE monitoring services and potential solution providers. An RFP for the procurement of a drive test and a crowd-sourcing solution will be issued in 2023-2024.

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/ activities:

1. Review of the International Mobile Subscriber Identity (IMSI) Assignment Guidelines
2. Operationalisation of Common Short Codes Scheme - Phase I

Review of the International Mobile Subscriber Identity (IMSI) Assignment Guidelines

The OUR continues to review its regulatory instruments to ensure that it is fit for purpose and is able to deal with the new and fast-paced realities of digital transformation. One such instrument is the International Mobile Subscriber Identity (IMSI) Assignment Guidelines. In the past, resources such as the Mobile Country Code (MCC) and Mobile Network Code (MNC) which are used to formulate the IMSI resource were thought to be relevant only to the operators of mobile networks who needed to facilitate the authentication, routing and billing of their customers as they roam on other networks facilitating land mobile terminals roaming among public land mobile networks in different countries. However, with more and more entrants indicating their intention to utilize mobile technologies such as LTE in their fixed wireless networks, there is a need to modify aspects of the IMSI Assignment Guidelines, such as the eligibility criteria to ensure that MNCs can be assigned to carriers other than mobile carriers. The modifications consulted on during 2022-2023 will allow fixed carriers offering specified services to the public and who utilise radio spectrum in the access segment of their networks, to utilise IMSIs to authenticate their customers. This would include satellite operators with ancillary terrestrial communications networks.

A Determination Notice and revised IMSI Assignment Guidelines will be published in the second quarter of fiscal year 2023-2024.

Operationalisation of Common Short Codes Scheme - Phase I

As of 2022 May 1, eligible mobile operators were able to request assignments of six-digit codes under the Jamaican Common Short Code

Scheme (JCSCS) for use in the provision of value-added services. While the Guidelines contemplate the use of Common Short Codes in delivering value-added services (VAS) on both fixed and mobile networks, the OUR decided to operationalize the JCSCS on a phased basis. Phase II of the operationalisation of the JCSCS is scheduled for 2023 May 1, when fixed operators will also be able to request assignments of short codes. Except for the 333000 – 333999 range, the Office will assign Common Short Codes (200000 - 332999, 334000 - 999999) to eligible Licensees on a first-come, first-served basis. The 333000 – 333999 range will be reserved for use with services deemed to be of social value such as crisis hotlines. The network operators will then assign the codes to providers of value-added services in a fair and transparent manner. Where the value-added service is also a premium-rate service, consumers are expected to be aware that using such a service will attract a higher charge for a text or call.

Update on Important Telecommunications Sector Indicators

Fixed Voice Service

Fixed subscriptions stood at four hundred and forty-six thousand, eight hundred and thirty one (446,831) as at 2022 December 31, representing a 6% decrease compared to the similar period in 2021, which recorded four hundred and seventy three thousand, six hundred and seventeen (473,617) subscriptions. It was reported then that an uptick in fixed broadband subscriptions, to facilitate 'work from home' and/or online classes, in which some service providers included a voice subscription as a part of the broadband package, had resulted in an increase in residential fixed services subscriptions. It has however been observed that several fixed services subscriptions were disconnected during the current reporting period, accounting for the reported decline in this service category.

Table 1: Fixed Line Subscription ('000) & Penetration Rates (2013-2022)

YEAR	SUBSCRIPTIONS			PENETRATION RATE
	TOTAL	RESIDENTIAL	BUSINESS	
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%
2017-2018	347.67	274.99	72.68	12.74%
2018-2019	368.49	297.83	70.66	13.50%
2019-2020	398.31	329.33	68.98	14.57%
2020	436.25	370.03	66.22	15.96%
2021	473.62	408.78	64.84	17.32%
2022*	446.83	383.33	63.50	16.34%

*Data provided as at 2022 December 31

Mobile Service

Mobile service subscriptions totalled three million and two thousand, seven hundred and forty (3,002,740) as at 2022 December 31, representing an increase of 3% when compared with the similar period in 2021, which recorded two million, nine hundred and five thousand, four hundred and eight (2,905,408) subscriptions.

Internet Service

Fixed broadband subscriptions stood at four hundred and twenty-four thousand, seven hundred and forty (424,740) as at 2022 December 31, representing a 3% increase over the previous period when it stood at four hundred and thirteen thousand, five hundred (413,500). Regarding mobile broadband, these subscriptions reflected an 8% increase as at 2022 December 31 when compared to the similar period in 2021.

2023-2024 Projects/Activities

Use Of New Area Code 658

Provision was made for an additional area code for Jamaica given the imminent exhaustion of the current 876 area code. The new area code (658) will be activated in 2023-2024. While persons have been required to dial using 10 digits since 2019, some individuals and businesses still do not record all 10 digits when a telephone number is provided. Once the OUR starts to issue Central Office Codes under the 658 Area Code, it means that there could be two telephone numbers where the last seven

Table 2: Mobile Subscriptions ('000) & Penetration Rates (2013-2022)

YEAR	SUBSCRIPTIONS			PENETRATION RATE
	TOTAL	PREPAID	POST-PAID	
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%
2017-2018	3,107.12	2,910.54	196.58	113.86%
2018/19	2,988.74	2,783.87	204.87	109.52%
2019-2020	2,966.88	2,746.53	220.35	108.51%
2020	2,873.26	2,653.34	219.92	105.09%
2021	2,905.41	2,673.75	231.66	106.27%
2022*	3,002.74	2,715.91	286.82	109.83%

*Data provided as at 2022 December 31

Table 3: Distribution of Internet Subscription ('000) & Penetration Rates (2013-2022)

YEAR	SUBSCRIPTIONS				PENETRATION RATE
	TOTAL	FIXED NARROW-BAND	FIXED BROADBAND	MOBILE BROADBAND	
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%
2017-2018	2,000.17	---	263.24	1,736.93	73.30%
2018-2019	1,729.05	---	293.22	1,435.83	63.36%
2019-2020	2,001.16	---	331.98	1,669.18	73.19%
2020	2,127.58	---	385.60	1,741.98	77.82%
2021	2,151.68	---	413.50	1,738.18	78.70%
2022*	2,309.70	---	424.74	1,884.96	84.48%

*Data provided as at 2022 December 31

digits are the same and the only distinguishing feature will be the area code, i.e., 658-123-4567 and 876-123-4567. The OUR will be undertaking public education activities in the first quarter of 2023-2024 to emphasise the importance of indicating all 10 digits when communicating telephone numbers.

Review of the Number Portability Framework – Phase 2

The review of the Number Portability Framework to address any challenges as well as align the framework with international best practices will continue in 2023-2024. Whereas Phase I of the review which was completed 2022 April focused on issues that only impacted the Industry Number Portability Guidelines (INPG), Phase II will focus on the issues/proposals that will require amendment to both the INPG and the Telecommunications Act (Number Portability) Rules, 2014.

Under Phase II the OUR will, inter alia, seek to establish performance targets specific to time limits to promote efficiency in the process, and to hold the service providers accountable to delivering on said targets. The OUR will also impose penalties if a donor telecommunications carrier/service provider fails to meet the performance targets set. Phase II will also include Guidelines for the porting of other numbering resources such as Common Short Codes and Local Toll-Free Numbers.

Regulatory Framework for Mobile Virtual Network Operators

The introduction of Mobile Virtual Networ Operators (MVNOs) is seen as a natural progression in the facilitation of competition in the telecommunications sector. The MVNO model has gained popularity globally, and new value-added services are constantly emerging. Given that MVNOs tend to focus on niche markets, it is believed that valued-added niche services are better handled by these operators.

The Minister with responsibility for telecommunications has created a licence category for MVNOs. The formulation of a regulatory framework for MVNOs could increase the level of competition in the provision of specified services. In the latter part of 2023-2024, the OUR will undertake work aimed at examining issues surrounding the MVNO model including the possible benefits and the licensing and regulatory implications of MVNO entry. Additionally, the project will discuss the regulatory framework needed for MVNOs as well as the ensuing responsibilities of both MVNOs and MNOs resulting from any such regulation.

Mechanisms to Enable Emerging Innovations

Telecommunications regulators can facilitate innovation by reducing some regulatory barriers by utilising mechanisms such as experimental licensing, innovation testbeds and regulatory sandboxes to enable emerging innovations. These mechanisms allow a regulator to support innovation by reducing the cost and time for an innovative concept to be ready for the market while ensuring that the appropriate consumer safeguards are in place.

Jamaica's current telecommunications legislative/regulatory framework does not speak to experimental licensing, regulatory sandboxes, or any other innovation-facilitating mechanism. The OUR has been dealing with requests from entities on an ad hoc basis. During 2023-2024 the OUR will undertake a project to develop a framework for such mechanisms as well as make recommendations, where necessary, about how these matters should be addressed in future legislations/regulations.

Promulgation and Operationalisation of the Quality-Of-Service Rules

Pursuant to section 44 of the Telecommunications Act, the OUR may, after consultation with the Minister, make rules prescribing quality of service standards for the telecommunications sector and governing the administration and resolution of customer complaints. After extensive consultation with industry stakeholders, the OUR developed drafting instructions which were subsequently submitted to the Chief Parliamentary Counsel to be drafted into regulations to be issued under the Telecommunications Act. Those regulations are anticipated to be finalised and promulgated by the second quarter of 2023-2024.

Promulgation and Operationalisation of the Dispute Resolution Rules

The failure to resolve disputes quickly and effectively in the telecommunications sector can impede the deployment of new infrastructure and services, limit the level of competition, and prevent the realization of the full potential of telecommunications infrastructure and services as a driver of economic growth and development. Sections 29(4) and 34 of the Telecommunications Act, set out the powers and obligations of the OUR in resolving post-contract and pre-contract interconnection disputes between operators placed before the Office for consideration and adjudication. Following consultation with stakeholders, the OUR submitted drafting instructions to the Chief Parliamentary Counsel to be drafted into regulations to be issued under the Telecommunications Act. Those regulations are anticipated to be finalised and promulgated by the second quarter of 2023-2024.

Odian Moore, our Regulatory Economic Specialist, joins in on a selfie with a consumer

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

LEGAL

Chenée Riley
General Counsel

Lorraine Patterson Walters
Legal Consultant

Wayne McGregor
Senior Legal Counsel

Naomi Watkins
Legal Officer (Acting)

Nicole Morgan
Legal Counsel

LEGAL

The Legal Department advised on several 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 organisation's regulatory and administrative processes and activities 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 Ministries of Science, Energy and Technology (MSET) and Economic Growth and Job Creation (MEGJC) on various general and sector-specific policy and legislative matters. In particular, the OUR provided feedback and recommendations on the proposed regulatory framework for petroleum pricing, a draft concept paper on public rights-of-way, and draft regulations for electricity wheeling. The OUR also reviewed draft rules to govern the quality of service, dispute resolution, and infrastructure sharing in the telecommunications sector.

Litigation Matters

From 2022 April to 2023 March, our legal officers managed thirteen (13) litigation matters which had been filed in the Privy Council, Court of Appeal, Supreme Court, Parish Court, Telecommunications Appeal Tribunal, and the Electricity Appeal Tribunal established under the JPS's Electricity Licence, 2016 (the EAT). Twelve (12) of the matters were carried over from previous periods, and one (1) new matter was filed with the EAT by JPS.

During the period under review, one (1) matter was disposed of by the Supreme Court, three (3) of the matters were discontinued, two (2) matters involved activities related to the pursuit of outstanding costs or judgment debts, four (4) matters have been in abeyance pending the constitution of a new EAT, and the OUR closed its files for the remaining three (3) matters.

Some of the matters are highlighted as follows:

Electricity Sector

Electricity Appeal Tribunal

- On 2022 August 19 the OUR issued its Determination Notice on the Jamaica Public Service Company Limited Annual Review and Extraordinary Rate Review for 2022 (Document No. 2022/ELE/007/DET.001). The Determination Notice, which took effect on 2022 August 22, sets out, among other things, the OUR's decisions regarding adjustments to be made to the tariffs that JPS is approved to charge its customers. By Notice of Appeal dated 2022 September 19 and filed with the EAT, JPS appealed against several of the decisions of the OUR set out in the Determination Notice. The matter is in abeyance pending the appointment of a new EAT in accordance with the provisions of JPS's Electricity Licence, 2016.

Telecommunications Sector

Supreme Court/Court of Appeal

George Neil was a principal of companies that previously held several telecommunications licences. His failure to pass the licensee fit and proper requirements 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. After the trial of the matter in 2022 June and July, the Full Court delivered its judgment on 2022 October 28. The Court dismissed Mr. Neil's application, finding that there was no evidence that his constitutional rights had been breached. The Court also awarded costs in favour of the defendants in the matter.

By Notice of Appeal filed in the Court of Appeal on 2022 December 15, Mr. Neil appealed the Supreme Court's order against him to pay costs and requested that the Court of Appeal set aside this order. The OUR in response filed an application to have the appeal struck out. This application is scheduled to be heard in 2023 May.

Accountant, **Laverne Small** points out some numbers to Administrative Assistant (HRA), **Kadine Williams.**

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

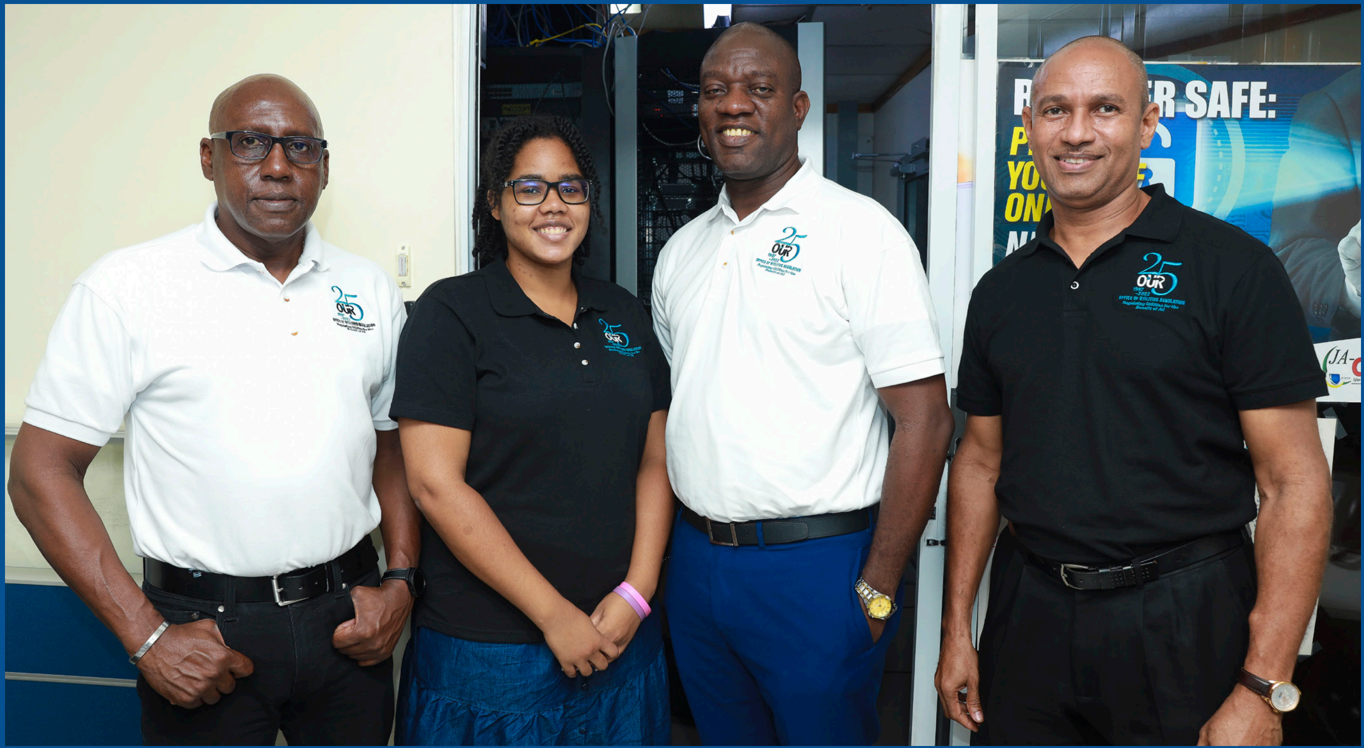
INFORMATION TECHNOLOGY AND RISK

Leighton Hamilton
Director, Information Technology & Risk

Judene Channer
Graphic Officer/ Help Desk Coordinator

Otis Anderson
Manager, Information Technology & Risk

Peter Johnson
Manager, Project Management



INFORMATION TECHNOLOGY & RISK

The Information Technology and Risk Department (ITRD) continued its high-performance level in supporting the organisation in delivering its mandate. The ITRD continues to ensure that the organisation uses the technology needed and required for its activities and projects.

As in previous years, the ITRD has ensured that all staff members have the technology that aids them in performing their roles and functions efficiently and effectively, with the deployment of new hardware and secure interfaces. The major activities performed during the period were:

a. **The replacement of obsolete equipment, mainly equipment such as laptops and servers that have reached the end of life and needed to be replaced to reduce the possibility of interruption in the organisation's operations.**

b. **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.**

c. **The continued review and enhancement of the 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 Syst).**

For the next fiscal year, the Information Technology and Risk Department will replace more obsolete equipment as part of the continued improvement in information technology management systems.

We will also continue with the planned upgrading of the hardware and software of our systems and the implementation of new technologies and systems to improve the information provided to all OUR stakeholders.

Quality Management System (QMS)

The organisation continued to maintain its certification against the ISOi 9001:2015 standard after undergoing the annual surveillance audit conducted by the National Certification Body of Jamaica (NCBJ). With the maintenance of this international certification, the organisation demonstrates to all stakeholders our emphasis on delivering measurable quality service to them and the Jamaican consumer.

The activities that were undertaken during the 2022-2023 fiscal year facilitated our success and included, among other things:

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

In the 2023-2024 fiscal year, the OUR will look to maintain its certification against ISO 9001:2015 Quality Management System standard.

Enterprise Risk Management (ERM)

The Enterprise Risk Management System (ERMS) has been improving its integration with the management systems of the organisation. The ERMS produced quarterly enterprise risk reports for risks associated with regulatory projects and support activities and was used to complement and enhance the quality management system. It should be noted that the reduction of the COVID-19 restriction and the impact of the pandemic on the 2022-2023 corporate plan of the organisation has been reduced significantly, and the mitigation action was adjusted accordingly.

Renaldo Davis
Solution Developer

Sheldon Lecky
Cyber Systems Security

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

HUMAN RESOURCE AND ADMINISTRATION

(standing from left)

Loretta Townsend Ancillary Worker	**Joan Bailey Banton** Office Attendant	**Shanique Nunes** Human Resource Manager	**Lyndon Adlam** Manager, Records & Information Management	**Venetia Cooke** Records & Information Officer
Ingrid Brown Cripps Manager, Property & Office Services	**Francine Brown** Senior Procurement Officer	**Kadine Williams** Administrative Assistant (Acting)	**Granville McKoy** Security Officer/ Driver	**Roxan Jackson** Senior Records & Information Officer

(At front from left)

Rolando Johnson Records Clerk	**Lorraine Baker** Telephone Operator/ Receptionist	**Laurette Adams Thomas** Director, Human Resource & Administration	**Nova Barnett** Manager, Public Procurement	**Adeka Minns** Driver/ Bearer

HUMAN RESOURCE AND ADMINISTRATION

The Human Resource and Administration Department is responsible for providing human resource, general administration, procurement, records and information management, and Access to Information Act support services to the OUR. Our people agenda is a key component in the accomplishment of the strategic objectives of the OUR. Consequently, during the period under review the human resource and administrative team remained committed to providing quality service and to creating an environment where employees can develop and produce sustainable organisational results.

Talent Acquisitions, Promotions and Separations

There were five (5) new hires, one (1) promotion and three (3) separations over the 2022-2023 period. The talent acquisitions included the post of Director, Human Resource and Administration, Manager - Regulatory & Licencing Affairs, Utilities Monitoring Analyst, Regulatory Economic Specialist and Regulatory Engineer. One (1) employee was promoted internally to the post of Executive Assistant. The positions which became vacant due to resignations were Director, Human Resources and Administration, Accounting Clerk, and Regulatory Analyst.

Capacity Development Initiatives

Capacity development remained important to the organisation's success and as such staff members participated in different initiatives from entities listed in Table 1.

In addition to the capacity development programmes undertaken, the HR and Administration Department reactivated its Skills Bank Database to aid in enhancing workforce planning, including the alignment of future training and development programmes, succession planning and internal mobility.

Performance Management and Industrial Relations

The organisation ensures that employees are actively engaged in the strategic planning process. The HR and Administration Department continued to improve the performance management system by ensuring that employees prepare their performance targets and appraisals in a timely manner.

Policies and Procedures

The Human Resource and Administration Department endeavoured to ensure continual improvement by creating or revising policies and procedures. The Employee Recognition and Reward Policy was introduced over the

Table 1: OUR's Staff Capacity Development

Jamaican Bar Association Annual Conference	Broadband Mapping, Infrastructure Sharing, and Mitigation of Communications Vulnerabilities Seminar (**LOCAL**)	IABC Southern Region Conference	2022 ARMA Conference
SHRM – People Manager's Qualification (PMQ)	Jamaica Association of Administrative Professionals – Annual Seminar	Master: Financial Controller	IBE FORUM – Strategic Facilities Management
Certified Administrative Professional Programme (CAP)	The International Law Institute - Leadership, Management, and Negotiations in International Development Seminar	Managing Teams for Customer Service Success (1 and 2)	CARILEC Conference & Exhibition
50th PURC/World Bank International Training	50th Telecoms Research Policy Conference - Telecoms Research Policy Conference	International Association of Business Communicators Annual Conference	Financial Modelling and Budgeting Techniques
Program on Utility Regulation and Strategy	Public Speaking and Presentation Skills	Master Your Minute Writing Skills	John Maxwell Co & Steve Harvey – Elevate Your Communication
Microsoft 365 Training	Investor's Forum on Integrated Solid Waste Management (ISWM) Public-Private Partnership Project in Jamaica	Leadership Essentials: Transitioning from Line Staff to Management (Pts. 1 and 2)	CreativePro Network – The Essential How-To Conference for CreativePros
Essentials of Labour Law (Pts I and 2)	Protocols for Chairing Disciplinary Hearings	Essentials for Breaking and Renewing Employment Contracts	Protocols for Sexual Harassment Prevention – HR Concept

Annual IFRS Update Seminar	CANTO – 37th Annual Trade Exhibition Conference	Institute of Chartered Accountants of the Caribbean – Regional Resiliency	International Centre for Parliamentary Studies
ITU Plenipotentiary Conference	Institute of Chartered Accountants of Jamaica - ICAJ GCT Webinar	University of the West Indies (Open Campus) – Computer Graphics,	Project Management Global Institute – Women Leadership Development Programme
ABMA Essential Business Skills	Caribbean Development Bank Regional Electricity Sector Regulatory Workshop (RR – ASERT Dialogue)	Arthur Lok Jack Global School of Business	5G and Emerging Technologies
Leadership and Transition	Leading effectively in a hybrid working environment	Caribbean Regional Water Loss Conference 2023	Enterprise Risk Management

period and the Records and Information Management Policy and Procedures were also revised. The department also prepared its 1st draft of the Flexible Work Arrangement Policy as the OUR aims to transition towards operating in a hybrid working environment.

Employee Engagement, Satisfaction, and Well-Being

The Human Resource and Administration Department organized its fifth staging of its Annual Health and Wellness Fair for employees. The fair was organized to cater to the holistic wellness of employees. The day's events commenced with a devotional exercise to focus on spiritual wellness. The HR and Administration Department also partnered with a few organisations such as Proactive Lifestyle Limited which provided foot detox services for employees, and Emergency Medical Services (EMS) which conducted ECG tests and Blood Pressure checks as well as counselling/ psychological support to employees. Upper body treatments were also provided to relieve stress through the services of Bella Oasis. Barita Investments Limited was also present to provide employees with information relating to financial investment opportunities.

In recognition of Jamaica's Independence and Emancipation observations, the Department organized an Eman-cipendence Day Potluck. All departments were invited to bring their choice of food based on a list that was provided, and employees were also clad in the Jamaican colours.

During the month of November, ‘Beat Diabetes Lunch Talk And More’ was held as a part of the Employee Wellness Service provided by Emergency Medical Services (EMS).

The department also acknowledged and gifted all the men of the OUR on International Men’s Day, which is celebrated in November of each year.
The women of the OUR were also equally acknowledged and gifted on International Women’s Day which is celebrated in March of each year.

Procurement of Goods, General, and Consultancy Services

The Procurement Unit in the Department continued to ensure that all procurement activities were conducted in accordance with prescribed Government of Jamaica 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.

Between 2022 April and 2023 March, sixteen (16) contracts were awarded. Fourteen (14) above J$500,000 and two (2) below J$500,000. Of the total number of contracts awarded eleven (11) were for consulting services and five (5) for goods.

Records And Information Management (RIM)

The RIM Unit continued to support the management and control of documented information in the OUR’s possession. The Unit provided a framework for the standardised management of paper-based, digital, and electronic documents and records under OUR’s QMS. The Unit contributed to the regulatory framework and the life cycle principles of records management while enabling the continual improvement of the OUR’s forms, manuals, policies, procedures, templates, and guidelines.

Access To Information (ATI) Act Requests

One (1) request was received for licences that were issued to a specific holder. Full grant of access was provided. All required monthly and quarterly reports were submitted to the Access to Information Unit.

Outlook

The Department continues to develop and enhance its processes and services to ensure continual improvement towards increased customer awareness, satisfaction and engagement. To this end, it will continue to focus on and improve initiatives related to the onboarding of new employees, development of various policies and procedures, capacity development; performance management; succession management; quality management system; employee engagement, satisfaction and well-being; procurement of goods, general and consultancy services; general administration and records and information management. Specifically, the department will:

- Revamp the Personnel Policy and Procedures Manual to create a Human Resource Policy and Procedures Manual;

- Finalize the development and implementation of the Flexible Work Arrangement Policy and Procedures; and
- Develop and implement a Succession Policy and Procedures document.

Roxan Jackson, our Senior Records Officer checks a file from the RIM storage area

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

FINANCE

(At back from left) **David Case** Accounting Clerk | **Carol Crooks** Financial Consultant | **Renae Gayle** Budget Officer (Acting) | **Shekeva Miller** Senior Accounting Clerk | **Duhaney Smith** Financial Controller

(seated) **Shavouy Drake Thomas** Senior Accounting Clerk (Acting) | **Laverne Small** Accountant

FINANCE

Ten-Year Statistical Highlights	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUE, EXPENSES, AND NET (DEFICIT)/SURPLUS - $'000										
Gross Revenue	1,027,876	965,153	876,291	850,967	811,904	771,608	764,976	704,098	588,526	627,648
Regulatory Fees	993,252	948,379	860,434	829,202	798,614	740,302	738,366	669,205	559,082	558,692
Deferred Income	37,022	(118,505)	(15,370)	(39,693)	(14,315)	(18,786)	(23,600)	-	-	-
Discount Allowed	(99,838)	(101,622)	(60,634)	-	-	-	-	-	-	-
Administration and Other Expenses	(992,197)	(806,892)	(814,746)	(843,464)	(733,109)	(716,913)	(746,021)	(594,605)	(560,297)	(486,404)
Staff Costs	(727,008)	(593,811)	(594,418)	(613,362)	(530,579)	(495,459)	(482,219)	(418,948)	(370,290)	(337,595)
Net (Deficit)/Surplus	(27,137)	(61,866)	(14,459)	(32,190)	64,480	35,909	18,955	109,493	28,229	141,244
BALANCE SHEET EXTRACTS - $'000										
Total Assets	986,795	983,633	929,902	868,670	730,253	772,863	757,705	790,633	639,646	612,008
Receivables	97,616	95,338	131,415	100,543	70,412	153,081	91,989	127,437	120,802	118,943
Trade Receivables Before Credit Loss Provision	92,791	76,843	137,171	113,921	77,294	124,118	72,334	120,997	153,797	145,688
Short Term Investments, Cash and Cash Equivalents	783,213	785,541	662,850	617,222	577,701	487,412	488,738	523,969	376,100	368,470
Reserves	336,870	346,584	421,997	365,190	430,069	400,260	570,314	554,156	458,615	433,051
Payables	310,411	243,029	215,050	171,762	129,633	152,000	123,024	172,110	116,664	114,590
FINANCIAL RATIOS										
Year-End Trade Receivables/Regulatory Fees	9.34%	8.10%	15.94%	13.74%	9.68%	16.77%	9.80%	18.08%	27.51%	26.08%
Administration and Other Expenses/Regulatory Fees	99.89%	85.08%	94.69%	101.72%	91.80%	96.84%	101.04%	88.85%	100.22%	87.06%
Staff Costs/Administration Costs	73.27%	73.59%	72.96%	72.72%	72.37%	69.11%	64.64%	70.46%	66.09%	69.41%
Staff Costs/Regulatory Fees	73.19%	62.61%	69.08%	73.97%	66.44%	66.93%	65.31%	62.60%	66.23%	60.43%
OTHER DATA										
Financial Year-end Exchange Rate US$1.00 = J$	149.96	152.38	146.58	135.39	126.47	125.98	128.67	122.04	115.04	109.57
Inflation Rate Year Over Year	6.19%	11.30%	5.18%	4.81%	3.39%	3.94%	4.09%	2.96%	3.96%	8.34%
Number Of Staff	76	71	70	72	69	72	72	72	69	65
MAJOR CONTRIBUTORS TO REVENUE (SECTORS)										
Telecommunications	44%	41%	41%	42%	42%	40%	43%	42%	44%	46%
Electricity	36%	37%	37%	35%	40%	42%	41%	42%	40%	40%
Water	20%	22%	22%	23%	18%	18%	16%	16%	16%	14%

The Finance Department performed creditably despite staff changes that saw some team members performing in unfamiliar roles and increased operating activities as the negative effects of the COVID-19 pandemic waned. Notably, more projects were undertaken and there was a 22.4% growth in staff costs as salaries, staff training, and travel expenses increased. The department also embarked on a drive to collect outstanding regulatory fees and to move from cheque payments to suppliers, to settlements via bank transfers. The higher level of activities, coupled with the increased number of staff organisation-wide, and accruals made for retroactive salary increases resulted in administration expenses increasing by 23.0% over the previous financial year's figure of $806.9 million to $992.2 million at year-end.

The larger utility providers were given a rebate in regulatory fees totalling $99.8 million (2021-2022 - $101.6 million) as some projects planned for execution in the current financial year were not undertaken, notwithstanding the increased activities.

While maintaining fiscal discipline, the organisation continued to execute its mandate of providing regulatory oversight to the utility sectors within the approved budget, reduced by the regulatory fees rebate, per relevant government guidelines and regulations.

At year-end, the organisation's financial statements reflected a net deficit of $27.1 million (2021-2022 - $61.9 million) due primarily to the aforementioned discounts allowed of $99.8 million (2021-2022 - $101.6 million) given as a result of revised expenditures due to the lingering effects of the pandemic, and accrued expenses for retroactive salary payments partially offset by the net release of regulatory fees deferred totalling $37.0 million (2021-2022 - a provision of $118.5 million). A provision is made for regulatory fees to be deferred where projects planned for are not carried out during the financial year, and a release from the deferred income provision is made where projects from the prior fiscal year(s) are executed in the current fiscal year.

Administration and other expenses also grew compared to the prior year as the effects of the pandemic abated allowing for more regulatory activities to be undertaken.

The organisation's aforementioned net deficit of $27.1 million was reduced by the remeasurement gain of the pension fund's defined benefit obligation of $233.3 million (2021-2022 loss of $2.2 million), partially offset by the remeasurement loss of the pension plan assets of $34.1 million (2021-2022 - $11.4 million), and the change in effect of the asset ceiling, negative $181.8 million (2021-2022 - NIL), components of total comprehensive income, of negative $9.7 million (2021-2022 - deficit of $75.4 million) resulting in the organisation's reserves at year-end moving to $336.9 million (2021-2022 - $346.6 million).

Income

Total income increased by 29.5% year over year, moving from the prior year's $745.0 million to the current financial year's $965.1 million, and is comprised of operating income of $931.7 million (2021-2022 - $729.5 million), a 27.7% increase, year over year, net of deferred income and discount allowed of $37.0 million released to income (2021-2022 provision of $118.5 million) and $99.8 million (2021-2022 - $101.6 million), respectively.

Table 1: Income and Expenditure Summary

	2023 $'000	2022 $'000
Net regulatory fees	930,436	728,252
Processing fees	1,300	1,295
Other operating income	3,716	190
Interest income	29,608	15,289
	965,060	745,026
Staff Costs	(727,008)	(593,811)
Other administrative and other expenses	(265,189)	(213,081)
	(992,197)	(806,892)
NET DEFICIT	**(27,137)**	**(61,866)**

Table 2: Total Income

	2023 $'000	2022 $'000
Regulatory fees	993,252	948,379
Processing fees	1,300	1,295
	994,552	949,674
Deferred income	37,022	(118,505)
Discounts allowed	(99,838)	(101,622)
Operating Income	**931,736**	**729,547**
Interest income	29,608	15,289
	961,344	744,836
Other operating income	3,716	190
	965,060	**745,026**

Figure 1: Sector Contribution to Regulatory Fees

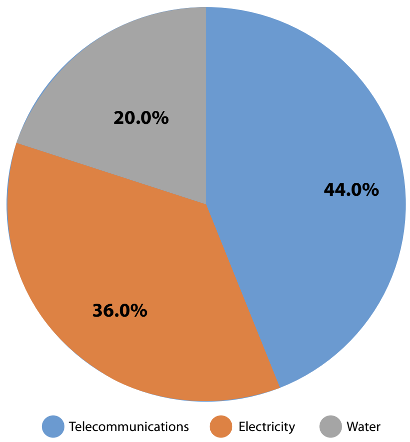
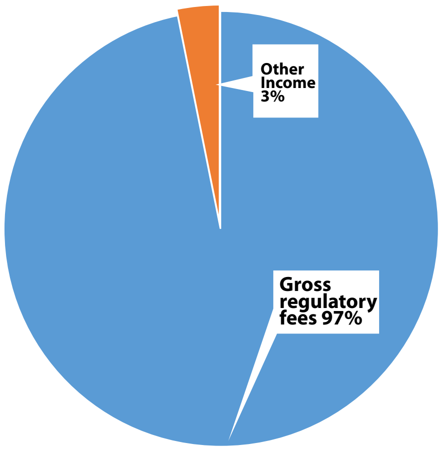


Figure 2: Gross Revenue



Regulatory fees, the major component of total income, was $930.4 million (net) after discount allowed and deferred income, a growth of 27.8% compared to the prior year's $728.3 million. The contributions from the various sectors to regulatory fees for the financial year are as follows: Telecommunications - 44% (2021-2022 - 41%); Electricity - 36% (2021-2022 - 37%); Water - 20% (2021-2022 - 22%).

Figure 3: Average Annual Return on Investments

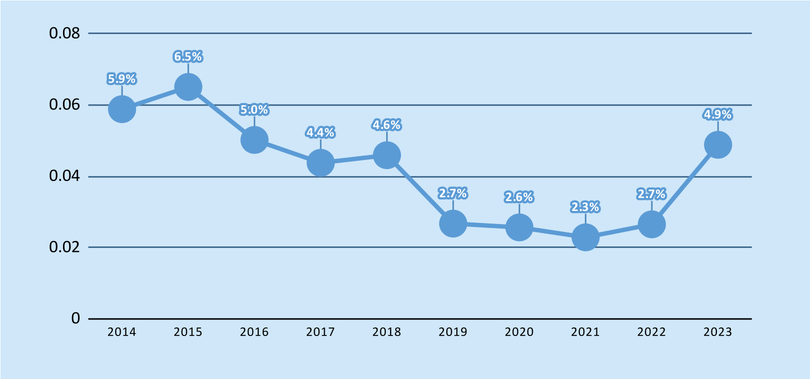


Figure 4: Administrative and Other Expenses ($'000)

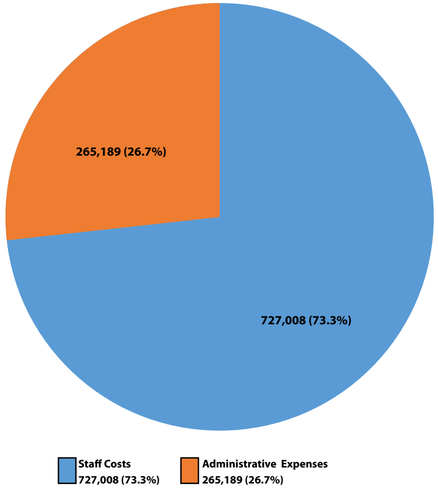


Table 3: Administrative and Other Expenses

	2023 $'000	2022 $'000
Staff Costs	727,008	593,811
Administrative Expense	265,189	213,081
	992,197	**806,892**

Interest income of $29.6 million (2021-2022 - $15.3 million) represents earnings from investments at various financial institutions. Average annual returns on investments increased year over year from 2.7% to the current 4.9%. Following the last financial year's modest increase of 40 basis points over the previous year's average rate of return, the current increase reverses the trend of falling average interest rates since the high of 6.5% in 2014-2015.

Administration And Other Expenses (Including Staff Costs)

Management's adaptation to the changing landscape created by the pandemic continued and decisions were based on fundamental principles employed in earlier years that saw a variety of expense management measures being exercised to keep costs under control. These included expenditure justification and tight budgetary oversight. These efforts, coupled with the waning of the pandemic's negative impact, which saw the level of operational activities increase, helped to restrict the increase in administration and other expenses compared to the previous year.

Total expenses for the financial year of $992.2 million reflect an increase of 23.0% over the previous financial year's $806.9 million. Staff costs represent 73.3% (2021-2022 - 73.6%) of total expenses, and at $727.0 million (2021-2022 - $593.8 million), shows an increase of 22.4% over the previous financial year.

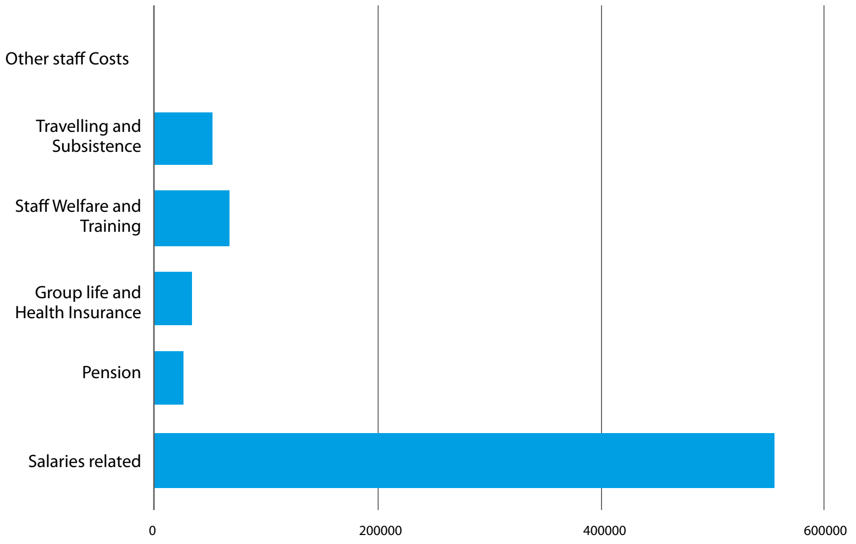
Staff Costs

Table 4: Staff Costs

	2023 $'000	2022 $'000
Salaries and Related	553,170	449,474
Pension	22,700	19,768
Pension Top-Up	-	12,700
Group Life and Health Insurance	33,960	30,925
Staff Welfare and Training	65,447	37,707
Travelling and Subsistence	51,018	39,736
Other staff Costs	713	3,501
	727,008	**593,811**

The increases in Staff costs over the previous financial year are primarily seen in salaries and related expenses, pension expenses, staff welfare and training, and travelling and subsistence. Salaries and related expenses reflect accruals for increased compensation and vacation in alignment with government pronouncements for higher salaries and wages to be paid to public sector employees. Pension expense reflects the net result of the IAS 19 valuation computation based on the organisation's defined benefit pension plan. A "pension top-up" was not required this financial year. Staff welfare, training, travelling, and subsistence increases are due to higher levels of activities previously curtailed by the pandemic.

Figure 5: Staff Costs ($'000)



Administrative And Other Expenses (Excluding Staff Costs)

Administration and other expenses excluding staff costs is 26.7% (2021-2022 - 26.4%) of total expenses, and at $265.2 million, reflect a net increase of 24.5%, compared to the prior financial year's $213.1 million. Notable increases in expenses which had a significant impact on administration expenses occurred primarily regarding office and general expenses, legal and professional fees, projects, and customer expenses reflecting the increased operational activities as a result of the waning of the negative effects of the pandemic. The increases were offset, primarily, by reductions in covid utility grant, which was a one-off payment in the previous financial year, bad debt expense which saw recoveries versus increased provisioning in the previous year, repairs and maintenance, and forex (gain)/loss which turned around from a gain in the previous financial year to a loss in the current year.

Table 5: Admin. Expenses Showing Notable Increases Over Prior Year

	2023 $'000	2022 $'000
Audit Fee	1,450	1,300
Motor vehicle expenses	2,657	2,237
Office and general expenses	16,009	11,049
Legal and professional fees	28,532	9,679
Projects	62,514	46,814
Foreign Travel	7,293	-
Customer expenses	21,758	3,443
Office rental	526	(5,931)
Amortization of intangible asset	9,555	8,310
	150,294	**76,901**

Table 6: Admin. Expenses Showing Notable Reductions Over Prior Year

	2023 $'000	2022 $'000
Covid utility grant	224	17,537
Bad debts (recovered)/written off	(1,953)	7,890
Public relations	6,514	7,661
Stationery, printing, and postage	436	632
Repairs and Maintenance	9,531	13,705
Foreign exchange (gain)/loss	2,357	(9,507)
Loss on disposal of fixed asset	(2,258)	860
Advertising and promotion	943	1,073
	15,794	**39,851**

Figure 6: Finacial Year's Forex Movements (J$ vs US$)

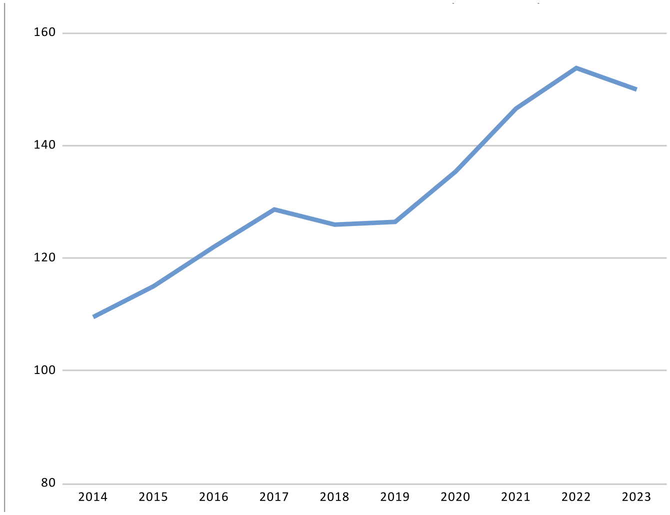
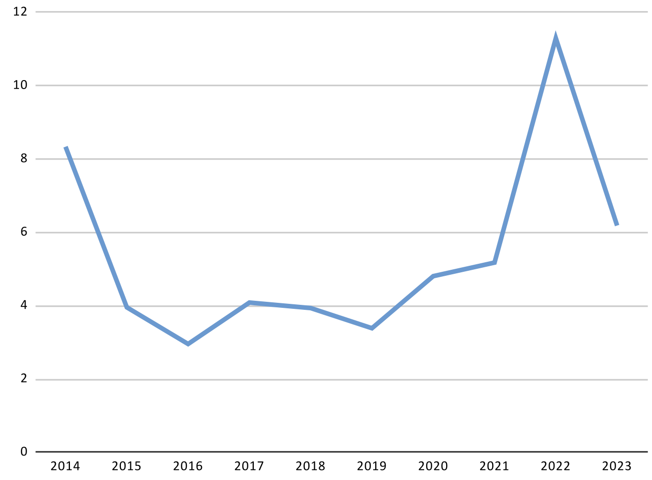


Figure 7: Finacial Year's Inflation Rates



Assets

The organisation's total assets at $986.8 million reflect an insignificant 0.3% growth over the previous financial year's $983.6 million, due mainly to a 3.3% growth in non-current assets from $94.9 million to $98.1 million caused mainly by an increase of 226.9% in the pension fund's post-employment benefit from $8.2 million to $26.9 million because of IAS 19 actuarial valuation assumptions. The $18.7 million positive change was partially offset by net movements in tangible and intangible assets as well as right-of-use assets. There was, relatively, no movement in current assets.

Reserves And Liabilities

Reserves at $336.9 million (2021-2022 - $346.6 million), show a decrease of 2.8% despite the net positive pension fund valuation-related adjustments of $17.4 million (2020-2021 negative adjustments of $13.5 million) and the current year's net deficit of $27.1 million (2021-2022 deficit of $61.9 million).

The organisation's total liabilities increased by 2.0% to $649.9 million, from the $637.0 million which existed at the prior year-end. Payables at $310.4 million (2021-2022 - $243.0 million) represent 47.8% (2021-2022 - 38.1%) of total liabilities and deferred income at $307.1 million (2021-2022 - $344.1 million) 47.3% (2021-2022 - 54.0%). The change in deferred income reflects a net decrease in the value of projects deferred to the following year for completion.

The non-current portion of lease liability fell from $25.3 million to $6.6 million, a fall of 73.9%. The change is due to conventional accounting requirements and IFRS 16.

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

AUDIT

K. Antonio Mullings
Internal Auditor

Hope James
Chief Internal Auditor

INTERNAL AUDIT

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.

Internal Audit remained committed to helping the organisation 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 is responsible for scheduling, planning, and executing them 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 2022-2023 period, two (2) externally conducted Process Audits were under the QMS. The OUR continues to be one (1) of the few regulatory bodies worldwide to have attained this international accreditation.

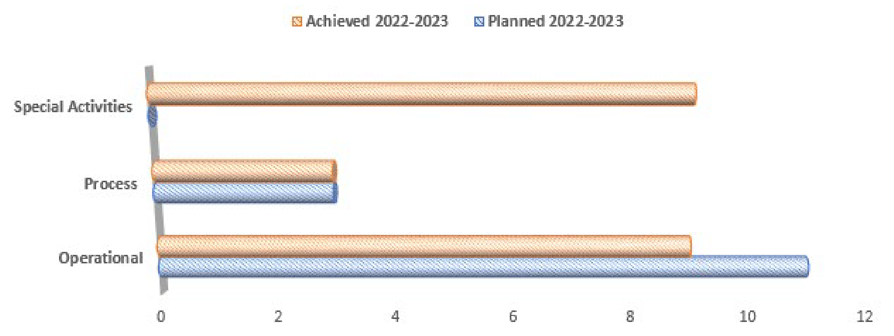
Operational Audits were planned with inputs from the Director-General and the Office's Audit Committee. Special Assignments are unknown at the planning and scheduling stage of the financial year and are executed as requested by or through the Director-General and/or the Audit Committee.

For the financial year 2022-2023, the Unit completed twenty-one (21) assignments, seven (7) more than scheduled. Eighty-two percent (82%) of Operational and 100% of Process Audits scheduled were completed. Unscheduled Special Assignments completed, totalled nine (9). See Table 1 and Figure 1.

Table 1: Audit assignments planned and completed 2022-2023

Types of Assignments	Schedule of Assignments 2022-2023	Completed Assignments 2022-2023
Operational	11	9
Process	3	3
Special Activities	0	9
Total	**14**	**21**

Figure 1: Audit assignments planned and completed 2022-2023

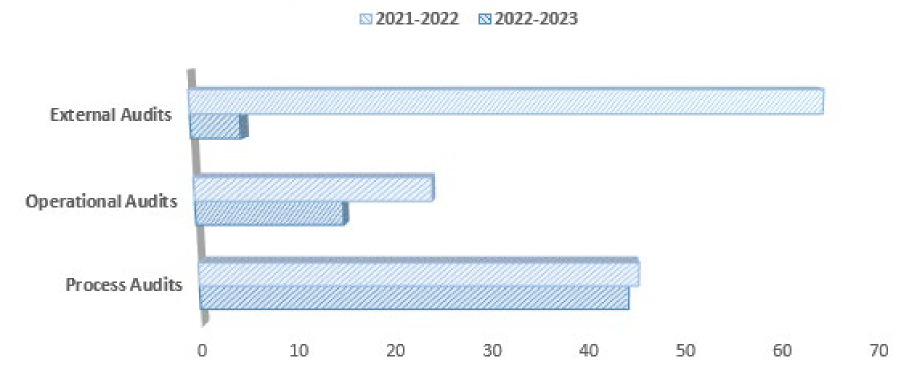


Audit queries and findings raised in 2022-2023 totalled sixty-four (64), representing a reduction of 52% from the one hundred and thirty-two (132) raised in the previous year. All categories of audits showed a reduction with External Audit Findings accounting for the greatest levels of reduction. These reductions represent an improvement in the systems of controls for the respective areas. See Table 2.

Table 2: Audit queries and findings raised.

Audit Queries & Findings Raised				
Audit Categories	**2022-2023**	**2021-2022**	**Variance**	**Percentage Variance**
Process Audits	44	45	-1	**-2%**
Operational Audits	15	24	-9	**-38%**
External Audits	5	63	-58	**-92%**
Total	**64**	**132**	**-68**	**-52%**

Figure 2: Audit queries and findings raised.



During the 2022-2023 financial year, the Internal Audit Unit monitored one hundred and eighty-five (185) cumulative findings of which sixty-four (64) were raised in 2022-2023 and one hundred and twenty-one (121) were brought forward from previous years.

Fifty-three (53) or 44% of the findings brought forward from previous years were resolved while 11% of those raised in 2022-2023 were resolved.

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 2022-2023.

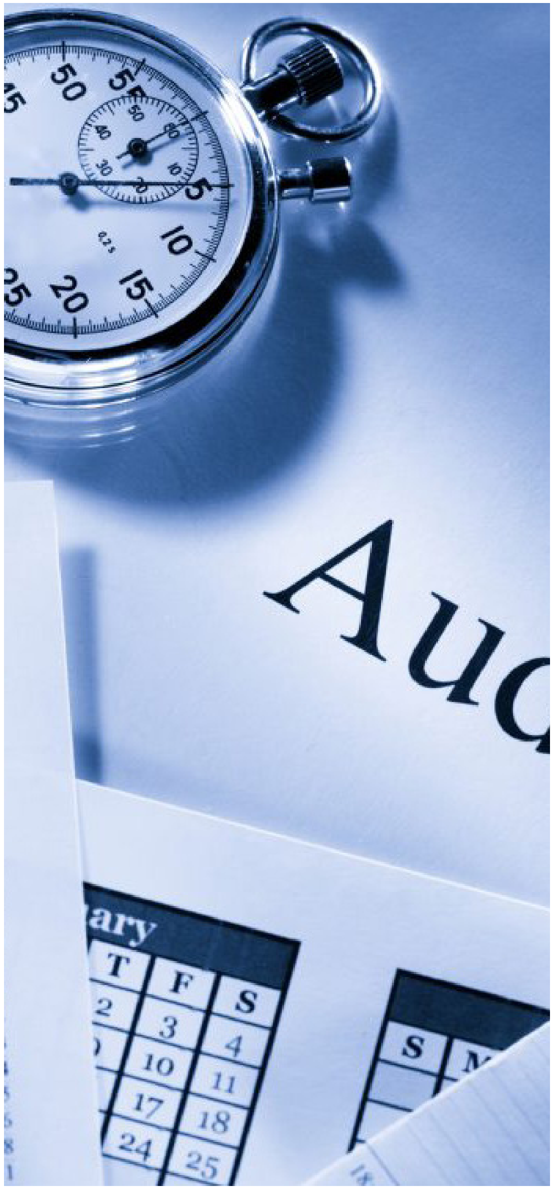
Table 3: Resolution of audit findings 2022-2023

2022-2023	Process Audits (ISO 9001)	Percentage Resolved	Operational Audits	Percentage Resolved	External Audits	Percent-age Resolved	Total Issued	Percent-age Issues Resolved
Total Findings: Issued	44	16%	15	0%	5	0%	64	11%
Resolved	7		0		0		7	
Brought Forward								
From previous years	56	54%	34	56%	31	13%	121	44%
Resolved	30		19		4		53	

Internal Audit Available Hours

Table 4: Audit Coverage Completed vs the Audit Universe

	Audit Universe 36-Month Plan	Completed 2022-2023	Percentage Covered
Process	5	5	80%
Operational and other non-Process activities	38	11	29%
Total	**43**	**15**	**35%**



Audit process improvement
Internal auditors continued their professional development through relevant internal and external sources. Internal Audit will, in 2023-2024, fully roll out the audit management tool acquired to improve the efficiency of the audit process.

Eighty-one percent (81%) of the Audit Universe planned for 2022-2023 was covered as shown in Table 5.

Table 5: Audit Universe Coverage Planned and Completed for 2022-2023

	Audit Universe 36-Month Plan	Completed 2022-2023	Percentage Covered
Process	5	5	80%
Operational and other non-Process activities	38	11	29%
Total	**43**	**15**	**35%**

Productivity of Internal Audit Unit by Comparison

Table 6 shows categories of assignments completed by Internal Audit for the 2022-2023 reporting period when compared with 2021-2022.

Table 6: Internal Audit's Performance by Categories

Types of Assignments	Completed 2021-2022	Completed 2022-2023	Percentage Change
Operational	9	9	**0%**
Process	2	3	**50%**
Special Activities	6	9	**50%**
Total	**17**	**21**	**24%**

Figure 3: Internal Audit's Comparative Performance by Audit Category

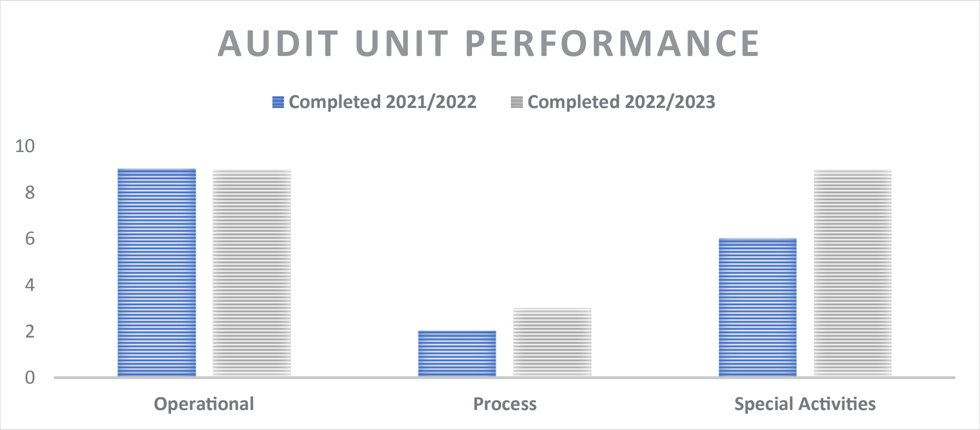
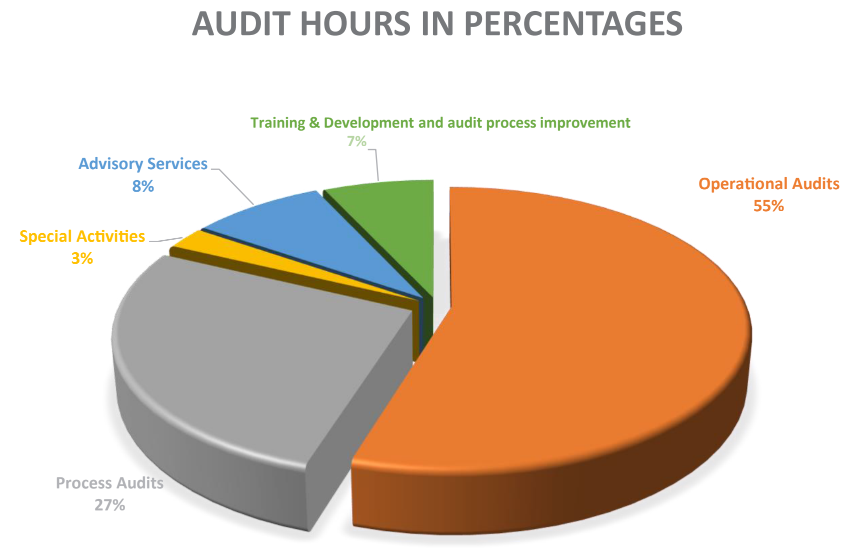
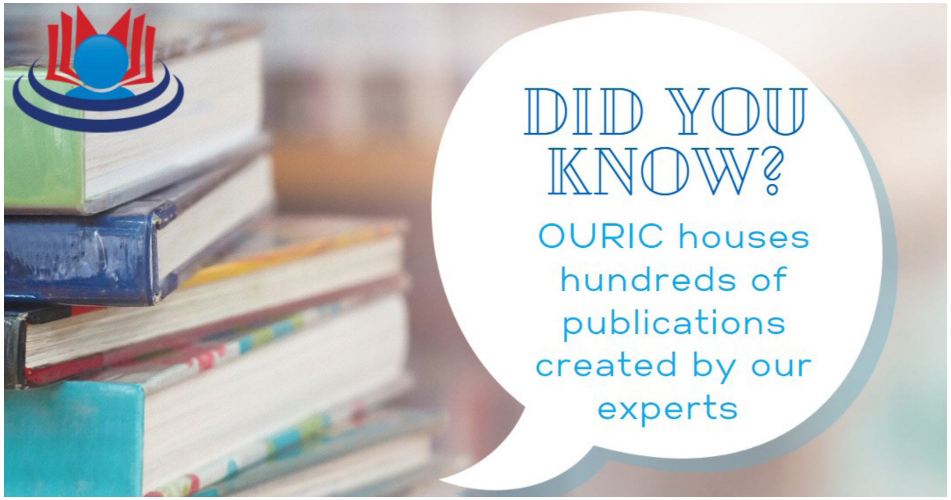


Figure 4: Allocated audit hours in percentages 2023





CONSUMER ADVISORY COMMITTEE ON UTILITIES

Yasmin Chong
CACU Chairman

The Consumer Advisory Committee on Utilities (CACU) has a somewhat unique position in the consumer protection landscape of Jamaica, providing advice and advocacy as part of the Jamaican regulatory framework. Thanks to members and consumers alike, we are building a collective power that brings about real change, with companies and governments held accountable for how they treat consumers and an economy that puts consumers first.

The past fiscal year presented many economic challenges for consumers as we continued to deal with the impact of COVID-19, global energy price spikes and inflation. During that period, the CACU continued its active engagement in the consumer protection landscape, directly helping consumers better understand their rights and empowering them to engage with their respective utility service providers to resolve the issues they face with their utility services. Through the data and insights collected on various issues, by working with partners at a national and community level, and through our advocacy work, we sought to bring a few of the underlying problems driving consumer harm to the fore.

Protecting consumers is not the work of one organisation or entity. Now, more than ever, consumers need the combined voices and support of all parties working in tandem with a clear vision. As the cost of utility services continues to rise due to local and external factors, consumers are turning to us for help to navigate the chaos. Each day brings more stories of consumers having to make uncomfortable and heartbreaking decisions. This reminds us of the critical role which consumer advocates play in everyday life and of the impact of poor quality customer service throughout the utilities sector. More and more products and services are now essential for modern life and tighter budgets raise difficult questions about how consumers can continue to access the services they need.

Things are likely to get worse before they get better. At this time, it is worthwhile to pause and review what has been achieved before focusing on the challenges of the year ahead. In spite of the odds faced over the past twelve months, CACU members armed with tenacity and dedication to consumer advocacy in our outreach, adapted to the prevailing circumstance and delivered training and engagement with consumers and utilities alike. Some of the areas undertaken included telecommunications (mobile/landline telephone and broadband services), energy poverty, water and sewage access as well as some of the long-standing issues of customer service across all regulated utilities, electricity theft, destruction of critical infrastructure and the developing electric mobility sector.

We are working to raise the bar for consumers - helping people find the best utility services, helping utilities improve their products and services and helping policymakers establish higher and fairer standards for the marketplace. In recognition of our role and mandate, we are proud to produce this post-COVID report to highlight what we believe was a productive year with wins that made the marketplace one step nearer to being safer and fairer.

The following provides an overview of some of the activities over the past year:

Webinars

- OUR's Regional Media Workshop on Electric Vehicles – 2023 January 17
- OUR's annual Director-General's Stakeholders Engagement – 2023 March 29

Media

- FLOW press conference and media briefing on the theft of critical telecommunications equipment and infrastructure – 2023 December 8

Utilities engagement

- Consultations with the NWC and JPS on several issues and to provide feedback to the utilities – three (3) consultations: two (2) on telecommunications and one (1) on electricity.

Training

- NASUCA (USA) monthly webinar series – electricity, water and sewerage, telecommunications and consumer advocacy.
- Policy and Regulatory Master-Class:

CACU member **Carolyn Ferguson Arnold** makes a presentation at Flow's Theft and Vandalism Press Conference at the Courtleigh Hotel on 2022 December 8.

Climate-Smart Approach, hosted by the High Commission of Canada in Jamaica – 2023 March 30

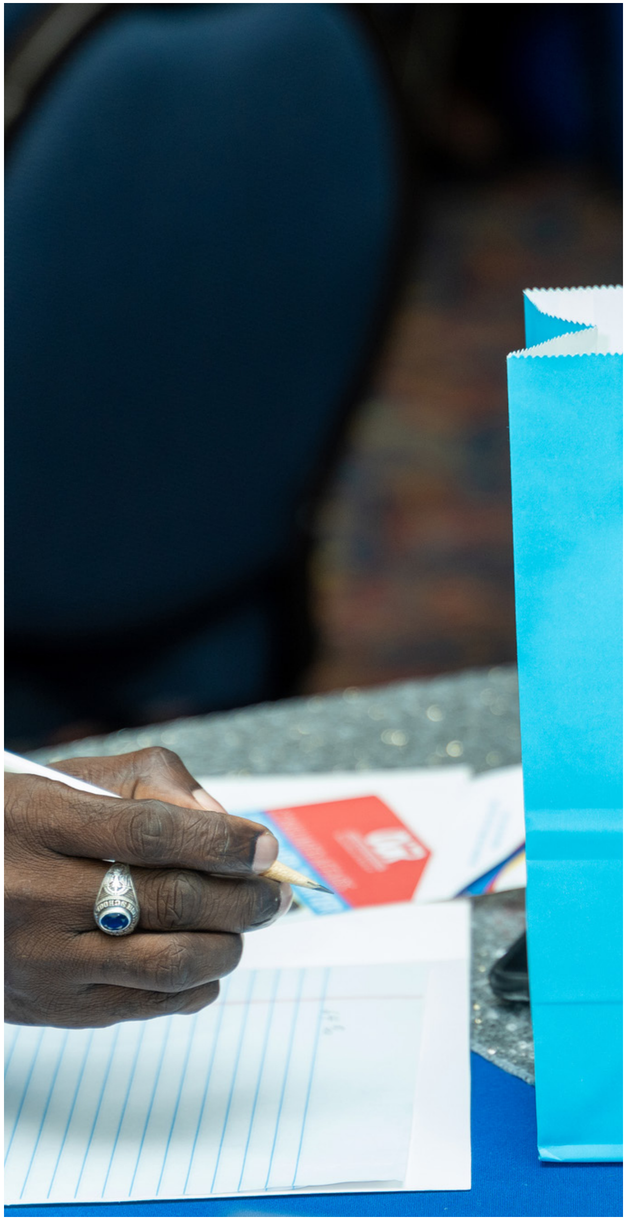
Customer Service Excellence Award

For the second year running, the CACU postponed the introduction of this important initiative due to the then prevailing conditions which restricted movement and in-person events. Plans are afoot to introduce the award in the 2023-2024 financial year.

Consumers, particularly households and small businesses, struggled to make their voices heard and exert influence over decisions affecting them in the utilities sector. They struggled for the most part because of the complexities of the sectors, making it difficult for them to express their views about things affecting them in the sector and their absence in decision-making, which oftentimes results in the outcomes being decided by the utilities, regulators and governments.

The CACU will continue to deliver on its purpose to be the trusted and credible voice for consumers of regulated utility services and to operate fairly and independent of industry participants, regulators and Government. 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.

The CACU is a utilities consumer advocate group of interested and concerned citizens, which provides the OUR with a forum through which it can receive consumers' views on broad regulatory issues as well as their perspectives on issues affecting the relationship between the utility companies and consumers.



CORPORATE HIGHLIGHTS

OUR's Elizabeth Bennett Marsh (top left), moderated a panel discussion hosted by the Public Utilities Commission in Guyana on 2023 March 15 which is celebrated as World Consumer Rights Day. Her panellists included Glenn Khan of the Regulated Industries Commission (Trinidad and Tobago), Anil Sukhdeo of the Competition and Consumer Affairs Commission (Guyana), Vidahar Persaud of the Public Utilities Commission (Guyana) and Yog Mahadeo from the Guyana Consumer Association.

Consumer Engagement

Deputy Director General, Cedric Wilson, answers a question during a consultation with residents in the St. Jago Hills community in St. Catherine on 2022 May 29 on the tariff application submitted by water provider St. Jago Hills Development Company Limited.

Members of the OUR posed with a utility customer (in yellow cap) at the Justice Fair hosted by the Norman Manley Law School at the University of the West Indies on 2023 January 12. Pictured are (l- r) Consumer Affairs Officer, Beverley Green; Manager for Licensing, Peta -Gaye Locke Rankin; Public Education Specialist (Acting), Mark Kirkland; Director-General, Ansord E. Hewitt, and Senior Legal Counsel, Wayne McGregor.

Public Affairs Coordinator, Gordon Brown, discusses the role of the OUR at a community outreach event in Santa Cruz, St. Elizabeth on 2022 June 24

OUR Hosts 6th Quality of Service Symposium

The OUR held its 6th Annual Quality of Service (QoS) Symposium on 2022 November 3 at the Jamaica Pegasus Hotel in Kingston. It was attended by customer service personnel from the major and small utility providers and the OUR 's Consumer and Public Affairs team.

OUR's Consumer & Public Affairs Department members pause for a group photo after successfully hosting the OUR's QoS Symposium.

Consumer Affairs Officer, Shara Barnett, engaged the audience at the Symposium as she moderated a panel discussion with the smaller utility providers.

Diane Barrett Hanson, Customer Service Manager at the Runaway Bay Water Company is all smiles as she participates at the QoS Symposium.

OUR Observes National Library Week

OUR observed National Library Week 2022 November 1-4. As a part of the celebrations, Coordinator and Information Officer of the OUR's Information Centre (OURIC), Colleen Mignott, visited the National Library on 2022 November 4 to talk with students and other library visitors about the OUR's library, and how it could be of benefit to them.

In the Fields

OUR's Manager for Technical Analysis & Engineering, Courtney Francis (left), engages with a resident at the Rhyne Park Housing Scheme in St. James where a site visit was conducted on 2023 March 20 as part of OUR's assessment of water supply issues in the community.

A technical team from the OUR conducted a site visit at Ocean Pointe, Hanover on 2022 December 14. Regulatory Engineer, Andre Lindsay (yellow shirt) takes a closer look at a pit installed as (l-r) Licensing Officer, Carlene Dunbar, Regulatory Specialist, Tanisha Parkes and Manager for Technical Analysis & Engineering, Courtney Francis (right) looked on.

DG Hewitt (second left) stopped for a quick photo with fellow regional regulators while attending the Inter - Development Bank (IDB) Caribbean Energy Dialogue in Washington, DC on 2023 February 1-3. Pictured with him from left are Glenn Khan from the Regulated Industries Commission in Trinidad and Tobago, Marsha Atherly Ikechi from the Fair Trading Commission in Barbados and Dean Molina of the Public Utilities Commission in Belize.

25th Anniversary - Long Service Highlights

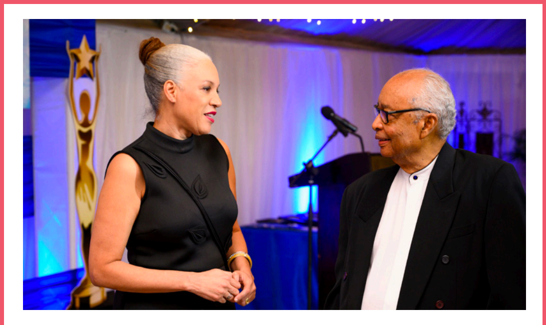
On 2022 December 8, the OUR culminated its 25th anniversary celebration with its Long Service awards ceremony at the Terra Nova All Suite Hotel in Kingston. Members who served between five and twenty-five years were honoured.

The 22 to 25 year stalwarts (from left) DG Ansord Hewitt and Nova Barnett, who have been with OUR for 22 years and the longest serving employees, Ingrid Brown Cripps, Maurice Charvis, and Venetia Cooke who each served for 25 years.

Awardees who served 15-19 years included (back row from left) Jodian Coultman, Collette Goode, Lorraine Baker, Shanique Nunes, Renae Gayle and Francine Brown. (Front row from left) Beverley Green, Sashana Miller, Cedric Wilson, Carlene Dunbar, Laverne Small and Diana Cummings.

Staff members who served for 5-9 years: (back row from left) Valentine Fagan, Thalia McPherson, K. Antonio Mullings, Lyndon Adlam, Shonna-Kay Sappleton, and Gordon Brown. (Front row from left) Shara Barnett, Kadine Williams, Carol Crooks and Shavouy Drake Thomas.

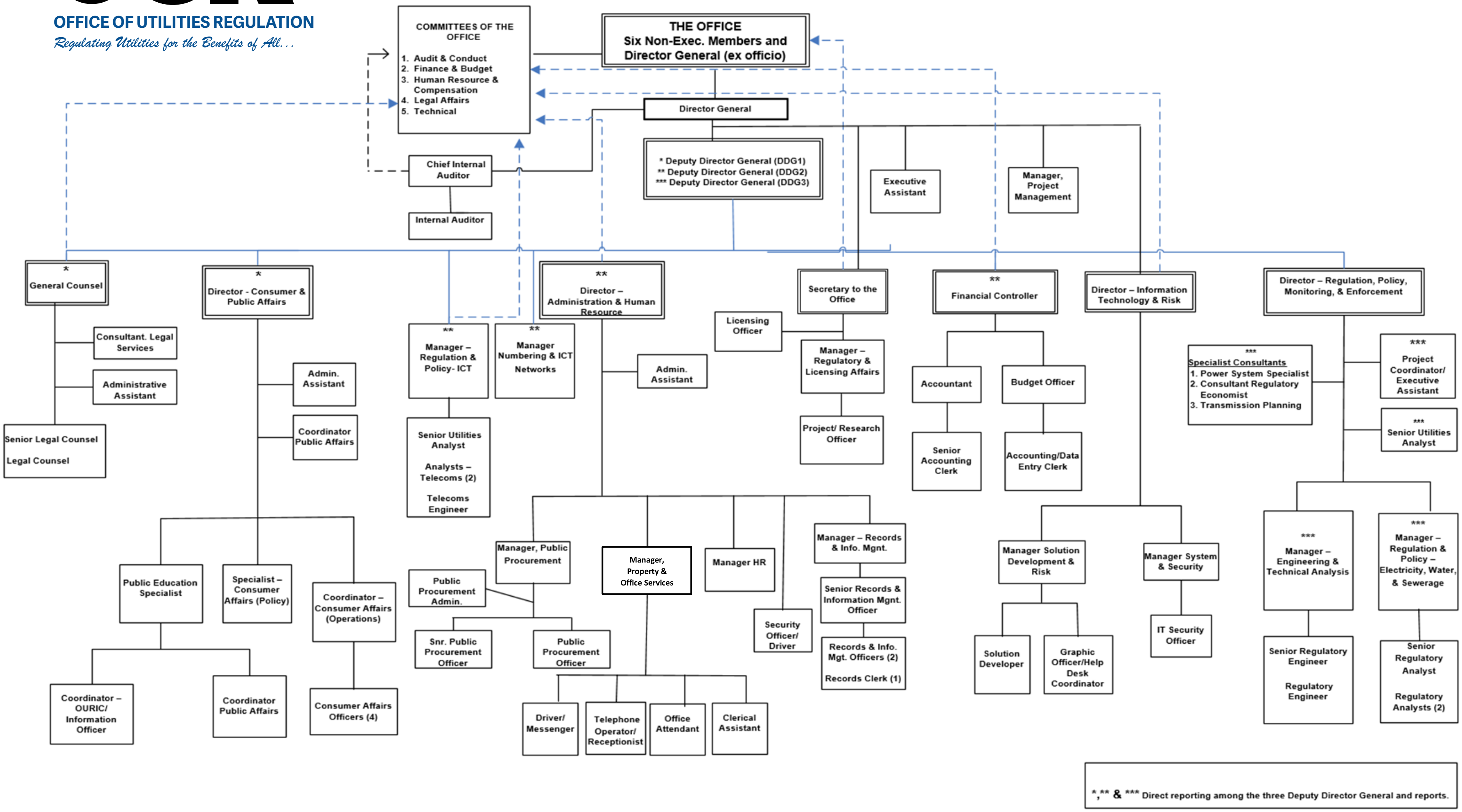
The 10 to 14-year awardees were (back row from left): Winston Dave Robotham, Andre Lindsay, Gordon Swaby, Granville McKoy, Peter Johnson and Leighton Hamilton. (Front row from left) Hope James, Elizabeth Bennett Marsh, Cheryl Lewis and Chenée Riley.



Deputy Chairman, Noel daCosta talks with Principal Director in the Corporate Services Division, Cabinet Office, Sandra Wright ahead of the festivities.

OFFICE OF UTILITIES REGULATION
Regulating Utilities for the Benefits of All...

ORGANISATION CHART 2022-2023



COMPENSATION FOR SENIOR MANAGEMENT (2022-2023)

Name and Position	Year	Basic Salary $	Gratuity $	Travelling Allowance or Deemed Motor Vehicle Allowance $	Pension Benefits $	Other Allowances[1] $	Non-cash Benefits[2] $	Total $
Ansord Hewitt *Director-General*	2022-2023	15,519,447	3,879,861.75	1,697,148.00	NIL	90,000.00	564,307.20	21,750,763.95
Maurice Charvis *Deputy Director-General (Telecommunications)*	2022-2023	14,052,718	3,513,179.49	1,697,148.00	NIL	90,000.00	445,667.85	19,798,713.30
Cedric Wilson *Deputy Director-General (Electricity & Water)*	2022-2023	12,621,422	3,155,355.48	269,762.33	NIL	90,000.00	528,511.23	16,665,050.96
Cheryl Lewis *Deputy Director-General (Legal and Consumer & Public Affairs)*	2022-2023	13,347,214	3,336,803.49	1,697,148.00	NIL	140,000.04	436,543.00	18,957,708.49
Chenée Riley *General Counsel*	2022-2023	9,619,420	NIL	1,697,148.00	961,942.00	140,000.04	390,250.32	12,808,760.32
Rohan McCalla *Director of HR & Administration (2022 April - August)*	2022-2023	3,224,216	NIL	200,737.94	322,421.62	90,000.00	67,180.68	3,904,556.42
Laurette Adams-Thomas *Director of HR & Administration (2022 September - 2023 March)*	2022-2023	4,045,479	NIL	971,145.80	404,547.88	52,500.00	119,242.59	5,592,915.10
Yvonne Nicholson *Director of Consumer and Public Affairs*	2022-2023	8,699,299	NIL	1,697,148.00	869,929.91	None	498,127.93	11,764,504.92
Leighton Hamilton *Director of Information Technology*	2022-2023	11,543,305	2,885,826.24	1,697,148.00	None	90,000.00	664,611.21	16,880,890.41
Diana Cummings *Secretary to the Office*	2022-2023	9,619,420	NIL	1,697,148.00	961,942.00	90,000.00	524,347.92	12,892,857.88
Hope James *Internal Auditor*	2022-2023	8,030,123	NIL	1,697,148.00	803,012.30	90,000.00	614,202.10	11,234,485.44
Duhaney Smith *Financial Controller*	2022-2023	10,902,010	2,725,502.49	1,697,148.00	None	90,000.00	651,185.97	16,065,846.42
		121,224,073	**19,496,529**	**16,715,978**	**4,323,796**	**1,052,500**	**5,504,178**	**168,317,054**

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

OFFICE REMUNERATION (2022-2023)

Name and Position	Board Fees($)	Motor Vehicle Upkeep/Travelling or Value of assignment of Motor Vehicle ($)	Honoraria ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total ($)
Alvin Wint *Office Chairman*	2,520,000	NIL	NIL	NIL	2,520,000
Noel daCosta *Deputy Office Chairman*	2,250,000	NIL	NIL	NIL	2,250,000
Damien King *Non-Executive Office Member*	1,200,000	NIL	NIL	NIL	1,200,000
Simon Roberts *Non-Executive Office Member*	1,850,000	NIL	NIL	NIL	1,850,000
Yasmin Chong *Non-Executive Office Member*	1,650,000	NIL	NIL	NIL	1,650,000
Ansord E. Hewitt *Executive Office Member*	NIL	1,697,148*	NIL	20,053,616*	21,750,764*
Total	**9,670,000**	**1,697,148**	**NIL**	**20,053,616**	**31,420,764**

*Represents executive remuneration as noted in the table, Compensation for Senior Management (2022-23), shown on the prior page.

OFFICE OF UTILITIES REGULATION

Regulating Utilities for the Benefits of All...

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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 42, which comprise the statement of financial position as at 31 March 2023, 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 2023, 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.

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.

BDO

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

14 July 2023

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

	Note	2023 $'000	2022 $'000
REVENUE	6	931,736	729,547
Other operating income	7	3,716	190
		935,452	729,737
Administrative and other expenses	8	(992,197)	(806,892)
		(56,745)	(77,155)
Interest income		29,608	15,289
NET DEFICIT		(27,137)	(61,866)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to statement of income -			
Remeasurement gain/(loss) of the defined benefit obligation	13	233,262	(2,150)
Remeasurement loss of the pension plan assets	13	(34,079)	(11,397)
Change in effect of asset ceiling	13	(181,760)	-
		17,423	(13,547)
TOTAL COMPREHENSIVE INCOME		(9,714)	(75,413)

	Note	2023 $'000	2022 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	43,793	30,385
Intangible asset	11	7,923	17,478
Right-of-use asset	12(a)	19,422	38,845
Post-employment benefit	13	26,920	8,235
		98,058	94,943
CURRENT ASSETS:			
Receivables	14	97,616	95,338
Taxation recoverable	15	7,908	7,811
Short term investments	16	317,886	227,888
Cash and cash equivalents	17	465,327	557,653
		888,737	888,690
		986,795	983,633
RESERVES AND LIABILITIES			
RESERVES:			
Retirement benefit reserve	13	26,920	8,235
Revaluation reserve		9,419	11,676
Retained earnings		300,531	326,673
		336,870	346,584
NON-CURRENT LIABILITY:			
Lease liability	12(b)	6,605	25,280
CURRENT LIABILITIES:			
Payables	18	310,411	243,029
Deferred income	19	307,096	344,118
Lease liability - current portion	12(b)	25,813	24,622
		643,320	611,769
		986,795	983,633

Approved for issue by the Office on 12 July 2023 and signed on its behalf by:

Professor Alvin Wint - Chairman

Dr. Damien King - Member

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

	Retirement Benefit Reserve $'000	Revaluation Reserve $'000	Retained Earnings $'000	Total $'000
BALANCE AT 1 APRIL 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
TOTAL COMPREHENSIVE INCOME				
Net deficit	-	-	(27,137)	(27,137)
Other comprehensive income	17,423	-	-	17,423
	17,423	-	(27,137)	(9,714)
TRANSFER BETWEEN RESERVES				
Transfer from retirement benefit reserve	1,262	-	(1,262)	-
Transfer to retained earnings	-	(2,257)	2,257	-
	18,685	(2,257)	(26,142)	(9,714)
BALANCE AT 31 MARCH 2023	26,920	9,419	300,531	336,870

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net deficit		(27,137)	(61,866)
Items not affecting cash resources:			
Amortization of intangible asset	11	9,555	8,310
Depreciation	10	17,295	15,043
Depreciation - right-of-use asset	12(a)	19,423	19,423
Retirement benefit expense	13	22,700	19,768
Interest income		(29,608)	(15,289)
Interest expense - right-of-use asset	12(b)	7,281	7,282
Exchange gain on foreign balances		2,412	(8,448)
Deferred income	19	(37,022)	118,505
Movement in expected credit losses provision	14	(1,952)	7,890
Adjustments to property, plant and equipment		-	1,128
Loss on disposal of property, plant and equipment		(2,258)	860
		(19,311)	112,606
Changes in operating assets and liabilities:			
Receivables		2,032	29,332
Payables		67,382	27,981
Taxation recoverable		(97)	(181)
Retirement benefit contributions paid		(23,961)	(19,651)
Cash provided by operating activities		26,045	150,087
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		27,251	14,142
Proceeds from disposal of property, plant and equipment		2,302	-
Purchase of intangible asset	11	-	(15,691)
Purchase of property, plant and equipment	10	(30,749)	(9,672)
Short term investments		(91,170)	40,825
Cash (used in)/provided by investing activities		(92,366)	29,604
CASH FLOWS FROM FINANCING ACTIVITIES:			
Lease payments	12(b)	(24,765)	(24,622)
Cash used in financing activities		(24,765)	(24,622)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(91,086)	155,069
Exchange gain on foreign cash balances		(1,240)	5,443
Cash and cash equivalents at beginning of year		557,653	397,141
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	465,327	557,653

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 monitoring the production and commercial 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 STATEMENTES | 31 MARCH 2023

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:

Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2022). 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 did not 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 did not 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 did not have a significant impact on the organization.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year (cont'd)

Annual Improvements 2018-2020, (effective for accounting periods beginning on or after 1 January 2022). The IASB issued its Annual Improvements to IFRSs 2018-2022 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 did not have a significant impact on the organization.

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 2024). These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist 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.

Amendments to IAS 1, 'Presentation of Financial Statements', 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 a company 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.

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

The amendments which management considered may be relevant to the organization are as follows (cont'd):

Amendments to IAS 12 'Income Taxes', (effective for accounting periods beginning on or after 1 January 2023). The main change in deferred tax related to assets and liabilities from a single transaction is an exemption from the initial recognition exemption provided in IAS 12.15 and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The organization is assessing the impact this amendment will have on it 2024 financial statements.

The organization does not expect any other standards or interpretations issued by the IASB but not yet effective, to have a material effect on its financial statements.

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(c) **Property, plant and equipment (cont'd)**

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 (office)	10%
Furniture and fixtures (work from home)	33 1/3%
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.

(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 orgainization 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.

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Right-of-use asset (cont'd)**

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.

(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;

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 STATEMENTES | 31 MARCH 2023

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.

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 STATEMENTES | 31 MARCH 2023

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.

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:

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

(a) **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.

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 STATEMENTES | 31 MARCH 2023

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial instruments by category**

Financial assets

	Amortised cost 2023 $'000	Amortised cost 2022 $'000
Short term investments	317,886	227,888
Cash and cash equivalents	465,327	557,653
Receivables (excluding non-financial assets of $43,164,000 (2022 - $61,143,000)	54,453	34,195
Total financial assets	837,666	819,736

Financial liabilities

	Amortised cost 2023 $'000	Amortised cost 2022 $'000
Payables (excluding non-financial payables of $200,905,000 (2022 - $165,270,000)	109,506	77,759
Lease liability	32,418	49,902
Total financial liabilities	141,924	127,661

(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:

- 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

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

- 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.

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:

	2023 J$'000	2023 US$'000	2022 J$'000	2022 US$'000
Short term investments	62,308	415	61,800	404
Cash and cash equivalents	67,054	460	114,250	748
	129,362	875	176,050	1,152

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 4% (2022 – 8%) depreciation and a 1% (2022 – 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of reserves.

	% Change in Currency Rate 2023	Effect on Net deficit 31 March 2023 $'000	% Change in Currency Rate 2022	Effect on Net deficit 31 March 2022 $'000
Currency:				
USD	-4	(5,185)	-8	(14,084)
USD	+1	1,294	+2	3,521

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.

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 1% increase /0.05% decrease (2022 – 3% increase/0.5% decrease) in interest rates on short term investments would result in a $3,178,000 increase and $1,589,000 decrease (2022 - $6,837,000 increase and $1,139,000 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.

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 2023 and 31 March 2022.

2023

Aging	Gross Carrying Amount $'000	Default Rate %	Lifetime ECL Allowance $'000
Current (not past due)			
1 - 30 days	51,577	28.25	14,568
31 - 60 days	591	73.27	433
61 - 90 days	296	73.31	217
91 days and over	40,327	73.25	29,540
Total	92,791		44,758

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

Trade receivables (cont'd)

Trade receivables impairment provision (cont'd)

2022

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

Expected credit losses on trade receivables

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

	2023 $'000	2022 $'000
At 1 April	46,710	38,820
Provision for expected credit losses	(1,952)	7,890
At 31 March	44,758	46,710

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 STATEMENTES | 31 MARCH 2023

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:

	2023 $'000	2022 $'000
Telecommunications	69,915	30,266
Electricity	9,391	5,806
Water	13,404	40,771
Other	81	-
	92,791	76,843
Less: Provision for expected credit losses	(44,758)	(46,710)
	48,033	30,133

(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.

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:

	Within 1 Year $'000	1 to 2 Years $'000	2 to 5 Years $'000	Total $'000
31 March 2023				
Payables	109,506			109,506
Lease liability	24,622	6,155	-	30,777
Total financial liabilities (contractual maturity dates)	134,128	6,155	-	140,283
31 March 2022				
Payables	77,759	-	-	77,759
Lease liability	24,622	30,777	-	55,399
Total financial liabilities (contractual maturity dates)	102,381	30,777	-	133,158

6. **REVENUE:**

	2023 $'000	2022 $'000
Regulatory fees	993,252	948,379
Processing fees	1,300	1,295
	994,552	949,674
Deferred income	37,022	(118,505)
Discounts allowed	(99,838)	(101,622)
	931,736	729,547

The following are the major contributors to revenue:

	2023 %	2022 %
Telecommunications sector	44	41
Electricity sector	36	37
Water sector	20	22

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

7. OTHER OPERATING INCOME:

	2023 $'000	2022 $'000
Other income	3,716	190

8. EXPENSES BY NATURE:

Total administrative and other expenses:

	2023 $'000	2022 $'000
Staff costs (note 9)	727,008	593,811
Office members' remuneration	10,020	10,850
Covid Utility Grant	224	17,537
Telephone	16,420	15,043
Audit fee	1,450	1,300
Motor vehicle expenses	2,657	2,237
Legal and professional fees	28,532	9,679
Bad debts (recovered)/written off	(1,953)	7,890
Public relations	6,514	7,661
Foreign Travel	7,293	
Customer expenses	21,758	3,443
Subscriptions	28,662	28,688
Office rental	526	(5,931)
Repairs and maintenance	9,531	13,705
Advertising and promotion	943	1,073
Stationery, printing and postage	436	632
Office and general expenses	16,009	11,049
Projects	62,514	46,814
Foreign exchange loss/(gain)	2,357	(9,507)
Interest expense – ROU	7,281	7,282
Amortization of intangible asset	9,555	8,310
Amortization - right-of-use asset	19,423	19,423
Depreciation	17,295	15,043
(Gain)/loss on the disposal of fixed asset	(2,258)	860
	992,197	806,892

9. STAFF COSTS:

	2023 $'000	2022 $'000
Salaries, wages and statutory contributions	553,170	449,474
Pension (note 13)	22,700	19,768
Pension Top Up	-	12,700
Group life insurance	6,650	6,180
Health insurance	27,310	24,745
Staff training	31,919	14,838
Staff welfare	33,528	22,869
Travelling and subsistence	51,018	39,736
Other staff costs	713	3,501
	727,008	593,811

The number of persons employed by the organization at the end of the year was 76 (2022 – 71).

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 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	14,615	15,156	12,175	43,570	18,200	103,716
Additions	-	3,122	11,247	16,380	-	30,749
Disposal	-	(46)	-	(4,480)	(8,250)	(12,776)
31 March 2023	14,615	18,232	23,422	55,470	9,950	121,689
Depreciation -						
1 April 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	13,748	4,504	3,520	37,000	14,559	73,331
Charge for the year	121	2,765	2,135	8,634	3,640	17,295
Eliminated on disposal	-	(2)	-	(4,478)	(8,250)	(12,730)
31 March 2023	13,869	7,267	5,655	41,156	9,949	77,896
Net Book Value -						
31 March 2023	746	10,965	17,767	14,314	1	43,793
31 March 2022	867	10,652	8,655	6,570	3,641	30,385

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

11. **INTANGIBLE ASSET:**

	Computer Software $'000
At cost -	
1 April 2021	26,877
Additions	15,691
At 31 March 2022	42,568
Additions	-
At 31 March 2023	42,568
Depreciation -	
1 April 2021	16,780
Charge for the year	8,310
31 March 2022	25,090
Charge for the year	9,555
31 March 2023	34,645
Carrying value -	
31 March 2023	7,923
31 March 2022	17,478

12. **LEASES:**

(a) **Right-of-use asset**

	Land and building	
	2023 $'000	2022 $'000
1 April	38,845	58,268
Depreciation charge for the year	(19,423)	(19,423)
31 March	19,422	38,845

12. **LEASES (CONT'D):**

(b) **Lease liability**

	Land and building	
	2023 $'000	2022 $'000
1 April	49,902	67,242
Interest expense	7,281	7,282
Lease payments	(24,765)	(24,622)
31 March	32,418	49,902
Less: current portion	(25,813)	(24,622)
	6,605	25,280

(c) **Amounts recognized in statement of profit or loss**

	2023	2022
Depreciation - right-of-use assets	19,423	19,423
Interest on lease liability	7,281	7,282
	26,704	26,705

(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:**

	2023 $'000	2022 $'000
The amounts recognized in the statement of financial position are determined as follows:		
Present value of funded obligations	(256,011)	(425,098)
Fair value of plan assets	464,691	433,333
Effect of asset ceiling	(181,760)	-
Assets in the statement of financial position	26,920	8,235

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

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 2023.

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

	2023 $'000	2022 $'000
Balance at beginning of year	425,098	359,429
Current service cost	21,520	18,948
Interest cost	31,960	30,528
	478,578	408,905
Remeasurements -		
(Gain)/loss from change in financial assumptions	(213,234)	17,300
Experience gain	(20,028)	(15,150)
	(233,262)	2,150
	245,316	411,055
Members' contributions	17,182	17,281
Benefits paid	(6,485)	(3,238)
Balance at the end of the year	256,013	425,098

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

	2023 $'000	2022 $'000
Balance at beginning of year	433,333	381,328
Interest income	33,940	33,756
Remeasurements -		
Return on plan assets, excluding amounts included in interest income	(34,079)	(11,397)
Members' contributions	17,182	17,281
Employer's contributions	23,961	19,651
Benefits paid	(6,485)	(3,238)
Administrative fees	(3,160)	(4,048)
Balance at end of year	464,692	433,333

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

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

	2023 $'000	2022 $'000
Current service cost	21,520	18,948
Interest cost on obligations	31,960	30,528
Interest income on plan assets	(33,940)	(33,756)
Administrative fees	3,160	4,048
Total included in staff costs (note 9)	22,700	19,768

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

	2023 %	2022 %
Equities	25.21	26.17
JA$ bonds	37.04	36.87
Foreign assets	15.81	18.03
Cash and short-term deposits	16.73	9.37
Real estate	5.21	9.56
	100	100

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 2024 is $22,920,000 (2023 actual - $23,961,000). The actual return on the plan assets was negative $3,299,000 (2022 - positive $18,311,000).

The principal actuarial assumptions used were as follows:

	2023 % p.a.	2022 % p.a.
Discount rate	13.0	8.0
Future salary increases	7.0	6.5
Inflation rate at year end	5.5	5.0

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 2022 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, morality improvements beyond 2022 was not included.

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

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

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

	Males			Females		
Age	Withdrawals from service	Ill-health retirements	Deaths in service	Withdrawals from service	Ill-health retirements	Deaths in service
20	-	-	0.337	-	-	0.135
25	-	-	0.416	-	-	0.151
30	-	-	0.395	-	-	0.199
35	-	-	0.466	-	-	0.264
40	-	-	0.547	-	-	0.354
45	-	-	0.835	-	-	0.576
50	-	-	3.476	-	-	2.466
55	-	-	5.074	-	-	3.322
60	-	-	7.055	-	-	4.705
65	-	-	9.970	-	-	7.098
70	-	-	14.915	-	-	11.117

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:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Fair value of plan assets	464,691	433,333	381,328	322,842	318,854
Defined benefit obligation	(256,011)	(425,098)	(359,429)	(362,164)	(307,235)
Effect of asset ceiling	(181,760)	-	-	-	-
Surplus/(deficit)	26,920	8,235	21,899	(39,322)	11,619
Experience adjustments:					
Gain/(loss) -					
Arising on plan assets	(34,079)	(11,397)	4,959	(36,785)	(2,190)
Arising on plan liabilities	20,028	15,150	(3,621)	259	10,366

14. **RECEIVABLES:**

	2023 $'000	2022 $'000
Trade receivables	92,791	76,843
Provision for expected credit losses	(44,758)	(46,710)
	48,033	30,133
Due from employees	10,620	10,164
Deposits	4,398	15,928
Prepayments	27,896	34,894
Other	6,669	4,219
	97,616	95,338

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 (2022 - 1.95% and 2.20%, respectively). These investments mature within twelve months (2022 - 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:

	2023 $'000	2022 $'000
Short term deposits	304,609	360,653
Cash at bank	160,713	196,995
Cash in hand	5	5
	465,327	557,653

The weighted average interest rate on short term deposits denominated in Jamaican dollars and United States dollars was 3.15% and 1.35%, respectively (2022 - 3.15% and 1.35%, respectively) and these deposits mature within three months (2022 - three months).

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

18. **PAYABLES:**

	2023 $'000	2022 $'000
Accrued vacation pay	63,498	57,765
Gratuity payable	37,993	53,168
Accounts payable	70,053	22,974
Other accruals	138,867	109,122
	310,411	243,029

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

19. **DEFERRED INCOME:**

	2023 $'000	2022 $'000
At 1 April	344,118	225,613
Project income deferred	67,423	166,670
Transferred to revenue	(104,445)	(48,165)
At 31 March	307,096	344,118

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 $190,266,000 and $323,202,000 (2022 - $181,521,000 and $308,744,000) to the National Water Commission and the Jamaican Public Service Company Limited, respectively.

(b) **Key management compensation**

	2023 $'000	2022 $'000
Salaries and other short term employee benefits	163,993	162,606
Payroll taxes – Employer's portion	8,244	8,346
Pension	4,324	3,624
	176,561	174,576
Office members' emoluments -		
Fees	10,020	10,850
Management remuneration (included above)	65,683	64,827
	75,703	75,677

(c) **Year-end balances arising from transactions with related parties**

	2023 $'000	2022 $'000
Due from –		
National Water Commission	-	26,041

These amounts are included in receivables.

	2023 $'000	2022 $'000
Due to -		
National Water Commission	4,329	-
Jamaica Public Service Company Limited	25,210	-
	29,539	-

21. **LITIGATIONS:**

(a) **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.

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. Attempts by the bailiff to locate the claimants and/or assets upon which to levy execution have been unsuccessful. The OUR also examined other options regarding the recovery of the costs awarded to it.

Status of Payment of Legal Fees: No outstanding legal fees at the end of the Audit period.
Status after 2023 March 31: The OUR has closed its files in the matter.

(b) **Court of Appeal - Supreme Court Civil Appeal No. COA2022CV00130**
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 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. In its judgment delivered 2022 October 28, the Full Court dismissed Mr. Neil's application and found that there was no evidence that his constitutional rights had been breached. On 2022 November 11, the Full Court ordered Mr. Neil to pay the costs of the Defendants in this matter, such costs to be taxed if not agreed.

NOTES TO THE FINANCIAL STATEMENTES | 31 MARCH 2023

21. **LITIGATIONS (CONT'D):**

(b) **Court of Appeal - Supreme Court Civil Appeal No. COA2022CV00130**
Supreme Court - Claim No. 2018 HCV 05030
George Neil v Attorney-General, Office of Utilities Regulation and Spectrum Management Authority (Cont'd)

Mr. Neil appealed against the Full Court's award of costs by Notice of Appeal dated 2022 December 15. In response, the OUR filed an application to strike out the appeal, which application was scheduled to be heard on 2023 May 22.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 2023 March 31: The applicant withdrew its appeal, however costs were awarded to the respondents by the Court of Appeal at the hearing of the matter on 2023 May 22.

(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 2017 May 17, 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 2014 May 15 to 2017 May 17 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 2017 May 26, 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 $1,896,076.36 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 2023 March 31: We await further updates from the bailiff regarding the recovery of the judgment debt.

21. **LITIGATIONS (CONT'D):**

(d) **All-Island Electricity Appeal Tribunal - Appeal No. 1 of 2019**
JPS Appeal against the Final Criteria - JPS 2019-2024: Rate Review Process dated 2019 March 14 and Addendum dated 2019 April 24.

On 2019 June 6, 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's Business Plan and Five Year Rate Review Submission. At a hearing of the Tribunal in 2019 August, JPS requested that the matter be adjourned until after the OUR issued its tariff determination on JPS's 2019-2024 Rate Review Submission. The OUR issued its tariff determination in 2020 December. In 2021 January, 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. We await the constitution of a new Tribunal for the matters to proceed.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 2023 March 31: We await the constitution of a new Tribunal for the matter to proceed.

(e) **All-Island Electricity Appeal Tribunal - Appeal No. 1 of 2021**
JPS Appeal against the JPS Rate Review 2019 - 2024 Rate Determination Notice dated 2020 December 24 and Addendum dated 2021 January 29.

The OUR issued its decisions on JPS's 2019 – 2024 Rate Review Submission in a Determination Notice issued on 2020 December 24, and an Addendum issued on 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 its customers over the five-year period 2019 to 2024. By Notice of Appeal dated 2021 January 22 and Amended Notice of Appeal dated 2021 February 12 filed with the Tribunal, JPS appealed against several of the decisions in the Tariff Determination Notice. 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.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 2023 March 31: We await the constitution of a new Tribunal for the matter to proceed.

21. **LITIGATIONS (CONT'D):**

(f) **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 2021 December 28

The OUR issued the Jamaica Public Service Company Limited Annual Review 2021: Determination Notice on 2021 September 1. JPS requested reconsideration of several of the decisions in that Determination Notice by letter dated 2021 September 13. The OUR issued its Reconsideration Decision by way of the Jamaica Public Service Company Limited Annual Review 2021 Reconsideration Decision dated 2021 December 28. The JPS by Notice of Appeal dated 2022 January 27 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 2023 March 31: We await the constitution of a new Tribunal for the matter to proceed.

(g) **All Island Electricity Appeal Tribunal - Appeal No. 2 of 2022**
JPS Appeal against the OUR's Determination Notice on the 2022 Annual Review and Extraordinary Rate Review dated 2022 August 19

The OUR issued its Determination Notice on the Jamaica Public Service Company Limited Annual Review and Extraordinary Rate Review for 2022 dated 2022 August 19 (Document No. 2022/ELE/007/DET.001) which took effect on 2022 August 22. The JPS by Notice of Appeal dated 2022 September 19 has appealed various decisions of the OUR set out in the Determination Notice. The appeal is in abeyance pending the constitution of a new Tribunal.

Status of Payment of Legal Fees: No legal fees outstanding at the end of the Audit period.
Status after 2023 March 31: We await the constitution of a new Tribunal for the matter to proceed.

22. **SUBSEQUENT EVENT:**

Subsequent to the year-end, the OUR determined that an amount of $51.9M would be required to meet retroactive salary increases to be paid to staff members for the financial year ended 31 March 2023, based on pronouncements by the Government of Jamaica. The provision for the accrued expensed was made in these financial statements and the amounts are reflected in staff cost.

23. **IMPACT OF COVID-19 PANDEMIC:**

Management gave due consideration to the impact of Covid-19 on the organization in arriving at the budget for the financial year 2023/2024. It was recognized that the pandemic was at its peak in 2021/2022 and waned in 2022/2023, and based on various news and health reports, will wane even further for the 2023/2024 fiscal year.

The OUR was thus able to plan an approach to executing its regulatory oversight of the various sectors to include a number of projects based on the availability of skills and other resources at its disposal, and to prepare a budget to be funded primarily by regulatory fees, that will enable the operations to be carried out, and that will achieve the goals set.

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