

NWC PRICE ADJUSTMENT MECHANISM STILL IN EFFECT

The Price Adjustment Mechanism (PAM) shown as one component of the National Water Commission's customer bill is still in effect.

A number of NWC customers appear to have confused the Price Adjustment Mechanism (PAM) with the discontinued 'K' Factor and have been bombarding NWC Customer Service Centres with queries about their bills.

Whereas the Price Adjustment Mechanism (PAM) chargers still appear on water supply bills, the 'K' Factor charges no longer appear on customer bills.

The distinction between the two elements of the water supply bill is very clear. The Price Adjustment Mechanism (PAM) is a formula designed to accommodate changes in some selected elements of costs to the National Water Commission over which it has no control. This change is based on calculated movements, up or down, in Foreign Exchange, Electricity, and Consumer Price Index components.

The 'K' Factor, on the other hand, was a special mechanism intended to provide funding for the Metering and Pump Replacement Programmes over a two-year period by the application of a 4% surcharge on water supply bills. During the two-year life span of the 'K' Factor, the National Water Commission has successfully surpassed both targets.