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MINISTRY PAPER NO. 58 — 1975

ELECTRICITY RATE INCREASE

Attached for the information of the House is the text of a public statement which I released on Thursday 27th November, 1975.

A Schedule showing the new rates is attached to the statement.

ERIC O. BELL
Ministry of Public Utilities
and Transport.
2nd December, 1975.

S U M M A R Y

The Jamaica Public Service Company has made an application for a 50% increase in energy rates, effective 1st December, 1975. Also included in the application was a proposal that a "Cost of Service Adjustment Clause" of 1% per month should be instituted at the same time, and that the Re-Connection Fee should be increased to \$5.00 for residential and \$15.00 for commercial consumers. This has been considered necessary in order for the Company to cope with rising costs and heavy debt service obligations and would assist the Company to restore financial viability. The present financial condition of the Company is associated mainly with:

- (1) massive expansion in recent years financed almost totally by debt;
- (2) sharp increases in operational costs;
- (3) historically inadequate rate revenues; and
- (4) recent deceleration in the rate of growth of consumer demand.

I have examined the application of the Jamaica Public Service Company in terms not only of its present obligations but also of its future commitments, if it is to provide a satisfactory service. Representations have also been received from a number of private sector groups which dealt with the effects on the economy of a rate increase of the magnitude proposed. The private sector groups also made submissions as to the combination of equity contribution and rate increase which they considered appropriate in the circumstances.

In the light of all this, I have decided that the Jamaica Public Service Company should be allowed to increase its energy rates by an average of 42%, representing an average increase of 21% to the consumer, with effect from 1st December, 1975. The Company will also be allowed to introduce a "Cost of Service Adjustment Clause" of 1% per month with effect from 1st January, 1976, for a period to be specified. In addition, the Re-Connection Fee charged by the Company will be increased to \$5.00 for residential consumers and \$15.00 for commercial consumers.

The Government

2.

The Government is now committing an equity contribution of \$25 million over five years in addition to cash contributions amounting to \$12.4 million which have been made since 1974.

Minister of Public Utilities
and Transport.

26th November, 1975.

the expansion needs of developing countries' utilities, particularly in periods of high inflation. For instance, two-thirds of the current capitalisation of the Jamaica Public Service Company has taken place within the last six years and this was financed by debt unsupported by adequate revenue. The approach now being adopted is to attempt a realistic assessment of the Company's present and future cash needs and estimating the contributions to be made in this respect by the three principal sources of funds:

- (a) debt;
- (b) equity; and
- (c) retained earnings.

The amount of debt which a utility should incur ought to be in a ratio of 2:1 to the equity of the utility. Now that the Jamaica Public Service Company is Government-owned funds available derive from taxpayers (equity) or ratepayers (retained earnings). Whilst the ratepayer should not pay for the whole of future development, he should make some reasonable contribution. In the present case additional capital requirements for the next five years are estimated at \$150 million (in 1974 dollars). Of this sum \$100 million can reasonably be expected to come from loans, whilst the remaining \$50 million would be supplied by a combination of new equity and retained earnings. The assumption I have made is that the burden should be equally borne by the ratepayer and the taxpayer, that is to say, \$25 million should come from Government equity contributions (the taxpayer) and \$25 million from retained earnings (the ratepayer). This means that Government would have to commit \$5 million per annum in new equity while increased rates would provide a similar amount.

In any event, it is anticipated that the Jamaica Public Service Company ratepayer will enjoy a capital subsidy because it is not intended that the shareholder (Government) will receive annual dividends. The savings from this non-dividend policy will be contributed to the Company's retained earnings.

Having taken all these matters into account, as well as the views and representations which have been submitted, I have determined that

the Jamaica

the Jamaica Public Service Company should be allowed an average increase of 42% on the basic energy rate with effect from 1st December, 1975. This will mean that the average consumer's bill will go up by approximately 21%. It should be noted that the energy rate increase has been designed so that at low and moderate levels of consumption, the increase will be less than the average and at the highest levels of consumption the increase will be above the average. (An annex to this statement sets out in tabular form the energy bills for consumption at varying levels of consumption before and after the rate increase).

In addition the Jamaica Public Service Company will be allowed to introduce a "Cost of Service Adjustment Clause" into its energy charge from 1st January, 1976. This means that the energy charge will be increased by 1% per month starting in January for a period yet to be determined. This is intended to ensure sufficient revenues to offset partially the effects of inflation and to attempt to maintain appropriate financial ratios. An announcement will be made in due course as to the period during which the "Cost of Service Adjustment Charge" will be in force.

Further, the Company has applied for, and I have granted an increase in the Re-connection Fee. This fee is charged to those consumers whose electricity service is resumed after having been cut off for non-payment of bills within the period specified. Having examined the cost to the Company of reconnecting delinquent subscribers, I have decided that with effect from 1st January, 1976, the Re-connection Fee for residential consumers will be \$5.00 and for all others \$15.00. The Company had requested that this charge be made effective from 1st December, 1975.

The increase I have awarded complies fully with the requirements of the Price Guidelines in the Anti-Inflation Package recently announced. The guidelines in question states that prices can be changed only in the following circumstances:-

"(i) if increases in wage costs according to wage guidelines cannot be absorbed by the firm through productivity increases, decreases in non-labour costs, or a reduction in the return sought on investment;

(ii) if there

- (ii) if there are unavoidable increases in non-labour costs which cannot be absorbed through offsetting decreases in other costs, or a reduction in the return sought on investment;
- (iii) if there are increases in capital costs which cannot be offset by decreases in other costs;
- (iv) if after every effort has been made to reduce costs the enterprise is unable to secure the capital required to meet home and overseas demand.

Enterprises are required to reduce their prices when opposite conditions exist."

A note of explanation is necessary here since there has been a great deal of misunderstanding as to the meaning of energy rate increases. The consumer's electricity bill is made up mainly of the Fuel Charge (about 50%) and the Energy Charge (also about 50%). Increases in the price of fuel, as explained earlier, are automatically passed on to the consumer through the Fuel Adjustment Clause. The application made by the Jamaica Public Service Company is for an increase on the Energy portion of the bill. Therefore, an increase of 42% on Energy means an increase to the consumer of approximately 21% on the total bill.

Finally, it is Government's policy to allow all interested consumer groups to have any information which they may require with respect to the Company. Not only can consumer groups make arrangements through the Ministry to have the books of the Company examined by Auditors but procedures will be developed to enable them to obtain additional and ancillary information relating to the operations of the Company, and to make recommendations as to steps which could be taken to improve the efficiency of the Company. In particular, the Advisory & Monitoring Unit attached to this Ministry is to develop the mechanism for prior consultation for rate fixing and to ensure compliance with established standards of service to reflect the changed circumstances of public ownership and increased accountability to Government and the consumer.

The task of

The task of improving the Company and increasing its efficiency is an ongoing task and has not been met in the past by the spasmodic and artificial examination which was undertaken under the old system.

Minister of Public Utilities
and Transport.

26th November, 1975.

APPLICATION BY JAMAICA PUBLIC SERVICE COMPANY LTD.
FOR A RATE INCREASE

PRELIMINARY

The Jamaica Public Service Company Limited has made an application for an increase in its electricity rates to meet rising costs of its operations and to restore financial viability to the Company. The Company is seeking an increase of 50% on existing basic rates which would mean approximately a 25% increase on present electricity bills. The request is for the new rates to be made effective as from 1st December, 1975.

The removal of the remainder of the fuel subsidy, effective November 1, 1975, will mean an increase of about 10% to consumers' bills and there exists a possibility that the recent increase in fuel oil prices will account for a further $2\frac{1}{2}\%$ increase. Should the Company's application for a 50% increase on basic rates be granted, the overall effect on the consumer's bill would be an increase of approximately $37\frac{1}{2}\%$ due to the cumulative effect of:-

- (1) the rate increase sought;
- (2) removal of the fuel subsidy; and
- (3) the possible increase due to the oil price rise.

PRESENT FINANCIAL DIFFICULTIES

In its application, the Company points out that in 1974 it had a loss of \$5.6 million. In that year the Company's revenues amounted to \$47,516,000 while operating expenses totalled \$43,696,000. Operating income of \$5,252,000 could not cover interest and other financing charges which amounted to \$10,671,000. The principal items of operating expenses are fuel, salaries and wages, materials and services and transportation which account for over 90% of the expenses. In 1974 the bill for fuel used to produce electricity alone was \$23,104,000 representing almost 53% of all operating expenses. The high fuel bills were approximately \$2,000,000 each month and impose great strain on the Company's cash flow and increase the need for short term Bank borrowings.

The Company's accelerated maintenance programme cost almost \$6,000,000 in 1974; of this amount approximately \$3.6 million was spent on maintenance of Generating Plants. This level of maintenance has to be continued

if the Company

if the Company is to maintain its equipment and facilities at the level necessary to provide an efficient standard of service to its customers.

In the eight years 1967 to 1974 the Company invested some \$113,000,000 in new generating plant, transmission, distribution and substation facilities. Construction expenditure in 1973 and 1974 amounted to \$42,500,000. In this two-year period the Old Harbour No. 4 unit (68.5 megawatts) was put into service, a new 22 megawatt Gas Turbine at Montego Bay and two 22 megawatt units at Hunts Bay were commissioned and put in operation, while work at Hunts Bay B6 Steam Station (68.5 megawatts) reached an advanced stage. In addition, extensive work took place on Substations and Transmission lines, including:

Upgrading of Tredegar sub-station from 30 MVA to 60 MVA;
 Construction of new sub-stations at King's House and Rhoden's
 Pen;
 Upgrading of transmission lines between Tredegar and Duhaney
 from 69Kv to 138Kv.

In 1975, work was continued at a high level on major transmission improvements such as the Old Harbour-Parnassus 138 Kv line, the switching station at Hunt's Bay and the addition of many lines of distribution lines.

In 1973 and 1974 together there was a growth in the number of consumers connected to Jamaica Public Service of about 15%. The projected normal growth with increments due to the Rural Electrification Programme will necessitate a high level of continued expenditure on distribution facilities.

Altogether the expansion programme has been financed largely by borrowings, resulting in heavy debt service costs. Interest charges as a proportion of revenue from basic rates have risen sharply. In 1972, interest charges were 21% of the basic revenues but by 1974 they were 37% of basic revenues. Consequently the Company was unable to meet from revenues \$5.6 million of the interest charges.

REMOVAL OF SUBSIDY

In September 1974 the Public Utility Commission, after a public hearing on an application by the Jamaica Public Service Company for increased

rates on energy,

rates on energy, awarded the Company an increase of 38.6% with effect from October 1, 1974. Because it was felt that the consumer could not bear a rate increase of this magnitude along with other sharply escalating costs in the economy at that time, it was decided that a subsidy would be applied to consumers' bills equal in amount to the increase awarded by the Public Utility Commission, so that the consumer felt no impact at that time. This was, of course, no more than a postponement of the effect of the rate increase. The subsidy was subsequently removed in two phases: the first half on June 30, 1975, and the other on October 31, 1975.

CURRENT WAGE NEGOTIATIONS

In recent months the Jamaica Public Service Company has concluded wage agreements with two of the three Unions representing its work force and is currently seeking to do the same with the third Trade Union. These negotiations relate, without exception, to the period prior to the end of August 1975, and thus fall outside the guidelines established by the Anti-Inflation Package. The increases which have resulted so far range from 50% for the lowest paid categories to 15% in managerial grades in the initial year, and from 15% to 10% in the second year. These wage settlements are expected to cost nearly \$6 million through to the end of 1976.

IMPROVEMENTS IN EFFICIENCY

As part of its rate award effective October 1, 1974, the Public Utility Commission required certain improvements in efficiency which have been met by the Company but which have reduced the actual revenue effect of the award. This should be further explained. The Fuel Adjustment Clause allows the Jamaica Public Service Company to recover in full from the consumer the increase in fuel costs stemming from fuel price increases above a base price of 27.71 cents for that quantity of fuel used containing 1,000,000 BTUs. Critical in computing this charge are the Heat Rate and the Ratio of Net Energy Sold to Net Energy Generated. The Public Utility Commission required that the Heat Rate (the factor by which the energy charge per KWH is increased or decreased under the Fuel Adjustment Clause) be reduced to 14,500 BTUs per KWH. This has been

achieved

achieved in 1975. In addition, the Jamaica Public Service Company was required to apply a Ratio of Net Energy Sold to Net Energy Generated of 85% in 1975, which implies losses of 15% of Net Energy Generated. The Company has instituted this factor, meaning that the amount of line losses (lost electricity) for which the consumer must pay has been reduced from 18.2% in 1973 and 16.2% in 1974.

Among the other operating efficiencies introduced by the Jamaica Public Service Company include the establishment of the first phase of the Supervisory Control and Automatic Data Acquisition (SCADA) system in December 1974. Since then the SCADA system is constantly being expanded and improved. The main result of this is the flexibility it allows the Jamaica Public Service Company in reacting to transmission failures. In the event of such failures the affected substation can be immediately identified and switching operations be carried out at once at the Control Centre. The effect of this new system is to reduce significantly the frequency and duration of transmission outages. So far the system is linked to a limited number of substations but when SCADA is fully implemented the effects will be seen everywhere and not just in those areas now served by the system.

A decision was taken earlier in this year to re-organise the management structure of the Jamaica Public Service Company. One of the actions taken was to separate the functions of the Company into two divisions. These are:

- (1) Generation and Transmission - having sole responsibility for production, transmission and sub-station operation and maintenance; and
- (2) Customer Service and Administration - having sole responsibility for all matters involving service at the customer level, finance accounting etc.

The new full-time Chairman is to ensure overall management and co-ordination of the 2 Divisions. The objective is to provide a concentration of effort and consistent treatment of operational problems in the Kingston area vis-a-vis the rural districts. Furthermore, the separation of customer service and administration matters will tighten up the organisation, resulting in a reduction of waste and inefficiency.

5.

The Jamaica public Service Company has already taken a number of decisions which are intended to reduce costs as well as improve the efficiency of the Company's operation. First, it has been decided to postpone the installation of the next 70 MW steam generating plant at Hunt's Bay from 1978 to 1980. This has been done in the context of a revision of the Company's original construction programme in the light of new rates of growth of demand. In addition, the Jamaica Public Service Company will gradually eliminate from service a number of diesel plants which are known to be extremely inefficient as soon as new and more efficient steam units come into service. Also, the Company is seriously examining its use of consultants which has traditionally been at a high level, with a view to reducing their use drastically. This series of measures is expected to have a salutary effect on the Company's costs over a period of time.

NEED FOR ADDITIONAL REVENUES

For the reasons outlined before, however, - mainly the continued steep rise in operating costs and the high level of debt service obligations associated with the expansion programme - the increased revenues from the October 1974 rate award have been inadequate. The need for greater revenues becomes daily more acute if the Jamaica Public Service Company is to maintain and improve its service. The present rate application has been made in the context of the phased contribution of equity by the Government, and the burden of the Jamaica Public Service Company's capacity to provide a satisfactory service will be shared by the ratepayer and taxpayer in a manner which will be referred to later.

In summarising its case, the Company states that it requires additional earnings equivalent to 58% of basic rates to cover its 1974 earnings deficiency, and provide for the increases arising from the Union Contract awards. Based on 1974 operations this would amount to \$16.8 million of increased revenues in a full year.

CONSULTATION

CONSULTATION

Since the formal application by Jamaica Public Service Company for a rate increase there has been consultation and discussion with the private sector. First, at the invitation of the Chairman of Jamaica Public Service Company, representatives of the Jamaica Manufacturers' Association, Chamber of Commerce, Jamaica Hotel and Tourist Association, the National Consumers' League and the Tax and Ratepayers Association met with Jamaica Public Service Company officials and examined the financial problems of the Company and the circumstances leading to the application. On November 6, 1975, I, along with officers of my Ministry and officials of the Jamaica Public Service Company, had discussions with representatives of the same organisations with the exception of the National Consumers' League. As a result a small working group comprising representatives of the Jamaica Manufacturers' Association, the Chamber of Commerce, the Jamaica Tax and Ratepayers Association, the National Consumers' League, the Jamaica Public Service Company and my Ministry met on the 10th November, 1975, and considered a number of alternative models for dealing with the Company's financial problems.

During the discussions, I offered to make available to the representatives above all information which they requested relating to the financial position of the Jamaica Public Service Company, including the latest annual report (1974). The available information embraces not only the historical record of the Company's financial and physical performance but also projections of needs and commitments for future periods. This offer, made in accordance with Government's policy of total disclosure with respect to publicly owned enterprises, included an invitation to the private sector to have the books of the Jamaica Public Service Company examined by Auditors of their own choice to determine the justness or otherwise of the Jamaica Public Service Company's application. I gave an undertaking that, if such examinations proved (or prove in the future) that any rate increase granted is not justified, I am willing to roll back the level of rates granted to the Jamaica Public Service Company.

In general the representatives of the private sector held the view that, although a rate increase was justified, Government ought to inject

large sums

JAMAICA PUBLIC SERVICE COMPANY LIMITED

IMPACT ON TYPICAL BILLS
AVERAGE 42% RATE INCREASE
EFFECTIVE DECEMBER 1, 1975.

RATE 10 RESIDENTIAL
EXCLUDING FUEL ADJUSTMENT

<u>KWH</u> <u>per month</u>	<u>Bill at</u> <u>Existing Rates</u>	<u>Bill at</u> <u>Proposed Rates</u>	<u>Increase</u> <u>Amount \$</u>	<u>%</u>
0	1.04	1.04	0	0
10	1.04	1.04	0	0
20	1.94	2.03	0.09	4.6
30	2.84	3.02	0.18	6.3
40	3.33	3.81	0.48	14.4
50	3.82	4.60	0.78	20.4
75	5.05	6.58	1.53	30.3
100	6.27	8.55	2.28	36.4
150	8.12	11.45	3.33	41.0
200	9.97	14.35	4.38	43.9
300	13.67	20.15	6.48	47.4
500	18.47	27.55	9.08	49.2
750	23.72	35.80	12.08	50.9
1000	28.97	44.05	15.08	52.1
2000	49.97	77.05	27.08	54.2

JAMAICA PUBLIC SERVICE COMPANY LIMITED

IMPACT ON TYPICAL BILLS
AVERAGE 42% RATE INCREASE
EFFECTIVE DECEMBER 1, 1975

RATE 20 COMMERCIAL/INDUSTRIAL -
EXCLUDING FUEL ADJUSTMENT

<u>KWH</u> <u>per month</u>	<u>Bill at</u> <u>Existing Rates</u>	<u>Bill at</u> <u>Proposed Rates</u>	<u>Increase</u>	
			<u>Amount</u> \$	<u>%</u>
10	1.04	1.04	0	0
50	5.16	7.24	2.08	40.3
200	15.31	22.09	6.78	44.3
1000	55.31	78.89	23.58	42.6
5000	215.31	302.89	87.58	40.7
10000	415.31	582.89	167.58	40.4
20000	705.31	1002.89	297.58	42.2
50000	1575.31	2262.89	687.58	43.6

RATE NO. 10

RESIDENTIAL SERVICE

Available: Throughout the Island

Applicable: To residential consumers of all single phase domestic uses including single phase motors of 5 H.P. or less, individual capacity, when all service is taken through one meter at a single point of delivery.

Character of Service: A.C. 50 cycles single phase 110 volts, or 110/220 volts. At the Company's discretion, three phase 220 volts service may be furnished under this rate in accordance with the terms and conditions currently in effect.

Rate:

First 10 kwh or less per month	- \$1.04
Next 20 " per month @ 9.9c per kwh	
" 70 " " " @ 7.9c " "	
" 200 " " " @ 5.8c " "	
" 200 " " " @ 3.7c " "	
Over 500 " " " @ 3.3c " "	

Minimum: \$1.04 per month subject to application of Fuel Clause and Cost of Service Adjustment Clause.

Fuel Clause: The Fuel Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Cost of Service Adjustment Clause: The Cost of Service Adjustment Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Water Heating: All water heaters served hereunder shall be of types, makes and characteristics acceptable to the Company.

Meter Reading and Billing: The Company reserves the right to read meters every other month but nevertheless to render bills monthly.

Notwithstanding the foregoing, the Company also reserves the right to render bills every other month, in which event all blocks of this schedule shall be doubled in calculating the two-month bill.

RATE NO. 20

GENERAL SERVICE

Available: Throughout the Island

Applicable: To any consumer for all purposes not specifically provided for in other schedules provided that consumer's equipment does not cause undue voltage fluctuations as defined in the Company's terms and conditions currently in effect, and all service is taken through one meter at a single point of delivery. Commercial and industrial consumers having airconditioning heating and motor loads with individual or aggregate demands of 20 kw or over may elect to operate this equipment from a separate circuit or circuits in which case the Company will permit a second meter at the location and will bill the consumption registered thereon under rate 40.

Character of Service: A.C. 50 cycles, single phase 110 volts, 110/220 volts three phase 220 volts. Three phase 415/240 star system may be made available to installations exceeding 50 kw of demand or 75 H.P. of connected load where the consumer is served from an individual transformer. Primary voltage as applicable and available. Primary or secondary supply and metering at the option of the Company.

Rate:

First	10 kwh or less per month	-	\$1.04
Next	90 kwh per month @ 15.5c per kwh		
"	900 " " " @ 7.1c " "		
"	9 000 " " " @ 5.6c " "		
Over	10,000 " " " @ 4.2c " "		

Minimum: General Service. \$1.04 per month (subject to application of Fuel Clause and Cost of Service Adjustment Clause) plus 75c per month per kw of connected power load in excess of .1 kw. The minimum charge for three phase service will be of not less than 7½ H.P. The Company may measure demands to determine the highest 15-minute demand during any month and use this in lieu of the connected power load. 1 H.P. shall be taken as the equivalent to 0.75 kw.

Transformer Ownership and Primary Metering Discount: The following discount shall be applied prior to the Fuel Clause Adjustment.

- (1) 5% of the energy charges only when service is taken and metered on the primary side of the main bank of consumer-owned transformers.
- (2) 2.5% of the energy charges only when service is taken on the primary side of the main bank of consumer-owned transformers and metered at the secondary voltage.
- (3) 2.5% of the energy charge only when service is metered on the primary side of the main bank of company-owned transformers.

Fuel Clause: The Fuel Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule

RATE NO. 20

GENERAL SERVICE
(Continued)

Cost of Service Adjustment Clause:	The Cost of Service Adjustment Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.
Power Factor:	The consumer shall be required to maintain a power factor of not less than 85%.
Term:	A contract for a period of two years may be required as a condition of service under this Schedule.
Meter Reading and Billing:	<p>The Company reserves the right to read meters every other month but nevertheless to render bills monthly.</p> <p>Notwithstanding the foregoing, the Company also reserves the right to render bills every other month, in which event all blocks of this schedule shall be doubled in calculating the two-month bill.</p>

RATE NO. 40

POWER SERVICE

Available:	Throughout the Island
Applicable:	To consumers with demands of 20 kw or more for all power purposes and incidental lighting where such lighting does not exceed 10% of the connected power load. Hotels are excluded from the lighting limitation. Service is to be taken through one meter at a single point of delivery. Not applicable for standby breakdown or auxiliary service.
	Where required conditions are met this rate may also be applied to air conditioning, heating and motor loads in conjunction with rate 20 for lighting through a second meter at the same location.
Character of Service:	A.C. 50 cycles three phase 220 volts. Three phase 415/240 volts star system may be made available to installations exceeding 50 kw of demand or 75 H.P. of connected load where the consumer is served from an individual transformer. When supply is given at 415/240 volts if lighting (up to 10% of connected power load) is required at 110 volts consumer will furnish the necessary subsidiary transformer. Primary voltage as applicable and available. Primary and secondary supply and metering at the option of the Company.
Rate:	Demand Charge For each kw of maximum demand \$1.37 per kw per month. Energy charge: First 100 hours' use of maximum demand per month @ 3.4c per kwh Next 200 hours' use of maximum demand per month @ 2.8c per kwh Over 300 hours' use of maximum demand per month @ 2.3c per kwh
Minimum Charge:	The Demand Charge
Power Factor Adjustment:	When the actual power factor (%) is found to be less than 85% the demand charge shall be adjusted as follows: $\text{Demand charge} \times 35 \div \text{actual power factor (\%)}$
Determination of Maximum Demand:	By measurement and shall be the integrated average load measured in that 15-minute interval in the 12 months' period ending with the month for which bill is rendered but in no case less than 20 kw.

Cont'd.

RATE NO. 40

POWER SERVICE
(Continued)

Transformer
Ownership
and Primary
Metering
Discounts:

The following discounts shall be applied prior to the fuel clause adjustment.

- (1) 5% of the energy charge only when service is taken and metered on the primary side of the main bank of consumer-owned transformers.
- (2) 2.5% of the energy charge only when service is taken on the primary side of the main bank of consumer-owned transformers and metered at the secondary voltage.
- (3) 2.5% of the energy charge only when service is metered on the primary side of the main bank of Company-owned transformers.

Fuel Clause:

The Fuel Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Cost of Service
Adjustment Clause:

The Cost of Service Adjustment Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Term:

A contract for a period of two years may be required as a condition of service under this Schedule.

RATE NO. 50

POWER SERVICE - LARGE

Available: Throughout the Island

Applicable: To consumers with demands of 1 000 kva or more for general power and lighting purposes. Service is to be taken through one meter at a single point of delivery. Not applicable for stand-by, breakdown or auxiliary service.

Character of Service: A.C. 50 cycles three phase 220 volts. Three phase 415/240 volts star system. When supply is given at 415/240 volts the consumer will be required to furnish the necessary auxiliary transformer for any 110 volts or 110/220 volts service. Primary voltage as applicable and available. Primary or secondary supply and metering at the option of the Company.

Rate: Demand Charge

For each kva of maximum kva demand \$1.50 per kva per month

Energy Charge

First 100 hours' use of maximum kw demand per month @ 3.4c per kwh
 Next 200 hours' use of maximum kw demand per month @ 2.8c per kwh
 Next 200 hours' use of maximum kw demand per month @ 2.1c per kwh
 Over 500 hours' use of maximum kw demand per month @ 1.8c per kwh

Minimum Charge: The Demand Charge

Determination of Maximum Demand: By measurement, and shall be the integrated average load measured in the 15-minute interval in which such average load is higher than in any other 15-minute interval in the 12 months' period ending with the month for which bill is rendered but in no case less than 1,000 kva for the demand charge nor less than 1000 kw for the energy charge.

Transformer Ownership and Primary Metering Discounts: The following discounts shall be applied prior to the fuel clause adjustment.

- (1) 5% of the energy charge only when service is taken and metered on the primary side of the main bank of consumer-owned transformers.
- (2) 2.5% of the energy charge only when service is taken on the primary side of the main bank of consumer-owned transformer and metered at the secondary voltage.
- (3) 2.5% of the energy charge only when service is metered on the primary side of the main bank of Company-owned transformers.

Cont'd.

RATE NO. 50

POWER SERVICE - LARGE
(Continued)

Fuel Clause: The Fuel Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Cost of Service Adjustment Clause: The Cost of Service Adjustment Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Term: A contract for a period of two years may be required as a condition of service under this Schedule.

RATE NO. 60

STREET LIGHTING

Available: Throughout the Island by way of overhead fixtures supported on existing Company poles within the overhead secondary distribution lines of the Company. Dusk to dawn service controlled by timing or other device to provide for approximately 4,000 hours' service per lamp per year.

Applicable: To Public Authorities and statutory organizations to provide lighting on public roadways, streets, parks, gardens and other public areas at the request of a Public Authority or Statutory Organization.

Character of Service: A.C. 50 cycles single phase 110 volts, or 110/220 volts. Installation in accordance with the Company's specifications as to equipment, installation, operation and maintenance standards.

Rates: Company Owned Facilities

The installation, operation and maintenance of the fixtures installed within the Company's secondary distribution system are covered by the following rates:

Incandescent	-	100 watts @ \$2.70 per lamp per month
	-	150 watts @ \$3.45 per lamp per month
Mercury Tungsten	-	160 watts @ \$4.23 per lamp per month
Mercury Vapour	-	80 watts @ \$4.43 per lamp per month
	-	125 watts @ \$5.27 per lamp per month
	-	250 watts @ \$7.55 per lamp per month
	-	400 watts @ \$9.83 per lamp per month
High Pressure Sodium	-	100 watts @ \$4.87 per lamp per month
	-	150 watts @ \$5.80 per lamp per month
	-	250 watts @ \$7.55 per lamp per month
	-	400 watts @ \$9.83 per lamp per month

Metered Circuits

Where street lighting installations are installed, owned and maintained by the consumer the service shall be metered and the following rates shall apply:

For each kilowatt-hour supplied - 4.5c per kwh per month.

Traffic Signals

Traffic signals and traffic control systems shall be included in the rate for metered circuits.

Cont'd.

RATE NO. 60

STREET LIGHTING
(Continued)

Minimum: For each metered circuit shall be 0.75c per nominal wattage installed but in no case less than \$5.65 per month.

Fuel Clause: The Fuel Clause in force from time to time shall apply to all kilowatt-hours supplied (calculated or metered) under this Schedule.

Cost of Service Adjustment Clause: The Cost of Service Adjustment Clause in force from time to time shall apply to all kilowatt-hours sold under this Schedule.

Additional Facilities: In accordance with the standard Terms and Conditions.

FUEL CLAUSE

Rates as indicated herein are subject to a Fuel Clause Adjustment

which shall be as follows:

The Energy Charge per Kilowatt-hour shall be increased or decreased at the rate of 0.0145c for each One Cent (1c) or fraction thereof by which the average cost of fuel used during the month preceding the billing month exceeds or is less than 27.71c for that quantity of fuel used containing 1,000,000 (One Million) B.T.U. (British Thermal Units).

The fuel clause shall apply only to the portion of energy supplied to the consumer that the net Kilowatt-hours generated by fuel by the Company and purchased from others bears to its system total net generation and purchase and shall be adjusted to compensate for system losses determined by the ratio that the sales of energy bears to the system total net generation and purchase provided that where the actual ratio falls below 35%, the ratio 35% shall be used.

The variations in the Energy Charge per Kilowatt-hours shall be calculated to the nearest one-hundredth of a cent (0.01c). No monthly amount less than Eight Cents (8c) shall be charged or credited under the fuel clause.

COST OF SERVICE
ADJUSTMENT CLAUSE

The energy rates as indicated in this Schedule are subject to a Cost of Service Adjustment

which shall be as follows:

The energy rates as shown in Rates No. 10, No. 20 No. 40 No. 50 and No. 60, excluding the fuel adjustment charge, shall be increased on 1st January, 1976, by a cost of service adjustment of 1% of the energy rates in force at December 1, 1975 and on the 1st day of each month thereafter shall be increased by an additional 1% of the energy rates in effect at the beginning of the prior month.

In the event it is determined by the appropriate authority, based on information filed by the Company that the Company's annual rate of return in the preceding twelve month period is appreciably greater than the approved rate of return, the 1% increase which would otherwise next occur shall not be implemented and a reduction of 1% shall be applied if necessary.