

The REGULATOR

Newsletter of the Office of Utilities Regulation

Vol. 2, No. 4

July - December 2004

Recommendations from the consultations

by: Garfield Bryan - Analyst Consumer policy

On March 31, 2004, the Jamaica Public Service Company (JPS) submitted a detailed Tariff Proposal, essentially seeking a 22.9% increase in base rates.

The OUR organized a number of consultations designed to canvass the views of a cross section of the company's customers. However before this, a supplement summarizing the JPS Tariff Proposal was published in the Observer on Thursday March 18, 2004 and the public asked to submit written comments. Fourteen (14) parish meetings/hearings were organized and promoted extensively in the print and electronic media, including, the Gleaner, Observer, North Coast Times, Western Mirror, RJR, Irie FM, Power 106 and Hot 102. The meetings were held between March 23, 2004 and April 16, 2004 attracting approximately three hundred (300) consumers.

The Office presided over these hearings. At each meeting JPS made a presentation of its case for a rate increase, after which consumers had the opportunity to respond and to offer counter arguments to the JPS case.

Consumers were generally strongly opposed to a tariff increase at this time citing a number of reasons, the most prevalent being the perceived inefficiency of JPS,

poor customer service, prevailing economic conditions, the current Memorandum of Understanding (MOU) and the cost implications for commercial customers.

Guaranteed Standards

As a result of the consultative process, five (5) new guaranteed standards will be added while the compensatory payment will be increased to \$1,000 for residential customers and four (4) times the applicable service charge for non-residential customers. Customers will be required to claim for compensation if they believe the company has breached a standard. Additionally, under the new tariff regime the company is expected to promote the standards extensively. The five (5) new guaranteed standards are as follows:

- **EGS 7 - Frequency of Meter Reading** - JPS shall not render more than three (3) consecutive estimated bills (where it has access to the meter). JPS has committed to phase out estimated bills within two years. Effective September 2006 this Standard will be changed to not more than two (2) consecutive estimated bills.
- **EGS 8 - Estimation of Consumption** - An estimated bill must be based on the average of the last three (3) actual readings (first 6 bills of a new account excepted).
- **EGS 9 - Meter Replacement** - JPS shall replace a meter found to be faulty within 20 working days.
- **EGS 10 - Billing Adjustments** - JPS shall adjust a customer's account within one (1) billing period of identification of an error.
- **EGS 11 - Street Lighting Maintenance** - JPS shall repair each reported street light failure (as reported by the responsible local authority) within 14 days of receiving the report. [This standard will be implemented on September 1, 2004 on condition that the Office is satisfied that JPS and the local authorities have agreed on a protocol that will govern the arrangements between the parties. If asked, the Office would agree to broker the terms of such a protocol].

Cont'd on pg. 2

Also Inside This Issue

- Summary of Universal Service/ Access Recommendation
- Energy Tips
- Guaranteed Standards