



# Fair Trading Commission

## DECISION

**Standards of Service for  
The Barbados Light & Power Company Ltd.**

**2010 - 2013**

**No: FTC/UR/ 2010- 03**

**Date: February 22, 2010**

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## SECTION 1 INTRODUCTION

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### 1. BACKGROUND

This document sets out the Fair Trading Commission's "Commission" determination and rationale for the continuance of standards of service for the Barbados Light & Power Company Limited "BL&P"

The Utilities Regulation Act, CAP. 282 (URA) provides for the Commission to determine standards of service for regulated utility companies. In discharging this responsibility the Commission issued a consultation paper as mandated by the Fair Trading Commission Act, CAP. 326B (FTCA). The Consultation Paper on the Review of the Standards of Service for the Barbados Light & Power Company Limited was issued on October 29, 2008.

The purpose of a standards programme is to ensure that a minimum quality of service is maintained, provide incentives for improvement, create conditions for customer satisfaction, monitor service quality and generally protect the interest of electricity users.

The Guaranteed Standards of Service require that the BL&P make a compensatory payment to each individual customer who is affected by its failure to meet the defined target for the relevant standard.

Overall Standards of Service are designed to reflect the general performance of the BL&P on an island-wide basis and are not defined by the service which an individual customer receives. There is no compensation to customers for failure to meet overall standards; however the Commission has the power to impose penalties where it is apparent that the BL&P has continuously neglected to solve a given breach.

The standards also include details of exemptions. Exemptions refer to situations where the Commission considers that failure to meet the standards is outside the control of the BL&P.

Service providers, representatives of consumer interest groups and other interested parties were invited to comment on the paper. The consultation period concluded on November 28, 2008. Two written responses were received; these were from the BL&P and a consumer, Ms. Anieta Banton.

Having considered the data from the BL&P's Standards of Service reports over the period 2006 to the present, and the responses received and having held discussions with the BL&P, the Commission hereby sets out its determination on the review of the standards of service for the BL&P, the sole entity responsible for generation, transmission and distribution of electricity in Barbados.

These revised standards of service will be applicable from **April 1<sup>st</sup> 2010**.

## 2. LEGISLATIVE FRAMEWORK

The functions of the Commission encompass the important aspect of the setting of standards of service Section 3(1) of the Utilities Regulation Act, CAP. 282 “URA”, states that the Commission shall, in relation to the service provider:-

- (a) *determine the standards of service applicable;*
- (b) *monitor the standards of service supplied to ensure compliance; and*
- (c) *carry out periodic reviews of the rates and principles for setting rates and standards of service.*

The Commission therefore has responsibility for determining and monitoring the standards of service offered and carrying out periodic reviews of the standards of service for utilities under its jurisdiction.

Section 4 of the URA notes that in determining standards of service the Commission shall have regard to:

- (a) *the rates being charged by the service provider for supplying a utility service;*
- (b) *ensuring that consumers are provided with universal access to the service supplied by the service provider;*
- (c) *the national environmental policy; and*
- (d) *such other matters as the Commission may consider appropriate.*

Rule 63 of the Utilities Regulation (Procedural) Rules 2003, S.I. 2003 No. 104 indicates that service standards may include issues such as:-

- (a) *Universality of service;*
- (b) *The provision of new services;*
- (c) *The extension of services to new customers;*
- (d) *The maximum response time permitted for responding to customer complaints; and*
- (e) *Standards related to service qualities which are specific to each sector.*

## **SECTION 2 THE DETERMINATION**

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### **3. SUMMARY OF REVISIONS**

Having considered all responses, analysed the data relating to the BL&P and publicly-available information on electricity standards of service, and compared standards from regional and extra-regional jurisdictions, the Commission believes that:

- the continued existence of Guaranteed and Overall Standards of Service for the supply of electricity service is appropriate;
- exemptions from the standards of service are appropriate under force majeure and other specified conditions.

The standards of service developed are specific to the BL&P and are mandatory. The following sections set out the amendments to the Guaranteed and Overall Standards of Service. This will allow for the Commission to educate the public and for the BL&P to sensitise its customers, prepare its staff and system for the administration of these revised standards of service.

#### **3.1 Changes to the Guaranteed Standards of Service**

##### Automatic Compensation for GES4 and GES6,

The Commission has determined that the BL&P shall, under the Standard of Service for Simple Service Connection (GES 4) and for Connect or Transfer Service (GES 6), automatically compensate all affected customers within three months of an incident. The compensation shall be in the form of a credit to each affected customer's account. The possible recipients are easily identifiable as direct action requests have to be made, unlike other categories.

### GES1 - Restore supply after a fault on the customer's service

Compensatory payments are to be prorated on an hourly basis after the target time has elapsed i.e. for every hour after the target time has been exceeded the BL&P shall pay an additional 1/24<sup>th</sup> of the compensatory payment amount, once a customer's claim is accepted.

### GES2 - Restore supply after fault on the electrical distribution system (multiple customers)

Compensatory payments are to be prorated on an hourly basis after the target time has elapsed i.e. for every hour after the target time has been exceeded the BL&P shall pay an additional 1/24<sup>th</sup> of the compensatory payment amount, once a customer's claim is accepted.

## **3.2 Changes to the Overall Standards of Service**

The Commission has made one addition to the Overall Standards of Service to address the response time of the BL&P Customer Service Centre.

The Commission has also made changes to the definitions of the Overall Standard of Service for Investigation of Voltage Complaint (GES3), Reconnection of Service on settling the bill after disconnection (GES7). This will provide for a better understanding of the standard and a more efficient system.

#### 4. GUARANTEED STANDARDS OF SERVICE

STANDARD	DESCRIPTION	TARGET	COMPENSATORY PAYMENTS
GES1 (Amended)	Restore supply after fault on customer's service (single customer)	Within 12 hours	<p>\$45.00 (Domestic)            \$90.00 (General Service)            \$215.00 Secondary Voltage Power/Large Power (SVP/LP)</p> <p>\$45.00 for each additional 24 hours.(Domestic )            \$90.00 for each additional 24 hours (General Service)            \$215.00 for each additional 24 hours (SVP/LP)</p> <p><b>Prorated on a hourly basis</b></p>
GES2 (Amended)	Restore supply after fault on the distribution system (multiple customers)	Within 12 hours	<p>\$45.00 (Domestic)            \$90.00 (General Service)            \$215.00 (SVP/LP)</p> <p>\$45.00 for each additional 24 hours (Domestic)            \$90.00 for each additional 24 hours (General Service)            \$215.00 for each additional 24 hours (SVP/LP))</p> <p><b>Prorated on a hourly basis</b></p>
GES3	Investigation of voltage complaints	Visit within 3 working days, correct within 3 months	<p>\$45.00 (Domestic)            \$90.00 (General Service)            \$215.00 (SVP/LP).</p>
GES4 (Amended)	Provide a simple service connection (connection point within 30 m)	Within 12 working days	<p>Refund of installation fee</p> <p><b>Automatic compensation</b></p>
GES5	Provide cost estimate for complex connection requiring a service visit	Within 3 months	<p>\$45.00 (Domestic)            \$90.00 (General Service.)            \$215.00 (SVP/LP)</p>
GES6 (Amended)	Connect or transfer of service to an existing installation	Within 2 working days	<p>\$45.00 (Domestic)            \$90.00(General Service.)            \$215.00 (SVP/LP)</p> <p><b>Automatic compensation</b></p>
GES7 (Amended)	Reconnection of service on settling the bill after disconnection at the meter	Within 1 working day	<p>Refund of reconnection fee</p>



STANDARD	DESCRIPTION	TARGET	COMPENSATORY PAYMENTS
GES8	Response to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit.	\$45.00 (Domestic) \$90.00 (General Service). \$215.00 (SVP/LP)

#### **4.1 Definitions and Specific Exemptions**

##### **GES1 - Restore supply after a fault on the customer's service**

Specific Exemption: Fault on customer's equipment eg: socket base, load ends, underground cable.

Definition - Supply is to be restored within 12 hours of it being reported to the Company. This includes problems/defects at the metering point, broken or defective service wires, low or high voltage conditions arising from service connections, which cause the interruption of supply to a single customer.

##### **GES2 - Restore supply after fault on the electrical distribution system (multiple customers)**

Definition - Supply should be restored within 12 hours of being reported.

Specific Exemptions:

- Where it would not have been reasonable for the BL&P to know that the customer's supply had been lost or that it had not been restored since loss occurred.
- Where the outage is due to a fault on an underground cable and the prevailing conditions are such that it is not practical for the company to be able to locate, excavate and repair the fault within the stipulated time frame.

### **GES3 - Investigation of voltage complaint (Amended)**

The definition for this standard shall now read:

Definition - The BL&P is required to visit the source of the problem within 3 working days and rectify the problem if the voltage supplied to the customer's premises does not meet the Power Quality Standard where possible. The source of the problem may be on the customer's premises or on the equipment and facilities of the Company's network, up to the meter." Where it is found that the voltage supplied to the customer's premises does not meet the Power Quality Standard and cannot be corrected immediately, the BL&P is required to complete the investigation, correct, where the source of the problem is within the Company's network, and notify the customer within 3 months.

The specific exemption "a defect in the customer's appliances or equipment" has also been added under this category

Specific exemptions:

- Problems arising due to:
  - (a) a significant increase in a customer's electricity demand where the Company has not been properly notified,
  - (b) the inappropriate use of equipment (eg. Welding equipment, large motors) on a service not designed for such loads;
  - (c) due to defects in the customer's installation in respect of grounding, wiring overload, unbalance , harmonics , or transient voltages.
  
- Delays, which may occur due to difficulties in obtaining the required permissions from property owners or the Town & Country Development Planning Office to carry out work.
  
- A defect in the customer's appliances or equipment

**GES4 – Provide a simple service connection (connection point within 30 metres)**

Definition – The BL&P is required to connect all new services which are within 30 metres of an existing circuit within 12 working days, after signing the contract for connection and the presenting of a valid certificate of inspection from Government Electrical Engineering Department (GEED) by the customer.

**GES5 – Provide a cost estimate for complex connection requiring a service visit**

Definition – The BL&P is required to provide a cost estimate for providing a new or altered supply within 3 months of receipt of a customer request. The cost estimate includes provision for installation of equipment and changes to the distribution system.

Specific Exemptions:

- Where the customer fails to provide information required to determine the estimated Costs.
- Delays which may occur due to difficulties in obtaining required permissions from property owners or the Town & Country Planning Development Planning Office to carry out work.

**GES6 - Connect or Transfer of a service to an existing installation**

Definition – The BL&P is required to connect a service or transfer an electricity account where there is a meter already installed on the premises, no more than 2 working days after the customer has signed the contract with the company.

Specific Exemption: If the service is disconnected for more than 6 months and/or requires a valid certificate of inspection before it can be connected.

**GES7 – Reconnection of service on settling the bill after disconnection at the meter (Amended)**

The definition for this standard shall now read:

Definition - Reconnection within one working day after payment of the bill, including payment of the reconnection fee. In the case of payments made to an external agency, reconnection by the end of the next working day after payment of bill including the payment of the reconnection fee and after the customer has notified the BL&P's customer service department that reconnection is requested.

### **GES8 - Response to billing complaints**

Definition - The BL&P should normally respond to customer billing complaints within two working days. In situations where the BL&P considers that a service visit is necessary in order to resolve the complaint, the assessment must be made within 15 working days.

### **4.2 Automated Reconciliation of Compensatory Payments for GES4 and GES6 (New)**

The compensatory system as it now exists is manual. During the review of the standards of service the Commission looked into the feasibility of moving to a fully automated system of compensatory payment. In view of the investment upgrades to software and hardware that may be required and the challenges in identifying eligible customers under some of the Standards of Service the Commission re-examined this approach.

The Commission determined that automatic compensation would only apply to the Standard of Service for Simple Service Connection (GES4) and for Connect or Transfer Service (GES6). These two categories were chosen because the affected customers are easily identified.

The implementation of automated processes would enable those customers who should have qualified for compensation, but have not claimed, to receive compensation without having to submit a paper claim.

The time frame between the failure to meet Standards of Service GES4 and GES6 and receipt of the credit should be no longer than three months.

### **4.3 Manual System Compensation**

For the avoidance of doubt customers will have to submit manual claims forms for all other breaches of Guaranteed Standards of Service and the BL&P will continue to make available, claim forms for those customers who wish to claim using the manual system. Customer claim forms shall also be available on the Company's website. Customer claims must be submitted within 3 months of the event giving rise to the claim and the BL&P must accept or deny the claim within 2 months. If after investigation a customer's claim is accepted, the BL&P will adjust the following month's electricity bill by crediting the appropriate compensatory payment to the customer's account. If the claim is denied the BL&P must inform the customer on what basis the decision was made.

All compensatory payments will be made as credits on the customer's next bill after the claim has been accepted. The customer has the right to make a complaint to the Commission if he/she considers that he/she has been wrongfully denied compensation.

## 5. OVERALL STANDARDS OF SERVICE

### OES5 - Billing and Trouble Centre calls answered by a customer representative (New)

The Commission has determined that 'Billing and Trouble Centre calls answered by a customer representative' shall be included in the list of overall standards of Service.

The definition for this standard shall read:

Definition - 85%<sup>1</sup> of calls to the BL&P Billing and Trouble Centre should be answered within one minute.

The specific exemption under this category shall be:

Specific Exemption - Calls received during the period of an outage on one or more feeders shall not be applicable under this category. The intent is to exclude instances of overloaded lines during unusual circumstances e.g. major outages.

### Reconnection after payment of overdue amount

The Commission has determined that the Overall Standard of Service for Reconnection after payment of overdue amount (formerly OTS4) shall be removed from the list of overall standards.

## 5.1 Definitions and Specific Exemptions

The Commission has made changes to the definition of some of the Overall Standards of Service. These changes are intended to provide for a more efficient system.

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<sup>1</sup> This figure is based on a five year average of % answered calls.

### **OES1 - Frequency of meter reading (Amended)**

The definition for this standard shall now read:

Definition - The BL&P is expected to read all Domestic and General Service meters at least once every two months. All Secondary Voltage Power and Large Power meters should be read monthly.

The specific exemptions under this category shall be amended to read:

Specific Exemptions: Situations where, owing to restrictions on access to the premises, the meter is inaccessible to the meter reader e.g. presence of dogs or fencing. In these cases the Company should write the customer to make them aware of the situation and seek to have the situation corrected.

### **OES2 - Response to Voltage Complaints**

Definition - This standard relates to GES3, 95% of voltage complaints should be investigated within 5 working days.

Specific exemption - Delays which may occur due to difficulties in obtaining required permissions from property owners or the Town & Country Planning Development Planning Office to carry out work.

### **OES3 - Prior notice of outage (Amended)**

The definition for this standard shall now read:

Definition - Situations where urgent remedial work is required but the timeframe is such that 48 hours written notice is not practical in these cases, if the work is expected to exceed more than 3 hours, the Company should use an alternative method of advising customers, for example, through personal visits to the premises or advertisement on the radio (where large numbers of customers are involved).

The specific exemptions under this category shall be amended to include:

Specific Exemption: Situations where urgent remedial work is planned but the timeframe is such that written notice is not practical. In such cases the Company should place a notice on the radio for outages that may extend beyond 3 hours.

**OES4 - Response to written claims for breach of standards of service (Amended)**

The definition for this standard shall now read:

Definition - 100% of written claims to BL&P for breaches of standards of service should be acknowledged by the Company within 10 working days of receipt of the claim.

**Overall Standards of Service 2010**

Standard	Description	Target
OES1 (Amended)	Frequency of meter reading	(a) 100% of Domestic/General Service customer meters read every two months  (b) 100% of Secondary Voltage Power and Large Power customer meters to be read monthly
OES2	Response to Complaint of high/low voltage	95% of complaints to be responded to in 5 working days
OES3 (Amended)	Prior notice of outages	All potentially affected customers to be notified of planned outages 48 hours before outage in 95% of instances
OES4	Response to Written Claims related to Standards of Service	100% of customers to receive acknowledgement of receipt of claim within 10 working days



Standard	Description	Target
OES5 (New)	Billing and Trouble Centre calls answered by a customer representative	85% of calls answered in 1 minute

## 5.2 System Reliability Indicators

Indicator Indices CAIDI, SAIFI, SAIDI	(New) No set targets. Company to give explanations for variations in excess of 10 % of running average
Power Quality Standard	+/- 6%

### **Power Quality Standard**

This will be set at +/- 6% of nominal voltage. The BL&P may be required to pay compensation for damage to equipment if electricity is outside of this range. The decision on whether the BL&P is liable will be made in accordance with its policies and procedures for handling claims for damage to customer equipment.

### **System Reliability Indicator Indices**

The Commission requires the BL&P to adopt the following indices.

#### System Average Interruption Duration Index (SAIDI)

This index indicates the total duration of interruption for the average customer during a predefined period of time (e.g. monthly) and is measured in customer hours of interruption.

$$\text{SAIDI} = \frac{\text{Total Customer Hours Interruptions}}{\text{Total Number of Customers Served}}$$

System Average Interruption Frequency Index (SAIFI)

This indicates how often the average customer experiences a sustained interruption over a predefined period of time (e.g. monthly)

$$\text{SAIFI} = \frac{\text{Total Customer Interruptions}}{\text{Total Number of Customers Served}}$$

Customer Average Interruption Duration Index (CAIDI)

This represents the average time to restore service.

$$\begin{aligned} \text{CAIDI} &= \frac{\text{SAIDI}}{\text{SAIFI}} \\ &= \frac{\text{Total Customer Hours of Interruption}}{\text{Total Number of Customer Interruptions}} \end{aligned}$$

By collecting and comparing these indices on a monthly basis, the Commission will be able to determine whether there has been an improvement or deterioration in the standard of production and distribution of electricity in Barbados.

The BL&P will follow the Institute of Electrical and Electronic Engineers (IEEE) standard 1366 (2003) for determining System Reliability.

### 5.3 Working Days

Working Days include Monday to Friday only and exclude public holidays and weekends. In measuring the response time for targets expressed in terms of working days, the day that the complaint is made is not counted.

## 6. GENERAL EXEMPTIONS

In certain conditions the BL&P may be unable to meet the standards due to circumstances outside the control of the BL&P. Under these conditions, the requirement to pay compensation for not meeting the Guaranteed Standard shall be waived. Below is a list of circumstances where such exemptions shall be applied.

- Acts of God;
- Riot;
- Civil commotion;
- Strikes, lockouts, and other industrial actions;
- Acts of terrorism;
- Wars;
- Blockades;
- Insurrections;
- Epidemics;
- Landslides;
- Hurricanes;
- Lightning;
- Earthquake;
- Storms;
- Floods;
- Trade restrictions;
- Inability to obtain any requisite Government permits;

- Breakdown of machinery or equipment or any other force or cause of similar nature not within the control of the BL&P and which by the exercise of diligence it is unable to avoid, prevent or mitigate;

## 7. OTHER EXEMPTIONS AND CONDITIONS

The Commission is cognisant that other circumstances may exist from time to time which might impede the BL&P's ability to meet the prescribed standards of service. In such circumstances, where a customer is dissatisfied with the BL&P's application of an exemption, that customer may seek the Commission's guidance. Thereafter, the Commission may authorise the BL&P's action or require it to honour the claim. Situations which might fall into this category may include but are not limited to the following:

- Inability to gain access to premises or the BL&P's facilities where needed;
- Where the customer's installation does not meet the BL&P's requirements for installation or is considered unfit for service. (The BL&P's installation requirements are published in its Information and Requirements booklet and on its website);
- Where the customer or his/her agent fails to fulfil his/her obligations;
- Where there are legal constraints that may prevent the BL&P from meeting the Standard;
- Where the customer informs the BL&P that he/she does not want further action to be taken on a matter;
- Where the customer requests the BL&P to take action at a later date than required by the standard;
- Where the BL&P reasonably considers that the customer's request or complaint is frivolous or vexatious;
- Where an offence has been committed through interference with the BL&P's metering equipment; and

- Where the customer's electricity account remains unpaid after the BL&P has given the customer notice of its intention to disconnect his/her supply for non-payment.

The Commission has added the following conditions to the exemption list:

- The BL&P is requested by a public authority to provide emergency electricity supply to assist in emergency action and the provision of such services restricts the connection of a customer to a specified service or the rectification of a fault or service difficulty;
- The customer is required to pay a charge to the BL&P for connection to the service or for the use of the service and the BL&P has reasonable grounds to believe, based on the customer's prior debt service record, that the customer would be unwilling or unable to pay the charge as it becomes due.

## **8. MONITORING AND ENFORCEMENT OF STANDARDS**

The BL&P is required to submit monthly reports of the reliability indicator indices:

CAIDI (Customer Average Interruption Duration Index)

SAIDI (System Average Interruption Duration Index)

SAIFI (System Average Interruption Frequency Index)

In addition, the BL&P must provide the average value of each index over the entire year at the end of each year.

The BL&P is required to submit quarterly regulatory reports including information on:

- The number of breaches under each Guaranteed Standard category;
- The level of compliance, as a percentage, of each Overall Standard category (OES1 to OES5); and
- Details of any extenuating circumstances that would have prevented it from achieving the targets for the overall standards.

The BL&P is required to submit annual reports including information on:

- The number of customers eligible for compensation during the previous financial year (except for GES2);
- The total amount of eligible compensation ; (except for GES2);
- The number of customers actually receiving compensation; and
- The amount of compensation actually paid.

The Commission reserves the right to conduct independent investigations that seek to determine the extent to which the BL&P is meeting the standards of service. It is expected that where an Overall Standard is not met the BL&P will provide an explanation to the Commission. Where the BL&P continually fails to meet an overall standard, to the point where service is severely hampered, and it appears that it has not made a reasonable effort to rectify the breach, section 43 of the Fair Trading Commission Act, CAP. 326B and sections 31 and 38 of the Utilities Regulation Act, CAP. 282 may be invoked on issuing of the appropriate Order as required by these acts. Both Acts make provisions for the imposition of penalties when the service provider is deemed not to be in compliance with prescribed standards of service.

## **9. PUBLIC DISCLOSURE OF INFORMATION**

The Commission will make public the yearly statistics related to the BL&P's performance in attaining Guaranteed and Overall Standards.

## 10. PUBLIC EDUCATION

The BL&P shall make available to its customers a detailed list of the approved Revised Guaranteed and Overall Standards of Service. This list shall include information on the service category, target times, and compensatory payment where applicable. The BL&P's fault reporting process is to be made known to the public and the appropriate contact numbers included. The service provider shall also widely publicise the means via which compensation for breaches may be sought.

The Commission will seek to further educate the public as to their rights and responsibilities as they relate to these revised standards.

## 11. IMPLEMENTATION AND REVIEW

The Standards of Service for the BL&P as herein outlined will become effective on **April 1<sup>st</sup> 2010**. These standards are subject to the official Commission review every **three** years, at which time amendments to the standards, target times or compensatory payments may be made.

Dated this 22<sup>nd</sup> day of February 2010

*Original Signed by*

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Neville V. Nicholls  
Chairman

*Original Signed by*

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Gregory Hazzard  
Commissioner

*Original Signed by*

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Andrew Brathwaite  
Commissioner

*Original Signed by*

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Andrew Willoughby  
Commissioner

*Original Signed by*

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Alfred Knight  
Commissioner