



Fair Trading Commission

Consultation Paper

REVIEW OF THE BARBADOS LIGHT AND POWER COMPANY LTD. STANDARDS OF SERVICE

Document No. FTC/CONS2008/02

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PUBLIC CONSULTATION ON THE REVIEW OF THE STANDARDS OF SERVICE FOR THE BARBADOS LIGHT & POWER CO. LTD.

Purpose of Document

1. The Commission issued its decision on the standards of service for the Barbados Light & Power Company Ltd. "BL&P" on February 28, 2006 and it became applicable from June 1, 2006. The Commission in that Decision committed itself to a review after 2 years.
2. This paper provides an overview of the operations and performance of the Company as it relates to the standards of service over the past two years. It also gives an update of amendments made and new standards of service instituted regionally or internationally which may be of relevance to Barbados.
3. The purpose of this consultation is to determine among other things:
 - a) Whether the objectives for the implementation of the Standards of Service were met i.e. was it beneficial to both consumers and the service provider.
 - b) Whether any additional Guaranteed or Overall standards of service should be implemented
 - c) What time period is most appropriate before review of the standards of service, currently it is a two year period.
 - d) Whether any of the Guaranteed or Overall standards need to be modified or removed.
 - e) Whether the system of compensatory payment is adequate and whether the number of exemptions should be revised.
4. In the interest of transparency and accountability the Commission is obligated to seek public input on matters relating to the regulation of public utilities. The consultation process therefore

- a) brings to public attention important issues relating to utility regulation to promote public understanding and debate;
 - b) puts forward options and/or proposals as to the approach to adopt in dealing with these issues and seeks to resolve them in the best interests of the consumer, the service provider and the society at large; and
 - c) invites comments from interested parties, such as consumers, service providers, businesses, professionals and academics.
5. In general with consultation papers, the issues at hand will influence the nature of the document and its content. On some issues, the Commission may simply set out what it regards as the available options and, although there may be some analysis of the pros and cons of the options, it may be that no one option emerges as the favoured or proposed approach. In other consultation papers, the issues are such that the Commission may set out a clear preference for a particular approach and invite comments on this basis.
6. The paper is intended to solicit comments from all interested parties on the performance of the Company specifically as it relates to the published reports on the standards of service and to identify areas for inclusion, deletion and or improvement.
7. The Commission encourages the widest possible participation in this consultation process. In addition to making this document available at its offices, it will be posted on the Commission's website.
8. The Consultation period will begin on **October 29, 2008** and end on **November 28, 2008 at 4.00 p.m.**

SECTION 1 - BACKGROUND

Legislative Framework

9. The issue of Standards of Service is extremely important in the regulation of utilities. In a competitive market, the consumer makes a choice of a service based on both price and quality. Competitors offering items of sub-standard quality at low prices may be forced out of the market in the same way as competitors offering reasonable standards at high prices. These natural competition forces “regulate” the market. Monopoly utilities such as the BL&P are not subject to these competitive forces; therefore the onus is on the Commission to establish standards that are reasonable to ensure adequate service is provided to customers.
10. The functions of the Commission encompass the important aspect of the setting of standards. Section 3(1) of the Utilities Regulation Act, CAP 282, states that the Commission shall, in relation to the service provider:-
 - determine the standards of service applicable;*
 - (a) monitor the standards of service supplied to ensure compliance; and*
 - (b) carry out periodic reviews of the rates and principles for setting rates and standards of service.*
11. The Commission therefore has responsibility for determining and monitoring the standards of service offered and for periodic reviews of the standards of service for utilities under its jurisdiction.
12. Section 4 of the Utilities Regulation Act CAP. 282 states 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.*

13. 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.*

Update of Local Electricity Sector

14. As oil prices steadily increased over the past year, the BL&P has sought to explore the use of alternative energy sources such as wind energy in St. Lucy. There has also been some discussion of the use of bagasse to produce electricity. The government's 2008 budget presentation speaks to energy conservation and the diversification of the energy sector to incorporate renewable sources of energy. The allowance for individuals to produce their own energy from petroleum or alternate sources and the resale of excess to the BL&P grid is also important. The development of an independent power producer (IPP) base has therefore assumed greater importance as persons explore these business opportunities in the energy sector.

15. Notwithstanding this move towards the development of this new energy sub-sector, the BL&P currently remains the sole retail supplier of electricity service on the island. As such the BL&P will continue to be the universal service

provider, therefore the requirement for the adoption and maintenance of minimum standards of service remains critical.

SECTION 2 - THE BL&P STANDARDS OF SERVICE

16. The standards of services for regulated utility services came into effect on June 1, 2006. The standards were in respect of the Barbados Light and Power Company Ltd. the monopoly provider of electricity, and Cable & Wireless (Barbados) Ltd., the dominant provider of telecommunications services. Both these utilities are identified in the relevant legislation.

Objectives

17. The Commission is obligated to ensure that standards of service are established to fulfil the overall objectives of:
- Reliability and quality of supply; and
 - Safety of supply to all users.
18. The Commission intends to continue on its path towards achieving these objectives through standards of service that will encourage the BL&P to:
- Maximise communication with customers;
 - Maximise accessibility of customers to the service;
 - Minimise response time to customer service requests; and
 - Minimise inconvenience to customers.
19. The Commission in its 2006 Decision sought to fulfil these objectives through the establishment of Guaranteed and Overall Standards and also implemented a number of reliability indicators. In addition, the Commission decided that compensatory payments should be made for breaches of Guaranteed Standards.

Guaranteed Standards

20. Guaranteed Standards are applicable at the level of the individual customer. Thus, in each instance where the target for a particular standard is breached the utility is required to make a compensatory payment to the affected customer, except under force majeure or other extenuating circumstances.
21. The Commission determined that Guaranteed Standards are relevant in the following service categories:
 - Restore service after fault on customer's line;
 - Restore supply after fault on distribution system;
 - Investigation of voltage complaints;
 - Provision of a simple service connection;
 - Provision of cost estimate for complex connection requiring a service visit;
 - Connection or transfer of service to an existing installation;
 - Reconnection of service on settling the bill after disconnection at the meter;
 - and
 - Response to billing complaints.

Overall Standards

22. Overall Standards are used as indicators for evaluating the general performance of the Company, including overall reliability of service within each customer class but are not geared towards assessing the level of service rendered to an individual customer. The targets for this category of standards are expressed in terms of percentage of occasions that the defined standard was achieved.
23. The service categories for the Overall Standards previously adopted by the Commission for the BL&P are as follows:

- Frequency of meter reading;
- Response to high/low voltage complaints;
- Prior Notice of Outages;
- Reconnection after payment of overdue amount; and
- Response to written claims relating to standards of service.

Reliability Indicators

24. In addition to monitoring the aforementioned aspects of overall performance, the Commission adopted the following indices as a further means of determining whether there has been an improvement or deterioration in the standard of production and distribution of electricity in Barbados. It should be noted that this system is also a requirement of the Ontario Energy Board for all electric utilities in Ontario, Canada.

a) System Average Interruption Duration Index (SAIDI)

This index is a measure of the average number of hours per year that a customer is without electricity service. It is a measure of the overall service reliability.

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

b) System Average Interruption Frequency Index (SAIFI)

This is an indicator of the frequency of interruptions per year.

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

c) Customer Average Interruption Duration Index (CAIDI)

This is a measure of how quickly power is restored after an outage.

$$\text{CAIDI} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

$$= \frac{\text{Total Customer Hours of Interruption}}{\text{Total Number of Customer Interruptions}}$$

25. These indices are useful indicators of the reliability and efficiency of electricity production and distribution and are relatively simple to calculate.
26. By collecting and comparing these measurements on a monthly basis, the Commission is able to determine whether there has been an improvement or deterioration in the standard of production and distribution of electricity in Barbados.

Q 1. What are your views on the service areas which the Commission has adopted as guaranteed and overall standards? Are there any other areas where standards should be established?

SECTION 3 - ANALYSIS OF STANDARDS OF SERVICE PERFORMANCE FOR THE TWO YEAR PERIOD JUNE 1, 2006 TO MAY 31, 2007 & JUNE 1, 2007 TO MAY 31, 2008

27. A comparison of the BL&P's performance in respect of the standards of service for the years June 1, 2006 to May 31, 2007 and June 1, 2007 to May 31, 2008 has been prepared based on the reports submitted by the company.

Guaranteed Standards

TABLE 1: GUARANTEED STANDARDS OF SERVICE PERFORMANCE FOR JUNE 2006 TO MAY 2008

Standard	Target	Average % Compliance	
		2006 - 2007	2007 - 2008
GES 1 Restore supply after fault on customer's service (single customer)	Within 12 hours	99.4	99.2
GES 2 Restore supply after fault on the distribution system (multiple customers)	Within 12 hours	99.8	99.6
GES 3 Investigation of voltage complaints	(a) Visit and correct within 3 working days,	99.2	98.6
	(b) Correct within 3 months for those not corrected within 3 days	83.3	95.0
GES 4 Provide a simple service connection (connection point within 30 m)	Within 12 working days	92.8	94.3
GES 5 Provide a cost estimate for complex connection requiring a service visit	Within 3 months	98.8	99.9
GES 6 Connect or transfer of service to an existing installation	Within 2 working days	98.4	99.6

Standard	Target	Average % Compliance	
		2006 - 2007	2007 - 2008
GES 7 Reconnection of service on settling the bill after disconnection at the meter	Within 2 working days	99.8	99.9
GES 8 Response to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit	99.1	98.1

Please see Appendix 1 for the current standards of service.

28. The 2007/2008 guaranteed standards of service compliance levels generally tracked those of the 2006/2007 period. The only major deviation (by more than two percentage points) was that of GES 3b (Investigation of a voltage complaint and correct within three months for those not corrected within three days) where there was an 11.7% increase in compliance over the inaugural year.
29. BL&P recorded slightly improved performances under GES 4, 5, 6 and 7 in the second year of operation of the standards while marginal declines were observed for GES 1, 2, 3a and 8 for the corresponding period. On average the Company has been able to attain compliance levels above 98% for the entire review period, except for the service categories GES 3b (correct within 3 months for those not corrected within 3 days) and GES 4 (provide a simple service connection).
30. The BL&P has reported that figures for GES 4 included exemption conditions and this would have had the effect to lower the number of recorded times that the target was met. Following discussions with the Commission, the Company

has committed to putting measures in place which will enable more accurate reporting.

31. Over the two year period under review 530 breaches of guaranteed standards were recorded, 339 in 2006/2007 and 191 in 2007/2008, respectively. In each instance the affected customer was eligible for compensation ranging from \$45.00 to \$215.00; however no claims for compensation were received. The lack of activity as it pertains to claims begs the question as to whether customers are aware of their right to compensation under the guaranteed standards, compensation levels are ineffective in motivating prospective claimants to claim, the claims process is too laborious and therefore acts as a deterrent, or a combination of the above.

Overall Standards

TABLE 2: OVERALL STANDARDS OF SERVICE PERFORMANCE FOR JUNE 2006 TO MAY 2008

Standard	Target	Average % Achieved	
		2006 - 2007	2007 - 2008
OES 1 Frequency of meter reading	100% of customers' meters to be read every two months	93.8	93.0
OES 2 Response to complaints High/low voltage	95% of complaints to be responded to within 5 working days	99.7	99.3
OES 3 Prior notice of outages	95% of customers to be notified of planned outages 48 hours before	95.7	99.6
OES 4 Reconnection after payment of overdue amount	90% of customers to be reconnected by the end of next working day	99.7	99.9
OES 5 Response to written complaints related to standards of service	100% of customers to receive acknowledgement of receipt of claim within 10 working days	No claims received	No claims received

32. The compliance average over the two year review period indicates that BL&P has been able to exceed the overall standards of service targets for all service categories except OES 1 (frequency of meter reading - 100% of customers' meters to be read every two months). The data collected under this category includes all estimated readings as the Company was, up to the time of submission of the appropriate quarterly reports, unable to generate data which distinguished between read meters and estimates. Consideration must also be given to extenuating circumstances that have direct bearing on this category such as lack of access to premises. As the Company has already begun the process of installing the new Customer Information System, it is anticipated that the issues surrounding the timely reading of meters (OES1) and the separation of read and estimated bills will be corrected within the first half of the 2008 to 2009 reporting period.

Reliability Indices

TABLE 3: RELIABILITY RESULTS FOR THE PERIOD JUNE 2006 TO MAY 2008

Equations	2006/2007	2007/2008
SAIDI = $\frac{\text{Total Customer Hours Interruptions}}{\text{Total Number of Customers Served}}$	0.386	0.266
SAIFI = $\frac{\text{Total Customer Interruptions}}{\text{Total Number of Customers Served}}$	0.935	0.510
CAIDI= $\frac{\text{SAIDI}}{\text{SAIFI}}$	0.432	0.601

33. Comparison of the SAIDI for 2006/2007 and 2007/2008 indicate that BL&P was able to reduce the average outage time per customer. The index that monitors average interruption frequency, SAIFI, also showed an improvement in the second year over year one with results of 0. 510 and 0.935 being recorded respectively. The CAIDI index which is a measure of how quickly power is

restored after an outage dropped in the second year. An average of 0.432 was recorded in 2006/2007 while 2007/2008's average was 0.601.

Q2: Do you agree with the continued use of the reliability indicators to evaluate the performance of the Barbados Light & Power Co. Ltd? Are there other indicators that could be used?

SECTION 4 - COMPARISON OF STANDARDS OF SERVICE IN BARBADOS WITH OTHER JURISDICTIONS

34. As is standard practice within the regulatory discipline, the Commission seeks to benchmark the standards of service that are currently applicable in other jurisdictions with those of the BL&P. This comparison allows for an assessment of the application of best practices. It is worthy to note that the appropriate use of any given service category is based on the structure of the economy, for example, population density, the dispersion of the network relative to the location of the power grid, growth in electricity demand and the type of regulation, among other factors. The following tables will present comparisons of guaranteed and overall standards respectively.
35. Table 4 compares the current guaranteed standards of the BL&P with those in other jurisdictions.

Table 4: Comparison of Barbados' Guaranteed Standards with Selected Regional and International Jurisdictions

Description of Standard	Existing BL&P	Jamaica ^{1,2}	Trinidad & Tobago ³	Hong Kong ^{4,5}	United Kingdom ⁶	New South Wales, Australia ⁷
Restore supply after fault on customer's service (single customer)	Within 12 hours	N/A	N/A	N/A	N/A	N/A
Restore supply after fault on the distribution system (multiple customers)	Within 12 hours	N/A	12 hours	2 hours	18 hours	N/A
Investigation of voltage complaints	Visit within 3 working days, correct within 3 months	N/A	N/A	N/A	N/A	N/A
Provide a simple service connection (connection point within 30 m)	Within 12 working days	4 working days	3 working days	Next Day	30 working days	Connect customer by date agreed with customer
Provide a cost estimate for complex connection requiring a service visit	Within 3 months	N/A	N/A	N/A	N/A	N/A
Connect or transfer of service to an existing installation	Within 2 working days	N/A	N/A	N/A	N/A	N/A

¹ Office of Utility Regulation, Annual Report 1997 provided by, Standards determined for 1998-1999.

² Jamaica Public Service Guaranteed Standards Booklet 2008.

³ RIC News June 2004 Vol. 1, Issue 1, Standards of Service for Electricity Sector 2004.

⁴ Hong Kong Electric Company Ltd, Customer Service, Service Standards, http://www.hec.com.hk/hec/customer/service_3.htm

⁵ HK Electric. Customer Service brochure. <http://www.heh.com/>

⁶ Reference Office of Gas & Energy Markets OFGEM, *Competitive Energy Markets, Standards of service*, http://www.dti.gov.uk/energy/inform/energy_indicators/ind08.pdf

⁷ Independent Pricing and Regulatory Tribunal of New South Wales. Review of Guaranteed Customer Service Standards and Operating Statistics. Final Recommendations. 2004.

Description of Standard	Existing BL&P	Jamaica ^{1,2}	Trinidad& Tobago ³	Hong Kong ^{4,5}	United Kingdom ⁶	New South Wales, Australia ⁷
Reconnection of service on settling the bill after disconnection at the meter	Within 2 working days	1-2 working days	24 hours	Same Day	Same Day	N/A
Response to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit	N/A	N/A	N/A	N/A	N/A
Billing punctuality. Time for first bill to be mailed after connection	N/A	30 working days	65 working days	N/A	30 working days	N/A
Notice of supply interruption	N/A	N/A	3 days	7 days	5 days	2 working days
Response to emergencies	N/A	6 hours	N/A	21 minutes	3 hours	

Table 5: Comparison of Barbados' Overall Standards with Selected Regional and International Jurisdictions

Description of Standard	BL&P	Jamaica⁸	Trinidad & Tobago⁹	United Kingdom
Frequency of meter reading	100% of customers' meters to be read every two months	99% monthly for non-domestic customers, bi-monthly for domestic	90% of industrial read monthly, 90% residential and commercial read as per schedule	N/A
Response to high/low voltage complaint	95% of complaints to be responded to within 5 working days	N/A	100% to be responded to within 24 hrs	100%
Prior notice of outages	95% of customers to be notified of planned outages 48 hours before	48 hrs minimum prior notice	At least 72 hrs advanced notice 100% of the time	N/A
Reconnection after payment of overdue amount	90% of customers to be reconnected by the end of next working day	N/A	N/A	N/A
Response to written claims related to standards of service	100% of customers to receive acknowledgment of receipt of claim within 10 working days	N/A	Within 5 working days	100% of customers to receive acknowledgement of receipt of claim within 10 working days

⁸ Office of Utilities regulation (OUR). Jamaica Public services Company Limited. Tariff Review for Period 2004 - 2009. Determination Notice. June 25, 2004.

⁹ Regulated Industries Commission (RIC). Regulation of Electricity Transmission and Distribution. June 01, 2006 to May 31, 2011. Final determination (Rates and Miscellaneous Charges). Determination No. 1, 2006.

Power Quality Supply

36. The BL&P adopted the voltage tolerance standard of + or - 6Volts which is used jointly with GES 3 to assess voltage complaints. A similar allowable voltage range is used throughout the USA. Such a standard is important within the Barbadian context particularly in light of complaints from consumers in relation to equipment damage caused by voltage spikes. This standard is also important in ensuring the safety of persons using electrical equipment.
37. Table 6 below compares the voltage standard of BL&P with that of other jurisdictions¹⁰.

Table 6: Voltage Tolerances from Selected Countries

Country	Allowed voltage tolerance	
Australia	- 10%	+ 10%
Barbados	- 6%	+ 6%
Trinidad & Tobago	- 6%	+6%
United Kingdom	-6%	+10 %

Q3. Do you believe the proposed voltage tolerance range is an appropriate voltage tolerance for the BL&P? Please give reasons for your response.

¹⁰ Energy Australia, *Electrical Supply Standards*, www.energy.com.au Australia , Trinidad & Tobago, T&TEC, *Electricity Supply Rules, Section 15* , *Electricity Inspection Act , Chapter 54:72*, www.ttec.co.tt, www.powernetworks.co.uk , United Kingdom.

Proposed Changes to the Standards of Service

Reconnections

38. In keeping with regional and international standard operating procedure, it is recommended that the target for the reconnection of service on settlement of the bill after disconnection at the meter (GES 7) be changed to one (1) working day. As the performance data shows the Company has thus far performed well under this service category. It is the considered opinion of the Commission that bringing this target in line with what obtains in the previously mentioned jurisdictions will not pose an undue burden.

Q4. What do you believe is an appropriate reconnection target time?

Customer Service Response

39. The Commission is minded to introduce an overall standard which stipulates an acceptable time within which a minimum percentage of consumer calls are to be answered. Customers are discouraged by long wait times and often terminate their calls without having their queries addressed. It is against this background that this service category is being considered. The intent is to improve the quality of the interface between the customer service representative and the customer.

5. What do you consider to be an acceptable time within which 95% of consumer calls should be answered?

SECTION 5 - COMPENSATORY PAYMENTS AND EXEMPTIONS

Compensation

40. It is proposed that GES1 and GES2 be amended to allow for compensation on a continual basis and not in discrete 24 hour time segments. Under the current arrangement discrete 24 hour time blocks beyond the target of 12 hours have to transpire before additional compensation becomes applicable. This may be considered punitive to the customer. A phrase to the effect of “or part thereof” should be included under each service category where compensation is dependent on the length of the breach.
41. It is also proposed that under the service categories where compensation is linked to the duration of a breach, as in GES1 and GES2, the additional time periods for which compensation is applicable should be commensurate with the target time. For example, compensation under GE1 should be prorated on a 12 hour basis and not a 24 hour basis as is currently the case.
42. The objective of a compensatory payment is to provide the incentive for the Company to ensure that specified levels of service quality are met. The need to provide an incentive for customers to claim and the comparison of the BL&P’s proposed levels of compensation with other regional and international jurisdictions were all factors that influenced the levels of compensatory payments applied. The Commission recommends that payments be commensurate with the initial penalties and prorated on outage time beyond target time where appropriate.

Q6. What are your views on the continuous prorating of compensation under service categories where compensation is dependent on the duration of the breach?

43. During the first year the annual reports on claims submitted by the company were for the period June 1, 2006 to May 31 2007. However, the Commission adjusted the reporting period for C&W submission of reports to April 1 to March 31 to correspond to the financial year of the Commission. Consequently the reporting period for the 2006/2007 (May 31, 2006 to June 1, 2007) year differs from that for the 2007/2008 (April 1, 2007 to March 31, 2008) year.
44. Reports submitted by the BL&P indicate that between June and May 2007, 339 customers were eligible for compensation and between April 2007 and March 2008, 191 were eligible. However to date no customer has made a claim for compensation. In view of this the Commission is considering that compensation be made automatic. The automation of compensatory payments will act as an incentive for the Company to improve its performance; and remove the need for consumers to submit claims. It is however noted that this automation may require technical changes to the Company's billing, tracking and reporting systems.

Q7. What would you propose as an effective means of encouraging eligible claimants to seek compensation?

Q8. What is your view on the automation of compensation under the guaranteed standards scheme?

General Exemptions

45. The Commission is of the view that failure to meet guaranteed standards should not require compensatory payments to be made by the service provider in situations where conditions outside the control of the service provider make it impossible to meet the targets.
46. The conditions for exemptions from standards are currently as follows:

- Acts of God;
 - a) Landslides
 - b) Hurricanes
 - c) Lightning
 - d) Earthquake
 - e) Storms
 - f) Floods
- Riot;
- Civil commotion;
- Strikes, lockouts, and other industrial disturbances;
- Acts of terrorism;
- Wars;
- Blockades;
- Insurrections;
- Epidemics;
- Trade restrictions;
- Inability to obtain any requisite Government permits; and
- Breakdown of machinery or equipment or any other force or cause of similar nature not within the control of the Company and which by the exercise of diligence it is unable to avoid, prevent or mitigate.

47. The Commission considers that these exemptions remain relevant.

Other Exemptions and Conditions

48. The Commission is cognisant that other circumstances may exist from time to time which might impede the Company's ability to meet the prescribed standards of service. In such instances the Company is required to request authorisation from the Commission for exemption. Situations which might fall into this category may include but are not limited to the following:

- The service provider 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 service provider is prevented from providing a connection to a specified service, or the rectification of a fault or service difficulty due to the service provider being unable to obtain lawful access to the land or a facility;
- A law of Barbados prevents the service provider from complying with the service standard;
- After following the Company's credit and disconnection guidelines, the customer has not paid applicable charges and remains disconnected;
- The customer is required to pay a charge to the service provider for the connection to the service or for the use of the service; and
- The service provider has reasonable grounds to believe that the customer would be unwilling or unable to pay the charge as it becomes due.

Q9: Do you believe that the type of general and other exemptions should be revised? Give reasons.

SECTION 6 - MONITORING AND ENFORCEMENT OF STANDARDS

49. The Commission has instituted a monitoring system for the Standards of Service which requires the BL&P to submit quarterly regulatory reports. These reports shall include information on:

- The number of breaches under each guaranteed service category;
- The actual average times taken to respond to and/or rectify issues referred to under each guaranteed service category;
- The level of compliance, as a percentage, of each overall service category; and
- Details of any extenuating circumstances that would have prohibited the Company from achieving the targets of the overall standards.

50. The BL&P is required to submit annual reports. These reports include information on:

- The number of customers eligible for compensation during the previous financial year;
- The total value of eligible compensation;
- The number of customers actually receiving compensation; and
- The value of compensation remitted.

51. The annual reports submitted by the Company were originally from June 1 to May 31 each year. However, the Commission has subsequently decided to adjust the reporting period to April 1 to March 31 each year to allow the reporting period to correspond to the financial period of the Commission.

Q10. What changes would you suggest in regard to monitoring the standards of service?

SECTION 7 – CONSULTATION PROCESS

52. The Fair Trading Commission (“the Commission”) established by the Fair Trading Commission Act, CAP 326B, is the regulator of international and domestic telecommunications services and electricity services.
53. In carrying out its duties as a regulator, the Commission must operate in a transparent, accountable and non-discriminatory manner. Consultative documents and the public consultation process are the main ways in which the Commission discharges its responsibilities relating to transparency and accountability.
54. In addition, the Commission is specifically charged under the Fair Trading Commission Act CAP 326B to consult with interested persons when it is discharging certain functions. 1.
55. Section 4(4) of the Fair Trading Commission Act, CAP. 326B states:
“The Commission shall, in performing its functions under subsection (3)(a), (b), (d) and (f) , consult with the service providers, representatives of consumer interest groups and other parties that have an interest in the matter before it.”

Consultative Documents

56. On important issues that arise in the regulation of the utility industries, the Commission may issue a consultative document, a public discussion paper, in which the Commission:
 - (a) brings to public attention important issues relating to utility regulation to promote public understanding and debate;
 - (b) puts forward options and/or proposals as to the approach to adopt in dealing with these issues, to seek to resolve them in the best interests of the consumer, the service provider and the society at large; and

- (c) invites comments from interested parties, such as consumers, service providers, businesses, professionals and academics.
57. In general with consultation papers, the issues at hand will influence the nature of the document and its content. On some issues, the Commission may simply set out what it regards as the available options and, although there may be some analysis of the pros and cons of the options, it may be that no one option emerges as the favoured or proposed approach. In other consultation papers, the issues are such that the Commission may set out a clear preference for a particular approach and invite comments on this basis.
58. The views and analysis set out by the Commission in a consultative document are intended to invite comments which may cause the Commission to revise its views.
59. The consultative document generally includes a series of specific questions on which the Commission is particularly seeking comments. To ease the task of analysing comments, respondents should reference the relevant question numbers in the document. If they consider it appropriate, respondents may wish to address other aspects of the document for which the Commission has not prepared specific questions. Failure to provide answers to all questions will in no way reduce the consideration given to the entire response. Commercially sensitive material should be clearly marked as such and included in an annex to the response.

Responding to this Consultation Paper

60. The Commission invites and encourages written responses in the form of views or comments on the matters discussed in the Paper from all interested parties including the Barbados Light and Power Co. Ltd., other regulated or soon to be regulated utilities, other licensed operators, government ministries, non-governmental organisations (NGO'S), consumer representatives, residential consumers, businesses and academics .

Consultation Timetable

61. The Consultation period will begin on **October 29, 2008** and end on **November 28, 2008 at 4.00 p.m.** All written submissions should be submitted by this deadline. The Commission is under no obligation to consider comments received after 4:00 p.m. on November 28, 2008.
62. Copies of this Consultation Paper can be collected between the hours of 9.00 a.m. to 4.00p.m, Mondays to Fridays from the Commission's offices at the following address:

Fair Trading Commission
Good Hope
Green Hill
St. Michael
BARBADOS

63. The Consultation Paper can also be downloaded from the Commission's website at <http://www.ftc.gov.bb>
64. Respondents to the Consultation may submit responses in electronic format. The Commission would prefer that emailed responses be prepared as Word documents, attached to an email cover letter and forwarded to: info@ftc.gov.bb

65. Responses can be faxed to the Commission using fax number (246) 424-0300. Mailed or hand delivered responses should be addressed to the Chief Executive Officer at the above mailing address.

Confidentiality

66. The Commission is of the view that this consultation is largely of a general nature. The Commission expects to receive views from a wide cross section of stakeholders and believes that views and comments received should be shared as widely as possible with all respondents.
67. **Respondents should therefore ensure that they indicate clearly to the Commission any response or part of a response that they consider to contain confidential or proprietary information.**

Analysis of Responses

68. The Commission expects, in most consultations, to receive a range of conflicting views. In such circumstances, it would be impossible for the Commission to agree with all respondents. Through its decision the Commission will seek to explain the basis for its judgments and where it deems appropriate give the reasons why it agrees with certain opinions and disagrees with others. Sometimes analysis of new evidence presented to the Commission will cause it to modify its view. In the interests of transparency and accountability, the reasons for such modifications will be set out and, where the Commission disagrees with major responses or points that were commonly made, it will in most circumstances, explain why.

List of Questions

Q1. What are your views on the service areas which the Commission has adopted as guaranteed and overall standards? Are there any other areas where standards should be established?

Q2. Do you agree with the continued use of the reliability indicators to evaluate the performance of the Barbados Light & Power Co. Ltd? Are there other indicators that could be used?

Q3. Do you believe the proposed voltage tolerance range is an appropriate voltage tolerance for the BL&P? Please give reasons for your response.

Q4. What do you believe is an appropriate reconnection target time?

Q5. What do you consider to be an acceptable time within which 95% of consumer calls should be answered?

Q6. What are your views on the continuous prorating of compensation under service categories where compensation is dependent on the duration of the breach?

Q7. What would you propose as an effective means of encouraging eligible claimants to seek compensation?

Q8. What is your view on the automation of compensation under the guaranteed standards scheme?

Q9: Do you believe that the type of general and other exemptions should be revised? Give reasons.

Q10. What changes would you suggest in regard to monitoring the standards of service?

APPNDIX 1



**Guaranteed Standards
for Barbados Light & Power Co. Ltd.**

Effective June 01, 2006

	SERVICE CATEGORY	TARGET	COMPENSATORY PAYMENT
GES1	Restore supply after fault on customer's service (single customer)	Within 12 hours	\$45.00 (Domestic) \$90.00 (General Service) \$215.00 Secondary Voltage Power/Large Power (SVP/LP) \$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)
GES2	Restore supply after fault on the distribution system (multiple customers)	Within 12 hours	\$45.00 (Domestic) \$90.00 (General Service) \$215.00 (SVP/LP) \$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)
GES3	Investigation of voltage complaints	Visit within 3 working days , correct within 3 months	\$45.00 (Domestic) \$90.00 (General Service) \$215.00 (SVP/LP).
GES4	Provide a simple service connection (connection point within 30 m)	Within 12 working days	Refund of installation fee
GES5	Provide cost estimate for complex connection requiring a service visit	Within 3 months	\$45.00 (Domestic) \$90.00 (General Service.) \$215.00 (SVP/LP)
GES6	Connect or transfer of service to an existing installation	Within 2 working days	\$45.00 (Domestic) \$90.00(General Service.) \$215.00 (SVP/LP)
GES7	Reconnection of service on settling the bill after disconnection at the meter	Within 2 Working days	Refund of reconnection fee
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)

