**OUR RELEASES FINDINGS OF HURRICANE BERYL FUEL RATE INVESTIGATION**

(KINGSTON, Jamaica; 2024 December 18): The Office of Utilities Regulation (OUR) has found that the ‘bill shock’ experienced by Jamaica Public Service Company Ltd. (JPS) customers after Hurricane Beryl was because of a significant increase in the fuel rate in 2024 July, which was applied to the 2024 August bills.

The bill of the average residential customer with a monthly consumption of 150 kWh jumped by 15.6% between the 2024 July and August billing cycle, the scale and extensiveness of which came to the OUR’s attention after they were dispatched. At the time, the OUR instructed the JPS to reissue bills with zero consumption to reflect a corresponding zero money value and reminded the company that it had on a previous occasion indicated that the regulator would wish to be provided with notice of large increases that could result in a bill shock.

The OUR also advised that once the relevant information was received, it would investigate the JPS’s billing computation to determine the accuracy and validity of the rates that had been applied to bills in August.

In the Executive Summary of the investigation Report which was released today, the OUR detailed that while it found that the computation of the fuel charge was correct, it also concluded that its application could and should have been better managed to ease the bill shock.

The major factors that triggered the increase were: a reduction in the supply of, and the demand for electricity in 2024 July; a net increase in the overall cost of fuel from various sources used to generate the electricity supplied, and a significant fuel volumetric adjustment from a previous period. That adjustment, while representing a legitimate cost recoverable by JPS, as in a previous occasion, could after consultation between the OUR and JPS, have been spread over multiple billing periods to ameliorate the price effect on customers.

Among the findings was that electricity generation fell by 13.73% with a decrease in sales by 13.27% in 2024 July relative to that in 2024 June. Additionally, arising from the unavailability of natural gas and the necessary curtailment of renewable energy plants during and after the hurricane, automotive diesel oil (ADO) was used in greater volumes than normal. ADO, a more expensive fuel, led to further increases in the fuel cost per unit of sales. Even though there was the application of a waiver on the fuel tax on ADO allowed by the Government in 2024 July, this was not enough to nullify the escalating effects given that it is significantly more expensive than the other fuel types.

Other factors identified as impacting the high August bills were the billing foreign exchange rate and the non-fuel IPP rate which had increased by approximately 1.0% and 3.4% respectively. However, these accounted for less than 1 percentage point of the average 15.6% increase experienced by customers. Therefore, they were not deemed to be significant contributors to the overall increase.

“In contrast, the fuel rate accounted for more than 14.6 percentage points of the overall increase and therefore warranted deeper scrutiny”, the Report said.

 The Report stated that the passage of Hurricane Beryl has underscored the need for enhanced resilience in Jamaica's electricity sector. The other key lessons include:

• Improved Preparedness: The importance of pre-emptive measures to protect infrastructure
 and ensure rapid recovery.

• Diversification of Energy Sources: The need to reduce reliance on any single fuel
 type in the generation mix.

• Management of prices: The careful management of prices in the aftermath of a disaster
 including the better phasing of discretionary cost pass-through. Where possible, to
 reduce sudden and sharp increases, cost can be applied over multiple billing periods.

• Customer Communication: The need for customers to be provided with clear communication
 as to the reasons for bill increases and cost mitigation measures.

The OUR remains committed to ensuring transparency and fairness in the electricity sector and will continue to work with all stakeholders to address the challenges and improve the resilience of Jamaica's electricity supply system.

The Executive Summary can be found on the OUR’s website: [www.our.org.jm](http://www.our.org.jm)

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