



OCEANPOINTE Utilities Limited

c/o 3 Nhatts Complex, Fairview, Montego Bay, St. James
876-684-9505

5th May 2025

Office of Utilities Regulation
3rd Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10

Dear Sir/Madam:

Re: Oceanpointe Utility Limited Rate Application

As per your letter dated the 21st of November 2024, please see the below information for our Initial Tariff.

Introduction

Oceanpointe Utility Limited (OUL) is a privately owned limited liability company incorporated in Jamaica with its registered office in Montego Bay, St. James. It was issued a sewerage operating licence by NEPA in February 2024 (2018-09017-EL00057B) and a sewerage service provider licence by the OUR in November 2024, for the operation and supply of sewerage services to the 431 residential and commercial customers located at Oceanpointe in Point, Hanover.

The OUL sewage plant has a current capacity of 434 m³ of sewage per day. There are plans to increase the capacity of the facility to accommodate proposed NHT houses to be built on adjoining lands, as well as an approved shopping center located adjacent to the community.

OUL has been providing sewerage services to the Oceanpointe community of 431 households since September 2020.

OUL Tariff Proposal

OUL is applying to the OUR for rates to be set under the "No Objection Policy". We have attached OUR Determination Notices as the basis for our no objection tariff requests.

As the OUR is aware, the NWC is contractually obligated to provide OUL with monthly water meter readings. These meter readings have been sporadically supplied by the NWC, hence our applying for both metered rates and flat rates as we are at the mercy of the NWC to provide the needed billing data.

Director: Edward dePass | Gail Moe

The Licence stipulates that the rates and charges as determined by the OUR should provide a reasonable opportunity for the Licensee to make a reasonable return on capital employed after taking into account all reasonable costs incurred in the provision of services. Extracts from Schedule 3 of the Licence, provide as follows:

“The rates for the supply of services by the “Licensed Business” shall be set such that provides a reasonable opportunity for “the Licensee” to make a reasonable return on capital employed after taking into account all reasonable costs incurred in the provision of the services.”

Please see the attached Fixed Asset Summary showing the outlay to build the sewage facility.

Tariff Request 1

OUL is requesting the below rate application be considered for the sewerage services being supplied to the Oceanpointe community. As the OUR is aware, OUL has been operating since September 2020 with no revenue, so there are no audited accounts as is required by the OUR in order to assess and set rates for a private sewerage provider.

PROPOSED OUL METERED WATER & SEWERAGE RATES			
Consumption Block (Litres)	Proposed OUL Rates	NWC Rates	Percentage Difference (Proposed OUL vs. NWC Rates)
	\$/000' litres	\$/000' litres	%
	Water		
Residential			
0 to 14,000	145.00	147.24	-1.54%
For the next 13,000	260.00	262.04	-0.78%
For the next 14,000	285.00	285.62	-0.22%
Over 41,000	487.00	487.23	-0.05%
Commercial			
0 to 9,100,000	562.00	562.66	-0.12%
Over 9,100,000	327.00	327.96	-0.29%
Sewerage			
Residential			
0 to 14,000	170.00	170.05	-0.03%
For the next 13,000	302.00	302.67	-0.22%
For the next 14,000	329.00	329.89	-0.27%
Over 41,000	562.00	562.73	-0.13%
Commercial			
0 to 9,100,000	649.00	649.87	-0.13%
Over 9,100,000	378.00	378.81	-0.21%

Tariff Request 2

A fixed tariff of J\$4,155/month, which comprises a Fixed Sewage Charge of J\$3,000 and a Service Charge of J\$1,055. OUL indicated that given the difficulties associated with assessing sewage volumes or estimating them from water consumption data, a fixed rate per connection is a practical way of addressing the tariff. The Service Charge of \$1,055 was derived from the OUR rate set for Can Cara (Irwin/Spanish Town) for the cost of billing and collections.

PROPOSED OUL UNMETERED SEWERAGE RATES			
Unmetered	OUL Proposed	NWC	
Sewerage	3,000.00	2936.7	2.11%

PROPOSED MONTHLY SERVICE CHARGE RATES			
	OUL Proposed	NWC	Percentage Difference (Proposed OUL vs. NWC Rates)
5/8" - 15MM	1,155.00	1,155.92	-0.08%

Tariff Request 3

As part of its tariff structure, OUL proposes that a monthly PAM, similar to the NWC's monthly adjustment mechanism, be applied to the base rates and charges for sewerage services to preserve the real revenue of the company. Similar to the NWC's mechanism, the company requested that its PAM captures the movements of the consumer price index (CPI), foreign exchange (FX -J\$/US\$) and Jamaica Public Service Company Limited's (JPS) average charge per kilowatt hour (\$/kWh). OUL proposes that the PAM be applied to its base rates one month after it is applied by the NWC.

Tariff Request 4

OUL proposes that the following miscellaneous fees be approved:

- **Customer Deposit**

OUL is asking the OUR to consider a deposit from its customers to assure prompt payment of bills as they mature, equivalent to \$9,000 for residential customers and a minimum of \$15,000 for commercial customers. These Customer Deposits will allow OUL customers a leeway to prevent disconnections, we understand that there are health issues associated with sewerage disconnections and we feel that these deposits would help prevent disconnections for non-payment.

All further deposit upgrades as a result of disconnections should be equal to the last two months consumption value for residential customers and the last three months consumption value for commercial customers.

OUL may at any time and from time to time require such deposit or guarantee to be increased to such amount and in such manner as the Company may determine.

Deposits may be refunded, at the option of the company, at any time before service is discontinued. Upon final discontinuance of the use of the service and full settlement of all bills by the customer, any deposit, not previously refunded, will be returned to the customer, or it may be applied to the payment of any unpaid accounts of the customer and the balance (if any) returned to the customer.

Tariff Request 5

OUL proposes that the following miscellaneous fees be approved:

- **Connection Fee**

A fee of J\$11,000 to connect customers to the sewerage infrastructure was proposed. OUL states that the revenue from the connection fee is to cover the initial capital cost of the sewerage system that has been utilized by the residents of the Oceanpointe community for over four (4) years without any charges for the sewerage service. As can be seen by the attached spreadsheet, OUL owes inter-related companies over \$37m in advance payments while we have been operating without revenues.

- **Reconnection Fee**

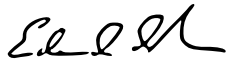
A fee of J\$13,000 to re-connect customers disconnected for non-payment to the sewerage infrastructure was proposed.

PROPOSED MISCELLANEOUS FEES			
Connection & Reconnection Fees	OUL Proposed	NWC	
Sewerage Connection	11,000.00	N/A	
Sewerage Reconnection	13,000.00	1,000 - 13,000	

We are eagerly anticipating your prompt and favorable response to our application.

Yours sincerely,

Oceanpointe Utility Limited



Edward dePass
Director