



Ministry of Water & Housing

NWC Presents Case for Tariff Increase

PORT ANTONIO

Corporate Public Relations Manager for the National Water Commission (NWC), Charles Buchanan, has said that the increase in rates, being requested by the utility company, will put it in a better position to meet the increasing cost of providing water to new and existing customers.

In addition, he said, it will enable the agency to improve service delivery by earning revenue to improve equipment maintenance; and to satisfy increasing regulatory requirements.

Mr. Buchanan was addressing a public forum held recently at the Old Port Antonio Marina in Portland, to present the case for the 44 per cent increase in tariff being requested by the NWC. It was the latest in a series of island wide consultations organised by the Office of Utilities Regulation (OUR).

According to Mr. Buchanan, the NWC was last granted a 26 per cent rate increase by the OUR in February 2004, but the amount was inadequate for the company to implement all of the many projects and programmes that were needed to improve service.

He claimed that the average water bill is usually less than half of the average electricity or telephone bill, despite the fact that electricity comprises a major part of the cost of supplying water.

He noted also that water charges from the NWC are also among the cheapest in the region.

The main reasons for the NWC tariff review, which is now before the OUR are: the inability of the existing tariff to allow for full recovery of the cost of providing water service; absorption by the NWC of the major costs associated with damage suffered from the series of recent hurricanes and flood rains with no recovery mechanism to allow the company to return to a sound financial base; unavoidable deterioration in the service level to existing customers; an inability to meet the demands in new areas if the new tariff is not granted.

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