



**REPORT ON THE STANDARDS OF SERVICE FOR THE
BARBADOS LIGHT & POWER COMPANY LIMITED**

April 1, 2011 - March 31, 2012

Date: August 15, 2012

INTRODUCTION

This report is an assessment of the performance of the Barbados Light & Power Company Limited “BL&P” in relation to both the Guaranteed and Overall Standards of Service for the period April 01, 2011 to March 31, 2012. The performance of the BL&P is analysed based on the BL&P Standards of Service Decision which was issued by the Fair Trading Commission on February 22, 2010.

The assessment is divided into two sections. Section 1 is the assessment of the Guaranteed Standards of Service. These Standards of Service require that the BL&P make compensatory payment to each individual customer who is impacted by the Company’s breach of any of the prescribed targets. This section also provides information on the number of claims under the Guaranteed Standards of Service. Compensation, which is prorated to allow for recompense for the duration of the breach exclusive of the grace period, is paid in the form of a credit to the individual customer’s account and is shown as a credit on a subsequent bill.

Section 2 summarises the performance of the company with respect to the Overall Standards of Service. These standards are applicable at a national level and there are no immediate penalties for non-compliance, however the Commission may apply penalties where there are observed profound consistent breaches.

SECTION 1 - GUARANTEED STANDARDS OF SERVICE

| STANDARD | TARGET | AVG. % COMPLIANCE APR. 2009 - MAR. 2010 | AVG. % COMPLIANCE APR. 2010 - MAR. 2011 | AVG. % COMPLIANCE APR. 2011 - MAR. 2012 |
|---|---|--|--|--|
| <u>GES 1</u> Restoration of Supply on Customer's Service | Within 12 hrs | 99.6 | 97.8 | 99.5 |
| <u>GES 2</u> Restoration of Supply After Fault on Distribution System | Within 12 hrs | 100 | 99.7 | 100 |
| <u>GES 3</u> Investigation of Voltage Complaints | (a) Visit and correct within 3 working days | 99.6 | 96.6 | 99.9 |
| | (b) Correct within 3 months for those not corrected within 3 working days | 100 | 71.4 | N/A |
| <u>GES 4</u> Provide a Simple Service Connection (connection point within 30m) | Within 12 working days | 90.4 | 92.6 | 89.4 |

| STANDARD | TARGET | AVG. % COMPLIANCE APR. 2009 - MAR. 2010 | AVG. % COMPLIANCE APR. 2010 - MAR. 2011 | AVG. % COMPLIANCE APR. 2011 - MAR. 2012 |
|--|--|---|---|---|
| GES 5 Provide Cost Estimate for Complex Connection Requiring Service Visit | Within 3 months | 99.8 | 99.5 | 96.3 |
| GES 6 Connect or Transfer of Service to an Existing Installation | Within 2 working days | 98.4 | 99.5 | 99.5 |
| GES 7 Reconnection of Service After Disconnection (due to unpaid bill) | Within 2 working days | 99.9 | 100 | 99.9 |
| GES 8 Response to Billing Complaint | Provide assessment within 15 working days for those complaints which the Company deems require a service visit | 99.6 | 96.8 | 96.8 |

Table 1: Guaranteed Standards of Service for 2009 - 2012

The Guaranteed Standards of Service sets eight minimum performance targets in different aspects of service delivery. These standards are mandatory, and the Company incurs a penalty whenever it fails to meet the prescribed target, except under *force majeure* conditions. Failure by the Company to meet these standards requires compensatory payments in the form of credits to each affected customer's bill. However, affected consumers are required to manually claim compensation

under all of the categories except two, GES 4, provide a simple service connection (connection point within 30m), and GES 6, connect or transfer of service to an existing installation.

GES 1 - Restoration of Supply after Fault on Customer's Service

This standard refers to the restoration of supply after a fault that affects a single customer. Compliance with this standard has improved in comparison to the last reporting period. Compliance under this standard has averaged above 99% over the five-year period that standards of service became applicable.

GES 2 - Restoration of Supply after Fault on Distribution System

This standard refers to the restoration of supply after fault that affects multiple customers. Compliance for this standard was 100% as compared to 99.7% for the previous year. The trend is compliance above 99%.

GES 3 - Investigation of Voltage Complaints

This standard has two components and thus two targets. The target for the first part is correction within three working days. Under this component compliance increased to 99.9%, an approximate 3% improvement over 2010/2011. Over the past five years compliance has averaged 98.7%.

With regard to the second part of this standard, no instances arose where detailed investigations and correction took more than three months.

GES 4 - Provide a Simple Service Connection

This standard refers to the service installation where the connection point is within 30 metres. This standard recorded a decline to 89.4% in the frequency with which the associated target was attained this year. It was only in 2008/2009 that a lower level of compliance was realised.

GES 5 - Provide Cost Estimate for Complex Connection Requiring Service Visit

For the first time since the establishment of these standards, compliance under this category fell below 99%. This year it was recorded at 96.3%.

GES 6 - Connect or Transfer of Service to an Existing Installation

Similar to the 2010/2011 period, compliance with this standard remained at 99.5%.

GES 7 - Reconnection of Service after Disconnection

This standard refers to the reconnection of service on settling the bill after disconnection at the meter. Compliance for this standard averaged 99.9% for four of the last five years.

GES 8 - Response to Billing Complaint

The level of compliance with this standard has fluctuated over the years, however the average of 96.8% achieved in 2010/2011 was maintained in 2011/2012.

Customer Claims Summary

| CATEGORY | 2009/2010 | 2010/2011 | 2011/2012 |
|---|------------------|------------------|---|
| Persons eligible for compensation | 258 | 218 | 200 |
| Persons actually receiving compensation | 0 | 106 | 140 automatic |
| Percentage of eligible customers receiving compensation | 0% | 39.4% | 70% Only automatic compensation was paid |

Table 2: Customer Claims Summary 2009 - 2012

Under the Guaranteed Standards of Service affected customers are eligible for monetary compensation for breaches of the specified targets. However, customers

must first submit a claim to the Company for six of the eight standards. The Commission continues to observe that consumers are not optimally utilising the guaranteed standards of service scheme, as they are not manually claiming for breaches. In the instances where consumers receive compensation it was either a result of GES 4 or GES 6 where compensation is automatic. The Commission will continue to educate the public about their rights and responsibilities under the Standards of Service.

SECTION 2 - OVERALL STANDARDS OF SERVICE

The Company continues to fail to meet the OES 1 which relates to the reading of each domestic meter every other month and each secondary voltage and large power meter monthly. Answering of Billing and Trouble Calls (OES 5), recorded results of 56.2; well below the targeted 85%. An unusually low compliance level of 19.3% was reported for the month of July which was the same period during which the company was transitioning to the newer information recording system. The targets for OES 2, response to high/low voltage complaint, and OES 3, prior notice of outages, were again exceeded while no claims were received under OES 4, responses to written claims related to standards of service.

| STANDARD | TARGET | AVG. % COMPLIANCE APR. 2009 - MAR. 2010 | AVG. % COMPLIANCE APR. 2010 - MAR. 2011 | AVG. % COMPLIANCE APR. 2011 - MAR. 2012 |
|---|--|--|--|--|
| <u>OES1</u> Frequency of meter reading | 100% of customers' meters to be read every two months | 97.2 | 94.7 | 95.7 |
| | 100% of Secondary Voltage Power and Large Power customers' meters to be read monthly | N/A | 97.9 | 96.9 |
| <u>OES2</u> Response to high/low voltage complaint | 95% of complaints to be responded to within 5 working days | 99.8 | 97.8 | 100 |
| <u>OES3</u> Prior notice of outages | 95% of customers to be notified of planned outages 48 hours before | 99.3 | 98.7 | 99.5 |

| STANDARD | TARGET | AVG. % COMPLIANCE APR. 2009 - MAR. 2010 | AVG. % COMPLIANCE APR. 2010 - MAR. 2011 | AVG. % COMPLIANCE APR. 2011 - MAR. 2012 |
|--|---|---|---|---|
| OES4 Response to written claims related to Standards of Service | 100% of customers to receive acknowledgement of receipt of claim within 10 working days | None received | None received | None received |
| OES5 Answering of billing and trouble calls | 85% of calls answered by a representative within 1 minute | N/A | 80.6 | 56.2 |

Table 3: Overall Standards, 2009 - 2012

System Reliability Indicator Indices

| Year | System Reliability Indicators | | |
|-----------|-------------------------------|-------|-------|
| | SAIDI | SAIFI | CAIDI |
| 2011/2012 | 6.35 | 10.39 | 0.61 |
| 2010/2011 | 3.40 | 6.16 | 0.55 |
| 2009/2010 | 2.59 | 6.61 | 0.39 |

Table 4: System Reliability Indicators, 2009 - 2012

The System Reliability Indicator Indices are used to gauge the reliability and availability of the electricity service. The System Average Interruption Duration Index (SAIDI), gives an indication of the average duration of interruption per customer and the System Average Interruption Frequency Index (SAIFI), indicates on average how often a customer experiences service interruptions. These readings are done monthly. The CAIDI indicator which is the Customer Interruption Duration Index measures the average time that the BL&P takes to restore service.

Table 4 shows the performance of the three system reliability indicators over the past five years. Compared to the 2010/2011 period, the average duration of a service interruption per customer in 2011/2012 almost doubled, and customers experienced service interruptions more frequently (59% more) than the previous year. CAIDI also increased in 2011/2012, indicating an overall slower average restoration time.

SUMMARY

The BL&P's 2010/2011 compliance with the guaranteed standards averaged above 95% in all of the eight standards except GES 4 which speaks to the provision of a simple service connection. Three service categories, Restoration of Supply after a Fault on Customer's Service (GES 1), Investigation of a Voltage Complaint (GES 3a) and Provision of Cost Estimate for Complex Connection Requiring a Site Visit (GES 5) all recorded compliance levels which improved over the previous year. Only GES 2, Restoration of Supply after Fault in Distribution System recorded perfect compliance. The compliance level for GES 4 declined relative to the preceding two years. All others maintained the same level of compliance as the previous year.

With regard to the Overall Standards of Service, the Company again exceeded the targets for OES 2 and OES 3, Response to High/Low Voltage Complaints and Prior Notice of Outages. The 100% target for OES 1 and 85% target for OES 5 were not met. No claims were made under OES 4.

Analysis of all the system reliability indices for 2011/2012 suggests a decrease in the level of service offered relative to the last reporting period with average duration of a service interruption per customer almost doubled and customers experienced service interruptions more frequently.

The Standards of Service programme will be reviewed during the financial year 2012/2013. During this period Commission staff will examine both the Guaranteed and Overall Standards with a view to determining which Standards are in need of updating or revision. The Commission hopes that there will be active participation of the general public in the review process by submission of responses to the Commission's Consultation Paper.