



ANNUAL REPORT  
2023-2024

OUR

OFFICE OF UTILITIES REGULATION

ISO 9001:2015 CERTIFIED

*Regulating Utilities for the Benefit of All*





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# Introduction

This, the twenty-seventh report of the Office of Utilities Regulation (OUR) will inform the Parliament and the country of the regulatory activities and financial operations of the OUR for the period 2023 April 1 to 2024 March 31.

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

## CORE VALUES

- (A) ACCOUNTABILITY
- (F) FAIRNESS
- (A) AGILITY
- (I) INTEGRITY
- (R) RESPECT
- (E) EXCELLENCE



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



## VISION STATEMENT:

To be a trusted, purpose-driven, forward-looking and stakeholder-focused regulator, that enables Jamaica to be a leader in utility consumer protection and satisfaction, and sustainability of regulated services.



## 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.

## Quality Management System (QMS) Objectives

- ▶ 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



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 set up 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 Procurement Entity (GPE), the succeeding entity to ESET.

Professor Wint is currently the Chairman of the Board of Directors of Heart Trust/NSTA, a Director of the Jamaica Producers Group 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 the 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 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 honorary Doctor of Humane Letters degree from Northern Caribbean University, and inaugural membership in the St. Elizabeth Technical High School Hall of Fame.

Mr. Noel daCosta has served on numerous boards in the private and public sectors, as well as in 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 of 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). He is a Fellow of the Jamaica Institution of Engineers, the Institution of Chemical Engineers (UK), as well as the Chartered Insurance Institute.

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, the University of Technology conferred him with an Honorary Doctor of Technology for his contribution to nation building.



Noel daCosta  
Deputy Chairman



**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 at the Consumer Affairs Commission (CAC).

As Trade Commissioner with the Government of Canada, Miss Chong has successfully delivered several projects and contracts in the energy, cleantech, transportation and education sectors, developed specialist skills in the international business practice of Corporate Social Responsibility (CSR) and received ESG certification (investment and development assistance programmes) in 2024 January.

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, certificate and diploma courses.

She is a Rotarian, a practising Roman Catholic and a proud alumna of Immaculate Conception High School.

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.

Damien is the author and editor (with David Tenant) of *Debt and Development in Small Island Developing States* (Palgrave Macmillan, 2014). In the corporate world, he serves on the boards of Recycling Partners of Jamaica (Chair), Dequity Capital Management (Chair), Jamaican Teas, and Caribbean Dreams Foods, 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.



**Damien King**

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 20 years in various capacities, including Group CIO, General Manager of food manufacturing plants, and CEO of H&L Ltd. He also has expertise in product and process design and development, warehouse design, new product and manufacturing process innovations, as well as metallurgy.

Simon is a board member of various public and private sector bodies, and charity organisations including the Jamaica National Agency for Accreditation, Recycling Partners of Jamaica and CAC2000 Ltd.

He holds a Bachelor of Applied Science (Metallurgical and Materials Sciences Engineering) from the University of Toronto and a Master of Applied Science (Management Sciences and Engineering) from the University of Waterloo.



**Simon Roberts**





Dan Kelly

Mr. Dan Kelly is an Attorney-at-Law with over forty (40) years of experience practicing law in the areas of real estate, corporate, commercial and administrative law, arbitration, mediation and financial services. He is a senior consultant at the law firm Samuda & Johnson, primarily focusing on commercial, banking and trusteeship matters.

Dan has served on numerous boards in the private and public sectors, and in addition to being a member of OUR's Office, he is also currently a board director at BPM Financial Limited, Carlong Publishers (Caribbean) Limited and Goodwill Farms Limited.

He holds a B.Sc. (Hons) in Management Studies from UWI (Mona) and a Certificate from the Law Society of England and Wales, among other professional certifications. Dan is a proud alumnus of Jamaica College.

Mr. Ansord E. Hewitt is the Director-General of the OUR, and an ex officio member of the Office, since 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.



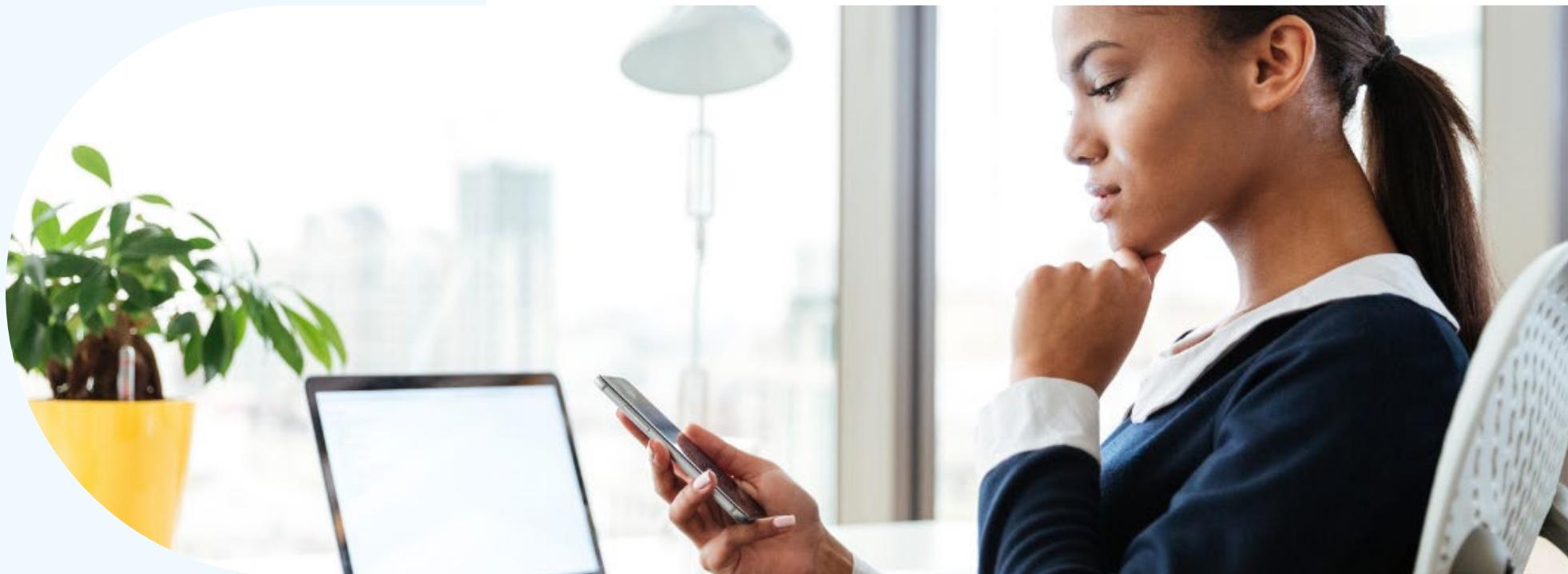
Ansord E. Hewitt  
Director-General  
Ex Officio Member



# Office Members' Skill Sets

**Table 1: Office Members' Skill Set**

Name	General Management	Finance and/or Audit	Strategic Management	Human Resource	Legal	Utilities Regulation	Governance	IT	Engineering
Alvin Wint <i>Chairman</i>	X	X	X	X		X	X		
Noel daCosta <i>Deputy Chairman</i>	X	X	X	X		X	X		X
Yasmin Chong	X		X	X		X	X		
Damien King	X	X	X	X		X	X		
Dan Kelly	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

The OUR is committed to observing good corporate governance principles in line with the ten (10) dimensions of good board performance instituted for good corporate governance for Jamaican public bodies.

## Role of the Office



The Office is the policy and decision-making arm of the organisation. It provides strategic and policy direction 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, monitors the management of risks and the risk management processes and compliance with statutory obligations.

## Office Members



The full Office complement consists of six appointed members and the Director-General, who is an exofficio member. The vacancy that was created when one former member in 2022, opted not to be re-appointed was filled in 2024 January with the appointment of Mr. Dan Kelly, Attorney-at-Law. 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 six (6) 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 recommend to the full Office for final decisions and determinations. Each Committee has a minimum of two members of the Office and is guided by its own Terms of Reference, which outlines its roles and functions. The Committees are supported by members of the executive and other staff as required. Two co-opted members provide expert advice to three (3) Committees (Technical, Finance, and Audit) up to 2024 March.

Below are the committees, their main responsibilities, and their membership, along with a record of attendance at Office and Committee meetings.



*The Office is the policy and decision-making arm of the organisation. It provides strategic and policy direction 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, monitors the management of risks and the risk management processes and compliance with statutory obligations.*

**Table 2: Office Committees**

Name of Committee	Main Responsibilities	Members
<b>Audit</b>	Ensures the OUR's financial integrity, and provides oversight of the organisation's internal controls, risk management, and internal audit, the appointment of auditors.	❖ Damien King, Chair ❖ Noel daCosta, Deputy Chair ❖ Simon Roberts, Member ❖ Donald Reynolds (Co-opted Member)
<b>Finance and Budget</b>	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
<b>Technical</b>	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
<b>Legal Affairs</b>	Provides general legal oversight and 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 (2023 April – December) & Deputy Chair, (2024 Jan – Mar 31) ❖ Cheryl Lewis, Deputy Chair (2023 April – December) ❖ Dan Kelly, Chair (Appointed 2024 Jan 2) ❖ Alvin Wint, Member
<b>Human Resources and Compensation</b>	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
<b>Information Technology Committee</b>	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 3: 2023-2024 Attendance Record for Office and Committee Meetings**

Office	Full Office (N=13)	Audit (N=4)	Finance & Budget (N=3)	Human Resources & Compensation (N= 5)	Technical (N=11)	Legal Affairs (N=1)	IT (N=2)
Alvin Wint	13*	N/A	3**	5	11	1	2
Noel daCosta	12*	4	N/A	2	10	N/A	N/A
Damien King	13*	4	3**	N/A	N/A	N/A	N/A
Simon Roberts	13*	4	3**	1*	11	N/A	2
Yasmin Chong	13*	N/A	N/A	5	11	N/A	N/A
Dan Kelly (Appointed 2024 January)	3*	N/A	N/A	N/A	N/A	Appointed subsequent to the meeting	N/A
Ansord E. Hewitt	12*	N/A	3**	4	11	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 times to consider matters recommended by the various Committees plus two special meetings to approve: (i) the Corporate Business Plan and Budget for the years 2023-2024; and (ii) The Audited Financial Statements 2022-2023.

## Reports of the Committees

**The Audit Committee** had four (4) quarterly meetings in the 2023-2024 Fiscal Year. In these meetings, the Committee received regular reports on internal audits, which included findings and resolutions arising from the audits conducted. The Committee also reviewed and approved the report of the external auditors on the OUR's financial statements for Fiscal Year 2022-2023 in a joint meeting with the Finance and Budget Committee.

As part of its activities, the Committee focused on governance and risk management matters. These included reviewing risk reports, and the Business Continuity Plan (BCP). 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, the reviews aim to ensure the timely continuation of critical business processes in the event of a major disruption to operations.

The members of the Audit Committee are competent in the areas of audit and finance. The co-opted member is a qualified public accountant who possesses internationally recognised professional designations. The staff members of the Internal Audit Unit are also qualified in the fields of accounting and audit.

The Audit Chair had a planning meeting with the external auditors in 2023, where discussions were held on: (i) The auditors' responsibilities in relation to the audit; (ii) the auditors' independence; and the changes brought about through changes to the various audit standards. The Audit and Finance & Budget Committees also jointly met with the external auditors to identify areas of weakness or concerns raised in their management letter. There were no major issues highlighted from the external audit, however, where there were issues, the Internal Audit Unit followed up with departments and management to resolve them.

**The Finance and Budget Committee** had three(3)meetings during 2023-2024, including a special meeting to approve the Budget for 2024-2025. The Committee also had one joint meeting with the Audit Committee to finalise the 2022-2023 Audited Financial

Statements. 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 Technical Committee** had eleven (11) meetings 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 provided advice to the technical staff on policy matters, assessed their submissions, and made recommendations to the Office for decisions, determinations, and other actions. Matters for consideration included:

- ❖ Electricity sector - JPS's Transformer Protection Programme; Input submission to the Energy Ministry on Integrated Resource Plan; Time of Use Rates; Review of JPS's proposed Five-year Criteria for the 2024 Rate Review Process; Demand Forecast; JPS Non-automated Meter reading Proposal; JPS Accounting and Cost Allocation Manual and Separated Accounts and other matters highlighted in the sector reports.
- ❖ Water and sewerage sectors - the Committee recommended OUR approvals of tariffs for service providers including the National Water Commission (NWC) Annual Price Adjustment Mechanism for 2023 Rate Adjustment, the review of the Rio Cobre water project; Review of Guaranteed standards for the NWC; Review of the NWC K-Factor Rules. Other matters are highlighted in the sector reports.
- ❖ Telecommunications sector - Review of recommendations for carrier and service provider licences; Directive to C&WJ and Columbus Communication Jamaica Limited to comply with requests regarding compliance with the Improving Information Transparency in Telecommunications Markets Determination Notice, Industry Notification on The Jamaican Common Short Code Scheme – Phase II. 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 ICT Unit.

**The Human Resources and Compensation Committee** had five (5) meetings in 2023-2024 and continued its focus on the OUR's human resource strategy and policies. The Committee provided diligent oversight to the development of crucial policy matters including Sexual Harassment and Protected Disclosures Procedures Guidelines. These policies were subsequently recommended to and approved by the Office. Additionally, the Committee addressed matters pertaining to the OUR's Vacation Leave Policy; Paternity Leave and other HR/Admin matters.

**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 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, ISO 27000 Certification and the status of the OUR's IT security.

## OUR's Corporate Business Plan and Budget

The Office was fully involved in the development of the OUR's Corporate Business Plan and Budget for 2024-2028. This spanned providing policy direction in the initial strategic planning stage, through to approving the final draft plan and budget for submission to the Ministry of Finance and the Public Service by the statutory deadline of 2023 December 31.

## Continuing Development

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 training of members on data protection, given the OUR's role as a data controller. Additionally, the Chairman and other members participated in external training in areas such as cyber security.

Some members of the Executive and the Secretary to the Office participated in the Ministry of Finance and the Public Services' on-going training in Corporate Governance, Corporate Social Responsibility and Environmental, Social and Governance.

## Corporate Social Responsibility

In the area of corporate social responsibility, the OUR is guided by the principles in the Government of Jamaica's Corporate Governance Framework for Public Bodies, and in the Private Sector Organisation of Jamaica's (PSOJ) 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.

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

Demonstrations of the OUR's commitment to social responsibility may be seen in initiatives aimed at facilitating access to utility services by persons with disabilities, participation in national events, and philanthropic events put on by other corporations. The OUR provides employment to 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.

## Environmental, Social and Governance Report

The OUR, in the execution of its duties, is committed to environmental protection and addressing social and governance issues.

### Environmental

Over the period, the OUR continued to emphasise sound environmental practices in its operations. As such, there was a continued reduction in the use of printed materials as part of efforts to cut down on waste as part of climate change mitigation efforts. Staff members are encouraged to use recycled bottles for drinking water and the building contains recycling skips for all plastic containers. Newspapers are repurposed for other uses by staff members.

### Social

The OUR maintains a Health and Wellness Programme which sometimes extends toward family members to support the employee's well-being. This includes assistance for any mental health services that may be required and participation in physical activities such as the annual Sigma Walk/Run event.



The OUR's Public Affairs Coordinator, Gordon Brown, explains to a group of seniors their rights as consumers at the Ministry of Labour and Social Security's Annual Ageing Fair on 2023 October 5.

The OUR is mindful of the special needs of some of its stakeholders such as the elderly. As such, it has an annual outreach exercise which includes engagements with the elderly. During the period, it participated in the annual Ageing Fair staged by the Ministry of Labour and Social Security.

The workforce maintains gender diversity with members possessing various cognitive and academic abilities. For the first time in our history, the Executive Directors include an equal mix of males and females.

### Governance

The Office is guided by the Code of Ethics and Business Conduct for the Office (CEBC) as well as the OUR Code of Ethics (COE) to ensure proper ethical conduct of all staff members. The Codes mandate that the organisation must always act fairly, impartially and transparently. The COE applies to all staff members, temporary staff and all others who



work with or represent the OUR directly or indirectly. Also, under the conflict of interest provisions set out in the CEBC, the Office members are required to indicate actual, perceived or potential conflict of interest before the commencement of discussions at the Office meeting. Similarly, all staff are mandated to report any area where there actually is or may be a conflict of interest.

The OUR seeks to have transparency and accountability in its work with all stakeholders. For the past ten (10) years, we have had annual stakeholder engagements where we sought to:

- ❖ Advise/enlighten our stakeholders on the accomplishments in the sectors over the one-year period.
- ❖ Provide the industry outlook for the various sectors.
- ❖ Answer queries or receive comments/recommendations from stakeholders.

Over the years, the OUR has consistently delivered its annual report to the Office of the Cabinet on time and in full.

The OUR is dedicated to incorporating environmental, social, and governance factors into our business operations in order to provide long-term value and benefit to all our stakeholders.

**Office of Utilities Regulation**  
@theOURJa



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

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OUR-branded gift tokens were presented to three of the awardees of the Lauriston & Thompson Pen Community Jamaica 4-H Club in Spanish Town, St. Catherine at the Club's 26th anniversary awards ceremony on 2023 August 12. The Jamaica 4-H Club movement promotes youth through agriculture for national development.

# Chairman's Report

Alvin Wint

The Office stayed focused on maintaining oversight, providing strategic direction and approving and issuing regulatory decisions over the review period. The details provided in this annual report underscore the diversity of high-level issues with which the members of the Office are required to grapple and the arcane, granular and voluminous operational matters the management and staff of the OUR are called upon to address on a day-to-day basis.

Notably, the 2024-2028 Corporate Plan was finalised during the period. It sets out the OUR's high-level strategic plans and work programmes for the periods and outlines the budget for 2024-2025 and projections for fiscal years 2025-2026, 2026-2027 and 2027-2028. Among other things, it seeks to communicate the strategy of the organisation, provide a status update on the current work programme and indicate to stakeholders the programme of work to which the Office is committed for the next period.

Significantly, during the review year, the Office added 'agility' to the OUR's Core Values of accountability, fairness, integrity, respect and excellence. The amendment puts emphasis on the OUR cognisance of the continuing and increasing dynamism of the sectors it regulates and the need to ensure that it stays apace of but also ahead of the needs and expectations of customers, investors and other important stakeholders. At the same time, we must always be adroit in adjusting to the changing dynamics even while remaining wedded to our core principles. Indeed, the Office is mindful of feedback from stakeholders regarding the changing face of utilities and increasing demands on access

and continuous supply for these essential services. This is at the forefront of the minds of Office members when making decisions.

We also expanded the OUR's Value Propositions during the period to explicitly acknowledge investors and intermediaries among the stakeholders whose interests we are committed to safeguarding. The OUR is conscious that it shares the responsibility for fostering an environment that facilitates ease of doing business and enhances commercial opportunities in the utility sectors. This block of stakeholders joins consumers, service providers, staff of the government of Jamaica, and regulatory agencies to whom we also give our assurance and commitment.

The diverse backgrounds and skill sets of the Office members continued to prove invaluable during the year. This has contributed greatly to our ability to soundly deliberate and make policy decisions and projections in keeping with our mandate.

During the period, the Office duties were ably assisted by the Office committees, each of which constitute at least two Office members, co-opted members and members of the OUR's senior management, where applicable.

As our Corporate Governance Report in this annual report indicates, members continue to have a good track record of meeting attendance, evidence of their commitment to the work at hand. The Office met eleven (11) times during the period, in addition to two special meetings. Near full attendance was recorded for all meetings.

We were happy to complete our full complement of Office members with the appointment of Dan Kelly in 2024 January. Dan, who is an attorney-at-law of note, also comes with a wide range of experience in other areas.

We look forward to a new year filled with anticipated and great expectations as we continue our work to regulate utilities for the benefit of all.



# Director-General's Report

Fiscal year 2023-2024 is now in the rearview mirror. Its successes and achievements, failings, shortcomings, and residual items of work in progress will, however, continue to exert their influence for the current and subsequent period. Therefore, the requirement to provide an annual report for 2023-2024 is not just retrospective in its implications. Nor, for that matter, should it be treated as just ticking off another statutory duty from our list. As is our practice, we have taken the opportunity in the ensuing pages, to provide our assessment of our performance during the year and to give an accounting to you, our valued stakeholders, of what we have done, what we are doing and what we propose to do in the next period. We expect that in your review and analysis, you will consider whether we have adequately addressed questions relating to the 'why, how, where, and when.'

Consistent with the span and scope of our mandate, the projects, activities, and responses to challenges ran the gamut of issues across the regulatory spectrum. The OUR's engagement and collaboration with critical stakeholders and partners during the year often required inputs well beyond our direct responsibility but which were vital to national development. While the measure of success, particularly with respect to compliance with timelines, is, for various reasons, chequered, we ended the year with the sense that the institution has once again been able to faithfully discharge its role in helping to move forward critical national agenda initiatives and imperatives.

As is necessarily the case, the emphasis and focus across the sectors align and diverge, reflecting the need for both common and nuanced approaches. These matters are detailed elsewhere in this report but, as deemed necessary, are highlighted in summary comments hereunder.

## Electricity sector

The current version of the OUR's Corporate Work Plan 2023-2026 identifies the following as significant electricity sector concerns:

- ↗ High electricity prices;
- ↗ High level of system losses;
- ↗ High dependence on imported fossil fuels;
- ↗ Need to increase the use of indigenous resources;
- ↗ Support for the government's goal to achieve 50% renewable energy by 2030, and
- ↗ Maintaining an environment conducive to attracting long-term investments for key projects.

These matters, along with others which emerged during the year to varying degrees and with disparate levels of successes, took centre stage in the period.

Ansord E. Hewitt



Last year, I pointed to the significant impact of the Russia-Ukraine conflict and other external factors, which largely contributed to the 17% increase in the average price of electricity in 2022 compared to 2021. Fortunately for Jamaica, even though these challenges continued, their effects on fuel rates for the year were not adverse. Indeed, there was an overall decrease in fuel prices in 2023. Consequently, the average electricity price was 31.58 US c/kWh, 14% below the 2022 average of 37.06 US c/kWh. The move to Natural Gas as the major fuel source contributed to this result. We remain hopeful that fuel prices will continue on a downward trend in the upcoming year. Ultimately, however, the best safeguard against the volatility of imported fossil fuels is the move to greater use of indigenous fuels in renewables.

System losses continue to be a concern. While there was a minor reduction over the prior year, the losses are still nowhere near a level that we are comfortable with, and indeed, it is noted that the data indicate that this was the result of demand growth and not an absolute decrease in such losses. The OUR maintains that the resolution of this matter will need to include a mix of enforcement, social subsidy, and economic incentives.

The OUR is troubled that service quality in the electricity sector has shown a decline for the second year running. A Quality Factor, or the Q-Factor, is applied to JPS's non-fuel rates. Quality of service for utilities such as JPS is defined by reliability indices, which aim to, ideally, provide customers with generally the same level of reliability. However, historical systems reliability data indicate

that this is not the case. In keeping with this, the OUR established key Q-Factor targets within a framework that provides a financial incentive to JPS for surpassing targets above a predefined margin, while on the other hand, imposing a financial penalty when reliability indices fall short of these predefined margins of the target.

Our analysis shows that in 2023, there was a significant rise of about 59.3% in planned outages and 26% in forced outages compared with 2022. As specified in the OUR's 2023 Annual Review Determination Notice, JPS suffered a financial penalty when its 2022 performance was evaluated against the pre-established targets. Based on JPS's 2023 Q-Factor data set, it appears that the company may receive another financial penalty when the assessment is conducted at the 2024 Rate Review. However, the objective is not to impose sanctions but for better service provisioning, so we are encouraged by JPS's publicly expressed commitment to increase the size of its service crews and pay greater attention to operating maintenance.

I am pleased that during the year, we continued to play a role in meeting the country's renewable energy (RE) target which is to increase RE penetration to 50% of the fuel mix by 2030. The amount of energy from renewable sources on the grid is now at 12.9% and to this end, the OUR supported the Generation Procurement Entity (GPE) in the Request for Proposals (RFP) of 100 MW of RE capacity procurement and we will continue to lend expert support until the completion of the procurement process. We continue to urge that RE integration should be managed

to ensure that, overall, the planning period (short, medium, and long term) does not raise the overall cost of electricity to the public.

More generally, the accumulated levels of investment in the electricity sector over the last two decades and, most recently, the demonstrated interest in pursuing investment opportunities in renewables provide reassurance that the environment for attracting capital to the sector remains robust. We continue to hold to the view that the OUR's contribution to fostering a mature and certain regulatory environment has been a lynchpin in bringing about this situation.

I am pleased that we will, at long last, move to finalise Wheeling rates that will enable the Government to be in a position to publish a Wheeling Framework. The final decisions will be incorporated in our decision on the JPS 2024-2029 five-year Rate Review application, due in 2024-2025. Wheeling is the transportation of electricity across the grid by an independent party other than the owner or operator of the grid. This initiative is poised to transform the national energy landscape by facilitating self-generators' direct transportation of electricity across the existing national grid infrastructure to their respective qualifying facilities. In doing so, it seeks to democratise access to energy resources for a critical segment of the market, specifically self-generators with demand in excess of 1MVA, thereby enhancing efficiency and equity in energy distribution for these larger consumers. This endeavour is crucial in fostering economic growth by integrating additional participants into the energy sector.

## Water and Sewerage Sector

The OUR continues to regard the following as imperatives for the water and sewerage sector:

- ◆ Reducing unaccounted for water;
- ◆ Creating and maintaining a regulatory environment that encourages greater efficiency from the NWC;
- ◆ Making the sector more conducive for private capital financing;
- ◆ Facilitating more private sector participation;
- ◆ Creating a comprehensive statutory and policy framework.

It is fair to say that our interventions and emphases in the sector in fiscal year 2023-2024 reflected these concerns to one degree or another.

- ◆ The overall Non-Revenue Water (NRW) figure for the NWC remains very high despite what one might regard as a bright spot, which is Kingston and St. Andrew (KSA), where the Commission reported losses of 45%, down from over 70% for the period. With overall network losses still hovering at over 70% it is puzzling that the improved figure for the KSA has apparently not had much effect on reducing the overall losses up to this point. Notably, based on the KSA results, the OUR approved the Portmore NRW project to be funded from K-Factor funds in the amount of J\$2.345B and the objectives of the project are to:
  - ◆ Reduce NRW within Portmore from approximately 26,000m<sup>3</sup>/day to a target of approximately 10,000m<sup>3</sup>/day by the end of year five of the programme;
  - ◆ Maximise the income collected by the NWC and to which it is entitled;
  - ◆ Prepare and implement strategies and action plans that will ensure the improved performance and efficiency of the NWC;
  - ◆ Continue executing the NWC's sustainable NRW management capabilities to deliver its long-term NRW targets and objectives.

We hope that the positive results from the NRW initiatives can be replicated to good effect throughout NWC's network.

The number of inactive accounts for the NWC has increased over the period and this is cause for concern regarding the sustainability of the organisation. The OUR proposes to engage further with the NWC over the next period to get a better understanding of this phenomenon and its impact on the NWC.

During the year, there was the ground-breaking for the Rio Cobre Water Treatment Plant in Content, St. Catherine, which is a Public-Private Partnership arrangement.



Ansord Hewitt (left) accepted a copy of *From State to Markets* from author, Cezley Sampson, at the book launch on 2023 September 12. The OUR sponsored a chapter of the book which includes the development of utilities regulation in Jamaica.

NWC projects that this will significantly improve the water supply for the 600,000 consumers in Kingston, St Andrew, and St Catherine upon completion in two years. The OUR accepts that this is a necessary project, although we are concerned that, as is the case for the funding of capital projects for all utilities, it came up for financing at a time when interest rates are high. The OUR has signalled its support for the project but has also indicated that it will be examining all its major cost components with great vigilance.

It is increasingly clear that such capital-intensive projects will need to be part of the mix to improve and expand water supply reliability across the country. In these circumstances, refining the regulatory framework and applicable instruments will be necessary to make such arrangements more seamless. The OUR continues to push the view that the execution of the long-anticipated Water Sector Policy and the formulation of specific umbrella legislation for the water and sewerage sector will go a long way towards enhancing the pace of development in the sector.

## Telecommunications

The Information and Communication Technology (ICT) sector's strategy includes:

- ☛ Continuing plans to widen access to broadband for which demand is now ubiquitous;
- ☛ Increasing sector competition to drive improvement in service and reliability; and
- ☛ Facilitating enhanced access to emergency communications.

I noted with great satisfaction the promulgation of the long-awaited and anticipated Quality of Service (QoS) Rules for the telecoms sector during the year. The Rules establish targets for twenty-one (21) fixed and mobile parameters with which licensees are required to comply as of 2024 February 1. The Rules will also require telecommunications service providers to measure and report on these parameters quarterly starting 2024 August 1. In the interim, the OUR continues to have discussions with licensees on the status of their businesses as they relate to the operationalisation of the measurement and reporting obligations specified in the QoS Rules. The Rules also give the OUR the authority to conduct measurements of the quality of service being delivered by licensees. Acquisition of the required equipment/solutions to enable this will be a major thrust for fiscal 2024-2025.

Equally satisfying was the sense that the completion and implementation of Resolution of Interconnection Dispute Rules to allow the OUR to resolve disputes between ICT providers was in sight at the end of the year. There were also indications that these rules would be pressed immediately into service once they receive the approvals.

The increased number of small telecom licensees delivering services to niche customers received some well-needed attention during the period. A special workshop covering the licensing application process, the requirements for the submission of market data to the OUR, features of the proposed OUR's electronic platform, Outage Reporting Protocol, the QoS Rules, and the Telecommunications Infrastructure Sharing Rules was held with them at the end of the year. The OUR team received very positive feedback from participants, and this type of engagement is expected to continue in the next period.

The invitation card features the OUR logo and tagline "Regulating Utilities for the Benefit of All". It includes a portrait of Ansord E. Hewitt, Director-General, and information about his speech. The main title is "You are invited: The 10<sup>th</sup> Annual Director-General's Stakeholders' Engagement". The event details are: "Regulating Utilities to Impact Productivity and Investment", "2024 MARCH 26", "7:30AM - 9:30AM", "AC Hotel by Marriott 38 - 42 Lady Musgrave Road, Kingston.", and "RSVP BY 2024 MARCH 20 TO [Ashanna.Jackson@our.org.jm](mailto:Ashanna.Jackson@our.org.jm)". A portrait of Jeffery Hall, Guest speaker and CEO of Pan Jamaica Group Limited, is also shown.

**Ansord E. Hewitt**  
Director-General  
*will deliver the  
State of the Utility Sector Address*

**You are invited:**  
**The 10<sup>th</sup> Annual  
Director-General's  
Stakeholders'  
Engagement**

**"Regulating Utilities to Impact  
Productivity and Investment"**

**2024 MARCH 26**

**7:30AM - 9:30AM**

**AC Hotel by Marriott**  
38 - 42 Lady Musgrave Road,  
Kingston.

**RSVP BY 2024 MARCH 20 TO**  
**[Ashanna.Jackson@our.org.jm](mailto:Ashanna.Jackson@our.org.jm)**



## Stakeholder Engagements

Engagement with stakeholders is perhaps the most enjoyable part of my duties as Director-General. Happily, we were able to return to a face-to-face format for the 10<sup>th</sup> annual staging of the Director-General's Stakeholders Engagement on 2024 March 26. It was a privilege to once again provide updates on the OUR's work and our projections for the upcoming year to representatives of various groups, including members of the private and public sectors, civic and political representatives, consumer advocacy groups, academia (academics and tertiary-level students), the media and other regulatory agencies, some local and others from overseas who joined online. The interactions were very instructive and gave me clear indications once again of how stakeholders want to see the utility sector develop.

On 2023 December 13, we continued to meet with key stakeholders on a parish level. The Central Focus comprised representative groups from St. Elizabeth, Manchester and Clarendon. This online event allowed me to update stakeholders on utility matters being addressed in their parishes and equally educated us on some of the ongoing concerns they had regarding service delivery. Unsurprisingly, we found that the main concerns for each sector, common across many parishes, are:

- ◆ High cost of electricity
- ◆ Water supply disruptions
- ◆ Unstable broadband service

The OUR has sought to target its interventions and initiatives to match these concerns in addition to following up with the utility providers regarding matters not addressed during the engagement.

We also continue to reach stakeholders through our outreach activities and webinars as we inform them of our latest decisions while educating them about their rights and responsibilities.

## Consumer Protection

The OUR sought to ensure that the customer experience in the delivery of utility services remained at acceptable standards through its Guaranteed Standards Schemes. The review of JPS and NWC Guaranteed Standards (GS) was completed and our decisions were shared with the service providers. There was a reduction in the number of GS for both utility providers. However, two new standards for JPS prepaid service were introduced. Further, the compensation mechanism for residential customers was reviewed to ensure that it remained equitable to the customers when balanced against the objectives of the Schemes.

Complaints Handling was identified as a problematic area not just locally but also in other jurisdictions. The OUR addressed this area of concern by formalising a Complaints Handling mechanism for all utility providers when dealing with customer complaints. We prescribed minimum standards to which service providers must adhere and we expect that there will be some level of transparency to customers in how the utility providers handle complaints. Service providers will self-

report on the performance of their customer complaint handling performance with the OUR retaining an audit verification option.

We continue to be disappointed with the findings of our annual Mystery Shopping surveys, which show the poor performance by major providers in customer service delivery. The 2023 OUR-commissioned survey indicated an average performance of 54% which is far from acceptable. We continue to work with the utility providers in this area through such initiatives as the annual Quality of Service Symposium, which targets customer service representatives from all major and small utility providers and the OUR.

Like last year, the downward trajectory in the number of customer contacts with the OUR continued during the period, following high numbers during what is termed 'the COVID-19 years'. The OUR's Consumer Affairs Unit continued to handle customer appeals and other matters, including complaints, enquiries, and opinions. I note that, like in previous years, billing matters and service interruption continued to be the main reasons for customers contacts.

## International and Regional Collaboration

The OUR enjoys the respect of its regional and international peers and is regarded as a leading practitioner in the utilities regulation space. As has become the norm, during 2023-2024, our personnel played a lead role in facilitating dialogue and sharing with national and international counterparts. We also continued to demonstrate agile responses



to challenges and stayed on the cutting-edge regulatory issues. Our technocrats lent their expertise to several regional initiatives aimed at building capacity within the region and was elected chair of the Organisation of Caribbean Utility Regulator (OOCUR).

## Data Protection

The Data Protection Act (DPA) which took effect on 2023 December 1, places a new set of statutory obligations on the OUR. The OUR as a public authority and by virtue of the type of information that comes within its domain, falls within the category of entities that are deemed data controllers under the DPA. This means we are duty-bound to comply with the following obligations:

- ❖ Appointment of a Data Protection Officer (DPO);
- ❖ Registration with the Office of the Information Commissioner (OIC);
- ❖ Upholding the eight (8) data protection standards;
- ❖ Reporting all contraventions of data protection standards and breaches to the OIC within seventy-two (72) hours;
- ❖ Submission of a Data Protection Impact Assessment (DPIA) annually.

In addition to these, data controllers must train and sensitise staff on data protection to ensure compliance with the DPA.

During the review period, the OUR achieved considerable progress in securing compliance with its DPA obligations in the following respects:

1. The appointment of a Data Protection Officer on 2023 October 2.
2. The setting up of our Data Controller Account on the My OIC portal on 2024 March 5 to facilitate registration once the process commences on the new date.



*The work of the OUR hinges on the calibre and skillsets of its employees. As such, efforts to boost the capacity of existing members to address knowledge gaps and enhance competencies are ongoing.*

3. The upholding of the eight data protection standards, that is, fairness and lawfulness, purpose limitation, data minimisation, accuracy, storage limitation, data subject rights, cross-border transfers, and technical and organisational measures, is an ongoing process in the OUR through its Data Protection Oversight Committee (DPOC). The OUR has procured the services of a data protection service provider to assess the readiness of the organisation for the DPA, and to advise and provide support towards the implementation of necessary data protection policies and procedures.
4. During the review period, there were no reports made to the Office of Information Commissioner. However, measures are being implemented to facilitate this requirement in the event of any breach. The measures include the adoption of the OIC's prescribed form to report breaches.
5. Conduct a Data Protection Impact Assessment, which will serve as a baseline of the OUR's current state regarding existing data protection risks and how such risks can be mitigated to facilitate compliance with its reporting obligation by 2025 April 1.
6. The OUR embarked upon data protection training and sensitisation for all staff in 2023 November. There was a general sensitisation session for all staff as well as specialised training and sensitisation tailored for distinct categories of staff based on their expected roles in OUR's overall data protection governance framework.



## Human Resources

The work of the OUR hinges on the calibre and skillsets of its employees. As such, efforts to boost the capacity of existing members to address knowledge gaps and enhance competencies are ongoing. This is especially so as the sectors we regulate are dynamic and ever-evolving, dictating the need for the regulator to be increasingly deft and agile. Employee development continued to be an important focus during the year. It also bears noting that while we replaced some members who left us, we continue to operate with fewer than the desired complement of staff. Every effort will be made to shore up our numbers in the upcoming year, and in this regard, I am happy to observe that the conclusion of public sector negotiation and the resulting change in emolument levels should place the OUR in a better position to fill some of the existing vacancies. At the same time, a request for approval for additional human resources is still with the Ministry of Finance and the Public Service for its decision. An important note worth mentioning on the remuneration matter is that the associated retroactive payments have had a significant effect on the OUR's finances and will have implications for increased regulatory fees. This has been communicated to the licensees, but it is important to place on record our cognisance that, ultimately, this could have an impact on ratepayers.

I am also using this opportunity to underscore the OUR's commitment to ensure that all members pay attention to increasing productivity. In this regard, the Human Resource and Administration Department continued its focus during the year on improving the performance management system to ensure that output and outcomes are more measurable and that work plans and performance targets are aligned to the OUR's defined corporate goals and objectives.

Maurice Charvis who served the OUR for over a quarter century, retired in 2023 June. Starting out as Director of Regulation and Policy and serving as Deputy Director-General since 2009, it is not an understatement to say that he has been at the centre of every major infrastructure decision across all the regulated sectors for twenty-five years. His legendary analytical skills, easy grasp of the big picture and eclectic thinking have been fundamental in shaping developments in all of the sectors over that period. As I had occasion to state elsewhere, the country owes him a debt of gratitude and hope at some point, those who have it in their gift will give fitting recognition to his national service.

With the departure of Maurice, it was satisfying to see Ms Evona Channer, someone who would have benefitted from his experience and tutelage, succeeding to the position of Deputy Director-General. Ms. Channer, who has been with the OUR since 2009, was appointed Deputy Director-General in 2024 July. It augurs well for the OUR's institutional capacity and culture that the full complement of persons forming the Executive team have all succeeded from within in circumstances where the recruitment process was open to national and international competition.

The OUR's successes, reputation, and longevity are predicated on its ability to continue to attract and retain an excellent cadre of persons at every level, viz., the Office, the executive, senior management, and technical and administrative staff. The OUR can be thankful that it has a history of being well served in all of these respects.

## Outlook

In many respects, the work of the OUR is always in transition. Activities and projects span multiple reporting periods, and their completion inevitably leads to, and dovetails into emerging projects and activities. So, in 2024-2025, we will continue the work-in-progress issues for 2023-2024 even while commencing other planned activities and projects. Additionally, the regulatory landscape is notorious for turning up imponderables, so it can be certain that there will be several unplanned activities.

It seems certain at this point that both the JPS and the NWC will submit their tariff review applications to the OUR in the upcoming year. Given that both of these activities are time- and resource-intensive, their coincidence, while not completely unenvisioned, will commandeer a significant portion of the regulatory agenda for the year.



Specific to the electricity sector, it is expected that the OUR will be required to continue to lend support to both the Ministry of Science, Energy, Telecommunication and Transport (MSETT) and the Generation Procurement Entity (GPE) in respect of their planning and procurement functions and relating to such matters as the tender for renewables, generation forecast, the exercise of Right of First Refusal (ROFR), extension of Power Purchase Agreements (PPAs) and update and production of Integrated Resource Plans (IRPs). Notably, while such activities do not fall squarely within the OUR's remit, we are constrained to provide support arising from a combination of embedded expertise, legacy arrangements and cognisance of their imperative to the development and stability of the sector and the national interest.

In addition to conducting the NWC review, it is anticipated that activities relating to the execution of the Rio Cobre project and the continued rollout of the NRW project in St Catherine will compete for centre stage for the water and sewerage sector in the upcoming period. We have also identified a critical need to work more closely with small private providers in the water and sewerage sector to ensure that their composition and structure are consistent with the existing regulatory framework and that they can comply with the information requirement needed to conduct meaningful rate reviews.

For the telecommunication sector, we expect to be fully involved in the measures being undertaken to provide a common platform for emergency communication and will lead the initiative to build further resilience in the Information and Communication Sector

(ICT) through the adoption of well-defined emergency systems and protocols. The merits of the newly minted rules for the measurement of the quality of telecommunication services and those for dispute resolution will be tested in the next period as the arrangements to begin measurement are put in place in one instance and where disputes are submitted for adjudication, in the other. In collaboration with the MSETT and the Spectrum Management Authority, the OUR proposes to continue the push to conduct studies to inform the most pragmatic approach to fast-tracking the rollout and delivery of the benefit of 5G services in the most sustainable way to Jamaica.

The more explicit part of our work to empower consumers and provide protection will also continue through our various public education and outreach programmes, which become even more important in a year in which no fewer than two major rate reviews are initiated. At the same time, we will continue to leverage the benefits of social and new media to reach our stakeholders, even while ensuring that we do not neglect the strategic utilisation of traditional media platforms. We also expect, throughout the year, to seek your feedback via scientific surveys, questionnaires, focus groups, and direct face-to-face engagements.

We have found increasingly that there is a need to foster greater coordination, collaboration, cooperation and sharing across all of the sectors for absent these, there is likely to be duplication of efforts, undue delays and a sense of dissonance. While the OUR will be the first to articulate the need to ensure 'arm's length' relationships and

mutual respect for statutory mandates, it is also accepted that in small economies such as Jamaica with a scarcity of specialised skills, competencies and institutional endowment, the need for such actions is impatient of debate. I would therefore posit that in each of the sectors, it will be necessary to establish some kind of working group or council comprising, at the least, all of the key public sector stakeholders to ensure, *inter alia*, a common understanding of policy, information symmetry and as appropriate resource sharing and coordinated execution. I would suggest that the relevant sector ministries take the lead in this initiative.

## Conclusion

I take this opportunity to thank the Members of the Office for the oversight, guidance, support, and promptings they provided from 2023 to 2024 and for the assurance and confidence that their continued presence provides for the future. The OUR continues to benefit from their wide range of expertise and experience and their diligence in pursuing the public good.

It is also the case that I have the joy of coming to work every day knowing that I lead a professional, committed, mission-focused team that is always conscious of its responsibility to provide the Office with the best research, analysis, and advice to inform its decisions. To the team, I say thank you for another year of good work and achievements, and I look forward to continuing the progress in 2024-2025 as we continue to strive to justify the public trust reposed in us.



# Summary of Publications

## Published Outputs for the Fiscal Year 2023-2024

**Table 4: Telecommunications**

Category	FY 2023 April – 2024 March	FY 2022 April – 2023 March
<b>Determination Notices</b>	<ul style="list-style-type: none"><li>☛ Number Portability Administration Fees, 2023</li></ul>	<ul style="list-style-type: none"><li>☛ Number Portability Administration Fees, 2022</li></ul>
<b>Directives</b>	<ul style="list-style-type: none"><li>☛ Directive to CWJ and Columbus Communication Jamaica Ltd. to Comply with the OUR Information Request Regarding Compliance with The Improving Information Transparency in Telecommunications Markets Determination Notice</li></ul>	<p>None was issued.</p>
<b>Quarterly Sector Reports</b>	<ul style="list-style-type: none"><li>☛ Telecoms Market Information Report 2022 October - December</li></ul>	<ul style="list-style-type: none"><li>☛ Telecoms Market Information Report 2021 October - December</li><li>☛ Telecoms Market Information Report 2022 January - March</li><li>☛ Telecoms Market Information Report 2022 April - June</li><li>☛ Telecoms Market Information Report 2022 July - September</li></ul>
<b>Consultation Documents</b>	<p>None was issued</p>	<ul style="list-style-type: none"><li>☛ Outage Reporting Protocol and Measures to Improve Resiliency in Disasters</li><li>☛ Use of IMSIs in the Fixed Network</li></ul>
<b>Industry Notifications</b>	<ul style="list-style-type: none"><li>☛ Telecommunications Industry Notification - Operationalisation of The Jamaican Common Short Code Scheme – Phase II</li><li>☛ Telecommunications Industry Notification - Appointment of Ms. Evona Channer as Deputy Director-General, OUR</li><li>☛ Telecommunications Industry Notification - Re: The Telecommunications (Infrastructure Sharing) Rules, 2022</li></ul>	<ul style="list-style-type: none"><li>☛ Telecommunications Industry Notification - Re: Operationalisation of the Jamaican Common Short Code Scheme</li><li>☛ Telecommunications Industry Notification - Re: Approval for the Establishment of Temporary Fixed Locations in Residential Communities to Facilitate Porting Transaction</li></ul>
<b>Request for Quotations</b>	<p>None was issued</p>	<p>None was issued</p>
<b>Guidelines</b>	<p>None was issued</p>	<ul style="list-style-type: none"><li>☛ The Telecommunications (Number Portability) Rules 2014 - Industry Number Portability Guidelines</li><li>☛ Technical Requirements for Telecommunication Licences Application</li><li>☛ Technical Requirements for Telecommunication Licences Renewal Application</li></ul>
<b>Rules</b>	<ul style="list-style-type: none"><li>☛ The Telecommunications (Quality of Service Standards) Rules, 2023</li></ul>	<p>None was issued.</p>



**Table 5: Electricity**

Category	FY April 2023 – March 2024	FY April 2022 – March 2023
Determination Notices	✓ Jamaica Public Service Company Limited - Annual Review and Extraordinary Rate Review 2023	✓ Jamaica Public Service Company Limited Annual Review 2022
Consultation Documents	✓ Proposed Criteria Jamaica Public Service Company Limited 2024 – 2029 Rate Review Process	None was issued
Public Notices	✓ Net Billing/SOC Rate for 2023 February – March ✓ Net Billing/SOC Rate for 2023 April ✓ Net Billing/SOC Rate for 2023 May	✓ 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/SOC Rate for the month of 2023 January
Rules	✓ Final Criteria Jamaica Public Service Company Limited 2024-2029 Rate Review Process	None was issued.
Reports	✓ South Jamaica Power Company Ltd - Request for Recovery of Duties for 190MW CCGT Plant- Evaluation Report	✓ NFE South Power Holding Limited - Request for Recovery of Duties for 94MW CHP Plant - Evaluation Report ✓ Jamaica Public Service Company Ltd Parish Office Closure Impact Assessment - Phase One ✓ Investigation into Jamaica Public Service Company Ltd Transformer Protection Programme Pilot Project - Investigation Report.
Directives	None was issued	✓ Second Further Directive to Jamaica Public Service Company Limited (JPS) to cease and desist the curtailment of service to communities where it has implemented its Transformer Protection Programme Pilot Project.

**Table 6: Water and Sewerage**

Category	FY April 2023 – March 2024	FY April 2022 – March 2023
Determination Notices	◆ Runaway Bay Water Company Limited Annual Price Adjustment Mechanism 2023 Rate Adjustment ◆ St. Jago Hills Development Company Limited Water Rates ◆ Dynamic Environmental Management Limited Annual Price Adjustment Mechanism 2023 Rate Adjustment ◆ National Water Commission Annual Price Adjustment Mechanism 2024 Rate Adjustment	◆ 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
Decisions	◆ National Water Commission All-Island Customer Metering Project	None was issued

Cedric Wilson  
Deputy Director-General



Cheryl Lewis  
Deputy Director-General



Ansord Hewitt  
Director-General



Evona Channer  
Deputy Director-General



Patricia Watson  
Executive Assistant



# The Executives

# OUR

## OFFICE UTILITIES REGULATION

*Regulating Utilities for the Benefit of All*

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# DEPARTMENTAL REPORTS

# Secretary to the Office (STTO)

This Department is responsible for ensuring that the Office functions effectively and efficiently and complies with established internal and external procedures. The STTO, in collaboration with the Office Chairman, establishes the regulatory agenda and ensures that matters submitted to the Office for consideration are deliberated in a timely manner. The STTO also has responsibility for the oversight of the OUR's external interactions as well as the licence applications and Corporate Plan development processes.



Diana Cummings  
Secretary to the Office



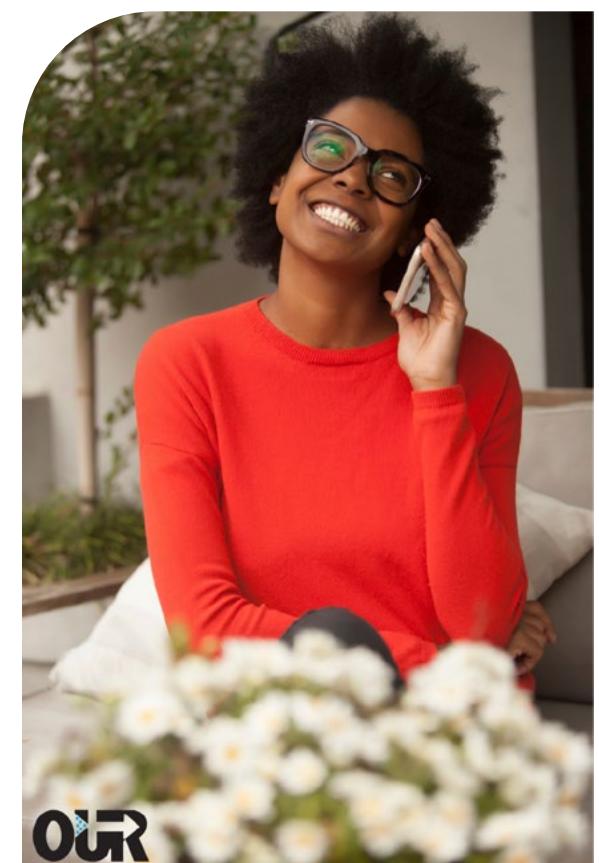
Peta-Gaye Locke Rankin  
Manager - Regulatory &  
Licensing Affairs



Thalia McPherson  
Project/Research Officer



Carlene Dunbar  
Licensing Officer



## Corporate Business Plan

The OUR's 2024-2025 – 2027-2028 Corporate Business Plan and Budget were submitted to the Ministry of Finance and the Public Service by the required date of 2023 December 29, in compliance with the requirements of the Public Bodies Management and Accountability Act. The Plan includes work which is exclusively OUR's responsibility as well as projects and activities performed for or in support of other partners, but which are vital to the regulated sectors.

## Regulatory Document Standardisation Project

The Standardisation Project, which aims to review regulatory papers produced by the OUR thoroughly, progressed during the review period to improve clarity and address sector-specific complexities. The project is expected to produce fit-for-purpose templates of Directives and Determination Notices as well as a Style Manual to guide the standardised generation of regulatory papers. Project completion is expected during the 2024-2025 Fiscal Year.

## Licences

Several applications for licences were received in the various sectors during the period under review.

### Telecommunications Sector

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

**Table 7: Telecommunications Licences issued in 2023-2024.**

Entity	Licences Issued	New (N)/ Renewal (R)
1 Cornwall Communications Limited	Carrier Internet Service Provider	N N
2 EZMZE Company Limited	Internet Service Provider	R
3 Giant Networks Limited	Internet Service Provider	R
4 Home Time Entertainment Limited	Internet Service Provider	R
5 INET Jamaica Limited	Carrier Internet Service Provider	N N
6 Integral Networks Limited	Carrier Internet Service Provider	N N
7 JACS Cable Limited	Internet Service Provider	R
8 Micheal Internet and Cable Systems Limited	Carrier Internet Service Provider	N N
9 NYCMAR Communications Limited	Internet Service Provider	R
10 Rock Mobile Limited	International (Voice and Data) Service Provider Internet Service Provider	R R
11 Vionet Enterprise Limited	Internet Service Provider	R
12 WOCOM Limited	Carrier Internet Service Provider Domestic Voice Service Provider International Voice Service Provider	N N N N
13 Bessnet Company Limited	Internet Service Provider	R
14 Verge Communication Limited	Internet Service Provider	R



### Water and Sewerage Sector

In 2023-2024, there were four new and three renewal applications for licences in the Water and Sewerage Sector. These applications are being processed. The recommendation for the grant of sewerage service provider licence to Kemtek Development and Construction Limited sent to the Ministry of Economic Growth and Job Creation (MEGJC) in 2021, was approved and issued in 2023.

# Consumer & Public Affairs (CPA)



**Yvonne Nicholson**  
Director, Consumer and  
Public Affairs

**Elizabeth Bennett Marsh**  
Public Education  
Specialist

**Collette Goode**  
Consumer Affairs Specialist  
(Policy)

**Jodian Coultrman**  
Acting Coordinator,  
Consumer Affairs  
(Operations)

**Gordon Brown**  
Coordinator, Public Affairs

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

The Consumer and Public Affairs Department incorporates consumer and public affairs and the Information Centre. The Department administers the OUR's consumer affairs regulatory function and monitors and evaluates the customer service performance of all regulated utilities. In these capacities, it develops and implements all approved public education activities for the OUR, serves as the primary point of contact for the public, develops strategies and procedures for complaint resolution, spearheads public consultations, and manages the organisation's public communication and image. The OUR Information Centre (OURIC), in addition to providing vital research resources for the staff, is open to the public. The Department also has the critical function of managing the content of the OUR's website and social media channels.

During the review period, there was a concerted thrust by the Department to refresh and strengthen stakeholder connections, by ramping up the dissemination of information through our public education channels, including the social media platforms and a full return to face-to-face engagements. As one of the significant cogs in the engine of the OUR, the Department contributed to policy development, gave advice informed by the feedback garnered from customers to the Office, and sought to fortify its functions through consumer research, the introduction of Complaints Handling determinations, as well as the review of existing Guaranteed Standards. In taking advantage of the opportunities existing in the digital space, and as part of the digital transformative agenda of the OUR Information Centre (OURIC), the Department has positioned itself as a guiding light in the OUR's digital transformation journey. This will mean modifying and automating routine processes, operations, and programmes for OURIC.



OUR's Consumer and Public Affairs Unit conducted a site visit to the NWC's bill payment kiosk to observe its usage on 2023 February 21.



**Colleen Mignott**  
OURIC Coordinator/Information Officer



**Beverley Green**  
Consumer Affairs Officer



**Shara Barnett**  
Consumer Affairs Officer



**Beverley Robinson**  
Consumer Affairs Officer



**Peta-Gaye Campbell**  
Consumer Affairs Officer

## Consumer Affairs Unit (CAU)

### Consumer Appeals and Resolution

For the 2023 April 1 – 2024 March 31 period, the CAU received three thousand one hundred and thirty-five (3,135) contacts concerning the provision of utility services (See Table 8). Of these contacts, 35 (or 1%) were accepted for investigation under the Appeals Process, 2,173 (or 69%) were handled in-house, while the remaining 927 (or 30%) were referred to their respective service providers for resolution. The contacts received represent an 18% decrease over the period 2022 April 1 - 2023 March 31. The category 'others' includes small private utility providers.

**Table 8: Annual Contacts Managed by Consumer Affairs Officers 2019-2024**

Service Providers	Periods				
	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
JPS	1,255	1,955	2,608	2,794	1,433
NWC	1,081	1,055	1,363	1,380	924
C&WJ (FLOW)	214	156	465	1,126	867
Columbus Communications (FLOW)	377	458	965	970	499
Digicel	119	108	164	275	245
Others	116	77	227	325	128
<b>Total</b>	<b>3,135</b>	<b>3,823</b>	<b>5,792</b>	<b>6,870</b>	<b>4,096</b>

Twenty-two (22) unresolved appeals were carried forward from 2022-2023 (Table 9). Taken with the thirty-five (35) new appeals accepted during the review period, the total number of appeals under investigation for the year was fifty-seven (57). Of the 35 new appeals, Jamaica Public Service Company Ltd. (JPS) and the National Water Commission (NWC) accounted for four (4) and thirty-one (31), respectively.

**Table 9: Appeals Summary for 2023 April 1 – 2024 March 31**

Description	No. of Appeals
Appeals from Previous Periods	22
Appeals Received during Reporting Period	35
<b>Total Appeals for Reporting Period</b>	<b>57</b>
Appeals Resolved during Reporting Period	33
<b>Total Appeals at End of Reporting Period</b>	<b>24</b>



**Regina Watt**  
Consumer Affairs Officer



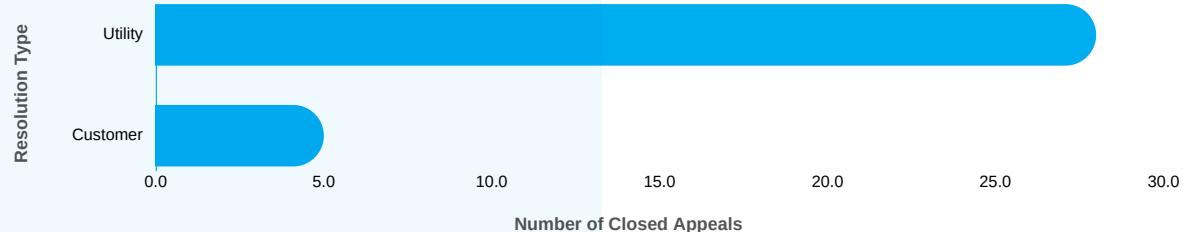
**Ashanna Jackson**  
Public Affairs Assistant



**Charmaine Stephenson**  
Administrative Assistant

Thirty-three (33) appeals, representing 58% of appeals, investigated were resolved. Of those resolved, 15% were in favour of the customer, and 85% were resolved in favour of the utilities. Further details on appeals resolution can be seen in Figure 1, while details on appeals resolution for 2019-2024 are provided in Table 10.

**Figure 1: Appeals Resolution**



**Table 10: Appeals Resolution for 2019-2024**

Description	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Appeals from previous periods	22	10	24	16	21
Appeals received during the reporting period	35	33	32	67	38
Total appeals for reporting period	57	43	56	83	59
Appeals resolved during reporting period	33	29	49	59	43
Appeals resolution rate for reporting period	58%	67%	82%	71%	73%

In relation to the established 65 working days to complete investigations of customers' appeals, of the 57 appeals reviewed during the reporting period, 30% were completed within the timeline, and 28% were completed outside of the timeline. The remaining 24 appeals (42%) consisted of eleven (11) that had not exceeded the closure timeline and thirteen (13) that had exceeded it.

Of the 35 new appeals received, 25 were due to be closed by the end of the review period, and 10 were due to be closed in the next review period, in keeping with the established appeals timeline. Of the 25 to be completed, 40% were completed within the established timeline, 24% were completed outside of the timeline, 20% were awaiting responses from the NWC, while the remaining 16% required OUR's action. Appeals that remained open were due to a lack of responsiveness from the NWC and those that were pending action by the OUR.

## Non-Appeal Contacts

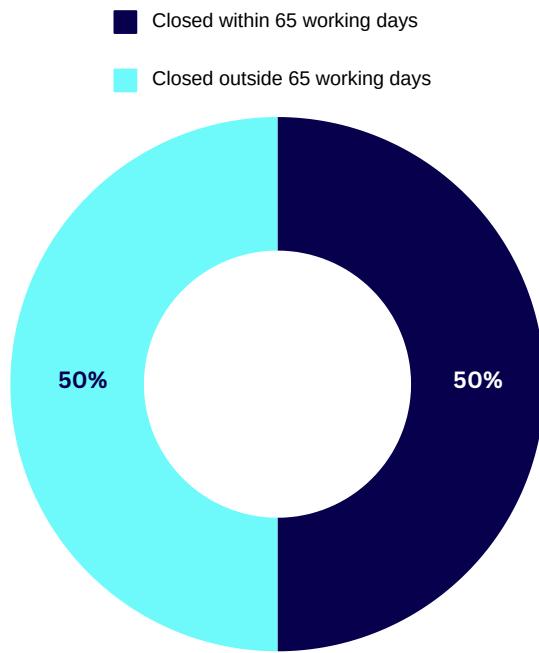
In addition to appeals, the OUR also handled non-appeal contacts, that is, complaints, enquiries, opinions, etc. which accounted for 69% (2,173) of total contacts received. The bulk of these contacts (94%) were complaints defined as matters brought to the service provider and no response was provided within the agreed timeline.

Like the Appeals Process, the OUR has established a sixty-five (65) working day timeline to complete its investigation of customer complaints. This timeline is required to obtain all relevant information from the

service providers and customers to ensure the customer receives a response.

Of the 2,032 complaints handled, 454 (22%) were closed. As Figure 2 shows, an equal percentage of complaints were closed within and outside of the review period.

**Figure 2: Closed Complaints for 2023 April 1 – 2024 March 31**



For the remaining 1,578 open complaints, JPS and NWC accounted for 42% and 31% respectively. FLOW followed with 21%, while the remaining 6% was shared among all other service providers. Nineteen percent (19%) of the open complaints did not exceed the 65-working days closure timeline, with the remaining 81% exceeding the closure timeline. Further details are provided in Table 11.

**Table 11: Open Complaints for 2023 April 1 – 2024 March 31**

Service Providers	Number of Open Complaints/periods				Total
	Current (within 65 working days, 2024 Jan - Mar)	2023 Oct-Dec	2023 Jul - Sept	2023 Apr-Jun	
Digicel	15	15	25	13	68
FLOW	75	82	107	71	335
JPS	103	197	213	146	659
NWC	99	132	147	108	486
Small Telecom Providers	2	1	1	0	4
Small Water & Sewerage Providers	1	6	5	9	21
Not Utility Related (e.g. cable tv)	1	1	2	1	5
<b>Total</b>					<b>1,578</b>

### Main Customer Concerns

At 48% and 17% of total contacts, respectively, billing matters and service interruption continued to be the main reasons for customer contact. The nature of the billing contacts included: customers' dispute of charges billed to their account, high consumption charges, and concerns about estimated and retroactive billing. Guaranteed Standards and irregular supply, at 4% each, accounted for the third highest number of contacts. The other categories each accounted for 3% or less of total contacts.



*Billing matters and service interruption continued to be the main reasons for customer contact.*



## Consumer Affairs Highlights

### NWC Bill Payment Kiosk Fee

The OUR completed its investigation of the NWC's decision to charge a \$100 fee for its customers to pay their bills with the kiosk being the sole medium through which cash payments can be made. Following the OUR's intervention, the NWC decided to remove the service fee for the use of the Bill Payment Kiosks and indicated that cashiers would be available to assist customers with bill payments.

### 2023 Mystery Shopping Survey

The results of the 2023 OUR-commissioned Mystery Shopping Survey revealed that the main utility service providers scored an average of 54% (see Table 12) across all service channels (retail outlets, website chats, social media platforms, mobile apps and call centres) in the delivery of customer service. The low scores indicate that the service providers face an uphill task to improve their customer service delivery.

**Table 12: 2023 Mystery Shopping Results**

Service Providers	Total Score
FLOW	65%
Digicel	59%
JPS	55%
NWC	43%
<b>Average Score</b>	<b>54%</b>

Specified service providers performed best in the following areas: FLOW - Call Centre and Social Media, Digicel - Mobile App, JPS and NWC - Call Centre. Conversely, the areas requiring significant improvement for the

service providers were: FLOW and Digicel - In-Store, JPS and NWC - Digital platforms. The OUR shared the findings with the service providers with the expectation that they will take action with respect to the areas identified for improvement. The OUR conducts these exercises annually as part of its strategy to assess and encourage improvement in the quality of the customer service delivery of utility service providers.

### JPS and NWC Guaranteed Standards Determination Notice

The JPS and NWC Guaranteed Standards Determination Notice was issued on 2024 February 28. The decisions made include:

1. A reduction in the number of Guaranteed Standard (GS) for JPS's postpaid service from 17 to 14;
2. A reduction in the number of GS for the NWC from 17 to 15;
3. Introduction of two new GS for JPS's prepaid service to address areas of timeliness of meter replacement and availability of purchased kWh after successful top-up.
4. Modification of JPS's compensation mechanism for residential customers only from the current association with the reconnection fee to the establishment of a fixed GS compensation sum. This will be based on 20% of the calculated average residential customers' bill. JPS has since requested a reconsideration of this decision, which is being reviewed.

5. Reduction of the NWC's compensation mechanism (by half) to two (2) times the monthly service charge for General Compensation and three (3) times the monthly service charge for Special Compensation.

The decisions will take effect upon the issuance of determinations on the pending Five-Year Rate/Tariff Review application from both utility providers.

### Complaints Handling - Determination Notice

The Determination Notice on Complaints Handling was issued to the service providers on 2024 February 29. The determinations prescribe minimum standards to be adhered to by the service providers when handling complaints.

Among the determinations, all utility providers must:

1. Document and implement a Complaints Handling Process for their customers;
2. Establish a Complaints Management System;
3. Establish a Training Manual for their customer service representatives;
4. Engage in at least one training session with their customer service staff annually.

The Determination Notices are on the OUR's website.

## Credits and Compensation

During the review period, service providers paid \$195,664,210.05 to consumers, resulting from action taken by the OUR or as compensation for breach of the GS.

JPS committed a total of 81,544 breaches that attracted potential compensation of approximately \$181.1 million, paid out through automatic compensation. The NWC committed a total of 9,282 breaches with potential compensation of approximately \$42.3 million. Actual payments by the NWC amounted to approximately \$13.2 million, representing 31% of total potential amounts with the remaining 69% not being paid as, in some instances, the required claim forms were not submitted.

Private Water and/or Sewerage Service Providers committed a total of 21 GS breaches, which attracted potential compensation of approximately \$77,244.12, of which actual payments amounted to \$2957.12, representing 4% of total payout. The compensation amount which was not paid out was for breaches related to the meter reading GS for (i) accounts billed based on an OUR-approved flat rate for premises where no meter is installed, (ii) lack of access to meters, or (iii) non-submission of the required claim form.

The sum secured resulting from OUR's direct investigation of customers' appeals and complaints amounted to \$1,324,028.02. Of this sum, NWC accounted for 80% (\$1,063,539.33), JPS followed with 15% (\$196,804.63), while Columbus Communications Ltd. (FLOW), C&WJ (FLOW) and Dynamic Environmental Management Ltd. accounted for the remaining 4% (\$63,684.06).

## Upcoming Projects

For the upcoming year, the following projects to enhance and protect the interest of consumers will be undertaken:

### **1. The JPS Parish Office Closure Impact Assessment.**

JPS closed seven (7) of its Customer Service Offices (CSOs) across several parishes on 2021 March 8. This brought to ten (10) the total number of JPS CSO closures as the offices in three other parishes were closed in early 2020 February. JPS stated that its decision to close the CSOs was informed by data which indicated that: less than 5% of customers in these parishes conduct transactions in the offices; and the onset of the COVID-19 pandemic intensified the customer trend to use online services as over 70% of customer contacts with JPS were received through its 24-hour Call Centre, web-chat, social media, emails and the Mobile App. To supplement the CSO closures and the online channels, JPS advised of several alternative measures to continue to provide customer service and engage with its customers. JPS stated that the alternative measures would include (i) a relaunch of its mobile offices in affected communities, (ii) an advertisement campaign to educate customers on its digitised options, and (iii) proactive communication with customers to prevent the need for contact.

In 2021 November, the OUR commenced an assessment of the impact of the JPS CSO closures. Among the findings were that: (a) JPS's assertion of significantly reduced customer visits to the CSOs was not substantiated by the customer CSO usage

data reviewed for the period 2018 – 2020; (b) where customers experience prolonged Internet connectivity challenges, they would be limited in the interactions with JPS through the digital channels established; (c) the initiatives implemented by JPS are heavily weighted on customers' usage of its digital channels and Call Centre; (d) some customers may be disadvantaged where customer-related activities/requests are available only through the MyJPS App. In keeping with the recommendations of this study, the OUR has commended a Phase II aspect of this investigation to assess, inter alia, the: (1) economic/financial impact, and (2) impact of alternative methods on customers where offices were closed. This will continue into fiscal year 2024-2025.

### **2. Monitoring of Major Utility Service Providers' Complaints.**

During 2023-2024, the Department designed a project to obtain and analyse the total complaints received by service providers; the nature of said complaints and the complaints' origin(s) on a quarterly basis. The project is expected to be executed in 2024-2025, so that the OUR will be better informed about the number of, and type of contacts that the providers are handling. This should also allow the OUR to assess any changes in service quality and inform about appropriate measures to implement to improve consumer protection.

### 3. Consultation to review utility providers' refund policies/procedures.

The OUR is aware, through complaints received, of the inconvenience caused to customers who overpay and are faced with delays in getting their refund. The OUR is also aware that the service providers have established refund policies/procedures, with varying requirements and completion timelines. This project is intended to review the refund policies and procedures for all service providers operating within the electricity, telecommunications, water and sewerage sectors to ensure that customers are not unduly inconvenienced and are aware of the service providers' refund policies/procedures. Where there may be gaps in policy/procedures, the intention is to rectify and streamline by prescribing minimum standards that meet the customers' expectations. As the issue of refunds is a pain point for utility customers, the outcome of this project will give greater visibility to the work of the organisation. This project is expected to be executed during the upcoming fiscal year.

## Public Affairs Unit (PAU)

The period marked a return to face-to-face outreach activities which were halted between 2020 and early 2023 as part of safety measures during the COVID-19 pandemic. The OUR's Public Affairs Unit (PAU) continued its focus on increasing awareness and stakeholder engagement through face-to-face and online meetings, as well as traditional (mass) and digital media. OURIC also continued its digitisation process to make library materials accessible online.

### Community/Workplace Outreach

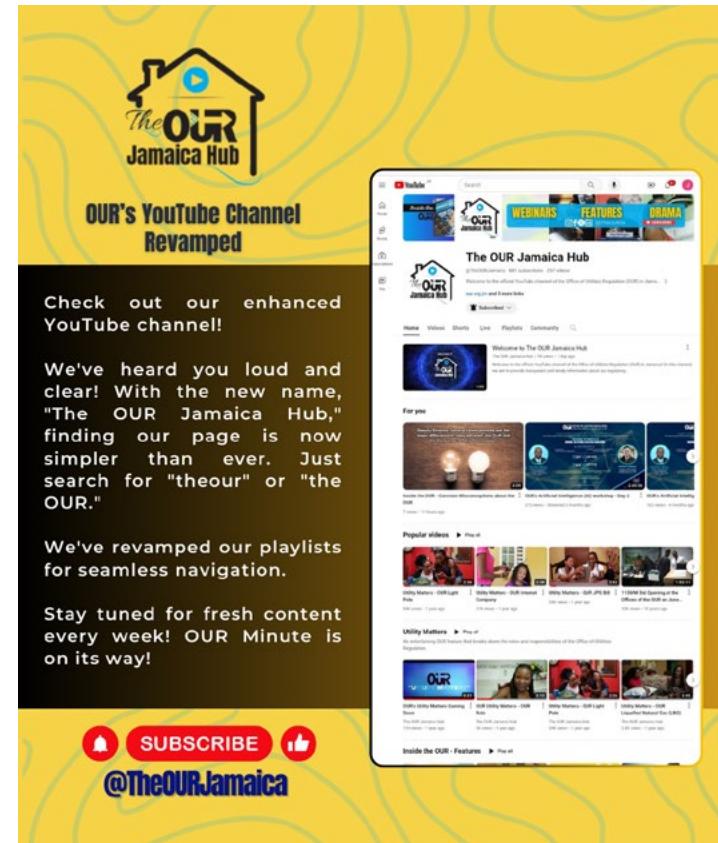
The OUR aims through its public education outreach to:

- ❖ Engage in aligning utility consumers' perceptions about the role of the OUR with reality;
- ❖ Inform utility consumers about their rights and responsibilities;
- ❖ Respond to utility-related queries raised and provide advice;
- ❖ Alert stakeholders to the methods by which concerns/complaints with utility providers can be resolved; and
- ❖ Facilitate active communications channels for ongoing dialogue with utility customers so there can be a two-way flow of information with the OUR on the group's primary utility concerns;

During the year, the OUR engaged directly with over eight hundred (800) stakeholders during these outreach events.

Individual or community concerns identified at such engagements are shared with the Consumer Affairs Unit for follow up. The PAU will continue with these efforts in the new year.

The PAU executed nine (9) public education outreach projects: Eight (8) of these activities were either conducted in person or in a hybrid format (online and face-to-face) and included interactions with senior citizens, civil servants and other utility customers. The outreach activities included participation in health fairs and annual conferences across the island.



**Table 13: Community and Workplace Outreach 2023 April – 2024 March**

Outreach	Date	Parishes	# of Persons persons reached
St Ann's Bay Justice Fair	2023 May	St. Ann	31
Open Bible Church, Old Harbour	2023 July	St. Catherine	36
Waltham Park Road New Testament Church of God Health Fair	2023 Aug	St. Andrew	31
Jamaica Teachers' Association (JTA) Annual Conference	2023 Aug	St. James	413
Portmore Missionary Church's Health Fair	2023 Aug	St. Catherine	52
Sandy Park Seventh Day Adventist Church's forum 'Understanding Civil Agencies in Christian Stewardship'	2023 Sept	St. Andrew	22
Nurses Association of Jamaica (NAJ) Annual Conference	2023 Sept	St. Ann	108
Seniors Week Expo, Emancipation Park	2023 Oct	St. Andrew	91
Norman Manley Law School (NMLS) Legal Aid Clinic's Community Fair	2024 March	St. Andrew	40
<b>TOTAL</b>			<b>824</b>

## Webinars

By hosting webinars and feeding these globally live-streamed discussions on the OUR Jamaica Hub YouTube channel and the OUR's Facebook page, talks about salient utility matters are encouraged locally and overseas. Topics are targeted to be of interest to our stakeholders and cover matters within the local utility sectors as well as crucial developing trends and issues.

Active viewer participation is facilitated during the broadcast by allowing comments and questions from the viewing audience to be presented live to the panellists for their responses. Video recordings of the discussions are available on the relevant media platforms for persons who may not have been able to join live.

In the upcoming year, the OUR will seek to add the Instagram feed to the global broadcasts.

Webinars during the year explored the following topics: Artificial Intelligence and Your Utility Services: Is there Synergy?; Quenching Jamaica's Drought: Exploring Solutions for Consistent Water Supply; and Why Your Data Matters: Your Rights as a Utility Consumer under the Data Protection Act.

## Social Media

During the review period, the OUR entered a new digital media space, rebranded its YouTube Channel and maintained daily postings on its five (5) other social media channels.

## OUR Chat Podcast

The **OUR Chat** Podcast Season 1 was launched in 2023 October with the first episode aired on 2023 October 31 on *Spotify*. The ten-episode season consists of interviews with OUR personnel on various issues including debunking myths about the OUR's operations, explaining the appeals process, highlighting the importance of small water and sewerage providers, and addressing common utility questions.

## It's now the OUR Jamaica Hub!

The OUR's YouTube channel was rebranded and renamed the **OUR Jamaica Hub**. The new and improved channel allows users easier access to entertaining and informative videos. The new-look page makes content more searchable, and playlists are organised to facilitate more seamless access to our content.

Viewers can dive into OUR's drama series, catch up on missed webinars, benefit from consumer-focussed Q&A features with Ask Lorna, and listen to highlights from our radio programme, "Inside the OUR."

The OUR also launched its 'OUR Shorts' and 'OUR Minute', which are new content in bite-sized 1-minute segments.

Season 2 will be launched in 2024-2025.



## Social Media Performance

During the review period, the OUR's social media pages gained, in aggregate, 1,882 new subscribers and followers. X (formerly Twitter) gained 934, Instagram, 702, Facebook, 161, and LinkedIn gained 85.

Impressions - which are the total number of times posts and content are seen - decreased by 45 per cent from 3.6 million in 2022-2023 to 1.9 million in 2023-2024, along with a decline in engagements across all platforms. This is attributed, in part, to increased competition across the spaces for visibility of OUR's messages to be seen.

## Stakeholders' Engagements

### 10<sup>th</sup> Annual Director-General's Stakeholders' Engagement

The 10<sup>th</sup> Annual Director-General's Stakeholders' Engagement was held on 2024 March 26, marking the return of the first face-to-face event in four years. Attendees from ten (10) countries logged in online. The theme of the event was *"Regulating Utilities to Impact Productivity and Investment."* In addition to the annual State of the Utility Sector presentation by the Director-General, a member of the private sector, CEO of Pan Jamaica Limited, Jeffrey Hall presented a Fireside Chat. There was significant media coverage for the event. These include Jamaica Observer's article 'Dismantle JPS monopoly'; and the Gleaner article 'Over 136,000 JPS system outages recorded last year'.

## OUR keeping tabs on costs at Rio Cobre Water Treatment Plant project

*Sashana Small/Staff Reporter*

THE OFFICE of Utilities Regulation (OUR) says it will be closely monitoring the Rio Cobre Water Treatment Plant project in Content, St Catherine, to ensure that customers get the best rates possible.

Prime Minister Andrew Holness earlier this month broke ground for the \$12-billion project that is expected to benefit 600,000 National Water Commission (NWC) consumers.

However, noting that "this is a necessary and vital project", Ansord E. Hewitt, director general of the OUR, said the regulatory body is concerned that the project came up for financing at a time when interest rates are high.

As a result, he said the agency will be examining all its major cost components.

"Apart from finance cost, there's the question of capital and the technology, whether you use the best combination technology," he told **The Gleaner**.

"The other big cost item would be chemical treatment of the water.



*Camille Facey, chair of the Private Sector Organisation of Jamaica Corporate Governance Committee; Ansord Hewitt (second left), director-general of the Office of Utilities Regulation (OUR); Jeffrey Hall (second right), CEO and vice chairman, Pan Jamaica Group; and Charles Douglas, senior manager for government regulations affairs, Flow, share a moment during the OUR's 10th Annual Director-General's Stakeholders' Engagement under the theme: 'Regulating Utilities to Impact Productivity and Investment' which was held yesterday at the AC Marriott Hotel in St Andrew. IAN ALLEN/PHOTOGRAPHER*

We want to make sure that their cost of treatment is aligned with benchmark, what is reasonable for the environment."

The Rio Cobre Water Treatment Plant is expected to be completed

he said.

"You also have to make sure that, at the point of entry, you also have sufficient arrangements that allow you to monitor to see what is happening at the point of operating over the period so that you can regulate, and the extent to which you make provisions to avoid disruptions, and also to make sure that, having given this commitment for 25 years, that it is in fact sustainable," he added.

Meanwhile, speaking yesterday at the OUR's Annual Director-General Stakeholders' Engagement held at the AC Marriott Hotel in St Andrew, Hewitt noted that the overall non-revenue water figure remains very high.

NWC has been reporting losses of 45 per cent for Kingston and St Andrew and, based on these results, the utility company has proposed the Portmore NRW project to be funded from K-Factor funds totalling \$3.245 billion.

"By all indicators, access to and consistent availability of potable water is a major pain point. The problem is made worse by climate change and increasing periods of low rainfall. It also does not help that we continue to have intolerable levels of water losses," he said.

[sashana.small@gleanerjm.com](mailto:sashana.small@gleanerjm.com)



## Central Focus

The OUR staged its 2<sup>nd</sup> de-centralised Director-General Stakeholders' engagement on 2023 December 13, when it staged the Central Focus event, spotlighting utility issues impacting consumers in St. Elizabeth, Manchester and Clarendon. Here, the OUR's Director-General hosted key stakeholders in various industries and civic groups in these parishes, updating them on the work done by the regulator, including addressing specific utility issues and outlining major plans for the upcoming fiscal year. It was also an opportunity for utility providers to directly engage with their customers on quality-of-service issues directly.

The OUR has been seeking to bridge the information gap between itself and its stakeholders through various means, including meeting with smaller clusters of stakeholders throughout the island.

## Small Private Providers Workshop

Buoyed by the findings of a 2022 Small Private Licensees Survey, the OUR conducted a workshop on 2024 March 7, which focussed on small telecoms providers, the largest block from this category of licensees. Of the approximately sixty-five (65) active small private licensees, thirty-nine (39) are from the telecommunications sector. The objectives were to:

- i. Offer a workshop led by knowledgeable facilitators as a platform for licensees to participate in consultation.
- ii. Improve licensees' knowledge of their obligations under their licenses.
- iii. Inform licensees about the licence application and approval processes.
- iv. Increase awareness of the OUR as measured by the Small Licensees Survey that was done in 2022.
- v. Establish continuing dialogue between the OUR and the telecoms providers.

Twenty-seven (27) licensees attended the workshop which included presentations on the Licensing Process presentation from the OUR and the Spectrum Management Authority, and by the OUR's ICT Unit on Infrastructure Sharing Rules, Outage Protocol, and new Quality of Service regulations. Positive feedback was received from attendees who expressed a wish to have such workshops regularly so they could be kept informed of any new requirements and licence obligations.

## Mass Media

The media continues to be an important OUR stakeholder and so the organization expanded the reach of its packaged five (5) minute weekly radio programme **Inside the OUR** which is aired on several radio stations every Wednesday. Its live bi-monthly feature, **Call the OUR**, continues to be aired during Hotline on Radio Jamaica 94 FM, enabling on-air discussions regarding the regulator's decisions and facilitating live on-air handling of utility consumer complaints handling.

Members of the public were also kept informed about OUR's decisions via media releases and public notices in major newspapers and on its website. Information requested by journalists on any publication, clarification, and queries on any statement made publicly is easily available through the PAU. The unit is committed to meeting its established response times for these requests and to grant media interviews whenever it is feasible.

## OURIC

The OUR's Information Centre's (OURIC's) digital strategy has resulted in the modification and automation of routine library processes, operations, and programmes, including collection development, loan services, research services, and reference and information services. The ensuing innovation of library resources and services is expected to revolutionise work processes, providing users with access to electronic information and services. The digitisation of physical materials is the next step to increasing access to both digital-born and digitised content.

Throughout the 2023-2024 period, OURIC transitioned from its earlier "Re-imagine OURIC" campaign to the newly established "Discover OURIC" initiative and remained committed to meeting OURIC users with credible information - anytime and anywhere.





## Digital Library

During the review period, OURIC continued the process of populating its digital library with content that is relevant to its wide range of users. The digital library currently holds over 9,000 resources, and its membership presently includes OUR staff members and some regional regulatory partners. There are plans to expand the membership in the upcoming year.

OURIC produced an end-user manual along with a video guide to assist users in navigating the digital library platform. The first episode in the planned series of tutorial video guides titled "How to use the Digital library" provided detailed information on the platform's features and step-by-step instructions on how to navigate the interface, find resources, and make the most of the available tools.

There are ongoing efforts for the population of the digital library and the updating of each publication with metadata to improve searchability.

## Library and Information Week

OURIC hosted two major events in commemoration of National Library and Information Week, which was observed from 2023 October 30 to November 3.

### 1. 2-day Artificial Intelligence Workshop

A virtual two-day international Artificial Intelligence (AI) Workshop was held on Tuesday/Wednesday, October 31 - November 1, under the theme "*Unlocking the Power of AI: Shaping the Future of Utilities Regulation.*" Presenters were drawn from

Jamaica, Trinidad and Tobago and the USA while participants came from a wide cross-section of OUR stakeholders, including the media and regional partners, as well as educational institutions, library networks and members of the public. The event attracted 177 registrants and over 330 views on social media in just one day.

### 2. Library Professionals Networking Nexus

The expertise of nine (9) special and academic library representatives including OURIC was brought together to support colleagues aiming to become change agents within their individual environments and the profession. This collaborative, networking and mentorship initiative fostered professional development and cross-organisational idea-sharing. It facilitated guidance, support, and advice from seasoned professionals in the field of information management and promoted effective problem-solving.

The programme's main items were discussion points on trending topics in information management, a training session, and a keynote address on "*Strategies to Effectively Market Library Services*".

In addition, during the week of activities, OUR publications were showcased at a **virtual exhibition** hosted by the Planning Institute of Jamaica.

### MOU Signing

OURIC coordinated activities towards the formalisation of Memorandum of Understanding (MOU) Agreements on 2023

October 3 to establish an information-sharing partnership between the OUR and Eastern Caribbean Telecommunications Authority (ECTEL) along with the National Telecommunications Regulatory Authority (NTRCs) in its member states. The NTRCs representatives were from Dominica, Grenada, St. Vincent and the Grenadines, and St. Kitts and Nevis.

The MOU sets out the framework for sharing information and resources between the signatories. It also guides the sharing, use, and handling of information and resources and establishes the procedures and requirements of the information and resource-sharing partnership.

## Upcoming Events

For the upcoming year, the PAU will continue to 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 the second season of the OUR Chat Podcast series.
- ◆ Roll out of the OUR's Integrated Marketing Campaign.
- ◆ Webinars and other external stakeholder engagement.
- ◆ Start of the conversion process of existing physical materials into digital products in Phase 2
- ◆ Library and Information Week activities



# Regulation, Policy, Monitoring & Enforcement (RPME)

## Electricity

The year 2023 saw a resurgence of demand and energy consumption in the electricity sector. Electricity consumption measured in MWh increased by approximately 6.2% and demand calibrated in MW grew by 7.4% relative to 2022. This represents a phenomenon without precedence in Jamaica since the beginning of the 21st century. It also turned around the negative energy growth and stagnation that characterised the COVID-19 pandemic period of 2020 -2021. The uptick in electricity consumption and demand is largely explained by two factors. First, an economic rebound saw the economy grow by 5.2% in 2022 and 2.6% in 2023. Second, the higher temperatures in 2023 caused the demand to soar to the unprecedented level of 692MW in July. The verdict on whether this represents a new pattern in demand growth for the next few years is still out, but at this point, appears to be in the affirmative,

The average price of electricity in the US c/kWh fell by 14% in 2023 when compared to 2022. This was largely attributable to lower fuel prices. At the same time, recorded system losses of 27.86%, representing a marginal decline, and though consistent with increased consumption, is a positive, given the unrelenting rise of this indicator since 2019. There are also signs that suggest that there was an increase in the penetration of distributed generation, which augurs well for the use of indigenous resources.

As it relates to the policy side of the electricity sector, there seems to be an expansion in support among stakeholders

for the government's goal of attaining 50% RE generation by 2030. Further, efforts are underway by the Generation Procurement Entity (GPE) to facilitate competitive investments in utility-scale RE generation projects.

Notwithstanding the positive developments in the electricity sector, there is still cause for concern. Even though system losses declined marginally by approximately 0.5 percentage points, at 27.86% it is unacceptably high. There is also a noticeable decline in the quality of service with forced outages in 2023 increasing by 27.6% relative to the previous year.

There is also concern that the sector is not moving quickly enough to expand the renewable energy space in Jamaica, given the imperatives of climate change.

The OUR as the economic regulator for the sector continues to balance the interests of investors and customers, with a view to achieving a lower price trajectory while ensuring improvements in quality of service. Details of important sector indicators and interventions by the OUR are provided overleaf.



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## Electricity System Performance Indicators

### Customer Statistics

Currently, JPS serves a population of over 2.8 million people, with relatively high electrification coverage (> 95%) over a geographically diverse landscape. Customer clusters of varying load densities are dispersed across service areas.

With respect to service accounts, for 2023, JPS reported a total customer base of 696,192 customers, consisting of residential, commercial, and industrial customer categories. The residential class accounted for over 89.4% of the total count, as shown in Table 14. This total count represents an increase of approximately 2.0% relative to the number reported for 2022 (682,837).

**Table 14: JPS Customer Base (2019-2023)**

YEAR	BREAKDOWN OF JPS CUSTOMER COUNT (2019-2023)								% CHANGE
	RATE 10 Residential Service	RATE 20 Commercial (General Service)	RATE 40 Large C&I (LV)	RATE 50 Large C&I (MV)	RATE 60 Streetlights & Traffic Signals	RATE 70 Wholesale Class (MV)	OTHER	TOTAL	
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%
2023	622,392	71,225	1,916	152	481	26	-	696,192	1.96%
% of 2023 Total	89.40%	10.23%	0.28%	0.02%	0.07%	0.00%	-	100.00%	-





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Dunkley**  
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The data indicate a net increase of 13,355 customers (1.96% above the 2022 count) at the end of 2023. This increase in customer count appears to be attributable to a combination of new service connections to the electricity system in 2023 and the reconnection of some customers who were off the grid for various reasons in 2022. The data also show growth in all customer categories in 2023, except for the Rate 60 class whose decline seems to be due to a rationalisation of streetlights assets passing ownership from some government entities to JPS.

It is worth noting that as at the end of 2023, over 76% of the service connections were equipped with smart meters.

### System Demand Indicators

The annual system peak demand and net generation statistics are summarised overleaf.

#### System Peak Demand

As reported by JPS, the system peak demand (annually) recorded for 2023 was 692.0MW (occurred 2023 July 12 at 8:00 p.m.), which is the highest peak load on record for the electricity system.



The spike in system peak load in 2023 was largely influenced by the effects of extremely high summer temperatures, which created the need for increased use of cooling equipment.

In terms of demand trajectory, Table 15 illustrates the movement in annual system peak demand and net generation over the period 2019-2023.

**Table 15: Electricity System Demand-related Performance Indicators (2019-2023)**

ELECTRICITY SYSTEM DEMAND-RELATED INDICATORS (2019-2023)								
Year	Peak Demand (MW)	Net Generation (GWh)	Load Factor (%)	Billed Sales (GWh)	System Losses (GWh)	System Losses (%)	Fuel Rate (US ¢/kWh)	IPP Charge (US ¢/kWh)
2019	660.9	4,429.87	76.52%	3,275.93	1,153.94	26.05%	-	-
2020	638.0	4,227.43	75.43%	3,042.64	1,184.79	28.03%	-	-
2021	631.6	4,303.96	77.79%	3,086.19	1,217.77	28.29%	15.890	6.345
2022	643.7	4,424.77	78.47%	3,170.20	1,254.57	28.35%	20.765	6.632
2023	692.0	4,664.86	76.95%	3,365.10	1,299.76	27.86%	16.079	6.233
<b>Change = (2023-2022)</b>	48.3	240.14	-0.0152	194.9	45.24	-0.49%	-4.686	-0.399
<b>% Change = (2023/2022)</b>	<b>7.50%</b>	<b>5.43%</b>	<b>-1.94%</b>	6.15%	3.61%	-1.73%	-22.57%	-6.02%

The system peak demand reported for 2023 (692 MW) is 7.5% (48.3 MW) above the 2022 level (643.7 MW), surpassing the 2019 pre-COVID-19 pandemic peak demand (660.9MW). This signals the recovery of system demand, with the prospect of further demand spikes over the short to medium term.

## System Net Generation

With respect to net energy output, the system annual net generation for 2023 was 4,664.91 GWh. At a peak demand of 692 MW along with the energy output for 2023, the system registered an average annual system load factor (LF) of approximately 77%. This represents a relatively high energy utilisation rate and is consistent with the level reported for previous years.

Of the total net generation of 4,664.91 GWh, electricity sales accounted for 3,365.10 GWh (72.14%), while system losses were responsible for 1,299.81 GWh (27.86%).

Similar to the trend in annual system peak demand, there was also a noticeable increase in the 2023 net generation (5.43%) above the 2022 level, providing further validation of a resurgence of energy/power demand on the system after being suppressed during the 2020-2022 time period, due to the impact of the COVID-19 pandemic.

## System losses

System losses continue to be excessively high. As represented in Table 15, system losses reported by JPS for 2023, was 27.86% of net generation. Taken on a percentage basis, this result infers a marginal reduction in total system losses relative to the level reported for the previous year. However, it should be noted that this implied decrease in system losses (as a % of net generation) for 2023 was not derived from any loss reduction initiative or curtailment measure executed by JPS. Instead, it was realised from the increase in system generation in 2023, which was dominated by the uptick in “energy sales” during the year. In absolute terms, energy losses effectively increased by 45.23 GWh from 1,254.57 GWh (2022 December 31) to 1,299.81 GWh at the end of 2023. For emphasis, the profile of the losses since the start of the 2019-2024 tariff period is shown in the system energy balance for 2019-2023, represented in Table 16.

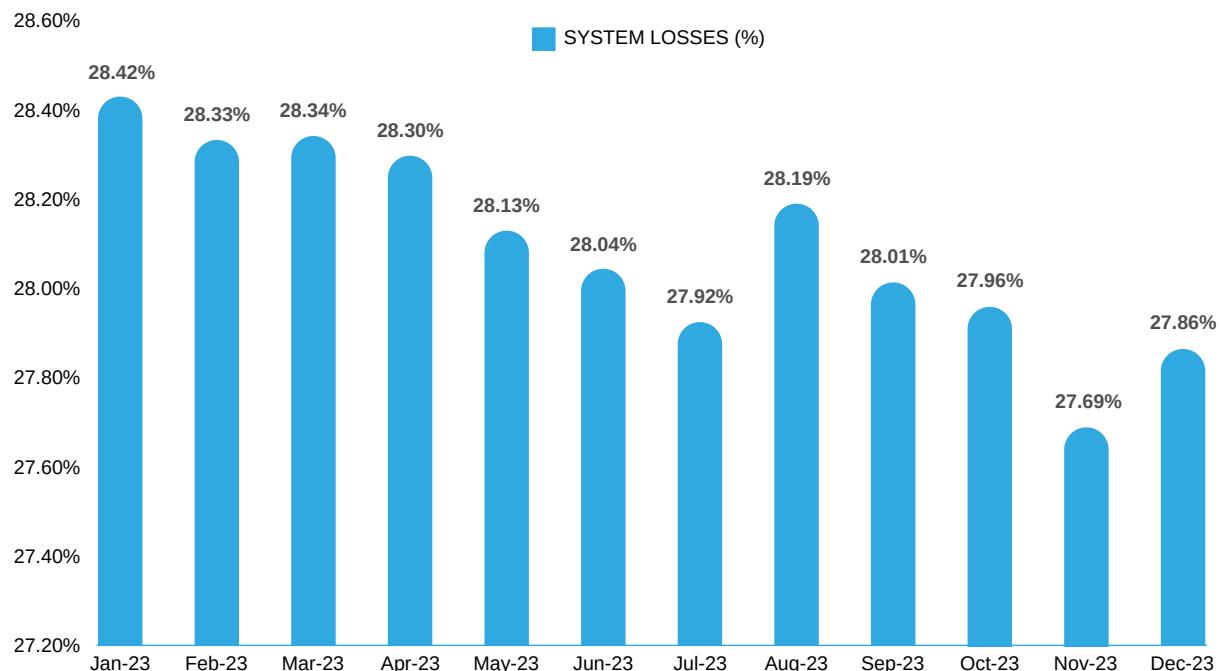
Table 16: System Energy Balance (2019-2023)

COMPONENT	SYSTEM ENERGY BALANCE (2019-2023)							
	2019	2020	2021	% of Net Generation	2022	% of Net Generation	2023	% of Net Generation
Allocations (GWh)	Allocations (GWh)	Allocations (GWh)		Allocations (GWh)	Allocations (GWh)	Allocations (GWh)		
Technical Losses (TL)	350.69	334.31	340.49	7.91%	343.67	7.77%	363.17	7.79%
Non-Technical Losses (NTL)	803.25	850.48	877.28	20.38%	910.91	20.59%	936.63	20.07%
<b>TOTAL SYSTEM LOSSES</b>	<b>1,153.94</b>	<b>1,184.79</b>	<b>1,217.77</b>	<b>28.29%</b>	<b>1,254.57</b>	<b>28.35%</b>	<b>1,299.76</b>	<b>27.86%</b>
<b>BILLED ENERGY</b>	<b>3,275.93</b>	<b>3,042.64</b>	<b>3,086.19</b>	<b>71.71%</b>	<b>3,170.20</b>	<b>71.65%</b>	<b>3,365.10</b>	<b>72.14%</b>
<b>NET GENERATION</b>	<b>4,229.87</b>	<b>4,227.43</b>	<b>4,303.96</b>	<b>100.00%</b>	<b>4,424.77</b>	<b>100.00%</b>	<b>4,664.86</b>	<b>100.00%</b>

### Key Points on System Losses

- ↗ Total system losses increased steadily from 1,153.94 GWh (end of 2019) to 1,299.81 GWh (end of 2023).
- ↗ Technical losses (TLs) decreased from 334.31GWh (end of 2020) to 363.17 GWh at the end of 2023.
- ↗ Non-technical losses (NTLs) increased from 803.25 GWh (end of 2019) to 936.634 GWh at the end of 2023.
- ↗ Over the 2019-2023 period, the overall increase in system losses (155,814 GWh) outpaced the cumulative increase in energy sales (153,556 GWh). This has serious implications for the operational dynamics and economics of the electricity system and will have to be subject to deeper examination.

Figure 3: 2023 Monthly System Losses

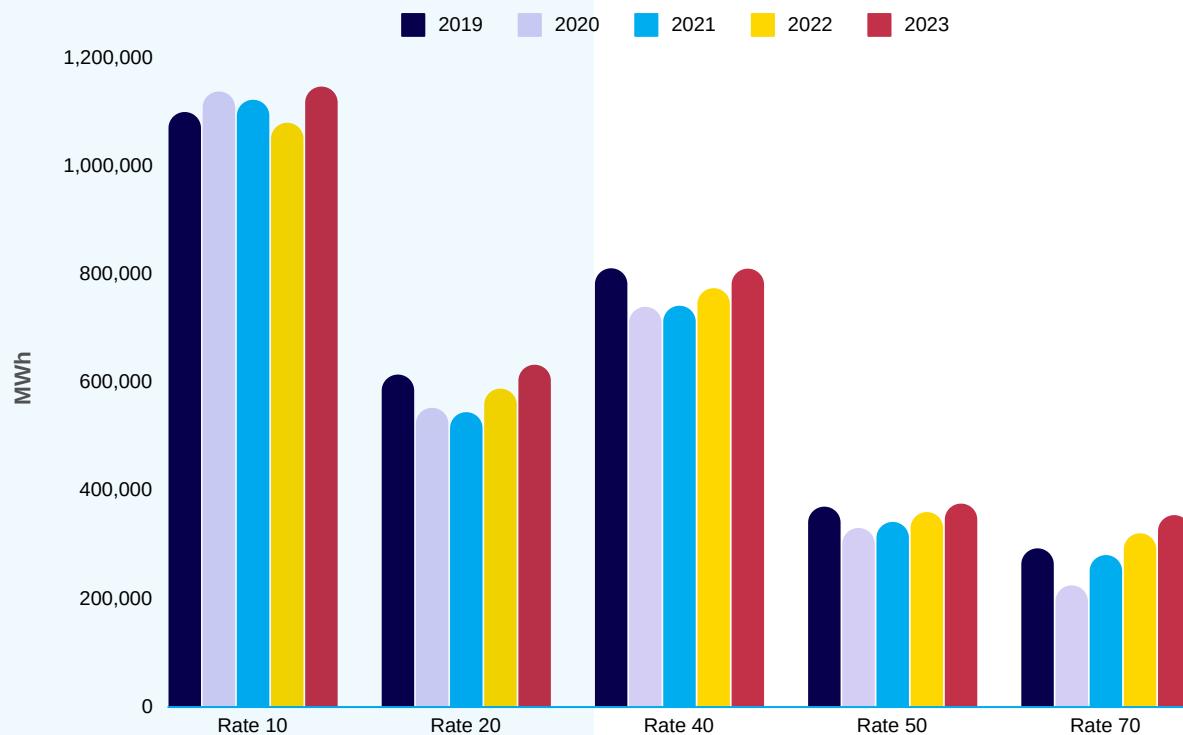


As shown in Figure 3, over the 12-month period, the highest level of losses was recorded for 2023 January at 28.42% of net generation.

**Table 17: Annual Energy Sales Breakdown by Customer Category (2019-2023)**

YEAR	JPS 2019-2023 ENERGY SALES BREAKDOWN (MWh)							TOTAL BILLED ENERGY
	RATE 10	RATE 20	RATE 40	RATE 50	RATE 60	RATE 70	OTHER	
2019	1,100,737	615,424	811,884	371,289	59,427	294,236	22,934	3,275,932
2020	1,138,659	554,019	740,678	331,857	51,545	225,796	86	3,042,641
2021	1,123,328	545,915	742,629	343,079	49,431	281,809	-	3,086,191
2022	1,080,875	589,456	775,118	361,262	41,455	322,033	-	3,170,198
2023	1,147,708	633,586	811,180	376,909	40,073	355,645	-	3,365,101
% of 2023 Total	34.11%	18.83%	24.11%	11.20%	1.19%	10.57%	-	100.00%

**Figure 4: Annual Energy Sales Distribution (2019-2023) in MWh**



### Energy Sales

For energy sales, the data show that the volume recorded for 2023 (3,365.10 GWh) was 6.15% above the 2022 level (3,170.20 GWh), which is a manifestation of an upturn in system energy demand. Energy sales fell below the 2019 level during the 2020-2022 period, due to the effects of the COVID-19 pandemic.

With respect to energy consumption across customer categories, the 2023 energy sales data indicate that even though residential customers make up almost 90% of the total customer base, they only account for 34% (1,147.71 GWh) of the total sales volume (billed energy), as shown in Table 17. In contrast, the large commercial and industrial (C&I) customer classes (Rate 40, 50 and 70) combined represent less than 1.0% of the customer base yet consume approximately 46% of the total billed energy. The full energy distribution across customer classes for the period 2019-2023 is shown in Table 17.

Further illustration of the 2019-2023 annual energy sales distribution is provided in Figure 4.

## 2023 Monthly Demand Data

Details of the monthly system demand indicators for 2023 are provided in Table 18.

**Table 18: 2023 Monthly System Demand Data**

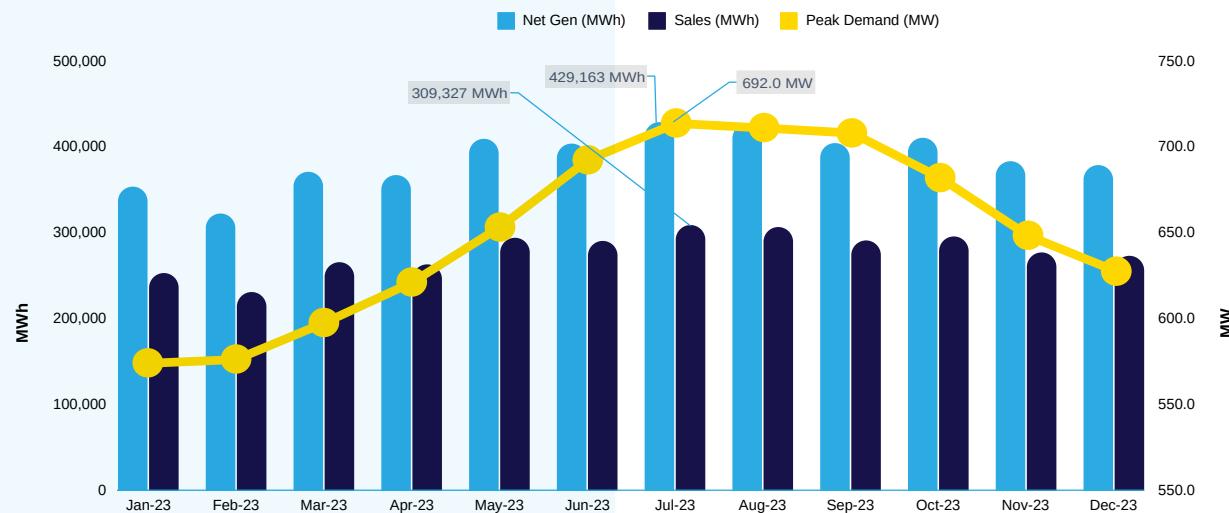
Month/ Year	Peak Demand (MW)	JPS Net Generation (MWh)	IPPs Net Generation (MWh)	System Net Generation (MWh)	Energy Sales (MWh)	System Losses (%)	Fuel Rate (US¢/ kWh)	Average IPP Charge (US¢/kWh)
<b>2023 January</b>	580.4	90,211	263,845	354,056	246,270	28.42%	20.384	6.759
<b>2023 February</b>	582.2	73,444	249,313	322,757	237,924	28.33%	17.890	6.566
<b>2023 March</b>	599.3	82,684	288,633	371,317	261,728	28.34%	11.419	6.802
<b>2023 April</b>	618.1	86,985	280,557	367,542	267,182	28.30%	14.740	6.193
<b>2023 May</b>	643.8	102,402	307,346	409,748	288,510	28.13%	13.320	6.279
<b>2023 June</b>	675.3	104,914	299,278	404,192	296,453	28.04%	13.656	6.631
<b>2023 July</b>	692.0	102,805	326,359	429,163	308,556	27.92%	14.557	6.531
<b>2023 August</b>	689.9	91,487	336,039	427,526	302,163	28.19%	15.924	5.653
<b>2023 September</b>	687.5	106,698	298,095	404,793	296,972	28.01%	18.359	4.908
<b>2023 October</b>	666.7	106,478	304,456	410,934	298,700	27.96%	17.982	5.209
<b>2023 November</b>	639.8	106,535	277,142	383,676	291,663	27.69%	17.348	6.289
<b>2023 December</b>	623.2	97,368	281,786	379,154	268,980	27.86%	17.369	6.975
<b>2023 SUMMARY</b>	<b>692.0</b>	<b>1,152,010</b>	<b>3,512,849</b>	<b>4,664,858</b>	<b>3,365,101</b>	<b>27.86</b>	<b>16.079</b>	<b>6.233</b>
<b>2023 Maximum</b>	692.0	106,698	336,039	429,163	309,327	28.42%	20.384	6.975
<b>2023 Minimum</b>	623.2	73,444	249,313	322,757	231,313	27.69%	11.419	4.908

As shown, the monthly peak demand increased progressively from 580.4MW in 2023 January to a maximum level of 692.0MW, then gradually decreased to 623.2MW in 2023 December. This monthly movement in peak demand in 2023 reflects the typical demand profile of the system. Typically, the system registers a summer peak and relatively low demand levels in the cooler months, December – February (referred to as “winter months”).

With respect to system net generation and energy sales, there were wide variations in the measured quantities over the 12-month period, registering maximum energy sales of 308,556 MWh in July. The lowest level of 231,313 MWh was recorded in 2023 February.

Similarly, the monthly system net generation varied between a maximum of 429,163 MWh recorded for 2023 July and a minimum of 322,757 MWh for 2023 February, at a monthly average of 388,738 MWh (see Figure 5). The monthly energy sales also exhibited a similar pattern, with a maximum energy volume of 309,327 MWh registered for 2023 July.



**Figure 5: System Generation/Demand Profile (2023 January – December)**

## Energy Supply Mix

Within the existing energy matrix, the primary energy sources used for the production of electricity are: Heavy Fuel Oil (HFO), Natural Gas (NG), Renewable Energy (RE) resources and Automotive Diesel Oil (ADO). The contribution of these primary energy sources to annual system net generation over the period 2019-2023, is represented in Table 19.

**Table 19: System Annual Net Generation Breakdown by Primary Energy Source (2019-2023)**

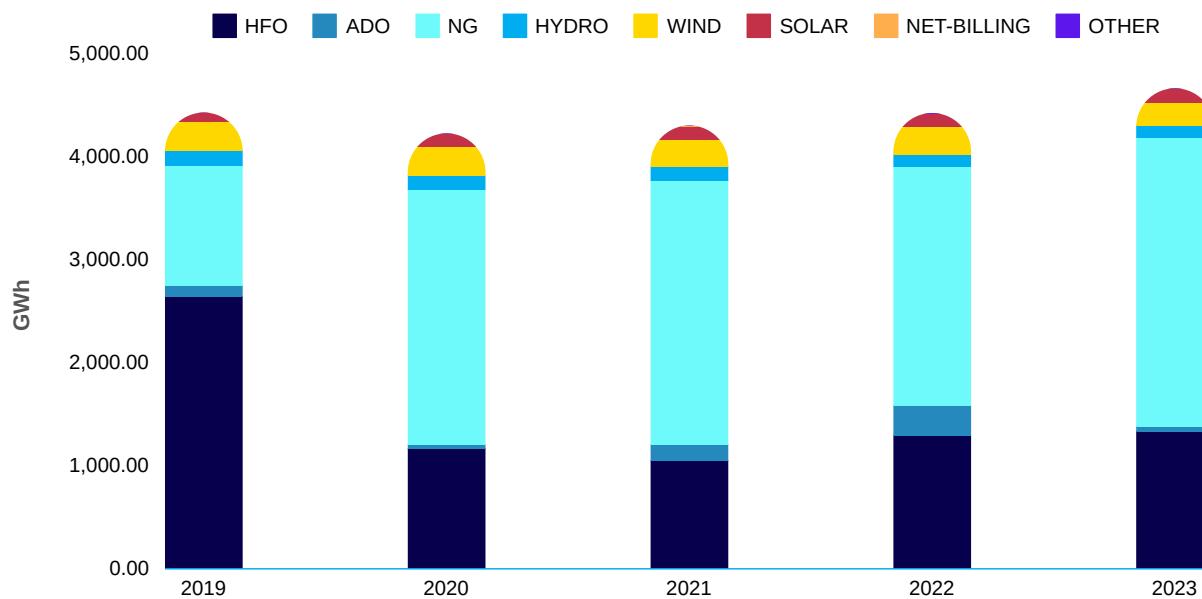
YEAR	2019-2023 SYSTEM NET GENERATION BY PRIMARY ENERGY TYPE (GWH)							TOTAL
	HFO	ADO	NG	HYDRO	WIND	SOLAR	NET BILLING	
2019	2,647.27	103.04	1,162.36	152.71	274.51	85.83	3.37	0.37 4,429.87
2020	1,167.55	38.31	2,481.19	134.48	281.42	119.93	4.18	0.37 4,227.43
2021	1,054.25	152.09	2,563.17	137.69	264.55	127.06	4.85	0.31 4,303.96
2022	1,297.20	285.08	2,319.18	118.93	272.33	126.25	5.09	0.28 4,424.77
2023	1,334.96	43.46	2,810.86	110.28	231.72	127.49	5.63	0.46 4,664.86
% of 2023 TOTAL	28.62%	0.93%	60.26%	2.36%	4.97%	2.73%	0.12%	0.01% 100.00%
Change = (2023-2022) GWh	37.33	-241.62	491.68	-8.65	-40.61	1.24	0.54	0.18 240.09
% Change = (2023/2022)	2.88%	-84.76%	21.20%	-7.27%	-14.91%	0.98%	10.61%	64.29% 5.43%

For 2023, the relative contributions from the named input energy sources to system annual net generation were: NG - 60.26%, HFO - 28.62%, ADO - 0.93%, RE sources - 10.19%, with 0.01% from other sources. The full breakdown of the system net generation for the 2019-2023 period is provided in Figure 6.

Table 20: Annual Net Generation by Primary Energy Source (GWH) - [2019-2023]

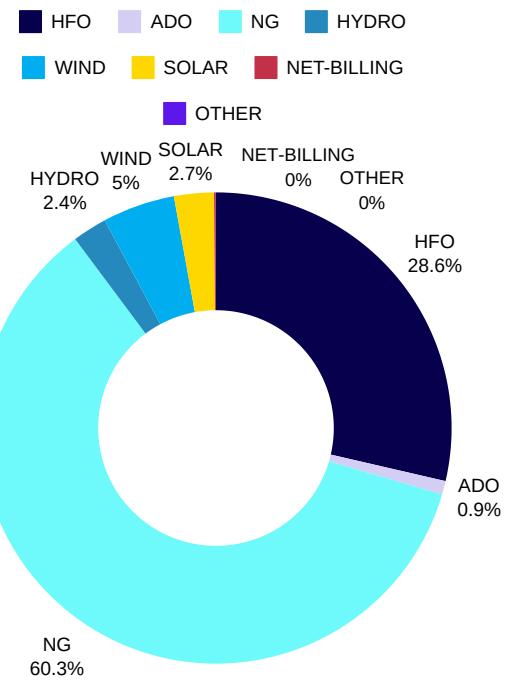
YEAR	HFO	ADO	NG	HYDRO	WIND	SOLAR	NET BILLING	OTHER	TOTAL	HFO % of NET GEN	ADO % of NET GEN	NG % of NET GEN	RE % of NET GEN
2019	2,647.27	103.04	1,162.36	152.71	274.51	86.23	3.37	0.37	4,429.87	59.77%	2.33%	26.24%	11.66%
2020	1,167.55	38.31	2,481.19	134.48	281.42	119.93	4.18	0.37	4,227.43	27.62%	0.91%	58.69%	12.77%
2021	1,054.25	152.09	2,563.17	137.69	264.55	127.06	4.85	0.31	4,303.96	24.49%	3.53%	59.55%	12.41%
2022	1,297.63	285.08	2,319.18	118.93	272.33	126.25	5.09	0.28	4,424.77	29.33%	6.44%	52.41%	11.81%
2023	1,324.96	43.46	2,810.86	110.28	231.72	127.49	5.63	0.46	4,664.86	28.62%	0.93%	60.26%	10.19%

Figure 6: 2019-2023 System Net Generation by Primary Energy Source



Of significance is the fact that by the end of 2020, NG had become the dominant primary energy source for the production of electrical energy supplied to the national grid. It should also be noted that at this juncture, it had already surpassed the 2009-2030 National Energy Policy (NEP) 2030 projection for NG (42%) in the energy supply mix, by nearly 20 percentage points. This has effectively diminished the high dependence on imported liquid fossil fuels (petroleum-based) for electricity generation, but not fossil fuel as a whole nor for that matter imported fuel.

Figure 7: 2023 Net Generation Distribution



In essence, this highlights a major shift in the energy matrix from the status where liquid fossil fuels (HFO and ADO) accounted for approximately 95% of primary energy requirements.

Notwithstanding, this achievement seems to have had the unintended consequence of substituting one fuel for another while negating the expected benefits of the energy diversification strategy. Notably, one of the limiting factors appears to be due to the lack of acceleration towards greater RE participation, as reflected in the existing situation where annual RE penetration levels have greatly lagged NEP projections/targets.

## Renewable Energy Generation

The annual generation from RE sources reported for the 2019-2023 period is shown in Table 21.

**Table 21: Annual Net Generation from RE Sources (2019-2023)**

Year	2019-2023 NET GENERATION FROM RE SOURCES				Remarks
	Net Generation (GWh)	RE Net Generation (GWh)	RE % of Net Generation	NEP RE Target	
2019	4,429.87	516.42	11.66%	-	
2020	4,227.43	540.01	12.77%	15.0%	
2021	4,303.96	534.15	12.41%	-	
2022	4,424.77	522.59	11.81%	-	
2023	4,664.86	475.13	10.19%	-	2020 RE target not yet achieved.
<b>Change = (2023-2022)</b>	<b>240.09</b>	<b>-47.46</b>	<b>-1.63%</b>	<b>-47.46</b>	
<b>% Change = (2023/2022)</b>	<b>5.43%</b>	<b>-9.08%</b>			

RE generation supplied to the grid in 2023 was 475.13 GWh, down 9.08% (47.76 GWh), below the 2022 level (522.59 GWh). This significant drop in RE generation in 2023 appears to be mainly due to the following factors:

➡ Lower than projected RE resources being available at some RE generation facilities, especially the hydropower plants. These hydropower plants were affected by, among other things, hydrological challenges occasioned by severe drought conditions in 2023.



➡ A combination of low availability of "wind energy" at wind power plant sites and operational issues encountered in 2023. Notably, all the major wind power plants interconnected to the system, including the Wigton wind generation complex (Wigton I – 20.7 MW, Wigton II – 18MW, and Wigton III – 24 MW) located in Rose Hill, Manchester and the BMR Jamaica Limited (BMRJL) plant located in Malvern, St. Elizabeth, appear to have suffered from reduced wind resources in 2023 (see Table 22). Despite the outcome, wind power continues to be the largest contributor of RE-based electricity supplied to the grid annually, which in 2023, accounted for approximately 5.0% of system total net generation equivalent to the contributions from hydro and solar, combined.

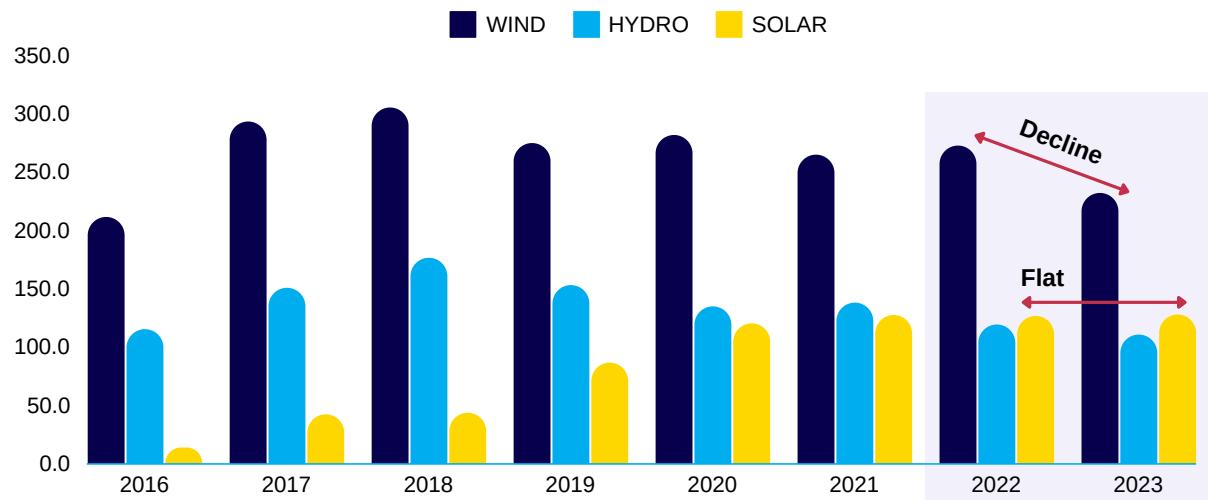
Table 22: Net Generation by RE Plants (2021-2023)

Re Plants	Capacity (MW)	RE NET GENERATION BREAKDOWN BY PLANT (2021-2023)			Capacity Factor (%)			Net Gen Change = (2023-2022) MWh	% Change in Net Gen (2023/2022)
		2021	2022	2023	2021	2022	2023		
<b>JPS Hydro</b>	28.66	137,687.56	118,929.86	110,280.43	54.84%	47.37%	43.93%	-8,649.42	-7.3%
<b>Wigton I</b>	20.7	51,467.29	50,140.32	43,556.10	28.38%	27.65%	24.02%	-6,584.22	-13.1%
<b>Wigton II</b>	18.0	51,774.14	52,634.44	43,272.08	32.83%	33.38%	27.44%	-9,362.36	-17.8%
<b>Wigton III</b>	24.0	43,573.93	46,068.91	39,402.84	20.73%	21.91%	18.74%	-6,666.07	-14.5%
<b>BMR</b>	36.3	116,994.59	122,971.70	105,493.63	36.79%	38.67%	33.18%	-17,478.07	-14.2%
<b>JPS Munro Wind</b>	3.0	743.04	511.05	-1.22	2.83%	1.94%	0.00%	-512.27	-100.2%
<b>Content Solar</b>	20.0	44,372.14	45,798.20	45,751.92	25.33%	26.14%	26.11%	-46.28	-0.1%
<b>EREC</b>	37.0	82,687.83	80,451.63	81,742.79	25.51%	24.82%	25.22%	1,291.16	1.6%
<b>Net Billing</b>	28.66	4,845.94	5,088.25	5,632.46	54.84%	47.37%	43.93%	544.21	10.7%
<b>TOTAL</b>	-	534,146.47	522,594.35	475,131.03	-	-	-	-47,463.33	

Considering the RE expansion objectives, it is notable that the RE net generation recorded for 2023 translated to only 10.19% of the total system annual net generation. This means that the current RE penetration level still lags behind the 15.0% target for 2020, prescribed in the NEP, by a sizeable margin. However, with the conclusion of the Generation Procurement Entity's (GPE) current active RE generation tender (100MW), it is expected that the 15% target will be achieved, albeit belatedly, by 2027.

A further illustration of the annual RE generation distribution and performance trajectory is provided in Figure 8.

Figure 8: Annual RE Generation Distribution





## Fuel Cost and Charges

### Fuel Supply and Price Dynamics

While there have been major shifts in the energy supply matrix following the introduction of NG for electricity power generation and the integration of utility-scale RE generation facilities (80.3 MW), in 2016, the electricity sector is still highly dependent on imported primary energy (fuel oil and NG) for electricity production. With the current status of the energy supply mix, it is arguable that there may be less exposure to exogenous factors. However, there are still embedded vulnerabilities as all the input fuel required for electricity production is imported. This

means the sector continues to be exposed to the effects of international fuel market activities and geopolitical events. With NG (imported through a single supplier) now accounting for more than 60% of the energy supply matrix, it creates the potential for other elements of risk. For petroleum-based fuels (HFO and ADO), their prices are directly linked to international oil markets, which are characterised by high price volatility and unpredictability, mainly due to market dynamics and geopolitical issues, hence the wide variations reflected in the local prices of these fuels. As it relates to NG, although it is a traded commodity influenced by international

fuel market dynamics, the pricing mechanisms defined in the existing Gas Sales Agreements (GSAs), allow for slightly more stable NG prices to JPS and IPPs. Notwithstanding, it should be recognised that based on factors such as unpredictable market conditions and fuel supply logistics/supply arrangements, the prices of these fuels are largely outside the control of JPS and the IPPs.

With respect to fuel price trends, the movement in the annual average prices of fuel (HFO, ADO and NG) utilised in the production of electricity supplied to the grid since the start of the 2019-2024 tariff period, is represented in Table 23.

**Table 23: Average Price of Fuels Used for Electricity Generation (2019-2023)**

YEAR	AVERAGE PRICE OF FUELS USED FOR ELECTRICITY GENERATION							
	HFO (JPS PLANTS)		HFO (IPP PLANTS)		ADO		NG	FUEL RATE
	(US\$/ BBL)	(US\$/ MMBTU)	(US\$/ BBL)	(US\$/ MMBTU)	(US\$/ BBL)	(US\$/ MMBTU)	(US\$/ MMBTU)	(US¢/ kWh)
2019	67.19	10.69	74.47	11.84	96.35	16.54	12.66	14.085
2020	47.65	7.58	60.60	9.64	64.87	11.14	11.82	14.427
2021	72.99	11.61	83.31	13.25	95.09	16.33	14.25	15.890
2022	91.59	14.57	100.76	16.03	195.29	33.53	16.65	20.774
2023	80.33	12.78	94.38	15.01	175.37	30.16	13.76	16.079

As shown, annual average fuel prices have fluctuated over the 2019-2023 period, reflected in the relevant fuel costs associated with grid electricity generation over the stated time frame. For HFO, the annual average plant gate prices to JPS's generation plants varied between US\$47.65/Barrel (US\$7.58/MMBTU) and US\$91.59/Barrel (US\$14.57/MMBTU) during the 5-year period.

There was also a similar pattern of variation with the annual average prices of ADO, fluctuating between US\$64.87/Barrel (US\$11.14/MMBTU) to US\$195.29/Barrel (US\$33.53/MMBTU), during the period. In the case of NG, the plant gate prices also fluctuated during the 5-year period, varying between a low of approximately US\$11.82/MMBTU and a high of US\$16.65/MMBTU.

It is also notable that the average fuel prices in 2022 were significantly higher than those for the previous and subsequent year. This was likely to have been caused by the residual global effects of the COVID-19 pandemic during that timeframe and the resulting impacts on international fuel markets and fuel supply logistics, which was further compounded by the conflict in eastern Europe that started in early 2022.



## Monthly Fuel Prices (2022-2023)

As shown in Figure 9, average fuel prices fluctuated significantly during the 2022 January to 2023 December timeframe. Over the period, the average price of HFO supplied to JPS's generating plants varied widely within the range of US\$10.95/MMBTU (2022 December) to US\$17.42/MMBTU (2022 June). This was reflected in the monthly system fuel cost and fuel rates for the applicable months. Similarly, ADO prices to JPS also fluctuated considerably between a low of US\$23.55/MMBTU and a high of US\$42.55/MMBTU. Plant gate prices for NG also exhibited some variation during the period, within a minimum of US\$12.58/MMBTU and a maximum of US\$20.34/MMBTU.

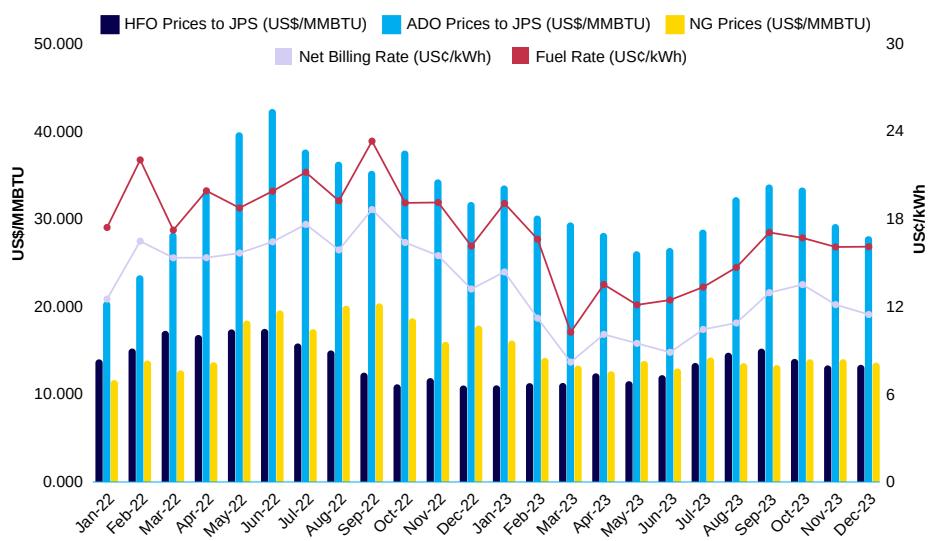
**Table 24: Average Fuel Prices and Rates (2022-2023)**

Month/ Year	HFO Prices to JPS (US\$/ MMBTU)	ADO Prices to JPS (US\$/ MMBTU)	NG Prices (US\$/ MMBTU)	Fuel Rate (US¢/kWh)	Net Billing Rate (US¢/ kWh)
2022 Jan	13.94	20.58	11.57	18.708	13.898
2022 Feb	15.18	23.55	13.82	23.406	17.158
2022 Mar	17.20	28.43	12.68	18.524	16.223
2022 Apr	16.72	33.18	13.62	21.257	16.229
2022 May	17.36	39.89	18.38	20.066	16.489
2022 Jun	17.42	42.55	19.53	21.233	17.124
2022 Jul	15.76	37.91	17.39	22.545	18.104
2022 Aug	14.96	36.52	20.07	20.563	16.666
2022 Sep	12.42	35.48	20.34	24.711	18.939
2022 Oct	11.09	37.80	18.63	20.416	17.082
2022 Nov	11.80	34.51	15.94	20.444	16.345
2022 Dec	10.95	31.92	17.79	17.409	14.463
2023 Jan	10.97	33.81	16.09	20.384	15.424
2023 Feb	11.22	30.37	14.11	17.890	12.822
2023 Mar	11.25	29.59	13.23	11.419	10.347
2023 Apr	12.34	28.39	12.58	14.740	11.909
2023 May	11.45	26.30	13.75	13.320	11.404
2023 Jun	12.19	26.67	12.90	13.656	10.898
2023 Jul	13.53	28.77	14.15	14.557	12.189
2023 Aug	14.70	32.47	13.51	15.924	12.550
2023 Sep	15.17	33.93	13.29	18.359	14.258
2023 Oct	13.99	33.58	13.95	17.982	14.714

**Table 24: Average Fuel Prices and Rates (2022-2023) Con't.**

Month/ Year	HFO Prices to JPS (US\$/ MMBTU)	ADO Prices to JPS (US\$/ MMBTU)	NG Prices (US\$/ MMBTU)	Fuel Rate (US¢/kWh)	Net Billing Rate (US¢/ kWh)
2023 Nov	13.25	29.40	13.96	17.348	13.584
2023 Dec	13.32	28.02	13.57	17.369	13.029
MAX	17.42	42.55	20.34	24.711	18.939
MIN	10.95	23.55	12.58	11.419	10.347
MEAN	13.59	32.70	15.43	18.187	14.581
MEDIAN	13.28	33.38	14.13	18.171	14.589

**Figure 9: Variation in Fuel Prices and Rates 2022 to 2023**



## Fuel Price Changes and Fuel Rates

Since input fuel prices are key determinants of the “fuel rates”, the indicated changes in the prices of HFO, ADO, and NG during the 2019-2023 period were directly reflected in the monthly fuel rates calculated by JPS for billing.

Variations in fuel prices are thus manifested in the monthly fuel rates billed to customers. The plot in Figure 9 shows the relative movement in the billed monthly fuel rates over the observation period (2022 January – 2023 December). As shown, the monthly fuel rate varied significantly from month to month during the period, with a profile that largely tracks the movement in the prices of fuels (US\$/MMBTU) used for electricity generation.

The summary statistics show that the highest and lowest fuel rates applied over the period were 24.711 US¢/kWh (2022 September) and 11.419 US¢/kWh (2023 March), respectively.

## Net Billing Rate



The “Net Billing” rate is a volumetric-based rate (US¢/kWh) calculated each month to determine the energy payments to Net Billing customers/Self-generators for excess energy supplied to the grid under the Standard Offer Contracts (SOC). As with the fuel rate, the Net Billing rate exhibited a similar trend over the review period. This is explained by the fact that the Net Billing rate is indexed to the fuel rate. The movement in the Net Billing Rates over the 2022-2023 period is also shown in Figure 9.

## System Fuel Costs



The system fuel costs (related to the use of HFO, ADO, and NG) reported by JPS in the monthly “Fuel Rate Calculation” submissions that are passed on to customers are assessed to ascertain that they are reasonable and prudently incurred.

A breakdown of the system total fuel cost for each since the start of the 2019-2024 review period is provided in Table 25.

**Table 25: System Fuel Cost by Fuel Type (2019 - 2023)**

SYSTEM FUEL COST BY FUEL TYPE (2019 - 2023)							
Year	ADO (J\$B)	HFO (J\$B)	NG (J\$B)	Total Fuel Cost (J\$B)	ADO Cost - (% of Total FC)	HFO Cost - (% of Total FC)	NG Cost - (% of Total FC)
2019	3.659	40.937	16.353	60,949	6.00%	67.17%	26.83%
2020	1.183	13.931	41.822	56,936	3.18%	24.19%	72.63%
2021	3.467	18.237	49.963	71,667	4.84%	25.45%	69.72%
2022	12.174	28.752	57.109	98.035	12.42%	29.33%	58.25%
2023	<b>3.742</b>	<b>26.563</b>	<b>49.609</b>	<b>79.914</b>	<b>4.68%</b>	<b>33.24%</b>	<b>62.08%</b>
<b>Change = (2023-2022)</b>	-8.43	-2.19	-7.50	-18.12	-	-	-
<b>% Change = (2023/2022)</b>	-69.26%	-7.61%	-13.13%	-18.48%	-	-	-

For 2023, the total annual NG cost was reported at J\$49.609B, which was 13.13% lower than the 2022 cost (J\$57.109B). The following observations are important for context:

- Although there was significantly less consumption of NG at the JPS Bogue plant in 2022, due to the planned outage of the gas supply infrastructure to facilitate the relocation of NFE's LNG facilities at the Montego Bay port terminal over the period 2021 November to 2022 April, there was a significant escalation in the international market price of NG in 2022, due to the effects of conflicts around the world and the COVID-19 pandemic. Since the NG pricing in the existing GSAs is linked to international NG prices, the increase in the price of the commodity was directly reflected in the delivered price of NG at the power plants.

- Due to system operating constraints in 2022, the other NG-fired plants had to be operated at higher utilisation levels, further driving up the NG cost of power generation.
- In 2023, there was a marked decrease in NG prices, which contributed to the indicated reduction in NG Cost of 13% for 2023.

The data also show that the annual ADO cost reported for 2023 was J\$3.742, reflecting a reduction of 69.26% below the 2022 cost (J\$12.174). This outcome was expected because, before the start of 2023, the NG supply was fully restored to the Bogue power plant. As such, there was no need for increased use of ADO beyond normal requirements for the operation of peak load-generating units, which only operate for a few hours within the 24-hour cycle (low utilisation level). Hence, the massive reduction in annual ADO cost will be realised for 2023.

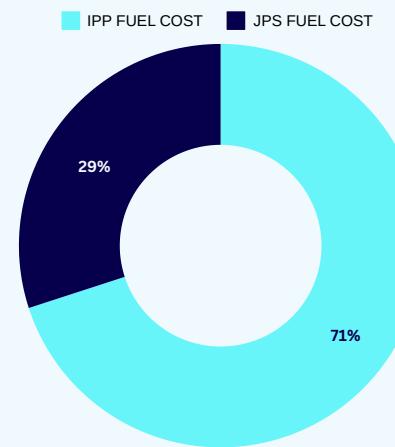
## JPS & IPPs Contributions to System Generation and Total Fuel Cost

Based on historical generation data, prior to 2020, the JPS and IPPs proportions of the total annual system fuel cost were approximately 65% and 35%, respectively. However, as shown in Table 26, since 2020, this allocation has effectively been reversed, where IPPs' generation has accounted for between 66% and 73% of the total annual system fuel costs. This result is largely due to the massive displacement of generation from aged, inefficient oil-fired power plants, by new and efficient utility-scale generation facilities operating on NG. In terms of actual costs, the 2023 IPPs/JPS net generation ratio (75%:25%), translates to annual fuel costs of approximately J\$57.109B and J\$22.805B, to IPPs and JPS, respectively.

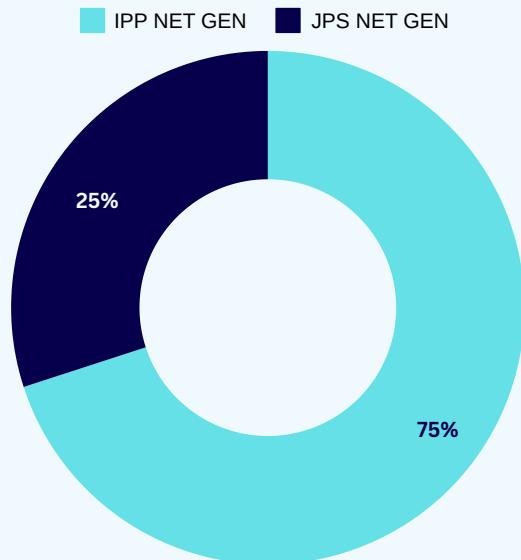
**Table 26: JPS and IPPs Proportions of Net Generation and Fuel Cost**

YEAR	SYSTEM FUEL COST					SYSTEM NET GENERATION				
	TOTAL (J\$B)	IPP (J\$B)	JPS (J\$B)	IPP (%)	JPS (%)	TOTAL (GWH)	IPP (GWH)	JPS (GWH)	IPP (%)	JPS (%)
2019	60.949	21.541	39.408	35.3%	64.7%	4,429.83	1,990.34	2,439.49	44.9%	55.1%
2020	56.936	37.828	19.108	66.4%	33.6%	4,227.43	2,831.90	1,395.53	67.0%	33.0%
2021	71.667	52.289	19.379	73.0%	27.0%	4,303.96	3,156.98	1,146.98	73.4%	26.6%
2022	98.035	71.774	26.261	73.2%	26.8%	4,424.77	3,311.89	1,112.88	74.8%	25.2%
2023	79.914	57.109	22.805	71.5%	28.5%	4,664.86	3,512.85	1,152.01	75.30%	24.70%

**Figure 10: 2023 System Fuel Cost % (IPP vs JPS)**



**Figure 11: 2023 System Net Gen % (IPP vs JPS)**



With respect to system annual net generation, for 2023, the relative contributions from IPPs' generation facilities and JPS plants were at approximately 75.3% and 24.7%, respectively, which are in the same range as the proportions for the annual fuel costs. This infers that IPP plants dominate the coverage of the system load.



*In essence, the H-Factor operates as an inherent incentive scheme that awards financial benefits/penalties to JPS to the extent that there is an over-achievement or under-achievement of the Heat Rate target, established by the OUR.*

### Fuel Cost Adjustment Mechanism

According to the Electricity Licence, 2016 ("JPS Licence"), the fuel rate shall be adjusted monthly in accordance with the Fuel Cost Adjustment Mechanism (FCAM). The design of the FCAM includes an H-factor, which allows for efficiency adjustment to the monthly fuel costs of JPS's thermal generating plants, which is recovered from the ratepayers each month.

In essence, the H-Factor operates as an inherent incentive scheme that awards financial benefits/penalties to JPS to the extent that there is an over-achievement or under-achievement of the Heat Rate target, established by the OUR. In this context, the H-Factor provides an incentive to JPS to improve the overall efficiency of its generation operations, with the aim of minimising total variable generation costs through prudent and optimal generation dispatch operations.

The results of the JPS's monthly Heat Rate performance against the approved target, as applied in the FCAM over the period 2022 January—2023 December, are summarised below.

### JPS Heat Rate Performance (2022 – 2023)

The Heat Rate indicator is a measure of the fuel conversion efficiency of the power generation plant which has implications for efficiency and costs.

With respect to JPS's heat rate performance targets, these were set by the OUR in the Jamaica Public Service Company Limited Rate Review 2019-2024 Determination Notice, dated 2020 December 24. The determined targets are:

- ◆ 9,675 kJ/kWh – for 2020-2021 rate adjustment period
- ◆ 9,667 kJ/kWh – for 2021-2022 rate adjustment period
- ◆ 9,495 kJ/kWh – for 2022-2023 rate adjustment period
- ◆ 9,470 kJ/kWh – for 2023-2024 rate adjustment period.

For the 2022-2023 period, the results of JPS's Heat Rate performance are shown in Table 27.

**Table 27: JPS' Monthly Heat Rate Performance (2022 – 2023)**

JPS ACTUAL HEAT RATE VERSUS TARGET (2022 – 2023) [kJ/kWh]														
YEAR	COMPONENT	JAN	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	Avg
2022	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	9,833
	Target	9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,495	9,495	9,495	9,495	9,495	-
	Variance = (Actual-Target)	-77	-459	-274	-521	-121	79	-378	-229	-112	1,490	2,448	920	231
2023	Heat Rate	9,304	9,086	9,072	9,313	9,324	9,290	9,213	10,047	9,476	9,652	9,558	9,120	9,371
	Target	9,495	9,495	9,495	9,495	9,495	9,495	9,495	9,495	9,470	9,470	9,470	9,470	-
	Variance = (Actual-Target)	-191	-409	-423	-182	-171	-205	-282	552	6	182	88	-350	-115

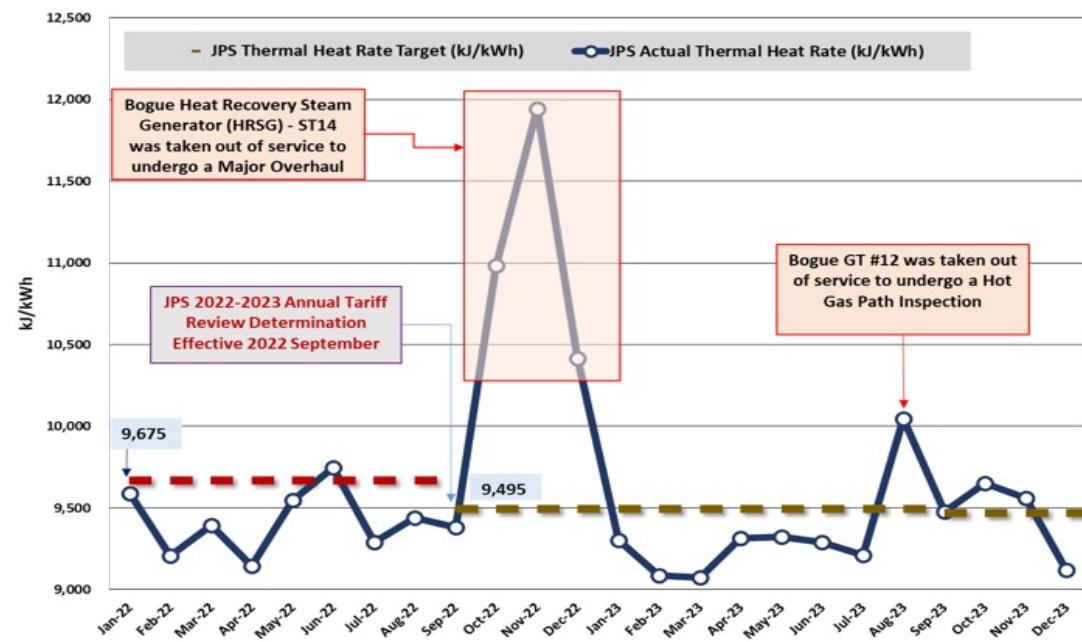
The summary statistics of the actual monthly Heat Rate observations are:

1. Mean value = 9,606 kJ/kWh, median value = 9,388 kJ/kWh, standard deviation = 664 kJ/kWh.
2. Maximum value – 11,943 kJ/kWh, minimum value = 9,369 kJ/kWh, range = 2,871 kJ/kWh.
3. Two (2) extreme values - 10,985 kJ/kWh (2022 October) and 11,943 kJ/kWh (2022 November).

The 2023 statistics indicate average heat rate performance over the period. This was better than the 2022 performance, in which JPS failed to meet the heat rate target on four (4) occasions, leading to an overall under-achievement of the target by 231 kJ/kWh, which translated to a net financial penalty for that year.

As shown, during 2023, JPS did not achieve the target for four (4) of the months (August – November), but the overall performance was good enough to yield a monthly average Heat Rate benefit of 115 kJ/kWh, which translated to a net financial reward to the company.

Further illustration of the Heat Rate performance trend is provided in Figure 12.

**Figure 12: JPS' Thermal Plants Monthly Heat Rate Performance**



## System Reliability Performance

Based on the provisions of the Electricity Licence, 2016, JPS's reliability performance is linked to its quality of service which is captured in a composite indicator called the Q-Factor.

For measuring JPS's quality of service performance, in line with the general practice across the electricity supply industry, the key reliability metrics/indicators used are:

### 1. System Average Interruption Frequency Index (SAIFI)

**SAIFI** - indicates the frequency at which the average customer experiences a sustained interruption over a predefined period (usually a year).

**2. System Average Interruption Duration Index (SAIDI)** - indicates the total duration of the interruption for the average customer during a predefined period.

**3. Customer Average Interruption Duration Index (CAIDI)** - represents the average time taken to restore service to the average customer per sustained interruption.

**4. Momentary Average Interruption Frequency Index (MAIFI)** - indicates the average frequency of momentary interruptions (momentary interruption events).

However, for determining the Q-Factor for adjustment to rates, only the SAIFI, SAIDI, and CAIDI indices ("the quality indices") are

applicable. The MAIFI metric is not included but is still recognised as a key performance indicator (KPI).

To derive the annual Q-Factor, the OUR measures JPS's annual performance of SAIFI, SAIDI and CAIDI against the annual target set in the 5-year rate review determination, where the three (3) quality indices are computed from system forced outages report in JPS's annual outage dataset, obtained from its outage management system (OMS).

With respect to the company's annual reliability performance, the results achieved since the start of the 2019-2024 rate review period are summarised in Table 28.

**Table 28: JPS System Reliability Performance Metrics (2019-2023)**

YEAR	SYSTEM RELIABILITY INDICATORS [2019-2023]								
	Total Outages	Planned Outages	Forced Outages	Sustained Forced Outages	Momentary Forced Outages	SAIFI (Interruptions/Customer)	SAIDI (Minutes/Customer)	CAIDI (Minutes/Interruption)	MAIFI (Interruptions/Customer)
2019	51,242	1,999	49,243	45,528	3,715	11.7	1,375.2	117.1	7.6
2020	63,217	2,453	60,764	56,405	4,359	8.6	1,486.8	173.2	13.8
2021	70,559	4,874	65,685	61,828	4,671	7.7	1,862.7	243.2	12.0
2022	106,343	2,712	103,631	91,065	13,883	7.5	1,983.8	266.1	36.5
2023	136,552	4,326	132,226	120,860	11,366	11.8	2,403.3	204.0	26.5
Change = (2023-2022)	30,209	1,614	28,595	29,795	-2,517	4.3	419.5	-62.1	-10.0
% Change = (2023/2022)	28.41%	59.51%	27.59%	32.72%	-18.13%	57.33%	21.15%	-23.34%	-27.40%



## System Outages

For 2023, JPS reported a total of 136,552 outages, of which 4,326 were planned outages, while 132,226 were classified as forced outage events.

As shown in Table 28, total forced outages recorded annually (sustained & momentary) have increased significantly from 49,243 in 2019 December to 132,226 in 2023. This situation has resulted in frequent and sustained interruptions in electricity supply to customers across the network and has translated to substantial economic and social impact. While these performance results are incorporated in the Q-Factor scheme, this is essentially a system average arrangement, but customers across the system are affected differently. In any case, the damage would have already been inflicted, hence the need for the utility to have in place practicable and workable prevention/mitigation mechanisms.

Furthermore, the annual outage datasets indicate that "equipment failure" and "vegetation impingement" are the main drivers for the escalation in system-forced outages. Even though these outage factors are recognised across the industry to be responsible for some system outages, particularly in systems with predominately overhead electricity networks, as it is in the JPS's case, the number of forced outages recorded for 2020-2023 was excessively high. This raises considerable concern about the efficacy of JPS's system reliability programme, as well as the level of planning and preparedness to withstand, respond and recover rapidly from potential disruptions during the annual hurricane season. This situation will be the subject of further review and analysis.

## Performance on Reliability Indices

The "quality of service" performance for 2023 based on the reliability indices reported by JPS, is summarised as follows:

- SAIFI increased to 11.8 interruptions/customer, representing a substantial decline in performance on this index. This represents a 57.3% increase in the average number of supply interruptions experienced by customers relative to the 2022 level (7.5 interruptions/customer). This reversed the decreasing trend realised since 2020.
- Likewise, SAIDI increased to 2,403.3 minutes/customer (driven by longer duration outages). This was 419.5 minutes/customer above the 2022 level of 1,983.8 minutes/customer, reflecting a 21.1% deterioration in the average supply interruption duration experienced by customers during the year.
- CAIDI (the derivative of SAIDI/SAIFI), was reported at 204.0 minutes/interruption, decreasing by 23.3% below relative to the 2022 level (266.1 minutes/interruption). Despite this reduction, the performance for this index is still unsatisfactory, as it far exceeds the target level of 120 minutes/interruptions. The analysis infers that this outcome was largely influenced by the significant increase in the average duration of electricity supply interruptions experienced by customers in 2021 relative to 2020.

A comparison of the annual quality indices versus the relevant targets is represented in Table 29.



*...total forced outages recorded annually (sustained and momentary) have increased significantly from 49,243 in 2019 December to 132,226 in 2023.*

**Table 29: JPS's Reliability Performance versus Target (2019-2023)**

YEAR	RELIABILITY PERFORMANCE VERSUS TARGET (2020-2023)				CAIDI (Minutes/Interruption)				
	SAIFI (Interruptions/Customer)		SAIDI (Minutes/Customer)		CAIDI Target	CAIDI Actual	CAIDI relative to Target		
	SAIFI Target	SAIFI Actual	SAIFI relative to Target	SAIDI Target	SAIDI Actual	SAIDI relative to Target	CAIDI Target	CAIDI Actual	CAIDI relative to Target
2019	-	13.5	-	-	1,448.6	-	-	107.2	-
2020	12.4	8.6	-30.7%	1,502.9	1,486.8	-1.1%	121.5	173.2	42.6%
2021	11.7	7.7	-34.2%	1,408.0	1,862.7	32.3%	120.2	243.2	102.3%
2022	11.5	7.5	-34.8%	1,334.7	1,983.8	48.6%	120.3	266.1	121.2%
2023	11.0	11.8	7.3%	1,313.0	2,403.3	83.0%	120.2	204.0	69.7%

Based on the data, JPS's reliability performance for 2021 and 2022 resulted in financial penalties for the company. The evaluation of the 2023 outage data implies that there will also be penalties for this period.

### Reliability Performance Issues

According to JPS, the deterioration in performance in the reliability indices (SAIFI, SAIDI and CAIDI) over the period is largely due to the effects of the COVID-19 pandemic and the impact of tropical storms (Elsa, Grace, Ida, and others) that has passed close to the island. However, the named tropical storms were classified as relatively weak weather systems when their effects were experienced in Jamaica. Moreover, the annual outage datasets for 2019-2023 indicate that the dominant causes of system-forced outages (the basis for the quality indices) annually are "equipment failure" and "vegetation encroachment", which are not directly linked to storm events.

Even though the OUR acknowledges that the COVID-19 pandemic and the effects of the tropical storms may have imposed some constraints on JPS's utility operations, the data show that these events were not the main drivers of JPS's deteriorating reliability performance.

### Momentary Interruptions and MAIFI

As defined across the electricity industry, supply interruptions lasting five (5) minutes or less are categorised as "momentary interruptions". In power system operations, these momentary interruptions normally occur when there is a brief (duration  $\leq$  5 minutes) loss of power supply to one or more customers, caused by the opening and closing operation of an interrupting device in response to momentary faults detected on distribution circuits. To measure reliability with these interruptions, the MAIFI metric is used by the OUR, even though it is not a component of the Q-Factor index.

With respect to JPS's performance on momentary interruptions and MAIFI, the data indicate that:

- ◆ The number of momentary interruptions recorded for 2022 and 2023 was relatively high, which may have been problematic for sensitive and critical loads on the system and needs to be curtailed.
- ◆ MAIFI for 2023 was reported at 26.5 interruptions/customer, indicating that, on average, momentary interruptions per customer decreased by 27.4% relative to the 2022 level (36.5 interruptions/customer), but remained relatively high compared to the 2019-2021 levels.

According to JPS, the rise in momentary interruptions and the MAIFI measure in recent years is primarily due to increased feeder cycling events occasioned by tropical storms and adverse weather events. This explanation is questionable. However, with the implementation of the grid modernisation programme, including the commissioning of a new OMS in 2022, these interruptions are expected to be minimised and mitigated.

## System Developments (2019-2023)

On the infrastructure side, since 2019, the sector has made steady progress towards a more efficient, sustainable, and resilient electricity supply infrastructure. Notable developments include:

- ❖ The commissioning of Eight Rivers Energy Company Limited's (EREC's) 37 MW Solar PV Generation facility at Paradise Park, Westmoreland, in 2019 June.
- ❖ The commissioning of JPS's 24.5 MW/16.6 MWh HESS, in 2019 December.
- ❖ The commissioning of the South Jamaica Power Company (SJPC) 194 MW NG/ADO-fired CCGT plant, in 2019 December.
- ❖ Commissioning of NFE-JAMALCO 94 MW NG/ADO Combined Heat & Power (CHP) plant, in 2020 February.
- ❖ Commissioning of JPS/CB 10 MW CHP plant at Hill Run St, Catherine, in 2021 December.
- ❖ Commissioning of 40 MVar of capacitor banks in the Corporate Area in 2023, for reactive power and voltage support.
- ❖ The completion of the system-wide energy efficiency initiative involving the installation of over 105,000 LED streetlights as part of the smart streetlight programme, up to 2023.
- ❖ The deployment of over 570,000 advanced revenue meters as part of the system-wide smart meter programme (approved by the OUR in the 2019-2024 Rate Review Determination Notice).
- ❖ The continued integration of small-scale RE generation facilities under the Net Billing programme.

Notwithstanding these advances, decisions regarding the expansion of the generation system, including RE developments, reside with the Ministry with responsibility for Energy. Based on the existing electricity sector governance framework, the Ministry also has the responsibility to develop the integrated resource plan (IRP) to determine the timing and quantity of generating capacity required to meet future system demand in an economical and reliable manner. With respect to generation procurement, the Generation Procurement Entity (GPE) has the responsibility for procuring new generation capacity for the system, based on the generation capacity requirements identified in the IRP. The OUR's role in the governance of the sector is to ensure that within the prevailing regulatory framework price evolves on the lowest trajectory possible.

## Highlights of 2023 Regulatory Activities for the Electricity sector

- ❖ The JPS Annual Review 2023.
- ❖ Review and approval of JPS' Accounting Cost Allocation Manual and Regulatory Accounts framework.
- ❖ JPS Tariff Criteria 2024 – 2029.
- ❖ Investigation into JPS's Transformer Protection Programme Pilot Project.
- ❖ Review the electricity demand forecast model and the development of the long run forecast.



## The JPS Annual Review 2023

JPS submitted its 2023 Annual Review application on 2023 May 5, 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 2023 August 09.

The OUR's decisions resulted in a marginal increase in the overall average tariff of 1.6%. This comes against the backdrop of a request by JPS for an overall average increase of 4.9%. Table 30 shows the major decisions by the OUR, compared to the requests made by JPS.

**Table 30: Major Decisions in JPS' 2022 Determination Notice**

Major Decisions	JPS Proposed (J\$M)	OUR Approved (J\$M)
Approved Revenue Cap	38,783	38,783
Annual Rate of Change	39.54%	38.72%
Adjusted Revenue Cap	54,117	53,799
2022 Revenue True-Up (incl. WACC)	968.14	(3,007.02)
2023 Annual Revenue Target	55,085	50,792
Heat Rate Target (kJ/kWh)	9,495	9,470
<b>Overall Bill Impact</b> (incl. fuel and IPP charges):	4.9%	1.6%
Residential Customers (RT10)	Upward of 4.73%	Average 1.6%
Small Commercial Customers (RT20)	3.40%	Average 1.3%
Large Commercial Customers LV (RT40)	6.70%	Average 1.9%
Large Commercial Customers HV (RT50)	7.45%	Average 2.4%
Large Commercial Customers HV Standard (RT70)	2.01%	Average 2.4%

In response to the OUR's Determination notice, JPS filed a reconsideration request on several of the Office's decisions. The OUR is currently reviewing the reconsideration request.

### Review and Approval of JPS's Accounting Cost Allocation Manual

In 2019 the OUR published a set of rules to facilitate the smooth, efficient, and transparent preparation of regulatory accounts by JPS. The rules required that JPS submit for review and approval its Accounting Cost Allocation Manual (ACAM) predicated on the OUR guidelines. This was done by JPS and the ACAM was approved by the OUR. The ACAM will guide the separation of the company's accounts.

### Final Tariff Criteria for JPS 2024–2029 Rate Review

The JPS Electricity Licence 2016 stipulates that the OUR should issue its draft Tariff Criteria 15 months before the 5-year Rate

Review application. Additionally, the Final Tariff Criteria should be published nine (9) months before the application in 2024. The Final Criteria document was published in 2024 March. It will guide JPS's 2024–2029 Rate Review application, expected in 2024 September.

### Investigations into JPS Transformer Protection Programme (TPP) Pilot Project

The OUR issued a 'Cease and Desist Directive' to JPS in relation to the company's Transformer Protection Programme (TPP) on 2021 October 15. The programme targeted specific communities with high system losses with programmed power lock-offs. JPS argued that the TPP was necessary for the protection of the company's transformers. The OUR

challenged the legitimacy of the company's actions. In addition, the OUR conducted a deeper investigation into the matter. In 2023 December, the OUR issued the final TPP report to JPS, which concluded that the action, among other things, was unfair to paying customers.

### Review the electricity demand forecast model

Arising from the JPS Electricity Licence, 2016 the setting of the company's tariffs is now based on a forward-looking revenue cap approach. This has elevated the exercise of forecasting electricity demand and consumption to a critical position in the rate-making process. Within this context, the OUR undertook the exercise of updating its forecasting model and generating a new 20-year forecast. The exercise was completed 2024 January, and it is expected that energy sales over the five-year period 2025–2030 will grow at an annual rate of 1.4%.

### Key Work Plan Projects for the Electricity Sector for the 2024–2025 Review Period

- ◆ JPS's Productivity Improvement Analysis
- ◆ Demand Forecast Update & Model Review
- ◆ Review of JPS 2024–2029 Rate Review Application
- ◆ JPS's Capital Project Evaluation/Costing Study
- ◆ JPS Rate Design & Business Plan Review
- ◆ PPA Renewals
- ◆ Wigton-1 Repowering Project
- ◆ Electricity Market & Price Study

## Water & Sewerage

The performance of the water sector has been characterised by low quality of service, inadequate coverage, low efficiency, high operating costs, and very high non-revenue water levels. This has served to erode revenues and undermine the financial position of some water and sewerage service providers. Consequently, this has limited the capacity to invest in infrastructure and modernise the sector. These issues also present serious challenges relating to access, availability and affordability of potable water and sewerage services across the country. The situation is also exacerbated by the evolving effects of climate change, exhibited in lower levels of rainfall and longer periods of drought.

Considering these challenges and limited water resources, the identification of creative solutions is imperative. At the same time, the dedicated monitoring of utility performance will be paramount to ensure the provision of the prescribed utility services, within the scope of the existing legal and regulatory framework.

The review of the performance of the water and sewerage sector during the reporting period and key regulatory activities in the OUR, are detailed below.

*Since the 2021-2022 operating period, there has been a steady but marginal annual increase in the number of active customer accounts.*



### Water Sector Performance Indicators

#### NWC Customer Data

**Table 31: NWC Customer Base (2021-2022 – 2023-2024)**

YEAR	BREAKDOWN OF NWC CUSTOMER COUNT							
	Total	Active Accounts	Active % of Total	Change (Active)	Inactive	Inactive % of Total	Change (Inactive)	
2021/2022	<b>529,489</b>	383,491	72.43%	-	145,998	27.57%	-	
2022/2023	<b>539,258</b>	385,108	71.41%	1,617	154,150	28.59%	8,152	
2023/2024	<b>547,517</b>	389,069	71.06%	3,961	158,448	28.94%	4,298	

### Key Points

- For the 2023-2024 period, National Water Commission (NWC) reported a total customer count of 547,517 comprising 389,069 (71.06%) active and 158,448 (28.94%) inactive customers.
- Since the 2021-2022 operating period, there has been a steady but marginal annual increase in the number of active customer accounts.
- Likewise, the number of inactive customers has also increased, but at a higher rate than the active customers. This problem has implications for understanding the demand dynamics, the approach to accounting for customers, and operating costs over the short to medium term.
- The data suggest that the NWC has been carrying at least 146,000 inactive/delinquent customers in its billing system since the 2021-2022 period, and there is no indication that these customers are returning to the system.
- The NWC operations data suggest that over 200,000 service accounts have smart water meters. However, there are indications that smart meters are connected to many inactive accounts, some which have been inactive for extended periods. This is a matter which requires investigation since it might be one of the factors accounting for the high level of non-revenue water (NRW).





## Water Balance

The utility water balance is an essential indicator for managing water resources, maintaining water infrastructure, ensuring financial sustainability, complying with regulations, and providing reliable services to customers. By monitoring and optimising the water balance, the utility can contribute to the overall resilience and sustainability of its water supply systems. NWC's water balance for the period 2019-2024 is shown in Table 32.

**Table 32: NWC Summary Water Balance (2018-2024)**

Period	Total Production (MG)	NWC WATER BALANCE (2018 April -2024 March)				
		Total Allocation	Billed Water (MG)	% of Production	NRW (MG)	% of Production
2018/2019	323,076,366	100.00%	85,749,041	26.54%	237,327,325	73.5%
2019/2020	321,581,651	100.00%	85,638,798	26.63%	235,942,853	73.4%
2020/2021	336,218,348	100.00%	83,363,107	24.79%	252,855,241	75.2%
2021/2022	333,012,016	100.00%	83,906,142	25.20%	249,105,874	74.8%
2022/2023	324,698,209	100.00%	83,962,550	25.86%	240,735,659	74.1%
2023/2024	325,876,170	100.00%	83,787,366	25.71%	242,088,804	74.3%
<b>AVERAGE</b>	<b>327,410,460.13</b>	<b>100.00%</b>	<b>84,401,167.33</b>	<b>25.79%</b>	<b>243,009,292.80</b>	<b>74.21%</b>

For the 2023/2024 reporting period, water production was reported at 325,876,170 MG, with billed water consumption accounting for 83,787,366 MG (25.7%), while 242,088,804 MG or 74.3% were identified as NRW.

For further elaboration, a detailed water balance of the NWC's water system structured in International Water Association (IWA) format, for 2024 March, is presented in Figure 13.

**Figure 13: NWC System Water Balance for 2024 March**

<b>System Input Volume</b> $27,877,588 \text{ m}^3$ Error Margin [+/-]: 5.4%	<b>Authorised Consumption</b> $7,138,705 \text{ m}^3$ Error Margin [+/-]: 0.6%	<b>Billed Authorised Consumption</b> $7,011,085 \text{ m}^3$	<b>Billed Metered Consumption</b> $6,193,784 \text{ m}^3$	<b>Revenue Water</b> $7,011,085 \text{ m}^3$
			<b>Billed Unmetered Consumption</b> $817,301 \text{ m}^3$	
		<b>Unbilled Authorised Consumption</b> $127,621 \text{ m}^3$ Error Margin [+/-]: 36.1%	<b>Unbilled Metered Consumption</b> $35,519 \text{ m}^3$	<b>Non-revenue Water</b> $20,866,499 \text{ m}^3$ Error Margin [+/-]: 7.3%
			<b>Unbilled Unmetered Consumption</b> $92,102 \text{ m}^3$ Error Margin [+/-]: 50%	
		<b>Apparent Losses</b> $2,446,202 \text{ m}^3$ Error Margin [+/-]: 28.4%	<b>Unauthorised Consumption</b> $1,214,208 \text{ m}^3$ Error Margin [+/-]: 44.2%	<b>Real Losses</b> $18,292,676 \text{ m}^3$ Error Margin [+/-]: 9.1%
			<b>Customer Meter Inaccuracies and Data Handling Errors</b> $1,231,994 \text{ m}^3$ Error Margin [+/-]: 35.6%	



Figure 14: NWC NRW FY 2018/2019 – 2023-2024

## Key Points

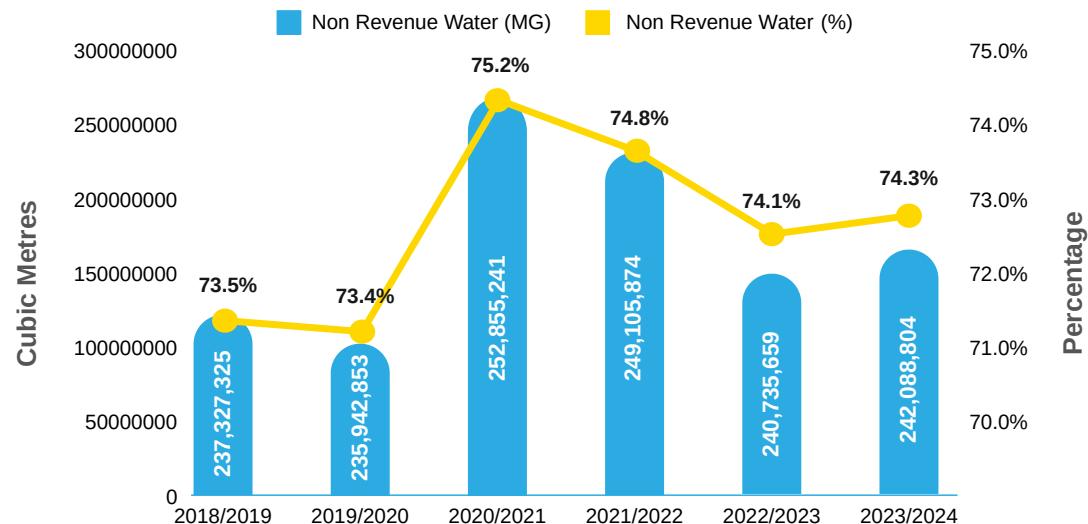
- The data indicate that water production, billed water consumption and NRW have all remained fairly constant and flat during the 6-year period. This implies that there has not been any significant improvement in NWC's operations over the period.
- A significant portion of the monthly/annual input water volumes (water production) was estimated by the NWC, with indications of the estimated portion increasing over the period. This issue raises questions about the reliability of the production data and implies that there are existing deficiencies in the water production measurement and accounting process.

## Non-Revenue Water

Non-revenue water (NRW) is defined as the sum of water losses (apparent and real losses) plus infrastructure water requirements (unbilled authorised consumption), representing the volume of water supplied to the distribution system that did not yield revenue.

As indicated in Table 32, NRW in the NWC's system has stubbornly remained at approximately 74.0% of input water volume despite major water loss reduction initiatives. This situation continues to be a major problem for the water sector, imposing an immense financial burden on the utility and ratepayers.

Further illustration of the NRW profile over the 2018-2024 period is provided in Figure 14.



For the 2023-2024 period, the reported monthly NRW levels are presented in Table 33.



## NRW

*Non-revenue water (NRW) in the NWC's system has stubbornly remained at approximately 74.0% of input water volume despite major water loss reduction initiatives.*



**Table 33: NWC 2023-2024 Monthly NRW Breakdown**

NWC MONTHLY NRW BREAKDOWN (2023-2024)				
Month/Year	Production (M <sup>3</sup> )	Billed Consumption (M <sup>3</sup> )	NRW (M <sup>3</sup> )	NRW (%)
2023 Apr	25,609,970.68	7,207,389.27	18,402,581.41	71.9%
2023 May	27,319,114.13	6,515,219.79	20,803,894.34	76.2%
2023 Jun	25,793,919.12	7,090,609.31	18,703,309.81	72.5%
2023 Jul	26,525,403.19	6,935,355.79	19,590,047.40	73.9%
2023 Aug	26,344,923.41	7,161,560.14	19,183,363.28	72.8%
2023 Sep	26,283,328.44	6,994,341.31	19,288,987.13	73.4%
2023 Oct	28,257,577.13	6,484,856.46	21,772,720.67	77.1%
2023 Nov	27,841,073.46	6,992,200.10	20,848,873.36	74.9%
2023 Dec	28,565,125.57	7,065,824.03	21,499,301.55	75.3%
2024 Jan	28,899,507.77	7,303,834.57	21,595,673.20	74.7%
2024 Feb	26,558,294.15	7,025,091.06	19,533,203.09	73.5%
2024 Mar	27,877,933.15	7,011,084.56	20,866,848.60	74.9%
<b>TOTAL</b>	<b>325,876,170.21</b>	<b>83,787,366.38</b>	<b>242,088,803.83</b>	<b>74.3%</b>

The 2023-2024 NRW by parish is presented in Table 33.

**Table 34: NRW by Parish (2023-2024)**

	NRW VOLUMES BY PARISH (THOUSAND M <sup>3</sup> ) - FINANCIAL YEAR 2023-2024												
	2023 APR	2023 MAY	2023 JUN	2023 JUL	2023 AUG	2023 SEP	2023 OCT	2023 NOV	2023 DEC	2024 JAN	2024 FEB	2024 MAR	TOTAL
<b>St. Catherine</b>	4,234.5	5,058.7	4,663.2	4,680.0	4,546.5	4,664.3	5,012.8	4,532.6	4,582.3	4,602.3	4,344.7	4,745.5	55,667.3
<b>KSA</b>	1,027.8	1,195.5	884.3	1,067.3	859.9	1,249.0	2,135.6	2,237.0	2,230.2	2,162.6	1,622.9	1,887.3	18,559.5
<b>St. Thomas</b>	896.4	953.9	865.9	951.7	921.1	864.9	915.3	851.8	879.9	921.1	855.9	918.8	10,796.7
<b>Portland</b>	519.3	566.9	581.6	652.5	648.8	639.6	639.7	799.4	830.7	863.1	777.9	792.4	8,311.7
<b>St. Mary</b>	625.1	696.0	524.2	551.0	531.7	535.7	570.6	627.1	560.0	574.8	573.7	622.7	6,992.6
<b>St. Ann</b>	1,839.0	1,968.7	1,619.1	1,560.4	1,679.3	1,524.1	1,635.1	1,556.2	1,564.0	1,612.8	1,587.0	1,521.5	19,667.3
<b>Trelawny</b>	1,467.9	1,599.4	1,290.2	1,494.5	1,635.3	1,865.1	2,066.1	1,770.7	2,014.5	2,059.6	1,864.5	2,066.0	21,193.9
<b>St. James</b>	1,326.2	1,792.1	1,642.9	1,785.6	1,645.1	1,597.2	1,890.8	1,747.8	1,896.4	1,803.0	1,646.9	1,709.5	20,483.8
<b>Hanover</b>	592.9	630.1	765.4	730.7	751.3	738.7	830.9	722.8	768.9	678.9	447.8	356.4	8,014.9
<b>Westmoreland</b>	1,034.6	1,097.9	1,041.7	1,132.9	1,058.2	956.8	1,062.3	1,011.9	1,117.9	1,142.9	979.7	1,056.0	12,692.9
<b>Manchester</b>	927.9	1,012.0	849.3	985.7	918.4	938.4	926.6	894.2	1,043.3	1,108.4	890.6	886.4	11,381.0
<b>St. Elizabeth</b>	1,445.3	1,623.7	1,614.4	1,493.2	1,521.4	1,349.7	1,542.9	1,875.3	1,620.8	1,520.0	1,505.9	1,657.2	18,769.9
<b>Clarendon</b>	2,465.7	2,609.0	2,361.1	2,504.7	2,466.4	2,365.3	2,543.8	2,222.0	2,390.4	2,546.1	2,435.8	2,647.0	29,557.3
<b>TOTAL</b>	<b>18,402.6</b>	<b>20,803.9</b>	<b>18,703.3</b>	<b>19,590.0</b>	<b>19,183.4</b>	<b>19,289.0</b>	<b>21,772.7</b>	<b>20,848.9</b>	<b>21,499.3</b>	<b>21,595.7</b>	<b>19,533.2</b>	<b>20,866.8</b>	<b>242,088.8</b>

### K-Factor Fund

Table 35 details the inflows and outflows of the K-Factor Fund for the financial year 2023-2024. The inflows exceeded the outflows by \$352.4 Million. There was no significant increase in the deemed K-Factor Billing for the fiscal year 2023-2024.

The overall inflows, however, showed an eight percent (8%) increase over the \$6.6 Billion in 2022-2023 to \$7.1 Billion in 2023-2024. This is due mainly to interest earnings that were not previously accounted for in the Fund.

The total outflows from the Fund increased by thirty-one percent (31%) from the fiscal year 2022-2023 to 2023-2024. Direct financing increased by 161%, due mainly to expenditure on the Portmore NRW Project.

**Table 35: Inflows and Outflows of the K-Factor Fund (2023-2024)**

	2023-2024				TOTAL		
	2022-2023	APR-JUN	JUL-SEP	OCT-DEC	JAN-MAR	2023-2024	Annual Change
<b>INFLOWS (J\$M)</b>							
<b>TOTAL</b>	6,585.71	1,780.02	1,699.88	1,759.81	1,858.06	7,097.78	8%
<b>Deemed K-Factor Billing</b>	6,585.71	1,663.42	1,582.84	1,625.90	1,727.32	6,599.48	0%
<b>Other Inflows</b>	-	116.60	117.05	133.91	130.74	498.30	
<b>OUTFLOWS (J\$M)</b>							
<b>TOTAL</b>	5,151.24	1,558.12	1,474.62	2,338.08	1,374.55	6,745.38	31%
<b>Debt Service</b>	4,289.29	1,356.96	543.35	2,073.54	523.94	4,497.78	5%
<b>Direct Finance</b>	861.95	201.16	931.27	264.54	850.62	2,247.59	161%

## Key Water Sector Activities Completed During the Period

The following are the key water sector activities during 2023-2024.

- ❖ Portmore NRW Reduction Programme Project
- ❖ National Water Commission Annual Pricing Adjustment Mechanism
- ❖ Richmond Environmental Services (RESL) Determination Notice
- ❖ Assessment of the NWC's Rio Cobre Water Supply Project

### Portmore NRW Reduction Programme Project

The NWC requested the OUR's non-objection to use K-Factor Funds to finance its Portmore NRW Reduction project. This project is scheduled to be implemented over the period 2020 November-2026 February, at an estimated cost of J\$3.246B. The OUR evaluated the project proposal and issued its approval for \$2.345B in 2023 April.

### National Water Commission Annual Pricing Adjustment Mechanism

In 2023, the NWC made a submission to the OUR for an Annual Price Adjustment Mechanism (ANPAM) rate adjustment of 5.11%, to be applied to its base rates. The adjustment was approved by the OUR in 2023 April.

### Richmond Environmental Services (RESL) Determination Notice

In 2022 August, RESL applied for a tariff increase based on the 'No Objection Policy' to cover its expenses. The company requested a



change to its volumetric structure from two-tiered to four-tiered. RESL also requested the addition of a service charge, miscellaneous fees, and a price adjustment mechanism to its current tariff structure.

The increase in the average customer bill approved by the OUR was 94.4% versus the 229.3% hike requested by RESL. The final Determination Notice for RESL was issued in 2023 June.

### Assessment of the NWC's Rio Cobre Water Supply Project

The Rio Cobre Water Supply Project involves the construction of a 15 million gallon per day water treatment plant at Content, St. Catherine, using raw water from the Rio Cobre. The project is to be based on the public-private partnership concept. NWC posits that the project was planned as a critical component of its long-term drought mitigation and operational strategy to address seasonal water deficit in the Kingston Metropolitan Area (KMA).

In 2024 February, the OUR advised the NWC of its no-objection decision regarding the project. However, the decision was conditioned on concerns that the NWC should address certain elements of costs to ensure that rate-payers' tariffs are kept at their lowest.

## 2024-2025 Key Work Plan Projects for the Water and Sewerage Sector

- ❖ NWC 4-year Rate Review
- ❖ Annual Price Adjustment Mechanism (ANPAM) Reviews for NWC and other Private Water & Sewerage Providers
- ❖ Tariff Reviews for Private Water and Sewerage Providers
- ❖ Review of Can-Cara Rate Review Applications
- ❖ Review of Rate Review Applications for other small private water & sewerage utilities.

# Regulation, Policy, Monitoring & Enforcement (RPME)

## Telecommunications

As technology continues to evolve, consumers have become increasingly reliant on telecommunications services for personal and commercial use. With telecommunication services being so essential for Jamaicans' everyday lives and the economy, the work of the OUR continues to support the national strategy to expand the broadband network islandwide and encourage greater use of Information and Communication Technologies (ICTs). In furtherance of promoting national development through the use of ICTs, the OUR for the 2023-2024 fiscal year, focused on creating a regulatory environment that facilitates the deployment of a mix of broadband technologies, increased access and use of the technologies by the citizenry of Jamaica and improving the coverage, quality and resiliency of telecommunications services and networks.



*The OUR has been collaborating with the Broadcasting Commission to get cable operators who have been offering telecommunications services without a licence, to regularise their operations and thus avoid sanctions.*



### Major Activities During the Period

- ☛ Number Portability Administration Fees, 2023
- ☛ Outage Protocol and Measures to Improve Network Resiliency - Determination Document - Draft
- ☛ Finalisation and Promulgation of the Quality of Service Rules
- ☛ Review of the International Mobile Subscriber Identity (IMSI) Assignment Guidelines - Determination Document - Draft
- ☛ Implementation of the new Information Requirements and the Information Requirements Reporting Portal
- ☛ Development of Protocols for the Monitoring of Quality of Service/ Experience (QoS/QoE) in Jamaican Telecommunications Sector
- ☛ Ensuring Equivalence of Access and Choice of Persons with Disabilities in Telecommunications Market - Determination Document - Draft



**Marsha Minott**  
Senior Utility  
Analyst



**Gordon Swaby**  
Telecommunications  
Engineer



**Nakesha Allen**  
Analyst

## Expanding Coverage and Access/Use of ICTs

Building and maintaining wired network expansion to hard-to-reach remote and rural areas as well as more sparsely populated regions is expensive. In some instances, this has resulted in the network build out to rural and remote areas lagging that of urban areas for decades. Since 2019 there has been a marked increase in the number of entities licensed to provide broadband services over microwave and satellite networks. In the case of satellite technology, in addition to providing an easier/cheaper solution to offer broadband connectivity to unserved and underserved areas, it can enable critical communication access in times when natural disasters such as hurricanes have impacted other types of networks in the island.

The OUR has been collaborating with the Broadcasting Commission to get cable operators who have been offering telecommunications services without a licence, to regularise their operations and thus avoid sanctions. It has also been the case that cognisant of the dire need for internet access services in the communities served by several of the cable operators, and to allow these operators time to apply for the requisite licences, the OUR has forborne from taking enforcement action.

Two of the OUR's initiatives aimed at expanding the coverage and access/use of broadband are mentioned below.

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

In the past, resources such as the Mobile Country Code and Mobile Network Code (MNC) were thought to be relevant only to the operators of mobile networks. These codes are used to formulate the International Mobile Subscriber Identity (IMSI) resource, which facilitates authentication, routing, and billing of their customers as

they roam on other networks. This is particularly important for land mobile terminals roaming among public land mobile networks in different countries. However, with entrants increasingly indicating their intention to utilise mobile technologies such as LTE in their fixed wireless networks, there was a need to modify aspects of the IMSI Assignment Guidelines. Having completed the consultation process of the review of the guidelines, the OUR has prepared a Determination document indicating the modifications that will allow fixed carriers offering specified services to the public and who utilise radio spectrum in the access segment of their network, to utilise IMSIs to authenticate their customers. This will include satellite operators with ancillary terrestrial communications networks. The Determination document and the revised IMSI Guidelines will be published in the second quarter of the 2024-2025 fiscal year.

### Ensuring Equivalence of Access and Choice for Persons with Disabilities

Given the increasingly central role of communications in people's lives, society and the economy and the fact that much of an individual's future success may rely on his/her ability to use ICT, access to ICT must be made as equitable as possible. People with disabilities (PWDs) are often unable to access telecommunications devices and services because these devices and services lack the necessary accessibility features. With the foregoing in mind, the OUR consulted with stakeholders, presenting its preliminary views with respect to improving equivalent access and choice in telecommunication services; and sought the views of consumers, end-users with disabilities, representative organisations, service providers and other stakeholders on the proposed initiatives. Subsequent to the consultation, the OUR has prepared a Determination Notice which sets out the remedies to improve PWDs' access to and choice of telecommunication services. The decision will be published in the 2024-2025 fiscal year.

## Improving the Resiliency of Networks and Service Quality

### Outage Reporting Protocol for Telecommunications Sector and Measures to Improve Network Resiliency

The OUR prepared its Determination document outlining its decision on the Outage Reporting Protocol for telecommunications and measures to improve network resiliency, which were consulted on in the 2022-2023 fiscal year. The Determination document will be published in the first quarter of the 2024-2025 fiscal year. The protocols will provide the OUR with the data and 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 to ensure that service providers take countermeasures to mitigate the risk of recurrences in the future.

Some of the reports that licensees will be required to submit to the OUR under this protocol include:

- ❖ An initial Outage Notification Report
- ❖ Outage Update Notification Reports
- ❖ Outage Resolution Notification Report, and
- ❖ A detailed Outage Report within fourteen (14) days following the resolution of the outage.

As the OUR is of the view that there are some issues related to emergency/disaster management that can and should be addressed under its remit, the document also

includes measures to be taken by network operators during national emergencies or national disasters. These include:

- ❖ 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 duration of such national emergency or national disaster.
- ❖ Emergency Mobile Roaming: Mobile network operators would 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: Operators will be required to develop disaster preparedness and business continuity plans which shall be submitted to the Office and updated every two years.

### Finalisation and Promulgation of the Quality of Service Rules

The Telecommunications (Quality of Service Standards) Rules, 2023 ("the QoS Rules") were promulgated in the third quarter of the 2023-2024 fiscal year. The QoS Rules establish targets for twenty-one (21) fixed and mobile parameters with which licensees are required to comply as at 2024 February 1. The Rules

will also require telecommunications service providers to measure and report on these parameters quarterly starting on 2024 August 1. In the interim, the OUR continues to have discussions with licensees on the status of their businesses as it relates to the operationalisation of the measurement and reporting obligations specified in the QoS Rules.

### Monitoring/Data Collection Initiatives

The OUR continues to take steps to improve its monitoring and data collection capabilities. This is in keeping with its commitment to evidence-based and data-driven regulation. Data are critical to the OUR's discharge of its regulatory mandate. They tell us where we were and where we are, what works, and what does not and how resources are being or ought to be deployed. They are a key ingredient for identifying good practices and designing effective interventions.

### Finalisation of Information Requirements and the Implementation of the Data Reporting Portal

Having reviewed the information requirements in 2022-2023 to ensure that, among other things, the relevant market data are being captured, the OUR launched its new web-based Information Requirements data collection portal in the first quarter of 2023-2024. Licensees are able to log on to the portal to submit their quarterly and annual data as well as view data that they have previously submitted.

## **QoS Monitoring Framework**

The OUR continues its work on the Quality of Service/Experience (QoS/QoE) monitoring and reporting regime, which will take account of the legacy and advanced or 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. The OUR continues to dialogue with stakeholders regarding the regime and has since prepared an RFP for the procurement of a drive test and a crowd-sourcing solution. The OUR has also drafted protocols to govern two QoS/QoE monitoring scenarios: the validation of the QoS/QoE Reports submitted by licensees; and the independent collection of QoS/QoE data by the OUR.

## **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 numbering resources, the activation of Jamaica's second area code, i.e. "658" and the handling of number portability related complaints and disputes.

### **The New 658 Area Code**

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) was activated in 2023-2024. The OUR has issued 23 Central Office Codes for this new area code as at the fourth quarter of the 2023-2024 fiscal year. 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. With the issuance of Central Office Codes under the 658 Area Code, it means that there could be two telephone numbers where the last seven digits are the same and the only distinguishing feature will be the area code, e.g., 658-123-4567 and 876-123-4567. As a part of its public education activities, the OUR continues to emphasize the importance of indicating all 10 digits when communicating telephone numbers.

### **Assignment of Numbering Resources**

Over the review period, the OUR assigned the following numbering resources:

- ◆ 25 mobile Central Office Codes (250,000 mobile numbers)
- ◆ 5 fixed Central Office Codes (50,000 fixed numbers)
- ◆ 5 Local Toll-free Numbers
- ◆ 41 Special Service Numbers (in the format 876-444-XXXX)

## **Operationalisation of Common Short Codes Scheme - Phase II**

Phase II of the operationalisation of the Jamaican Common Short Code Scheme (JCSCS) came into effect on 2023 May 1, giving fixed operators the ability to request assignments of short codes. In Phase I, eligible mobile operators were able to request assignments of six-digit codes under the 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 operationalise the JCSCS on a phased basis. 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 fairly and transparently. Where the value-added service is also a premium-rate service, consumers are expected to be advised 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 458,723 as at 2023 December 31, representing an increase of 3% compared to the similar period in 2022, which recorded 446,831 subscriptions.

**Table 36: Fixed Line Subscription ('000) & Penetration Rates (2014-2023)**

YEAR	SUBSCRIPTIONS		PENETRATION RATE
	TOTAL	RESIDENTIAL	BUSINESS
2014	253.50	180.10	73.40
2015	252.84	181.04	71.80
2016	310.21	234.99	75.22
2017-2018	347.67	274.99	72.68
2018-2019	368.49	297.83	70.66
2019-2020	398.31	329.33	68.98
2020	436.25	370.03	66.22
2021	473.62	408.78	64.84
2022	446.83	383.33	63.50
2023*	458.72	384.16	74.56

\*Data provided as at 2023 December 31

### Mobile Service

Mobile service subscriptions totalled three million two hundred and eighty-nine thousand, two hundred and fifty-two (3,289,252) as at 2023 December 31, representing a 10% increase when compared with the similar period in 2022.

**Table 37: Mobile Subscriptions ('000) & Penetration Rates (2014-2023)**

YEAR	SUBSCRIPTIONS		PENETRATION RATE
	TOTAL	PREPAID	POST-PAID
2014	3,005.49	2,851.09	154.4
2015	3,137.21	2,970.78	166.42
2016	3,267.34	3,085.09	182.26
2017-2018	3,107.12	2,910.54	196.58
2018-2019	2,988.74	2,783.87	204.87
2019-2020	2,966.88	2,746.53	220.35
2020	2,873.26	2,653.34	219.92
2021	2,905.41	2,673.75	231.66
2022	3,002.74	2,715.91	286.82
2023*	3,289.25	2,923.74	365.51

\*Data provided as at 2023 December 31

### Internet Service

Fixed broadband subscriptions stood at four hundred and forty-eight thousand, two hundred and sixty-six (448,266) as at 2023 December 31, representing a 6% increase over the previous period when it stood at four hundred and twenty-four thousand, seven hundred and forty (424,740). Regarding mobile broadband, these subscriptions reflected a 7% increase as at 2023 December 31 when compared to the similar period in 2022.

**Table 38: Distribution of Internet Subscription ('000) & Penetration Rates (2014-2023)**

YEAR	SUBSCRIPTIONS			PENETRA- TION RATE	
	TOTAL	FIXED NARROW- BAND	FIXED BROAD- BAND	MOBILE BROAD- BAND	
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%
2023*	2,459.43	---	448.27	2,011.16	89.95%

\*Data provided as at 2023 December 31

### Upcoming Projects/Activities

#### Projects Geared Towards Public Safety

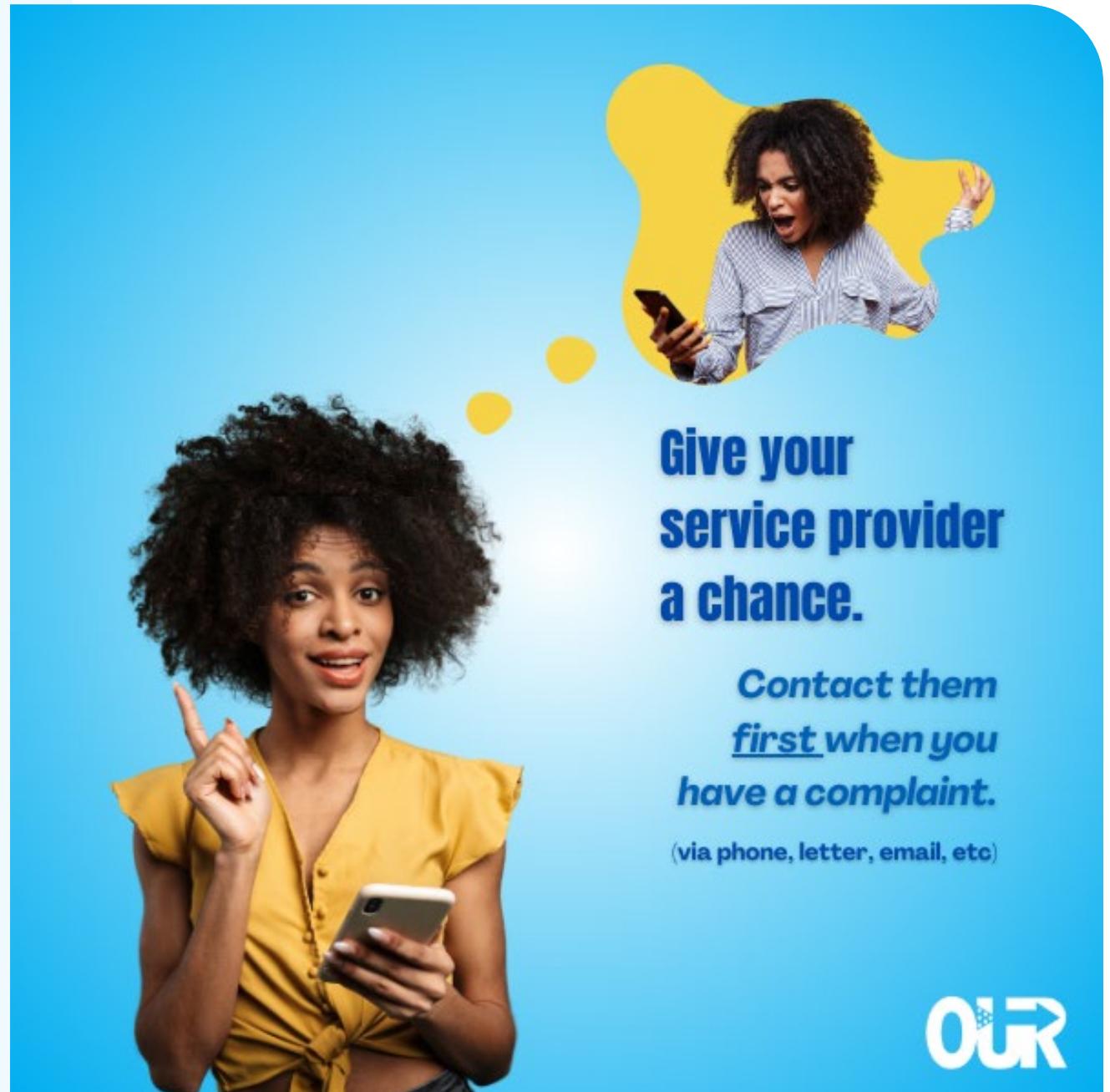
In 2018 the OUR presented the GOJ with recommendations for the enhancement of emergency service access in Jamaica. The recommendations discussed alternatives to the current approach aimed at improving the effectiveness, efficiency, and responsiveness of emergency services on the island. The OUR is pleased that the GOJ has accepted its recommendations and has launched a project to implement them. The project will result in the consolidation of all

call-taking and dispatching functions in a unified (physical and/or virtual) emergency communications centre. A key element in the enhancement of the system is the ability of first responders to identify the location of a caller. This can significantly reduce response time especially in rural areas where oftentimes there are no street names or numbers. It can literally save lives. In the upcoming year

the OUR will undertake initiatives aimed at ensuring that operators have the capability to provide timely and accurate device location of emergency callers to the emergency communication centre. To this end, the OUR will be undertaking a project geared at:

**Assessing the readiness of service providers to deliver Automatic Number Identification (ANI) and Automatic Location Information (ALI) with emergency calls.**

One of the critical components of a modernised emergency access service is the need for customer premises equipment connected to public telecommunication network, such as Private Branch Exchanges (PBXs), to be able to dispatch precise location data when persons are making calls from entities with multiple buildings, multi-levels/floors, and multiple public entrances etc. Section 57 of the Telecommunications Act stipulates that the OUR may make



**Give your service provider a chance.**

**Contact them first when you have a complaint.**

(via phone, letter, email, etc)



rules prescribing certification standards in relation to customer equipment. As such, another project that will be undertaken is the establishment of Certification Standards for Private Branch Exchanges (PBX) Equipment.

Activities related to these projects are anticipated to begin in the second quarter of the 2024-2025 fiscal year.

### **Review of Wholesale Telecommunications Markets**

Jamaican consumers need vibrant, competitive telecommunications markets, where operators compete against each other to earn consumers' trust and satisfaction with high-quality, affordable services. The level of competition in retail telecommunications markets and the differentiation between operators' service offerings will be dependent on the level of competition at the wholesale level. Where wholesale markets are not competitive, there is a need for regulatory intervention. The OUR will assess the wholesale segment of the telecommunications sector to determine if there has been any change in the relevant markets which were previously defined and whether additional markets now exist. The project will also assess which operators, if any, are to be classified as dominant in those markets or whether existing dominant operators should be reclassified as non-dominant. It will also look at possible remedies to prevent the abuse of a dominant position.

### **Review of Fixed and Mobile RIOs**

Having mandated interconnection, regulators still need to ensure that their rules are applied fairly. In most jurisdictions, this takes the form

of a requirement for dominant operators to develop a Reference Interconnection Offer (RIO), the contents of which must be approved by the regulator. The RIO provides a transparent basis for the negotiation and conclusion of all agreements for the provision of interconnection services that are subject to regulation. Currently, in the voice segment of the sector, there is an obligation on all mobile carriers and C&WJ fixed networks to submit their RIOs for the OUR's approval. While the traffic-related tariff portions of the Fixed and Mobile RIOs are automatically updated by the Determination Notices (the latest updates being 2021 and 2022, respectively), which set those rates, the other portions of the RIOs have not been updated since 2013. The review will examine the RIOs to determine the aspects which require updating given technological and other developments since the RIOs were developed.

### **Review of the Number Portability Framework – Phase 2**

The OUR will return the focus to its review of the Number Portability Framework during the fiscal year 2024-2025. The objective of the review is to ensure that as the market dynamics change, the porting regime is continually improved to ensure that it remains efficient, and that the integrity of the process remains uncompromised. Whereas Phase I of the review which was completed in 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.

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.

### **Development of 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 2024-2025 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 legislation/regulations.





Chenée Riley  
General Counsel



Lorraine Patterson Walters  
Legal Consultant



Wayne McGregor  
Senior Legal Counsel



Nicole Morgan  
Legal Counsel



Naomi Watkins  
Legal Officer

## Overview

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 input 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 Telecommunications and Transport (MSETT) and Economic Growth and Job Creation (MEGJC) and to Joint Select Committees of Parliament on various general and sector-specific policy and legislative matters. In particular, the OUR provided feedback and recommendations on the Parliamentary reviews of the Electricity Act 2015 and the Protected Disclosures Act, 2011, the draft national energy policy, and a draft study on the regulatory assessment of the water sector. The OUR also finalised rules to govern quality of service and dispute resolution in the telecommunications sector.



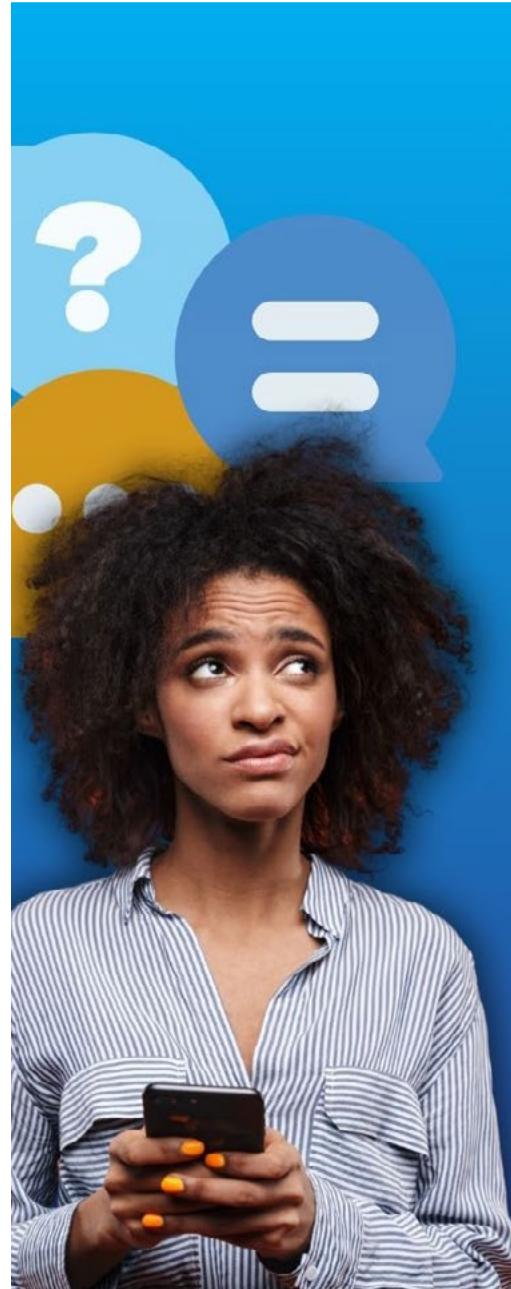
*...the OUR provided feedback and recommendations on the Parliamentary reviews of the Electricity Act 2015 and the Protected Disclosures Act, 2011...*

## Litigation Matters

From 2023 April to 2024 March, our legal officers managed eight litigation matters which had been filed in the Court of Appeal, Supreme Court, Telecommunications Appeal Tribunal established under the Telecommunications Act (TAT), and the Electricity Appeal Tribunal established under the Jamaica Public Service Company Limited's (JPS's) Electricity Licence, 2016 (the EAT). Seven of the matters were carried over from previous periods, and one new matter was filed with the TAT by Cable & Wireless Jamaica Limited (C&WJ).

During the period under review, two matters involved activities related to the pursuit of outstanding costs or judgment debts, four matters have been in abeyance pending the constitution of a new EAT, one matter has been in abeyance pending the constitution of the TAT, and the OUR closed its files for the remaining matter.

The new matter filed with the TAT relates to the OUR's Telecommunications (Infrastructure Sharing) Rules 2022 (the Rules), which came into force on 2023 February 1. C&WJ requested that the implementation of the Rules be stayed for various reasons. The OUR refused the request for a stay, with the exception that an extension of time was granted to carriers until 2024 January for the submission of their reference access offers in keeping with the requirements of the Rules. By Notice of Appeal filed with the TAT on 2023 July 21, C&WJ appealed the decision of the OUR not to stay the implementation of the Rules. The appeal has been in abeyance pending the constitution of the Tribunal.



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# Information Technology & Risk Department (ITR)



**Leighton Hamilton**  
Director, Information  
Technology and Risk



**Otis Anderson**  
Manager, Information  
Technology and Risk



**Peter Johnson**  
Manager, Project Management



**Sheldon Lecky**  
Information Systems Security  
Officer



**Renaldo Davis**  
Solution Developer

The Information Technology and Risk Department (ITRD) continued to ensure the OUR's information technology infrastructure was fit for purpose in the period 2023 April to 2024 March. The ITRD continues to ensure that the organisation uses the technology it needs and requires for its activities and projects in delivering its mandate.

The ITRD ensured that all staff members of the OUR have the appropriate technology to aid them in performing their roles and responsibilities efficiently and effectively with the deployment of hardware and secure solutions. The major activities performed during the period were:

- a. Replacing obsolete equipment, primarily laptops and servers that have reached the end of life, to reduce the possibility of interruption in the organisation's operations.
- b. Continued review and action to mitigate cyberattacks on the OUR's information technology infrastructure. This includes an aggressive programme to make users more security conscious and protect against system intrusion. As a result, there was no downtime of information technology services during the period.
- c. The development of an online filing platform and integrated database to improve the receipt of regulatory document requests from licensees. The ITRD continued 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 System (EDRMS).

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 the OUR stakeholders.

### Quality Management System (QMS)

The organisation continued to maintain its certification against the ISO 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 the emphasis on delivering measurable quality service to them and the Jamaican consumer.

The activities undertaken during the 2023-2024 fiscal year facilitated our success and included, among other things:

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

In the 2024-2025 fiscal year, the OUR will look to maintain its certification against ISO 9001:2015 Quality Management System standard through a recertification audit.

### 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 were used to complement and enhance the quality management system.



The image is a promotional graphic for a workshop. At the top, there is a photograph of a telecommunications tower with a large satellite dish against a blue sky with clouds. Below the photo, the text reads "OUR OFFICE OF UTILITIES REGULATION" and "Regulating Utilities for the Benefit of All". The main title of the event is "You are invited to the: SMALL LICENSEES WORKSHOP TELECOMS EDITION". The event details are listed as follows:

- THURSDAY, 2024 MARCH 7
- 9:00 AM - 1:00 PM
- VIA ZOOM

Below the event details, there is a call to action: "Register here by 2024 February 26 to get your direct link: <https://bit.ly/SmallTelcosWorkshop2024>". To the right of the text, there is a blue circular icon with a white question mark inside, followed by the text "Queries? Contact [publicaffairs@our.org.jm](mailto:publicaffairs@our.org.jm) or 876-322-7539. We look forward to seeing you!"

# Human Resource & Administration Department (HRA)



**Caphanne March**  
Director, Human Resource & Administration

**Shanique Nunes**  
Manager, Human Resource

**Ingrid Brown Cripps**  
Manager, Property & Office Services

**Nova Barnett**  
Manager, Public Procurement

**Lyndon Adlam**  
Manager, Records & Information Management

**Roxan Jackson**  
Senior Records and Information Management Officer

The Human Resource and Administration Department (HRA) is responsible for providing human resource/people management services and other support services including, general administration, procurement, records and information management, as well as fleet, and office and facilities management. The department's people focus is a key component in the accomplishment of the strategic objectives of the OUR. Consequently, during the period under review the human resource and administration team remained committed to providing quality service and creating an environment where employees can develop and increase their productivity while achieving organisational goals.

## Talent Acquisitions, Promotions and Separations

There were four (4) new hires, five (5) promotions, and six (6) separations over the 2023-2024 period. The talent acquisitions included the posts of Director of Human Resources and Administration, Regulatory Policy Specialist, Public Procurement Administrator, and Administrative Assistant. Five (5) employees were promoted internally to the positions of Deputy Director-General, Senior Public Procurement Officer, Consumer Affairs Officer, Administrative Assistant, and Records Information Management Officer. The positions that became vacant due to resignations were Director of Human Resources and Administration, two (2) Administrative Assistants, Helpdesk Coordinator/Graphic Officer, Senior Public Procurement Officer, and Regulatory Analyst.

## Capacity Development Initiatives

Capacity development remained important to the success of the organisation and as such members of staff participated in different initiatives, including:

Pearson Vue – Cisco Certified Network Associate Certification	International Telecommunication Union (ITU) – Meeting of Expert Group on Telecommunication/ICT Indicators	International Law Institute (ILI) – Procurement Audit	Institute of Chartered Accountants of Jamaica (ICAJ) - Taxation
IBI /FORUM – Certificate, Risk Based Auditor Course	CARILEC/CAREC – Workshop and Conference 2023	Visual Studio Live	Jamaica Employers' Federation – Customer Service Training
American Registry of Internet Numbers (ARIN) - Public Policy Meeting	ARMA International Information Conference 2023	ITU – T Study Group 12 Regional Group for the Americas	Jamaica Association of Administrative Professionals – Annual Convention
Caribbean Renewable Energy Forum (CREF) 2023	Caribbean Telecommunications Union (CTU)/ICT Week 2023	US Department/ CREF – Powerhouse Capstone Event	INPRI – Public Procurement Series
United States Telecommunication Training Institute (USTTI) – Emergency Communications Training Sequences	Annual Caribbean Water and Wastewater Association Conference 2023	ILI – 2024 Understanding, Drafting and Negotiating Contracts	Sympai Consulting - Caribbean Data Summit; Certified Information Privacy
International Association of Business Communicators (IABC) Conference	Caribbean Energies & Investment Summit 2023	Blue Planet Alliance's Fellowship Programme – Caribbean Climate Smart Accelerator	HR Dynamix – Inventory & Warehouse Management Techniques
International Telecommunication Union (ITU) – Global Symposium for Regulators	ITU – Role of Telecommunications in Disaster Preparedness, Response and Recovery	53rd PURC/World Bank International Training Programme	Jamaica Customer Service Assn – International Customer Service Certification Programme
USEA/USAID – Improving Cybersecurity and Digitalisation for Energy Sector	Cengage Learning – Certified Information Systems Security Professional (CISSP)	ICAJ Annual International Financial Reporting Standards (IFRS) Workshop	Institute of Internal Auditors – General Audit Management Conference
CANTO's 38th Annual Conference	National Association of Regulatory Utility Commissioners (NARUC) Policy Summit	UWI Open Campus – Supervisory Management; Computer Graphics	MIND – Lead with Emotional Intelligence; Strategic Human Resource Management
(ICER) – 8th World Forum on Energy Regulation	Caribbean Centre for Renewable Energy – Right Sizing Electricity	ACURIL Conference 2024	ICAJ – Data Protection Compliance
HR Concepts – Winning Disciplinary Hearings and Protocols for transitioning staff from fixed term contract to Permanent workers			

In addition to the capacity development programmes undertaken, the HR and Administration Department reactivated its Skills Bank database to aid in enhancing workforce and succession planning.



**Jade-Anne James**  
Senior Public Procurement Officer

**Venetia Cooke**  
Records & Information Officer

**Rolando Johnson**  
Records & Information Management Officer

**Danielle Fray**  
Public Procurement Administrator

**Schwannah Langley**  
Records Clerk

**Lorraine Baker**  
Telephone Operator/ Receptionist

## Staff Compensation

The matter of improved remuneration for OUR's staff which has been pending for a number of years was consequently addressed on the conclusion of the overall public sector salary restructuring exercise. Approval was therefore, granted by the MOFPS in November 2023 for the implementation of the new salary scales developed for the organisation. These rates are applicable for 2022 April 1 to 2025 March 31, meaning there was a significant retroactive component. The relevant retroactive payments to staff were facilitated in 2024 January. The effect of this on the OUR's finances are reflected elsewhere in this report.

## Performance Management

The organisation ensured that employees were actively engaged in the strategic planning process through various sessions facilitated during the year. The HR and Administration Department continued to improve the performance management system by ensuring that employees' work plans and performance targets were aligned with the entity's corporate goals and objectives.

## Procurement

The Procurement Unit continued to ensure that all procurement activities were conducted in accordance with prescribed Government of Jamaica guidelines and regulations. Timely Quarterly Contract Awards (QCA) reports and requests for information were submitted to the Integrity Commission and the Ministry of Finance and the Public Service.

During the 2023-2024 period, 21 contracts were awarded, 16 of which were above J\$500,000.

Of the total number of contracts awarded, 15 were for consulting services and six (6) for goods.

## Records and Information Management (RIM)

The RIM Unit continued to support the management and control of documented information held by the OUR. The Unit provided a framework for the standardised management of paper-based, digital, and electronic documents and records under the company's Quality Management System (QMS). The unit contributed to the regulatory framework and life cycle principles of records and information management while enabling the continuous improvement of the company's forms, manuals, policies, procedures, templates, and guidelines.

## Access to Information (ATI) Act Requests

One (1) request was received concerning a response received from a utility provider. Partial grant of access was provided. All required monthly and quarterly reports were submitted to the Access to Information Unit.



**Kadine Williams**  
Administrative Assistant



**Granville McKoy**  
Security Officer/Driver



**Adeka Minns**  
Driver/Messenger



**Joan Baily Banton**  
Office Attendant



**Loretta Townsend**  
Office Cleaner

## Protected Disclosures Report

No disclosure was received during the period. All required monthly reports were submitted to the Integrity Commission.

## Outlook

The HR and Administration Department will continue to develop and enhance its processes and services to ensure continuous improvement toward increased customer awareness, satisfaction, and engagement. To this end, it will continue to focus on and improve initiatives related to talent acquisition, development of various policies and procedures, capacity development, performance management, succession planning and management, employee engagement, satisfaction and well-being, procurement of goods, general and consultancy services, general administration and records and information management. The aim is to utilise technology to enhance processes where applicable and facilitate employees working smarter. The department also seeks to ensure the protection of its stakeholders data.

For the 2024-2025 period, the department plans to introduce and revise/update a number of existing policies and procedures, including developing and implementing the Succession Policy and Procedures, Anti-Harassment and Discrimination Policy, revision of the Personnel Policy and Procedural Manual, and completion and implementation of the Sexual Harassment Procedures and the Flexible Work Arrangement Policy and Procedures.

The department will also continue to comply with government regulations, especially relating to public procurement, as well as continue the timely submission of the monthly reports to the Jamaica Archives & Records Department (JARD) and the Integrity Commission.



*For the 2024-2025 period, the department plans to introduce and revise/update a number of existing policies and procedures.*

# Finance



Duhaney Smith  
Financial Controller

Renae Gayle  
Budget Officer

Laverne Small  
Accountant

Carol Crooks  
Financial Consultant

Shavouy Drake Thomas  
Senior Accounting Clerk

Shekeva Miller  
Senior Accounting Clerk

Over the past year the Finance Department faced a series of challenges, with team members having to use their experience and skills to provide support for various initiatives and staff-related activities relating to compensation adjustments and management. The team's hard work was duly recognized by the organisation's executive management, and we express our sincere appreciation and gratitude for the kindness shown.

**Table 39: Ten-Year Statistical Highlights**

Ten-Year Statistical Highlights	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUE, EXPENSES, AND NET (DEFICIT)/SURPLUS - '\$000</b>										
<b>Gross Revenue</b>	1,119,376	1,027,876	965,153	876,291	850,967	811,904	771,608	764,976	704,098	588,526
<b>Regulatory Fees</b>	1,084,138	993,252	948,379	860,434	829,202	798,614	740,302	738,366	669,205	559,082
<b>Deferred Income</b>	(20,715)	37,022	(118,505)	(15,370)	(39,693)	(14,315)	(18,786)	(23,600)	-	-
<b>Discount Allowed</b>	(162)	(99,838)	(101,622)	(60,634)	-	-	-	-	-	-
<b>Administration and Other Expenses</b>	(1,544,173)	(992,197)	(806,892)	(814,746)	(843,464)	(733,109)	(716,913)	(746,021)	(594,605)	(560,297)
<b>Staff Costs</b>	(1,229,789)	(727,008)	(593,811)	(594,418)	(613,362)	(530,579)	(495,459)	(482,219)	(418,948)	(370,290)
<b>Net (Deficit)/Surplus</b>	(445,674)	(27,137)	(61,866)	(14,459)	(32,190)	64,480	35,909	18,955	109,493	28,229



Ten-Year Statistical Highlights (continued)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>BALANCE SHEET EXTRACTS - '\$000</b>										
<b>Total Assets</b>	752,002	986,795	983,633	929,902	868,670	730,253	772,863	757,705	790,633	639,646
<b>Receivables</b>	206,456	97,616	95,338	131,415	100,543	70,412	153,081	91,989	127,437	120,802
<b>Trade Receivables Before Credit Loss Provision</b>	214,653	92,791	76,843	137,171	113,921	77,294	124,118	72,334	120,997	153,797
<b>Short Term Investments, Cash and Cash Equivalents</b>	208,859	783,213	785,541	662,850	617,222	577,701	487,412	488,738	523,969	376,100
<b>Reserves</b>	(216,050)	336,870	346,584	421,997	365,190	430,069	400,260	570,314	554,156	458,615
<b>Payables</b>	279,890	310,411	243,029	215,050	171,762	129,633	152,000	123,024	172,110	116,664
<b>FINANCIAL RATIOS</b>										
<b>Year End Trade Receivables/Regulatory Fees</b>	19.80%	9.34%	8.10%	15.94%	13.74%	9.68%	16.77%	9.80%	18.08%	27.51%
<b>Administration and Other Expenses/Regulatory Fees</b>	142.43%	99.89%	85.08%	94.69%	101.72%	91.80%	96.84%	101.04%	88.85%	100.22%
<b>Staff Costs/Administration Costs</b>	79.64%	73.27%	73.59%	72.96%	72.72%	72.37%	69.11%	64.64%	70.46%	66.09%
<b>Staff Costs/Regulatory Fees</b>	113.43%	73.19%	62.61%	69.08%	73.97%	66.44%	66.93%	65.31%	62.60%	66.23%
<b>OTHER DATA</b>										
<b>Financial Year-end Exchange Rate US\$1.00 = J\$</b>	154.70	149.96	152.38	146.58	135.39	126.47	125.98	128.67	122.04	115.04
<b>Inflation Rate Year Over Year</b>	5.56%	6.19%	11.30%	5.18%	4.81%	3.39%	3.94%	4.09%	2.96%	3.96%
<b>Number Of Staff</b>	74	76	71	70	72	69	72	72	72	69
<b>MAJOR CONTRIBUTORS TO REVENUE (SECTORS)</b>										
<b>Telecommunications</b>	37%	44%	41%	41%	42%	42%	40%	43%	42%	44%
<b>Electricity</b>	39%	36%	37%	37%	35%	40%	42%	41%	42%	40%
<b>Water</b>	24%	20%	22%	22%	23%	18%	18%	16%	16%	16%

As a result of the compensation movements which flowed directly from the successful completion of the government's public sector compensation review exercise, Staff Costs surged by 69.2%, rising from \$727.0 million to \$1,299.8 million, reflecting salary adjustments covering three fiscal years, approximately two of which, are reflected in the current year's reported figures.

Administrative Expenses also significantly increased by 18.6% from \$265.2 million to \$314.4 million. The organisation's strategic decision to fund the retroactive salary increases from existing cash and cash equivalent resources rather than look to the regulated entities, directly contributed to the seismic impact on the balance sheet. Retained earnings were wiped out by current year's deficit, and Short-Term Investments and Cash and Cash Equivalents saw significant reductions of 78.4% and 69.9%, respectively, falling from a combined total of \$783.2 million to \$208.9 million, a decline of 73.3%.

The deficit of \$445.7 million as revealed in the year-end financial statements results from Total Revenues of \$1,098.5 million versus Total Costs of \$1,544.2 million. Various IAS 19 pension valuation related adjustments, contributed to the accumulated deficit at the year-end of \$195.4 million, and overall negative reserves of \$216.1 million.

The department's effort to collect outstanding regulatory fees continued, however the late billing of finalised fees (totalling \$95.8 million) led to a substantial outstanding amount of \$214.7 million, in Trade Receivables. Despite this, Total Assets, though boosted by Right-of-Use Asset's net book value of \$261.3 million (prior year - \$19.4 million) showed a reduction of \$234.8 million or 23.8%. The decrease in Current Assets, which fell by \$465.5 million, reflected the use of cash resources to meet retroactive salaries obligations and benefits due to the compensation review. The reduction in current assets coupled with the increase in current liabilities, created a net current liability position as at year-end.

As in previous years, the organisation maintained fiscal discipline whilst it executed its mandate of providing regulatory oversight to the utility sectors within the approved budget. At the year-end, notwithstanding, the financial statements reflected a comprehensive loss of \$552.9 million (2022/2023 - \$9.7 million) after the net deficit of \$445.7 million (2022/2023 \$27.1 million) was adjusted by the remeasurement of the defined benefit pension plan. The comprehensive loss is primarily due to the multi-year salary adjustments, which strained the organisation's cash and cash equivalents. Senior management closely manages the cash position on a day-to-day basis, and improvements have already been observed since the end of the fiscal year.

## Income

**Table 40: Income and Expenditure Summary**

	2024 \$'000	2023 \$'000
<b>Net regulatory fees</b>	1,063,261	930,436
<b>Processing fees</b>	(40)	1,300
<b>Other operating income</b>	676	3,716
<b>Interest income</b>	34,602	29,608
	1,098,499	965,060
<b>Staff Costs</b>	(1,229,789)	(727,008)
<b>Other administrative and other expenses</b>	(314,384)	(265,189)
	(1,544,173)	(992,197)
<b>NET DEFICIT</b>	<b>(445,674)</b>	<b>(27,137)</b>

**Table 41: Total Income**

	2024 \$'000	2023 \$'000
<b>Regulatory fees</b>	1,084,138	993,252
<b>Processing fees</b>	(40)	1,300
	1,084,098	994,552
<b>Deferred income</b>	(20,715)	37,022
<b>Discounts allowed</b>	(162)	(99,838)
<b>Operating Income</b>	1,063,221	931,736
<b>Interest income</b>	34,602	29,608
	1,097,823	961,344
<b>Other operating income</b>	676	3,716
	<b>1,098,499</b>	<b>965,060</b>

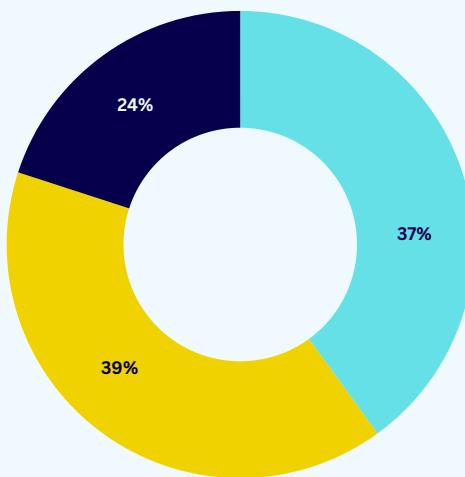


Total income increased by 13.8% year over year, moving from the prior year's \$965.1 million to the current financial year's \$1,098.5 million, and comprises operating income of \$1,063.2 million (2022-2023 - \$931.7 million) a 14.1% increase, net of deferred income and discount allowed of \$20.7 million transferred to reserve (2022-2023 - \$37.0 million taken to income) and \$162K (2022-2023 - \$99.8 million), respectively.

**Figure 15: Sector Contribution to Regulatory Fees**

■ TELECOMMUNICATIONS ■ ELECTRICITY

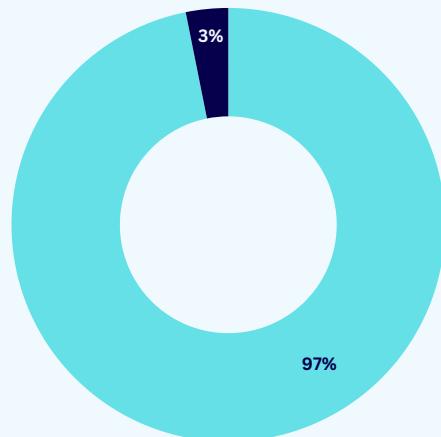
■ WATER



**Figure 16: Gross Revenue**

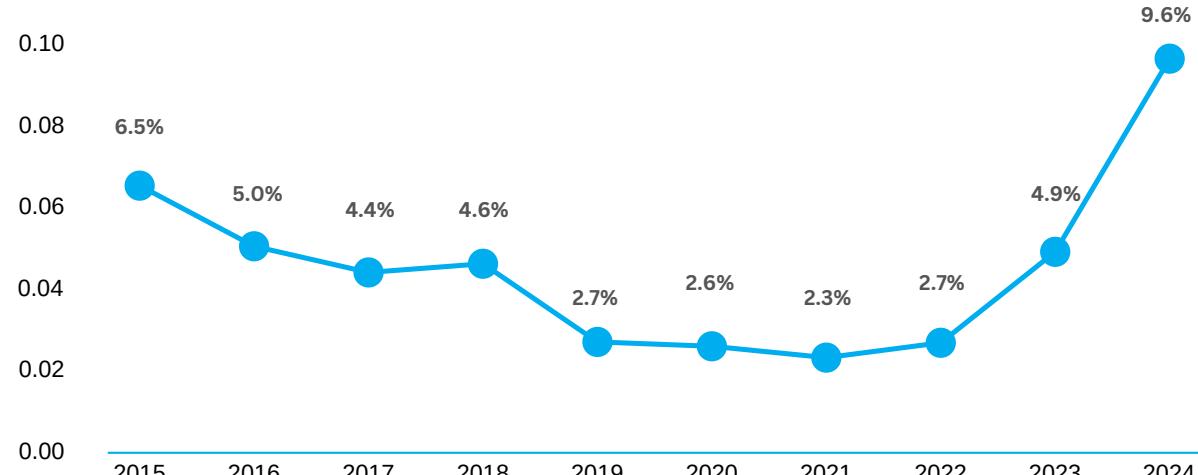
■ GROSS REGULATORY FEES

■ OTHER INCOME



Net regulatory fees, the major component of total income, was \$1,063.3 million after discount allowed and deferred income, a growth of 14.3% compared to the prior year's \$930.4 million. The contributions from the various sectors to regulatory fees for the financial year are as follows: Telecommunications - 37% (2022-2023 - 44%); Electricity - 39% (2021-2022 - 36%); Water - 24% (2021-2022 - 20%).

**Figure 17: Average Annual Return on Investments**



Interest income of \$34.6 million (2022-2023 \$29.6 million) represents earnings from investments at various financial institutions. Average annual returns on investments have increased by 470 basis points, year over year, from 4.9% to the current 9.6%. This is the highest average rate of return since the 2014-2015 figure of 6.5%. However, the organisation has used approximately 85% of its investment during the financial year to meet retroactive salaries and benefits obligations and thus will see much lower returns soon.

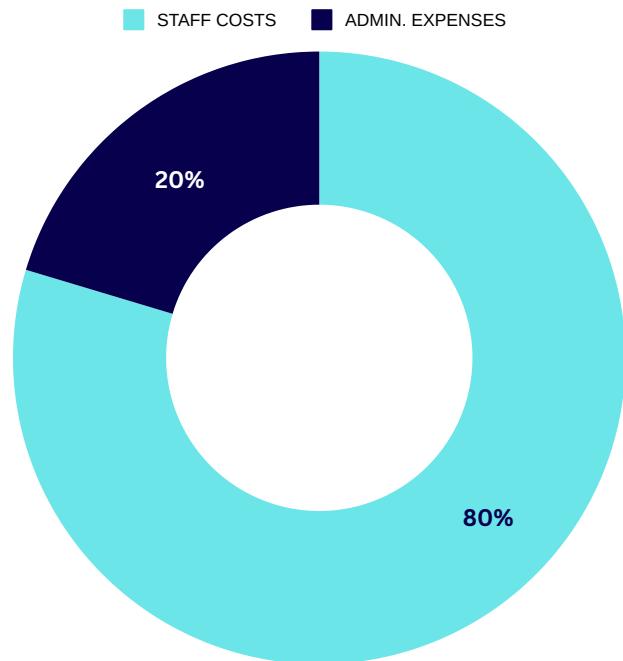
### Administration and Other Expenses (Including Staff Costs)

Management continued to use the 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 helped to restrict the increase in administration and other expenses compared to the previous year despite the deleterious effect on cash resources and higher costs due to the compensation adjustments.

**Table 42: Administrative and Other Expenses (Including Staff Costs)**

	2024 \$'000	2023 \$'000
<b>Staff Costs</b>	1,229,789	727,008
<b>Administrative Expenses</b>	314,384	265,189
<b>1,544,173</b>	<b>992,197</b>	

**Figure 18: Administrative and Other Expenses (\$'000)**



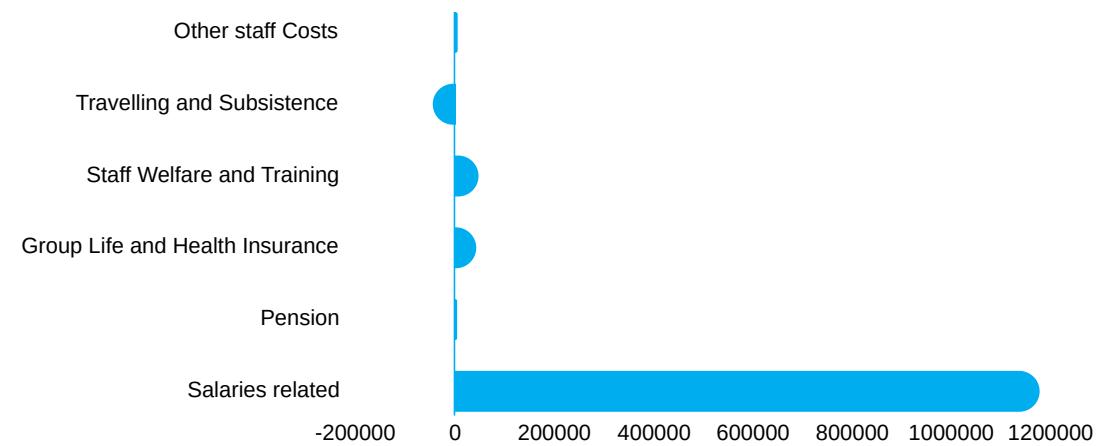
Total expenses for the financial year of \$1,544.2 million reflect an increase of 55.6% over the previous financial year's \$992.2 million. Staff Costs represent 79.6% (2022-2023 - 73.3%) of total expenses, and at \$1,229.8 million (2022-2023 - \$727.0 million), show an increase of 69.2% over the previous financial year.

## Staff Costs

**Table 43: Staff Costs**

	2024 \$'000	2023 \$'000
<b>Salaries related</b>	1,176,844	553,170
<b>Pension</b>	3,845	22,700
<b>Group Life and Health Insurance</b>	42,355	33,960
<b>Staff Welfare and Training</b>	47,012	65,447
<b>Travelling and Subsistence</b>	(45,187)	51,018
<b>Other staff Costs</b>	4,920	713
	<b>1,229,789</b>	<b>727,008</b>

**Figure 19: Staff Costs**



The increases in elements of Staff Costs over the previous financial year are primarily seen in Salaries and Related Expenses resulting from retroactive salary payments, Group Life and Health Insurance based on renegotiated contracts, and Other Staff Costs. There have been decreases in Pension Costs, reflecting IAS 19 valuation adjustments based on the organisation's defined benefit pension plan, Staff Welfare and Training as a result of cost control measures, and Travelling and Subsistence where travelling costs were absorbed into salaries as part of the public sector compensation adjustment exercise.



## Administrative and Other Expenses (Excluding Staff Costs)

Administrative and other expenses excluding staff costs is 20.4% (2022-2023 26.7%) of total expenses, and at \$314.4 million reflects a net increase of 18.6% compared to the prior financial year's \$265.2 million.

**Table 44: Admin. Expenses Showing Notable Increases Over Prior Year**

	2024 \$'000	2023 \$'000
Bad debts written off/(recovered)	7,848	(1,953)
Public relations	7,563	6,514
Stationery, printing, and postage	1,012	436
Legal and professional fees	36,558	28,532
Depreciation and Amortization	77,944	36,718
Interest expense - right-of-use-asset	19,283	7,281
<b>150,208</b>	<b>77,528</b>	

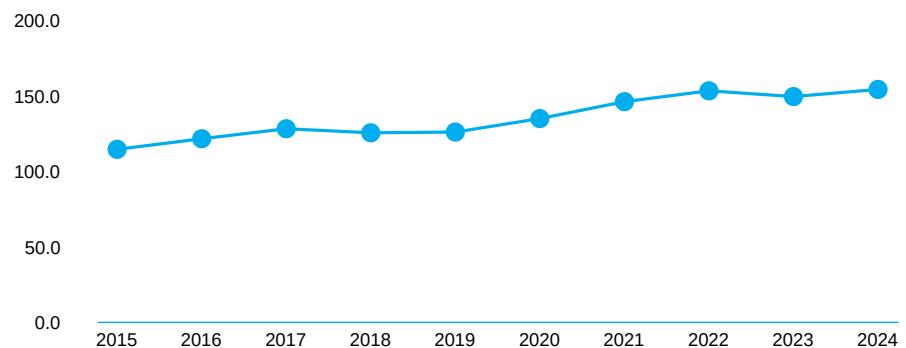
**Table 45: Admin. Expenses Showing Notable Reductions Over Prior Year**

	2024 \$'000	2023 \$'000
Covid utility grant	-	224
Audit Fee		
Projects	44,571	62,514
Amortization of intangible asset	8,483	9,555
Repairs and maintenance	7,923	9,531
Foreign exchange (gain)/loss	(1,896)	2,357
Loss on disposal of fixed asset	-	(2,258)
Advertising and promotion	221	943
<b>59,302</b>	<b>82,866</b>	

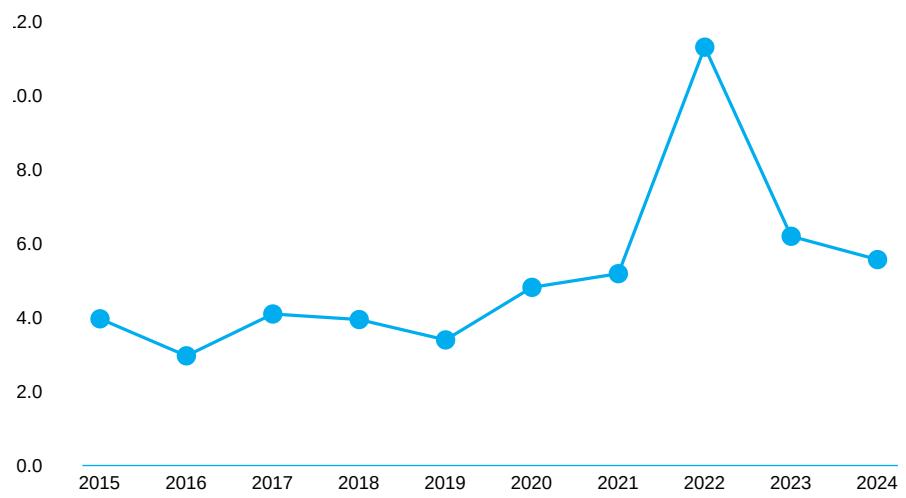
Notable increases in expenses which had a significant impact on Administration Expenses occurred primarily in Legal and Professional Fees, Bad Debts Written Off/(Recovered), and Stationery, Printing, and Postage based on operational activities. Increases in Depreciation and Amortisation, and Interest Expense – Right-Of-Use-Asset are

attributable to IFRS 16 Leases adjustments. The increases were offset, primarily, by reductions in Projects expenditure, Amortisation of Intangible Asset, and Forex (Gain)/Loss, which turned around from a loss in the previous financial year, to a gain in the current year.

**Figure 20: Financial Year's Forex Movements (J\$ vs. US\$)**



**Figure 21: Financial Year's Inflation Rates**



## Assets

The organisation's Total Assets at \$752.0 million reflects a significant 23.8% fall over the previous financial year's \$986.8 million, due mainly to 235.3% growth in non-current assets from \$98.1 million to \$328.8 million caused primarily by an increase of 1,245.4% increase in the Right-Of-Use-Asset from \$19.4 million to \$261.3 million because of IFRS 16 Leases adjustments. The increase in Non-Current Assets was offset by the fall in Current Assets from \$888.7 million to \$423.2 million as a result of the organisation's use of cash resources to settle retroactive payments arising from approved government compensation changes. Receivables at \$206.5 million dominate current assets and are primarily made up of retro-billed amounts of approximately \$95.8 million. Management has implemented measures to avoid the late billing of significant sums to the regulated entities which tended to occur as a result of delays in receiving relevant information to finalise the regulatory fees billing process. The measures adopted include estimated billing of regulatory fees for the applicable billing periods after the budget has been approved.

## Reserves and Liabilities

Reserves at negative \$216.1 million (2022-2023 - \$336.9 million positive), show a decrease of 164.1% partially due to the current year's Net Deficit of \$445.7 million (2022-2023 - \$27.1 million deficit) and net IAS 19 pension valuation adjustments, Remeasurement of Defined Benefit Pension Plan, of negative \$107.2 million (2022-2023 - \$17.4 million positive).

The organisation's total liabilities increased by 48.9% to \$968.1 million from the \$649.9 million which existed at the prior year end. Payables at \$279.9 million (2022-2023 - \$310.4 million) represent 28.9% (2022-2023 - 47.8%) of total liabilities, and deferred income at \$327.8 million (2022-2023 - \$307.1 million) 33.9% (2022-2023 - 47.3%). The change in deferred income reflects a net increase in the value of projects deferred to the following year for completion.

Lease liability - non-current portion, increased notably from \$6.6 million to \$96.0 million. The change is due to conventional accounting requirements and IFRS 16 Leases, and reflects accrued lease liabilities for the current, and lease obligations for the upcoming, fiscal years.

“

**Integral to the development of orderly and prosperous societies are organizations that support, regulate, and hold accountable providers of essential goods and services.**

-Ansord E. Hewitt, Director-General, OUR  
"Mission-Focused: The OUR's Purpose and Impact"  
Published in the Sunday Gleaner, 2023 September 17

 [our.org.jm](http://our.org.jm)



OUR

# Internal Audit (IA)

The Internal Audit Unit provides independent and objective assurance of the OUR's operations. It aims to foster improved effective internal controls, risk management, and corporate governance using a systematic and disciplined approach. IA's independence is maintained by reporting directly to the Office's Audit Committee on audit issues.



Hope James  
Chief Internal Auditor

K. Antonio Mullings  
Internal Auditor

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 has the responsibility to schedule, plan, and execute these audits according to the QMS ISO 9001:2015 Standard. These audits are categorised as Process Audits. With the oversight of the Unit, the OUR maintained its certification to the ISO 9001:2015 Standard. During the 2023-2024 period, there were two (2) externally conducted Process Audits under the QMS.

The OUR maintained its ISO 9001:2015 certification following a thorough examination of its processes. The OUR has the distinction of being one (1) of the few regulatory bodies worldwide to have attained this international accreditation.

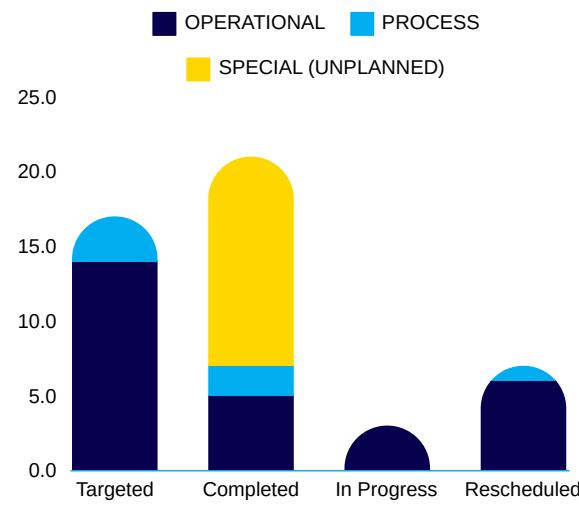
Operational Audits were planned with inputs from the Director-General and the Office's Audit Committee. Special Assignments were unknown at the planning and scheduling stage of the financial year and executed as requested by or through the Director-General and/or the Audit Committee.

During the financial year, Internal Audit was engaged in several Special Assignments. The Chief Internal Auditor was co-opted to the Compensation Review Committee which culminated deliberations in 2023 November. In the second half of the financial year, Internal Audit also saw significant activities mainly the verification of payments and the participation on the Data Protection Oversight Committee, tasked to implement the Data Privacy Framework within the OUR.

For the financial year 2023-2024, the Unit scheduled seventeen (17) assignments. Completed assignments totalled twenty-one

(21), or 24% more than the target of seventeen (17). The completed Operational and Process Audit assignments were 36% and 67% of their respective targets. The scheduled audits were impacted by the Special Assignments during the year. As a result, three Operational Audits were in progress, while six were rescheduled at the end of the financial year. There were fourteen (14) Special Unplanned assignments.

**Figure 22: Audit assignments planned and completed 2023-2024**



**Table 46: Audit assignments planned and completed 2023-2024**

Types of Assignments	Targeted Assignments 2023-2024	Completed Assignments	In Progress	Rescheduled Assignments
Operational	14	5	3	6
Process	3	2		1
Special (Unplanned) Activities		14		
<b>Total</b>	<b>17</b>	<b>21</b>	<b>3</b>	<b>7</b>

Throughout the year, the Internal Audit Unit continued to inform the Audit Committee and Director-General on audit matters through quarterly and monthly meetings respectively.

*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.*

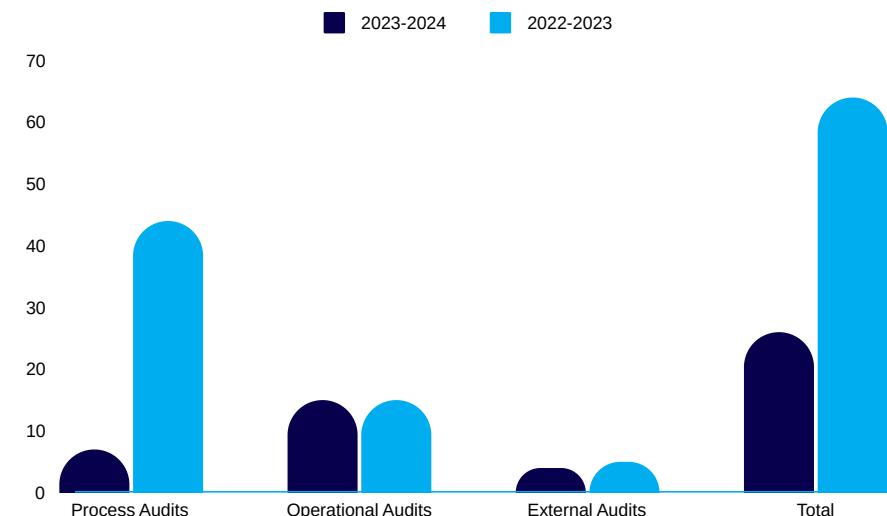


Audit queries and findings in 2023-2024 totalled twenty-sixty (26), representing a reduction of 59% from the 64 raised in the previous year. Process and External audits showed decreases with Operational Audit Findings remaining constant. These reductions represent an improvement in the systems of controls for the respective areas.

**Table 47: Audit queries and findings raised.**

Audit Categories	Audit Findings Raised			
	2023-2024	2022-2023	Variance	Percentage Variance
Process Audits	7	44	-37	-84%
Operational Audits	15	15	0	0%
External Audits	4	5	-1	-20%
<b>Total</b>	<b>26</b>	<b>64</b>	<b>-38</b>	<b>-59%</b>

**Figure 23: Audit queries and findings raised**



During the 2023-2024 financial year, the Internal Audit Unit monitored 139 cumulative findings of which 26 were raised in 2023-2024 and 113 were brought forward from previous years.

Fifty percent or 13 findings raised in 2023-2024 were resolved while 46% or 52 of those brought forward from prior years were resolved in 2023-2024.



**Table 48: Resolution of audit findings 2023-2024**

2023-2024	Process Audits (ISO 9001)	Percentage Resolved	Operational Audits	Percentage Resolved	External Audits	Percentage Resolved	Total Issued	Percentage Issues Resolved
<b>Total Findings:</b>	1		15		4		26	
<b>Issued</b>		14%		73%		25%		50%
<b>Resolved</b>	1		11		1		13	
<b>Brought Forward</b>								
<b>From previous years</b>	65	31%	15	80%	33	61%	113	46%
<b>Resolved</b>	20		12		20		52	

The Director-General and Audit Committee reviewed audit findings through monthly and quarterly audit reports. Resolution and implementation of Internal Audit's findings have contributed to improved policies, procedures, and processes throughout the OUR.

OUR's Internal Audit Universe spans thirty-six (36) months. Thirty percent (30%) of the Audit Universe was covered in 2023-2024.

**Table 49: Audit coverage completed vs the audit universe.**

	Audit Universe 36-Month Plan	Completed 2023-2024	Percentage Covered
<b>Process</b>	5	3	60%
<b>Operational and other non-process activities</b>	38	10	26%
<b>Total</b>	<b>43</b>	<b>13</b>	<b>30%</b>

Fifty-seven percent (57%) of the Audit Universe planned for 2023-2024 was covered as shown in Table 50.

**Table 50: Audit Universe coverage planned and completed for 2023-2024.**

	Scheduled for 2023-2024	2023-2024 Audit Universe	Percentage of Schedule Completed
		Completed in 2023-2024	
<b>Process Audits</b>	4	3	75%
<b>Operational Audits</b>	19	10	75%
<b>Total</b>	<b>23</b>	<b>13</b>	<b>57%</b>

### Productivity of Internal Audit Unit by Comparison

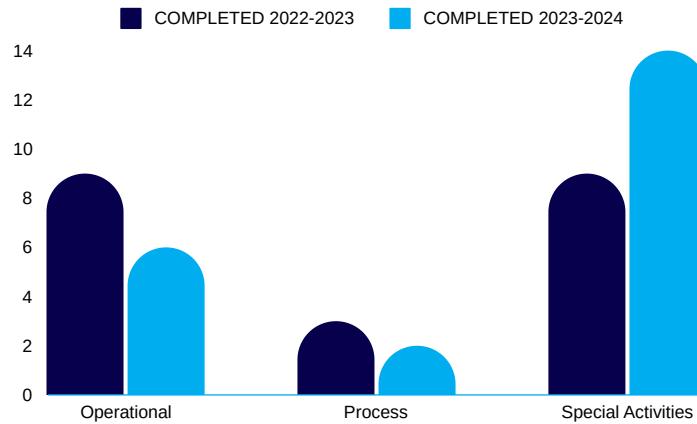


Table 51 shows categories of assignments completed by Internal Audit for the 2023-2024 reporting period when compared with 2022-2023.

**Table 51: Internal Audit's Performance by Categories**

Types of Assignments	Completed 2022-2023	Completed 2023-2024	Percentage Change
Operational	9	6	-33%
Process	3	2	-33%
Special Activities	9	14	56%
<b>Total</b>	<b>21</b>	<b>22</b>	<b>5%</b>

**Figure 24: Internal Audit's Comparative Performance by Audit Category**





**Yasmin M. Chong**  
*CACU Chairman*



# Consumer Advisory Committee On Utilities (CACU) Report

**M**arket surveillance, consumer education, protection and empowerment remained the centrepiece of the work carried out by the Consumer Advisory Committee on Utilities (CACU) in 2023-2024 as it continued its practice of providing advice and advocacy on consumer affairs to the Office of Utilities Regulation (OUR), as part of the Jamaican regulatory framework. The CACU team of dedicated advocates representing several segments of the Jamaican economy, pursued its prescribed mandate to bring about real change, hold utilities, regulators and governments accountable, while providing various fora for consumer education and inclusivity in decision making.

During the past financial year, there appeared to be an uptick in the demand for consumer advisory services, despite reported signs of economic recovery. The analysis suggests that incomes are still insufficient to cover essential services, resulting in consumers having to make tougher choices with particular reference to their utilities. What this means is that there is a more pronounced and urgent need for consumer advocates advice and the requisite advocacy on consumer protection. At a time when many consumers are living on empty, making consumer markets work, particularly for people from marginalised groups, is a key part of how we can address the cost-of-living crisis.

The CACU will continue its active engagement in the consumer protection landscape, by supporting consumers to better understand their rights and responsibilities by providing the legislated and regulatory information to empower them to engage with their respective utility service providers to resolve the issues they continue to face with their services. Through the data and insights collected on various issues as well as continued interaction with our regulatory partners, the CACU's advocacy mandate seeks to address the underlying problems driving consumer harm.

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 continue to rise due to local and external factors, consumers are turning to us for help in navigating the chaos. Despite a challenging backdrop, this report highlights how we are constantly anticipating and meeting consumer demands through increased interaction and involvement with consumers and utilities alike, directly or indirectly. We made significant progress for consumers over the past year, whether it was in resolving customers' issues or highlighting the need for a more innovative and forward-looking approach to consumer protection through instruments such as Guaranteed Service Standards.



In our 2022-2023 annual report, we committed to actively raising the bar for consumers and we made the first delivery on that promise. The CACU, with the support of our partners – the Office of Utilities Regulation (OUR), the Consumer Affairs Commission (CAC), Digicel Jamaica Limited, FLOW Jamaica Limited, Jamaica Public Service Co. Ltd. (JPS) and the National Water Commission (NWC) – held the inaugural staging of its **Utility Customer Service Distinction Award** on 2023 November 28, during the OUR's 7<sup>th</sup> Annual Quality of

Service Symposium. The CACU's annual award was launched to acknowledge and recognise excellence in customer service by utility staff who establish and maintain a positive and effective working relationship with internal/external customers, colleagues, and the public. A total of twelve (12) submissions were received from the aforementioned four (4) utilities and one (1) from a consumer. The NWC emerged winner of the inaugural award based on the sole consumer entry.

So what's ahead for the CACU and consumers in 2024-2025? Our advocacy will continue to support consumers and their utility providers to improve products and services, empower consumers to resolve their issues themselves, provide an essential source of consumer intelligence for the consumer landscape and interact and inform regulators with consumer issues and information to establish higher and fairer standards for the marketplace.

We take this opportunity to provide highlights of another busy yet productive year with developments that made the marketplace one step closer to being safer and fairer. The following overview of activities over the past year, provides insight into the CACU's engagement:

### Webinars

- ❖ OUR's Artificial Intelligence & Your Utility Services – Is There Synergy? – 2023 July 27.
- ❖ OUR's Unlocking the Power of AI, Shaping the Future of Utilities Regulation – 2023 October 31-November 01.
- ❖ OUR's Quenching Jamaica's Drought, Exploring Solutions for Consistent Water Supply – 2023 November 30.

### Regulatory Engagement

- ❖ OUR's annual Director-General's Stakeholder Engagement – 2024 March 26

### Media

- ❖ Media interviews on the inaugural Utility Customer Service Distinction Award – 2023 November



Chairperson of CACU Yasmin Chong (left) awards Delano Williams, Corporate Public Relations Manager (Acting) CACU's inaugural Utility Customer Service Distinction Award at the OUR's QoS Symposium at the OUR's Annual Quality of Service Symposium on 2023 November 28.

## Utilities engagement

- ❖ Consultations with Digicel, FLOW, JPS and the NWC on several issues and to provide feedback to the entities on matters pertaining to customer service and product delivery.

## Training

- ❖ NASUCA (USA) monthly webinar series – electricity, water and sewerage, telecommunications and consumer advocacy.
- ❖ Articles shared with OUR and all utility providers on policy, regulatory and consumer matters from NASUCA (USA).
- ❖ Customer Service Excellence Award
- ❖ The inaugural staging of its Utility Customer Service Distinction Award on 2023 November 28 during the OUR's seventh Quality of Service Symposium.

Consumers grapple with the daily challenges of registering their voices to effectively participate in decision making concerning matters with their utilities. They struggle for the most part because of the complexities of the sectors, making it difficult for them to express their views about issues affecting them in the sector given their absence in decision making, which usually results in the outcomes being decided by the utility providers, regulators and governments.

The CACU continues to deliver on its mandate to be the trusted and credible voice of consumers in the regulated utilities space and to deliver on its obligation in a fair and transparent manner, independent of industry participants, regulators and Government. We remain resolute and committed to contributing to the development of a modern, efficient, affordable and most importantly, a sustainable utility sector, to make Jamaica the best-in-class utility market globally and to achieve the Vision 2030 goal of making Jamaica, the preferred place to live, work, raise families and conduct business.



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BOOK AN APPOINTMENT

MONDAYS - FRIDAYS  
9:00 am to 3:30 pm

WEBPAGE: <http://bitly/OURICweb>

 RESEARCH     DIGITAL SERVICES     REFERENCE

## OUR PUBLIC OUTREACH

01. A consumer shows off the OUR-branded token she received at the Norman Manley Law School's Legal Aid Clinic on 2024 March 6.



*Our Public Outreach*

01

02. Consumer Affairs Officer Peta-Gay Campbell sensitises patrons about the work of the OUR at the Norman Manley Law School's Legal Aid Clinic.



02

## OUR ENGAGEMENTS OVERSEAS

### 15th Caribbean Renewable Energy Forum (CREF 2023)

03. OUR's Director-General Ansord E Hewitt (second left) joined (from L-R) Marsha Atherley-Ikechi, Chief Executive Officer, Fair Trading Commission, Barbados; Allison A. Jean, Chief Executive Officer, National Utilities Regulatory Commission, Saint Lucia; Carlos Echeverria, Senior Energy Specialist, Inter-American Development Bank, and moderator, Joseph Williams, Coordinator Sustainable Energy Unit, Caribbean Development Bank, in a panel discussion on The Evolution in Energy Market Regulation at the 15th Caribbean Renewable Energy Forum (CREF 2023) held at the JW Marriott Marquis in Miami, Florida on 2023 April 27-28.



04. DDG Cheryl Lewis participated in a panel discussion on Enhancing Energy Security in the Caribbean at the 15th CREF Forum.



*Our Engagements Overseas*

03

### Latin American Regional Conference on Advancing the Safe and Secure Deployment of Small Modular Reactors (SMRs)

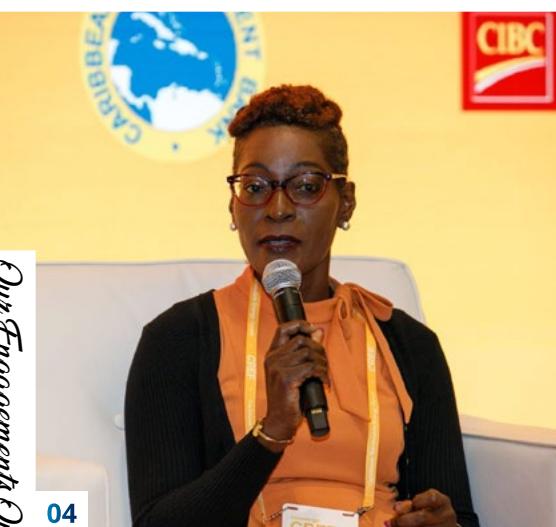
05. The OUR participated in the first Latin American Regional Conference on Advancing the Safe and Secure Deployment of Small Modular Reactors (SMRs) in Santiago, Chile on 2023 December 4 - 6. From left to right: Brian Richardson, Chief Technical Director of Energy - MSETT, Professor Charles Grant, Applied Nuclear Sciences, UWI; Tracey-Ann Warner Elliott, Senior Director Hazardous Substances Regulatory Authority; Valentine Fagan, Power Systems Engineering Consultant, OUR; Ann Ganzer, Assistant Secretary, Bureau of International Security and Non-Proliferation, ISN and Cedric Wilson, Deputy Director-General, OUR.



05

### International Telecommunications Union (ITU) Summit

06. DG Hewitt (3rd left, front row) and DDG Evona Channer (3rd left, second row) attended the International Telecommunications Union (ITU) Summit in Egypt, 2023 June 5-8.



04



06





07



09



08



10



11

## CONSUMER ACTIVITY

### NWC Kiosk Site Visit

07. OUR's Consumer Affairs Specialist (Policy) Collette Goode (left) and Acting Consumer Affairs Coordinator, Jodian Coulterman (second right) were a part of an OUR team site visit to the NWC's bill payment kiosk to observe its usage on 2023 February 21.

### OUR Chat Podcast Launch – 2023 September 28

08. Public Education Specialist Elizabeth Bennett Marsh (l), podcast host Colleen Mignott (r) and Social Media Coordinator and Producer of the OUR Chat Podcast Jody-Anne V. Lawrence pause for a photo to mark the recording of the season's first episode of the OUR Chat Podcast on 2023 September 28.

### Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030)

PACC and OUR held a 2-day workshop on 2023 October 2-3 in support of the US-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) to discuss some of the best practices for power system planning.

09. OUR's Regulatory Economic Specialist Odian Moore (right) shares information with OUR's Regulatory Engineer Andre Lindsay at the event.

10. Representatives of the OUR, Deloitte and USAID pose for a group photo.

### OUR and 6 Regional Utility Regulators sign MOU 2023

11. The Office of Utilities Regulation (OUR), the Eastern Caribbean Telecommunications Authority (ECTEL) in Castries, Saint Lucia and representatives of four (4) National Telecommunications Regulatory Commissions (NTRCs) in other countries in the region signed a historic Information Sharing Memorandum of Understanding (MOU) at a virtual signing ceremony on 2023 October 3.

From top left (clockwise): OUR Director-General, Ansord E. Hewitt; ECTEL's Communications and Media Relations Manager, Karetta Crooks Charles and Managing Director (Acting), Cheryl Hector Fontenelle; Chief Executive Officer, NTRC, St. Kitts and Nevis, Ervin Williams; Spectrum Manager NTRC, St. Vincent and the Grenadines, Nadine Hull; Coordinator, NTRC, Grenada, Timothy Scott, and Universal Service Fund Coordinator NTRC, Dominica, Urania Williams.

## CONSUMER ACTIVITY

### OUR Hosts QoS Symposium

12. The OUR hosted its Annual Quality of Service Symposium on 2023 November 28.

Representatives of the utility companies participated in a panel discussion on the adoption of the Guidelines for Complaints Handling. (L-R) Sophia Morgan, Senior Manager - Customer Experience (Flow) Dr. Phillipa Campbell-Francis – Regional Manager – KSAT (NWC) Ms. Janice Carr - Parish Manager (JPS) and Mr. Gheildon Wright, Head of Customer Experience & Contact Center Operations (Digicel).



## CORPORATE Highlights 12 2023 - 2024



### National Library Week

14. OUR observed National Library Week 2023 November 1-4. As part of the celebrations, OUR's Information centre (OURIC) hosted a 'Library Professionals Networking Nexus' under the theme: Strategies to effectively market library services. OURIC Coordinator and Information Officer Colleen Mignott (back center) poses with the National Library of Jamaica's Ruth Elliot (left) and Jhenelle Foster (right) at the event.

### OUR's Drought Solutions Webinar

15. The OUR hosted a webinar on drought solutions on 2023 November 30. The presenters included (clockwise, 2nd left) Managing Director of Water Resources Authority, Peter Clarke, OUR's Senior Regulatory Analyst Sashana Miller, Prof. Mark Harris, NCU and VP of Enterprise Development & Performance Monitoring Glaister Cunningham (NWC). Top left: Moderator Elizabeth Bennett Marsh, Public Education Specialist.

### Public Utilities Regulatory Commission (PURC), Grenada Visit

16. Members of PURC visited the OUR 2024 March 21-22 where both entities explored synergies and shared knowledge on matters including tariff implementation, technical regulatory organisation and effective communication with stakeholders. (L-R) Cedric Wilson Deputy Director-General, OUR; Connel Mottley, Standards Engineer (Water & Electric), Michelle Salandy, Executive Director, PURC; Jennar Jacob, Regulatory Technician and Economic Affairs, Adrienne Greene, Regulatory Economist, PURC; Winston Robotham, OUR and Director of Human Resources and Administration, Caphanne March, OUR.



## STAKEHOLDER ENGAGEMENT

### 10th Annual Director-General's Stakeholders' Engagement

The OUR returned to a face-to-face format for the 10th staging of its Annual Director-General's Stakeholders' Engagement, held on 2024 March 24, under the theme "Regulating Utilities to Impact Productivity and Investment". DG Hewitt gave his State of the Utility Sector Address. Guest speaker was CEO of PanJam Group, Jeffrey Hall. Here are pictorial highlights.



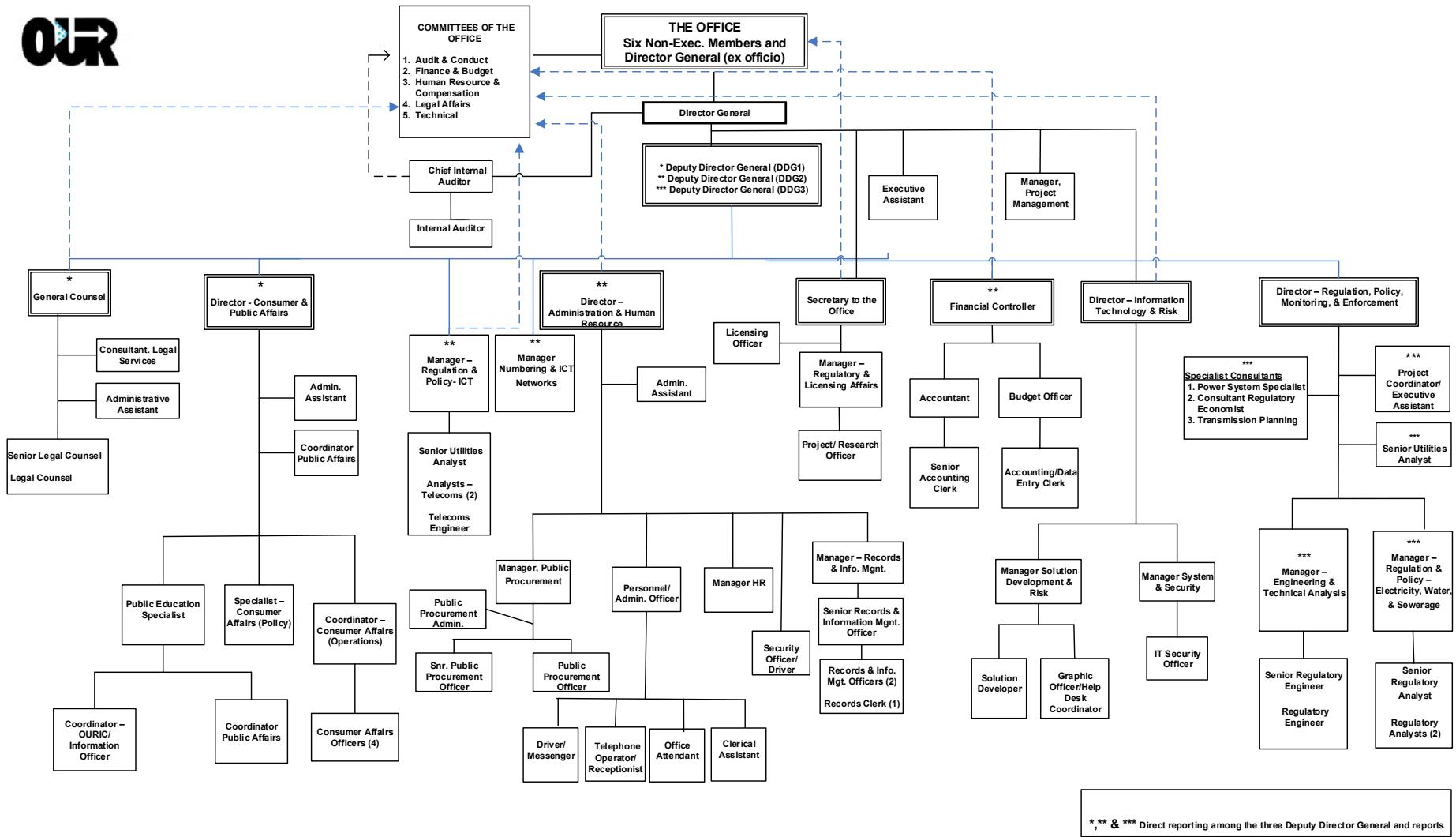
*Stakeholder Engagement*



19



# Organisational Chart 2023-2024



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



# Compensation and Remuneration

**Table 52: Compensation for Senior Management**

Position	Employment Period	Basic Salary <sup>1</sup>	Other Emoluments <sup>2</sup> (2022-2024)	Gratuity <sup>3</sup> (2022-2024)	Pension Benefits	Non-Cash Benefits <sup>4</sup>	Total	
							\$	\$
Director-General	2023-2024	33,427,612	15,484,105	12,227,929	NIL	746,603	61,886,250	
Deputy Director-General (Telecommunications)	2023 April - June	6,710,348	13,207,025	4,979,343	NIL	500,570	25,397,286	
Deputy Director-General (Telecommunications)	2023 July - 2024 March	18,422,757	4,237,674	5,665,108	NIL	352,777	28,678,316	
Deputy Director-General (Electricity and Water)	2023-2024	25,300,586	10,147,682	8,862,067	NIL	718,200	45,028,535	
Deputy Director-General (Legal and Consumer & Public Affairs)	2023-2024	26,059,604	8,506,187	8,641,448	NIL	544,544	43,751,783	
General Counsel	2023-2024	19,047,863	7,691,196	NIL	2,673,906	496,413	29,909,378	
Director of HR and Administration	2023 April - September	6,125,551	2,293,259	2,104,702	NIL	329,633	10,853,145	
Director of HR and Administration	2024 February - March	1,779,058	NIL	444,764	NIL	NIL	2,223,822	
Director of Consumer and Public Affairs	2023-2024	15,294,875	3,507,985	NIL	1,880,286	684,558	21,367,704	
Director of Information Technology	2023-2024	20,814,114	7,781,522	7,148,909	NIL	923,092	36,667,637	
Secretary to the Office	2023-2024	19,047,863	11,304,346	NIL	3,035,221	657,774	34,045,203	
Chief Internal Auditor	2023-2024	14,416,887	3,288,990	NIL	1,770,588	869,975	20,346,440	
Financial Controller	2023-2024	20,207,878	10,422,719	7,657,649	NIL	913,396	39,201,643	

**Notes:**

1. Basic salary for fiscal year 2023-2024.
2. Other Emoluments include Retroactive Salary, Leave Pay, and Seniority Allowance.
3. Gratuity for the current and retroactive periods.
4. Health and Group Life Insurance benefits.

**Table 53: Office Remuneration (2023-2024)**

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 (\$)
					(\$)
Office Chairman	3,010,000	NIL	NIL	NIL	3,010,000
Deputy Office Chairman	2,160,000	NIL	NIL	NIL	2,160,000
Non-Executive Office Member	1,200,000	NIL	NIL	NIL	1,200,000
Non-Executive Office Member	2,050,000	NIL	NIL	NIL	2,050,000
Non-Executive Office Member	1,800,000	NIL	NIL	NIL	1,800,000
Non-Executive Office Member	150,000	NIL	NIL	NIL	150,000
Executive Office Member	NIL	NIL	NIL	NIL	
<b>Total</b>	<b>10,370,000</b>				<b>10,370,000</b>

**Notes:**

1. The Executive Office Member is an employee of the OUR and as such does not earn Office fees.

# Financial Statements

2023 - 2024

## Contents

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**OUR**

**OFFICE UTILITIES REGULATION**

*Regulating Utilities for the Benefit of All*

#### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of the Office  
 Office of Utilities Regulation

#### Responsibilities of Management and Those charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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.

Those Charged with Governance are 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 material 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.

#### 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 48, which comprise the statement of financial position as at 31 March 2024, and the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising material 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

##### 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 these requirements and 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

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

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

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

  
Chartered Accountants

19 July 2024

## Statement of Comprehensive Income

YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> \$'000	<u>2023</u> \$'000
REVENUE	6	1,063,221	931,736
Other operating income	7	676	3,716
		1,063,897	935,452
Administrative and other expenses	8	(1,544,173)	(992,197)
		( 480,276)	( 56,745)
Interest income		34,602	29,608
<b>NET DEFICIT</b>		( 445,674)	( 27,137)
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Item that will not be reclassified to surplus or deficit:</b>			
Remeasurement of defined benefit pension plan	13	( 107,246)	17,423
<b>TOTAL COMPREHENSIVE LOSS</b>		( 552,920)	( 9,714)



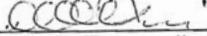
## Statement of Financial Position

31 MARCH 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	58,402	43,793
Intangible asset	11	9,072	7,923
Right-of-use asset	12(a)	261,305	19,422
Post-employment benefit asset	13	-	26,920
		<u>328,779</u>	<u>98,058</u>
CURRENT ASSETS:			
Receivables	14	206,456	97,616
Taxation recoverable	15	7,908	7,908
Short term investments	16	68,656	317,886
Cash and cash equivalents	17	<u>140,203</u>	<u>465,327</u>
		<u>423,223</u>	<u>888,737</u>
		<u>752,002</u>	<u>986,795</u>
<b>RESERVES AND LIABILITIES</b>			
RESERVES:			
Retirement benefit reserve	13	( 30,097)	26,920
Revaluation reserve		9,419	9,419
(Accumulated deficit)/retained earnings		(195,372)	<u>300,531</u>
		<u>(216,050)</u>	<u>336,870</u>
NON-CURRENT LIABILITIES:			
Lease liability	12(b)	234,230	6,605
Post employment benefit liability	13	<u>30,097</u>	-
		<u>264,327</u>	<u>6,605</u>
CURRENT LIABILITIES:			
Payables	18	279,890	310,411
Deferred income	19	327,811	307,096
Lease liability - current portion	12(b)	<u>96,024</u>	<u>25,813</u>
		<u>703,725</u>	<u>643,320</u>
		<u>752,002</u>	<u>986,795</u>

Approved for issue by the Office on 16 July 2024 and signed on its behalf by:

  
Professor Alvin Wint - Chairman

  
Dr. Damien King - Member

## Statement of Changes in Reserves

YEAR ENDED 31 MARCH 2024

	Retirement Benefit Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings/ (Accumulated deficit) \$'000	Total \$'000
<b>BALANCE AT 31 MARCH 2022</b>				
	<u>8,235</u>	<u>11,676</u>	<u>326,673</u>	<u>346,584</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
Net deficit	-	-	( 27,137)	( 27,137)
Other comprehensive income	<u>17,423</u>	-	-	<u>17,423</u>
<b>TRANSFER BETWEEN RESERVES</b>				
Transfer from retirement benefit reserve	<u>1,262</u>	-	( 1,262)	-
Transfer to retained earnings	-	( 2,257)	<u>2,257</u>	-
	<u>18,685</u>	( 2,257)	( 26,142)	( 9,714)
<b>BALANCE AT 31 MARCH 2023</b>				
	<u>26,920</u>	<u>9,419</u>	<u>300,531</u>	<u>336,870</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
Net deficit	-	-	( 445,674)	( 445,674)
Other comprehensive loss	(107,246)	-	-	(107,246)
	(107,246)	-	( 445,674)	( 552,920)
<b>TRANSFER BETWEEN RESERVES</b>				
Transfer from retirement benefit reserve	<u>50,229</u>	-	( 50,229)	-
	( 57,017)	-	( 495,903)	( 552,920)
<b>BALANCE AT 31 MARCH 2024</b>				
	<u>( 30,097)</u>	<u>9,419</u>	<u>( 195,372)</u>	<u>( 216,050)</u>



# Statement of Cash Flows

YEAR ENDED 31 MARCH 2024

	Note	2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net deficit		(445,674)	( 27,137)
Adjustments for:			
Amortization of intangible asset	8	8,483	9,555
Depreciation	8	16,460	17,295
Depreciation - right-of-use asset	8	61,484	19,423
Retirement benefit expense	13	3,777	22,700
Interest income		( 34,602)	( 29,608)
Interest expense - right-of-use asset	8	19,282	7,281
Exchange (gain)/loss on foreign balances		( 2,912)	2,412
Deferred income		20,715	( 37,022)
Movement in expected credit losses provision	5(c) (ii)	7,848	( 1,952)
Gain on disposal of property, plant and equipment		-	( 2,258)
		(345,139)	( 19,311)
Changes in operating assets and liabilities:			
Receivables		(121,837)	2,032
Payables		( 30,519)	67,382
Taxation recoverable		-	( 97)
Retirement benefit contributions paid	13	( 54,006)	( 23,961)
Cash (used in)/provided by operating activities		(551,501)	26,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received		39,750	27,251
Proceeds from disposal of property, plant and equipment		-	2,302
Purchase of intangible asset	11	( 9,632)	-
Purchase of property, plant and equipment	10	( 31,069)	( 30,749)
Short term investments		250,524	( 91,170)
Cash provided by/(used in) investing activities		249,573	( 92,366)
<b>CASH FLOWS FROM FINANCING ACTIVITY:</b>			
Lease payments	12(b)	( 24,813)	( 24,765)
Cash used in financing activity		( 24,813)	( 24,765)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Exchange gain/ (loss) on foreign cash balances		(326,741)	( 91,086)
Cash and cash equivalents at beginning of year		1,617	( 1,240)
		465,327	557,653
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	17	140,203	465,327

# Notes to the Financial Statements

31 MARCH 2024

## 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. MATERIAL 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. Where necessary prior year balances have been reclassified to conform to current year presentation.

### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and have been prepared under the historical convention.



## Notes to the Financial Statements

31 MARCH 2024

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

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

The preparation of financial statements in conformity with IFRS Accounting Standards 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 amendments are relevant to its operations:

**Amendment to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2023).** This amendment requires entities to disclose its material rather than significant accounting policies. The amendment defines what is 'material accounting policy information' and explains how to identify when accounting policy information is material. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, but, if disclosed, should not obscure material accounting information. IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment did not have a material impact on the organization's financial statements.

**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 did not have a material impact on the organization's financial statements.

## Notes to the Financial Statements

31 MARCH 2024

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

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

**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, 'Non-current Liabilities with Covenants', (deferred until accounting periods starting not earlier than 1 January 2024).** These clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The adoption of these amendments is not expected to have a significant impact on the organization's financial statements.

**Amendments to IAS 1, 'Presentation of financial statements' (effective for accounting periods starting not earlier than 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. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment. The organization is currently assessing the impact of these amendments.

The organization does not expect any other standards, amendments to 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.





# Notes to the Financial Statements

31 MARCH 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

### (c) Property, plant and equipment

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

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

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

Leasehold improvements	10%
Furniture and fixtures (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.

# Notes to the Financial Statements

31 MARCH 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

### (f) Right-of-use asset

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

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

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

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

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

### (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;



## Notes to the Financial Statements

31 MARCH 2024

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

#### (g) Leases (cont'd)

- (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;
- (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 organization 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.

## Notes to the Financial Statements

31 MARCH 2024

### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

#### (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.

##### (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 (e.g. 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.



# Notes to the Financial Statements

31 MARCH 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

### (h) Financial instruments (cont'd)

#### Financial assets (cont'd)

##### (iii) Measurement (cont'd)

###### Amortised cost (cont'd)

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.

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.

# Notes to the Financial Statements

31 MARCH 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

### (h) Financial instruments (cont'd)

#### 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.

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.







# Notes to the Financial Statements

31 MARCH 2024

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

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

#### (i) Retirement benefit obligations

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

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

#### (ii) Depreciable assets

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

#### (iii) Allowance for impairment losses on trade receivables

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

# Notes to the Financial Statements

31 MARCH 2024

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

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

## 5. FINANCIAL RISK MANAGEMENT:

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

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

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

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

### (a) Principal financial instruments

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

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



## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category

Financial assets

	Amortised cost	
	2024 \$'000	2023 \$'000
Short term investments	68,656	317,886
Cash and cash equivalents	140,203	465,327
Receivables (excluding non-financial assets of \$43,136,000 (2023 - \$43,163,000)	163,320	54,453
<b>Total financial assets</b>	<b>372,179</b>	<b>837,666</b>

Financial liabilities

	Amortised cost	
	2024 \$'000	2023 \$'000
Payables (excluding non-financial payables of \$126,874,000 (2023 - \$200,905,000)	153,016	109,506
Lease liability	330,254	32,418
<b>Total financial liabilities</b>	<b>483,270</b>	<b>141,924</b>

(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.

## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

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.

- 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).





## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

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.

Concentration of currency risk

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

	2024 J\$'000	2024 US\$'000	2023 J\$'000	2023 US\$'000
Short term investments	66,107	427	62,308	415
Cash and cash equivalents	55,849	360	67,054	460
	<u>121,956</u>	<u>787</u>	<u>129,362</u>	<u>875</u>

Foreign currency sensitivity

The following table indicates the sensitivity of net deficit to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated short term investments and cash and cash equivalents and adjusts their translation at the year-end for 4% (2023 - 4%) depreciation and a 1% (2023 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of reserves.

## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Foreign currency sensitivity

	% Change in Currency Rate 2024	Effect on Net deficit 31 March		% Change in Currency Rate 2023	Effect on Net deficit 31 March \$'000
		2024 \$'000	2023 \$'000		
Currency:					
USD	-4	(4,878)	-4	(5,175)	
USD	<u>+1</u>	<u>1,220</u>	<u>+1</u>	<u>1,294</u>	

Price risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Organization's cash and cash equivalents and short-term instruments are subject to cash flow interest rate risk. However, the Organization attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

Short term investments and cash and cash equivalents are the only interest-bearing assets within the Organization.

The Organization invests excess cash in short term investments. Short term investments are invested for periods of three (3) to twelve (12) months at fixed interest rates and are not affected by fluctuations in market interest rates up to the dates of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.



## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Interest rate risk (cont'd)

The exposure to interest rate risk arising from deposits are as follows:

	2024		2023	
	Weighted average \$'000	rate %	Weighted average \$'000	rate %
<b>JMD</b>				
Cash and cash equivalents	-	-	278,697	6.78
Short-term investment	<u>2,549</u>	<u>7.99</u>	<u>255,577</u>	<u>7.07</u>
	<u>2,549</u>		<u>534,274</u>	
<b>USD</b>				
Cash and cash equivalent	55,692	3.00	68,968	2.40
Short-term investment	<u>66,107</u>	<u>3.00</u>	<u>62,308</u>	<u>2.75</u>
	<u>121,799</u>		<u>131,276</u>	
	<u>124,348</u>		<u>665,550</u>	

Interest rate sensitivity

The sensitivity analysis is in relation to interest rate risk for cash and bank balances and short term investments at the end of the reporting period. Certain assumptions have been made in relation to the underlying factors affecting interest rates.

All factors have been assumed to be constant with the exception of prevailing market conditions.

The following table sets out the effect of the sensitivity analysis assessment of the US\$ account and short term investment, on the statement of comprehensive income.

## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Interest rate sensitivity (cont'd)

	Effect on Net Deficit	
	2024 \$'000	2023 \$'000
Change in basis points JMD:		
+25 (2023 - +100)	6	5,343
-25 (2023 - -50)	(.6)	(2,671)
=		<u>2,672</u>
Effect on Net Deficit		
	<u>2024 \$'000</u>	<u>2023 \$'000</u>
Change in basis points USD:		
+25 (2023 - +100)	305	1,313
-25 (2023 - -50)	(305)	(657)
=		<u>656</u>

(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.





## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

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.

Trade receivables impairment

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 2024 and 31 March 2023.

## Notes to the Financial Statements

31 MARCH 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables (cont'd)

Trade receivables impairment (cont'd)

**2024**

Aging	Gross Carrying Amount \$'000	Default Rate %	Lifetime ECL Allowance \$'000
Current (not past due)	-	-	-
1 - 30 days	150,904	6.03	9,095
31 - 60 days	-	-	-
61 - 90 days	-	-	-
91 days and over	62,749	69.34	43,511
Total	<u>214,653</u>		<u>52,606</u>

**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	<u>92,791</u>		<u>44,758</u>



## Notes to the Financial Statements

31 MARCH 2024

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

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

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

###### Trade receivables (cont'd)

###### Expected credit losses on trade receivables

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

	2024 \$'000	2023 \$'000
At 1 April	44,758	46,710
Provision for expected credit losses	<u>7,848</u>	(1,952)
At 31 March	<b>52,606</b>	<b>44,758</b>

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.

###### 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:

	2024 \$'000	2023 \$'000
Telecommunications	66,179	69,915
Electricity	58,269	9,391
Water	90,367	13,404
Other	(162)	81
	<b>214,653</b>	<b>92,791</b>
Less: Provision for expected credit losses	<b>(52,606)</b>	<b>(44,758)</b>
	<b>162,047</b>	<b>48,033</b>

## Notes to the Financial Statements

31 MARCH 2024

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

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

##### (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.

###### 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
<b>31 March 2024</b>				
Payables	153,016	-	-	153,016
Lease liability	<u>124,766</u>	<u>81,929</u>	<u>184,341</u>	<u>391,036</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<b>277,782</b>	<b>81,929</b>	<b>184,341</b>	<b>544,052</b>
<b>31 March 2023</b>				
Payables	109,506	-	-	109,506
Lease liability	<u>24,622</u>	<u>6,155</u>	<u>-</u>	<u>30,777</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<b>134,128</b>	<b>6,155</b>	<b>-</b>	<b>140,283</b>



## Notes to the Financial Statements

31 MARCH 2024

6. REVENUE:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Regulatory fees	1,084,138	993,252
Processing fees	( 40)	1,300
	<u>1,084,098</u>	<u>994,552</u>
Deferred income	( 20,715)	37,022
Discounts allowed	( 162)	( 99,838)
	<u>1,063,221</u>	<u>931,736</u>

The following are the major contributors to revenue:

	<u>2024</u> %	<u>2023</u> %
Telecommunications sector	37	44
Electricity sector	39	36
Water sector	24	20

7. OTHER OPERATING INCOME:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Other income	<u>676</u>	<u>3,716</u>

## Notes to the Financial Statements

31 MARCH 2024

8. EXPENSES BY NATURE:

Total administrative and other expenses:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Staff costs (note 9)	1,229,789	727,008
Office members' remuneration	10,820	10,020
Covid Utility Grant	-	224
Telephone	15,061	16,420
Audit fee	1,580	1,450
Motor vehicle expenses	2,623	2,657
Legal and professional fees	36,558	28,532
Bad debts written off/(recovered)	7,848	( 1,952)
Public relations	7,563	6,514
Foreign Travel	7,083	7,293
Customer expenses	22,369	21,758
Subscriptions	29,159	28,662
Office rental	508	526
Repairs and maintenance	7,923	9,531
Advertising and promotion	221	943
Stationery, printing and postage	1,012	436
Office and general expenses	15,672	16,008
Projects	44,571	62,514
Foreign exchange(gain)/ loss	( 1,896)	2,357
Interest expense - ROU	19,282	7,281
Amortization of intangible asset	8,483	9,555
Amortization - right-of-use asset	61,484	19,423
Depreciation	16,460	17,295
Gain on the disposal of fixed asset	-	( 2,258)
	<u>1,544,173</u>	<u>992,197</u>



## Notes to the Financial Statements

31 MARCH 2024

9. STAFF COSTS:

	2024 \$'000	2023 \$'000
Salaries, wages and statutory contributions	1,176,844	553,170
Pension (note 13)	3,777	22,700
Pension top up	68	-
Group life insurance	7,037	6,650
Health insurance	35,318	27,310
Staff training	32,392	31,919
Staff welfare	14,620	33,528
Travelling and subsistence	( 45,187)	51,018
Other staff costs	4,920	713
	<u>1,229,789</u>	<u>727,008</u>

The number of persons employed by the organization at the end of the year was 74 (2023 - 76).

Arising from the completion of the public sector compensation review, the OUR was awarded salary increases to all levels of staff. The increases resulted in the payment of retroactive salaries amounting to \$581,620,112 which was paid during the financial year from the OUR's internal resources built up from investment income, expense control, and operational efficiencies over the years.

## Notes to the Financial Statements

31 MARCH 2024

10. PROPERTY, PLANT AND EQUIPMENT:

	Leasehold Improvements \$'000	Furniture & Fixtures \$'000	Office Equipment \$'000	Computer & Accessories \$'000	Motor Vehicles \$'000	Total \$'000
<b>At cost/deemed cost -</b>						
1 April 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
Additions	-	676	1,594	13,471	15,328	31,069
31 March 2024	14,615	18,908	25,016	68,941	25,278	152,758
<b>Depreciation -</b>						
1 April 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
Charge for the year	121	2,653	2,468	10,963	255	16,460
31 March 2024	13,990	9,920	8,123	52,119	10,204	94,356
<b>Net Book Value -</b>						
31 March 2024	625	8,988	16,893	16,822	15,074	58,402
31 March 2023	746	10,965	17,767	14,314	1	43,793





## Notes to the Financial Statements

31 MARCH 2024

11. INTANGIBLE ASSET:

	Computer Software \$'000
<b>At cost -</b>	
1 April 2022	42,568
Additions	-
<b>At 31 March 2023</b>	<b>42,568</b>
Additions	<u>9,632</u>
<b>At 31 March 2024</b>	<b>52,200</b>
<b>Depreciation -</b>	
1 April 2022	25,090
Charge for the year	<u>9,555</u>
<b>31 March 2023</b>	<b>34,645</b>
Charge for the year	<u>8,483</u>
<b>31 March 2024</b>	<b>43,128</b>
<b>Carrying value -</b>	
31 March 2024	<u>9,072</u>
31 March 2023	<u>7,923</u>

12. LEASES:

(a) Right-of-use asset

	Land and building	
	2024 \$'000	2023 \$'000
1 April	19,422	38,845
Increase during the year	303,367	-
Depreciation charge for the year	<u>(61,484)</u>	<u>(19,423)</u>
<b>31 March</b>	<b>261,305</b>	<b>19,422</b>

## Notes to the Financial Statements

31 MARCH 2024

12. LEASES (CONT'D):

(b) Lease liability

	Land and building	
	2024 \$'000	2023 \$'000
1 April	32,418	49,902
Increase during the year	303,367	-
Interest expense	19,282	7,281
Lease payments	<u>(24,813)</u>	<u>(24,765)</u>
<b>31 March</b>	<b>330,254</b>	<b>32,418</b>
Less: current portion	<u>(96,024)</u>	<u>(25,813)</u>
	<b>234,230</b>	<b>6,605</b>

The increase during the year represents a renewal of the lease agreement which changed the lease period and the lease payments. The remeasurement of the lease obligation at the modification date resulted in an increase in lease liability and right-of-use asset.

(c) Amounts recognized in statement of profit or loss

Depreciation - right-of-use asset	61,484	19,423
Interest on lease liability	<u>19,282</u>	<u>7,281</u>
	<b>80,766</b>	<b>26,704</b>

(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 (LIABILITY)/ASSET:

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 2024.



## Notes to the Financial Statements

31 MARCH 2024

### 13. POST-EMPLOYMENT BENEFIT (LIABILITY)/ASSET (CONT'D):

The post-employment benefit (liability)/asset recognized in the statement of financial position are determined as follows:

	<b>2024</b> \$'000	<b>2023</b> \$'000
Present value of funded obligations	(532,254)	(256,011)
Fair value of plan assets	502,157	464,691
Effect of asset ceiling	—	(181,760)
(Liability)/asset in the statement of financial position	<u>(30,097)</u>	<u>26,920</u>

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

	<b>2024</b> \$'000	<b>2023</b> \$'000
Balance at beginning of year	256,013	425,098
Current service cost	3,920	21,520
Interest cost	<u>29,839</u>	<u>31,960</u>
	<u>289,772</u>	<u>478,578</u>
Remeasurements -		
Loss/(gain) from change in financial assumptions	157,934	(213,234)
Experience loss/(gain)	<u>117,637</u>	<u>(20,028)</u>
	<u>275,571</u>	<u>(233,262)</u>
Members' contributions	565,343	245,316
Benefits paid	38,590	17,182
	<u>(71,679)</u>	<u>(6,485)</u>
Balance at the end of the year	<u>532,254</u>	<u>256,013</u>

## Notes to the Financial Statements

31 MARCH 2024

### 13. POST-EMPLOYMENT BENEFIT (LIABILITY)/ASSET (CONT'D):

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

	<b>2024</b> \$'000	<b>2023</b> \$'000
Balance at beginning of year	464,692	433,333
Interest income	59,395	33,940
Remeasurements -		
Return on plan assets, excluding amounts included in interest income	( 37,063)	( 34,079)
Members' contributions	38,590	17,182
Employer's contributions	54,006	23,961
Benefits paid	( 71,679)	( 6,485)
Administrative fees	( 5,784)	( 3,160)
Balance at end of year	<u>502,157</u>	<u>464,692</u>

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

	<b>2024</b> \$'000	<b>2023</b> \$'000
Current service cost	3,920	21,520
Interest cost on obligations	29,839	31,960
Interest income on plan assets	(59,395)	(33,940)
Interest on effect of asset ceiling	23,629	—
Administrative fees	( 5,784)	( 3,160)
Total included in staff costs (note 9)	<u>3,777</u>	<u>22,700</u>

The amounts recognized in other comprehensive income are as follows:

	<b>2024</b> \$'000	<b>2023</b> \$'000
Re-measured (loss)/gain on obligations	(275,571)	233,262
Re-measurement losses on plan assets	( 37,063)	( 34,079)
Changes in effect of assets ceiling	205,388	(181,760)
	<u>(107,246)</u>	<u>17,423</u>





## Notes to the Financial Statements

31 MARCH 2024

### 13. POST-EMPLOYMENT BENEFIT (LIABILITY)/ASSET (CONT'D):

Changes in effect of asset ceilings are as follows:

	<b>2024</b> \$'000	<b>2023</b> \$'000
Effect of asset ceiling at start of year	181,760	-
Interest on effect of asset ceiling	23,628	-
Changes in effect of asset ceiling	<b>(205,388)</b>	<b>181,760</b>
Effect of asset ceiling at end of year	<b>—</b>	<b>181,760</b>

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

	<b>2024</b> %	<b>2023</b> %
Equities	21.03	25.21
JA\$ bonds	40.28	37.04
Foreign assets	11.41	15.81
Cash and short-term deposits	23.20	16.73
Real estate	<b>4.08</b>	<b>5.21</b>
	<b>100</b>	<b>100</b>

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 2025 is \$44,020,000 (2024 actual - \$54,007,000). The actual return on the plan assets was positive \$16,548,000 (2023 - negative \$3,299,000).

The principal actuarial assumptions used were as follows:

	<b>2024</b> % p.a.	<b>2023</b> % p.a.
Discount rate	10.5	13.0
Future salary increases	7.0	7.0
Inflation rate at year end	<b>5.5</b>	<b>5.5</b>

## Notes to the Financial Statements

31 MARCH 2024

### 13. POST-EMPLOYMENT BENEFIT (LIABILITY)/ASSET (CONT'D):

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 2023 measurement dates, using Society of Actuaries' Scale MP-2014.

Given the recent reduction in life expectancies due to the pandemic and the uncertainty of the impact on future life expectancies, mortality improvements beyond 2023 was not included.

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

Age	Males		Females		Deaths in service
	Withdrawals from service	Ill-health retirements	Withdrawals from service	Ill-health retirements	
20	-	-	0.333	-	0.133
25	-	-	0.411	-	0.149
30	-	-	0.391	-	0.197
35	-	-	0.460	-	0.261
40	-	-	0.540	-	0.350
45	-	-	0.826	-	0.570
50	-	-	3.438	-	2.441
55	-	-	5.020	-	3.288
60	-	-	6.980	-	4.654
65	-	-	9.863	-	7.024
70	-	-	<b>14.758</b>	-	<b>10.998</b>

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:

	<b>2024</b> \$'000	<b>2023</b> \$'000	<b>2022</b> \$'000	<b>2021</b> \$'000	<b>2020</b> \$'000
Fair value of plan assets	502,157	464,691	433,333	381,328	322,842
Defined benefit obligation	(532,254)	(256,011)	(425,098)	(359,429)	(362,164)
Effect of asset ceiling	<b>(181,760)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Surplus/(deficit)	<b>(30,097)</b>	<b>26,920</b>	<b>8,235</b>	<b>21,899</b>	<b>(39,322)</b>
Experience adjustments:					
Gain/(loss) -					
Arising on plan assets	(37,063)	(34,079)	(11,397)	4,959	(36,785)
Arising on plan liabilities	(117,637)	20,028	15,150	(3,621)	259



## Notes to the Financial Statements

31 MARCH 2024

14. RECEIVABLES:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Trade receivables	214,653	92,791
Provision for expected credit losses	(52,606)	(44,758)
 Due from employees	 162,047	 48,033
Deposits	4,538	10,620
Prepayments	2,198	4,398
Other	32,624	27,896
	<u>5,049</u>	<u>6,669</u>
	<u>206,456</u>	<u>97,616</u>

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 2026.

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 7.99% and 3.00%, respectively (2023 - 7.07% and 2.75%, respectively). These investments mature within twelve months (2023 - twelve months).

17. CASH AND CASH EQUIVALENTS:

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

	<u>2024</u> \$'000	<u>2023</u> \$'000
Short term deposits	27,507	304,609
Cash at bank	112,691	160,713
Cash in hand	5	5
	<u>140,203</u>	<u>465,327</u>

## Notes to the Financial Statements

31 MARCH 2024

17. CASH AND CASH EQUIVALENTS (CONT'D):

The weighted average interest rate on short term deposits denominated in Jamaican dollars and United States dollars was NIL and 3.00%, respectively (2023 - 6.78% and 2.4%, respectively) and these deposits mature within three months (2023 - three months).

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

18. PAYABLES:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Accrued vacation pay	47,436	63,498
Gratuity payable	90,385	37,993
Accounts payable	60,742	70,053
Other accruals	81,327	138,867
	<u>279,890</u>	<u>310,411</u>

19. DEFERRED INCOME:

	<u>2024</u> \$'000	<u>2023</u> \$'000
At 1 April	307,096	344,118
Project income deferred	50,360	67,423
Transferred to revenue	(29,645)	(104,445)
At 31 March	<u>327,811</u>	<u>307,096</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES:

(a) Transactions between the organization and its related parties

Regulatory fees -

During the year, the organization billed regulatory fees of \$251,058,000 and \$409,416,000 (2023 - \$190,266,000 and \$323,202,000) to the National Water Commission and the Jamaican Public Service Company Limited, respectively.





## Notes to the Financial Statements

31 MARCH 2024

20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(b) Key management compensation

	2024 \$'000	2023 \$'000
Salaries and other employee benefits	389,997	163,993
Payroll taxes - Employer's portion	24,638	8,244
Pension	<u>9,360</u>	<u>4,324</u>
	<u><b>423,995</b></u>	<u><b>176,561</b></u>

Office members' emoluments -

Fees	10,820	10,020
Management remuneration (included in salaries and other employee benefits above)	<u>66,005</u>	<u>65,683</u>
	<u><b>76,825</b></u>	<u><b>75,703</b></u>

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

	2024 \$'000	2023 \$'000
Due from -		
National Water Commission	71,213	-
Jamaica Public Service Company Limited	<u>46,369</u>	<u>-</u>
	<u><b>117,582</b></u>	<u><b>-</b></u>

These amounts are included in receivables.

Due to -

National Water Commission	-	4,329
Jamaica Public Service Company Limited	<u>-</u>	<u>25,210</u>
	<u><b>-</b></u>	<u><b>29,539</b></u>

## Notes to the Financial Statements

31 MARCH 2024

21. LITIGATIONS:

(a) 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.

Mr. Neil appealed against the Full Court's award of costs by Notice of Appeal dated 2022 December 15. He subsequently withdrew the appeal, however costs were awarded to the respondents, including the OUR, by the Court of Appeal at the hearing of the matter on 2023 May 22. Due to the failure of Mr. Neil to respond to a bill of costs filed on the OUR's behalf in the Supreme Court in 2023 August, a Default Cost Certificate requiring his payment of costs in the amount of \$3,432,708.95 has been filed and is awaiting perfection by the Court.

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

**Status after 2024 March 31:** We are awaiting the issue by the Supreme Court of the Default Cost Certificate so that it may be executed and awarded costs recovered from the plaintiff.

(b) 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 its contract.



## Notes to the Financial Statements

31 MARCH 2024

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

(b) Supreme Court - Claim No. 2014 HCV 02345 (cont'd)  
OUR v Computers & More Limited (cont'd)

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 2024 March 31:** We await further updates from the bailiff regarding the recovery of the judgment debt.

(c) 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. The appeal is in abeyance pending the constitution of a new Tribunal.

## Notes to the Financial Statements

31 MARCH 2024

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

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

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

**Status after 2024 March 31:** We have now been advised of the constitution of the Tribunal with effect from 2024 June 17. We await its notification regarding the progress of the matter.

(d) 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. 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 2024 March 31:** We have now been advised of the constitution of the Tribunal with effect from 2024 June 17. We await its notification regarding the progress of the matter.



## Notes to the Financial Statements

31 MARCH 2024

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

(e) 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. 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 2024 March 31:** We have now been advised of the constitution of the Tribunal with effect from 2024 June 17. We await its notification regarding the progress of the matter.

(f) 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 2024 March 31:** We have now been advised of the constitution of the Tribunal with effect from 2024 June 17. We await its notification regarding the progress of the matter.

## Notes to the Financial Statements

31 MARCH 2024

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

(g) All Island Electricity Appeal Tribunal - Appeal No. 1 of 2023  
JPS's Appeal against the OUR's conclusions and recommendations issued in 2023 April following its investigation into the JPS's Transformer Protection Programme Pilot Project

The OUR was advised by its external counsel that JPS has purported to file this appeal with the Electricity Appeal Tribunal. Neither the OUR nor its attorneys have however been served with any documents relating to same.

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

**Status after 2024 March 31:** We await formal notification of the appeal, if any, from the JPS.

(h) Telecommunications Appeal Tribunal -  
Cable & Wireless Jamaica Limited v OUR  
Appeal against the implementation of the Infrastructure Sharing Rules

The OUR issued the Telecommunications (Infrastructure Sharing) Rules 2022 (the Rules) which came into force on 2023 February 1. Cable & Wireless Jamaica Limited (C&WJ) requested that the implementation of the Rules be stayed for various reasons. The OUR refused the request for a stay, with the exception that an extension of time was granted to carriers until 2024 January for the submission of their reference access offers in keeping with the requirements of the Rules. By Notice of Appeal filed with the Telecommunications Appeal Tribunal on 2023 July 21, C&WJ appealed the decision of the OUR not to stay the implementation of the Rules. The appeal has been in abeyance pending the constitution of the Tribunal.

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

**Status after 2024 March 31:** We have now been advised of the constitution of the Tribunal with effect from 2024 May 27. We await its notification regarding the progress of the matter.

### 22. SUBSEQUENT EVENT:

Subsequent to the year-end, the OUR was advised by the Ministry of Science, Energy, Telecommunications, and Transport (MSETT) that letters sent by the OUR to MSETT in regard to the rent increase were sent to its lawyers for review.



## NOTES

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