



FAIR TRADING COMMISSION

CONSULTATION PAPER

REVIEW OF BARBADOS LIGHT & POWER COMPANY LIMITED STANDARDS OF SERVICE 2014 - 2017

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ANTECEDENT DOCUMENTS

Document Number	Description	Date Issued
FTC/UR/2014-01	Decision on BL&P Standards of Service 2014 - 2017	May 09, 2014
FTC/URD/CONS 2013-01	Consultation Paper - Review of the BL&P Standards of Service	October 25, 2010
FTC/UR/2010-03	Decision on BL&P Standards of Service 2010- 2013	February 22, 2010
FTC/CONS 2008-02	Consultation Paper - Review of the BL&P Standards of Service	October 29, 2008
FTC/UR/2006-2	Decision on BL&P Standards of Service 2006 - 2009	February 28, 2006

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PURPOSE OF DOCUMENT

This consultation document outlines the Fair Trading Commission's (the Commission) review process of the Standards of Service Decision 2014 - 2017 for the Barbados Light & Power Company Limited (the BL&P), pursuant to Section 4 (3) of the Fair Trading Commission Act , CAP. 326B (FTCA) and Sections 3 and 4 of the Utilities Regulation Act CAP. 282 (URA) of the Laws of Barbados.

The Commission considers that public participation is a key component to its decision-making process and therefore invites submissions from interested parties concerning its review.

This consultation document is intended to solicit comments relating to:

- (a) The appraisal of the BL&P's Guaranteed and Overall Standards of Service performance;
- (b) The adequacy of these Standards;
- (c) Amendments of the existing Standards of Service;
- (d) Affixing reliability targets to the current reliability indices;
- (e) Additions to existing reliability indices; and
- (f) Amendments to the mode of compensation.

Submissions may not be confined to questions posed but may relate to any matter raised in the document. The consultation document may be accessed via the Commission's website, <http://www.ftc.gov.bb>.

The consultation period will commence on **April 3, 2017** and conclude on **May 2, 2017** at 4:00pm.

STRUCTURE OF PAPER

This paper consists of eight sections:

- Section 1 provides an update on the electricity sector.
- Section 2 presents the legal framework and functions of the Commission relating to the Standards of Service.
- Section 3 offers an evaluation of the BL&P's performance for the period July 2014 – December 2016.
- Section 4 lists proposed amendments to the existing Standards of Service.
- Section 5 lists Force Majeure and other exemption conditions.
- Section 6 details the role of the Commission with regard to the monitoring and enforcement of Standards of Service.
- Section 7 presents the list of consultation questions.
- Section 8 describes the consultation process.

SECTION 1 BACKGROUND

Market competition plays a vital role in the delivery of service quality which in turn influences consumer preference. The competitor who succeeds in offering a price and quality of product that the consumer is willing to pay and accept can dominate the market. In the absence of competition, the behaviour of monopolies is constrained by regulatory institutions like the Commission. As monopolies are not subject to market competition, they may be inclined to trade price against quality of service. Given this, the Commission is obligated to ensure that a minimum accepted level of service exists for regulated services, thus the establishment of Standards of Service.

The BL&P is a vertically integrated company, that is, it generates, transmits and distributes electricity for its consumer base of 126,190 customers¹. The BL&P provides electricity to Domestic Service (D), General Service (GS), Secondary Voltage Power (SVP) and Large Power (LP) customer classes; there is also a class for employees. Electricity is currently produced mainly from fossil fuel (95%) and Renewable Energy (RE) sources (5%).

During the 2014 - 2016 period, opportunities for Supply Side Management (SSM) continued to be exploited. These were namely Time-of-Use (TOU), Interruptible Service Rider (ISR), Utility Scale Distributed Solar and a permanent Renewable Energy Rider (RER) programme.

The ISR provides the BL&P with the option to interrupt a customer's supply of electricity, thereby reducing the peak load demand and generation costs. Participants receive a monthly credit for agreeing to allow the temporary interruption of their electricity, as required by the Company.

The TOU programme is a pilot programme which incentivises Large Power (LP) customers to consume electricity during off-peak hours. Both the BL&P and its customers

¹ Emera Incorporated, "Preliminary Short Form Prospectus," accessed January 11, 2016, <http://investors.emera.com/Cache/36953824.PDF?Y=&O=PDF&D=&FID=36953824&T=&OSID=9&IID=4072693>.

benefit – the latter through bill savings from the lower cost of off-peak consumption and the former from reduced peak generation, which is at a higher cost.

The Electric Light and Power Act (2013 – 21) (ELPA), of the Laws of Barbados allows for competition in the electricity sector by opening the market to Renewable Energy (RE) generators.

The BL&P's RER programme continues to facilitate the sale of excess electricity to the grid through the participation of distributed photovoltaic (PV) and wind generating systems. By design, the use of these can offset the amount of electricity consumed from the grid. The current RER rate structure is delinked from fossil fuel, with electricity generation from solar PV and wind systems attracting rates of \$0.416/kWh and \$0.315/kWh, respectively. This new rate structure took effect from July 26, 2016².

In August 2016, the BL&P commissioned its 10MW alternating current (AC) utility scale solar plant at Trents, St. Lucy. The plant represents the first of the BL&P's RE projects as outlined in its 2013 Integrated Resource Plan (IRP).

² Fair Trading Commission, "*Motion to Review the Renewable Energy Rider*", accessed January 10, 2017, http://www.ftc.gov.bb/library/2016-07-5_commission_decision_motion_to_review_rer_revised.pdf.

SECTION 2 LEGISLATIVE FRAMEWORK

Authority to Establish Standards of Service

The Commission holds the view that Standards of Service are an important tool in ensuring that the BL&P provides a safe, efficient and reliable service to its consumers.

According to the FTCA, Standards of Service is defined at Section 2 as '*the quality and extent of service supplied by service providers*'.

Section 4(3) of the FTCA and Sections 3(1) and 4 of the URA set out the Commission's authority to determine the Standards of Service for a regulated entity and the considerations that must be given when determining the same. Rule 63(2) of the Utilities Regulation Procedural Rules 2003, S.I. 2003 No.104 (URPR) of the Laws of Barbados details the issues that may be included in the development of these Standards of Service. Together, these pieces of legislation provide the over-arching framework necessary for the development and establishment of the Standards of Service for a regulated sector.

Section 4(3) of the FTCA states, *inter alia*:

"The Commission shall, in the performance of its functions and in pursuance of the objectives set out in subsections (1) and (2),

(a) ...

(d) determine the standards of service applicable to service providers;

(e) monitor the standards of service supplied by service providers to ensure compliance;

(f) carry out periodic reviews of ... standards of service of service providers;"

Section 3(1) (d) (e) (f) of the URA states, *inter alia*:

"The functions of the Commission under this Act are, in relation to service providers, to

(a) ...

(d) determine the standards of service applicable;

(e) monitor the standards of service supplied to ensure compliance; and

(f) carry out periodic reviews of the ... standards of service."

In exercising these functions, the Commission is charged with the responsibility, as stipulated in Section 3(3) (b) to:

- (a) *protect the interest of consumers by ensuring that service providers supply to the public service that is safe, adequate, efficient and reasonable; and*
- (b) *hear and determine complaints by consumers regarding billings and the standards of service supplied."*

Additionally, Section 4 of the URA states:

"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 services supplied by the service provider;*
- (c) the national environmental policy; and*
- (d) such other matters as the Commission may consider appropriate."*

Rule 63 (2) of the URPR speaks to issues that may be considered when setting Standards of Service. It specifically 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 queries; and*
- (e) standards related to service quality which are specific to each sector."*

Requirement to Consult

The power of the Commission to consult with interested parties is derived from Section 4 (4) of the FTCA which dictates that, when exercising its powers to determine Standards of Service, the Commission must consult with specific parties.

Section 4(4) of the FTCA requires that:

"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."

Fines and Penalties

These Standards of Service are binding on the BL&P. Sections 21, 31 and 38 of the URA, as well as Section 43 of the FTCA, prescribe the penalties that accrue where the utility fails

to comply with the prescribed targets under the Guaranteed Standards of Service (GES) and the Overall Standards of Service (OES). Where there is a continuous failure to attain a target, the Commission will require an explanation from the BL&P. If the BL&P continues to be non-compliant, the Commission reserves the right to impose a penalty, pursuant to Section 38(c) (i) of the URA.

Section 21 of the URA indicates that:

“Where a service provider fails to meet prescribed standards of service, the service provider shall make to any person who is affected by the failure such compensation as may be determined by the Commission.”

Section 38 of the URA stipulates that:

“The Commission may make

(a) rules;

(b) regulations; and

(c) orders with respect to

(i) imposing penalties for non-compliance with prescribed standards of service;
and

(ii) prescribing amounts to be paid to the person referred to in section 21 for failure to provide a utility service in accordance with the standards of service set by the Commission.”

Section 43 (1) of the FTCA, which is mirrored at Section 31 of the URA, stipulates that a service provider will be guilty of an offence for failure to comply with an order of the Commission and is liable to a fine of \$100,000 if convicted.

Section 31(1) of the URA asserts that:

“Every service provider which fails or refuses to obey an order of the Commission made under this Act is guilty of an offence and is liable on summary conviction to a fine of \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for each day or part thereof during which the offence continues.”

Section 43(1) of the FTCA states that:

“Every service provider or business enterprise that fails or refuses to obey an order of the Commission made under this Act is liable on summary conviction to a fine of \$100,000 and, in the case of a continuing offence, to a further fine of \$10,000 for each day or part thereof during which the offence continues.”

SECTION 3 PERFORMANCE REVIEW

3.1 Objectives

The BL&P's Standards of Service are intended to set a minimum benchmark for the delivery of electricity service. These Standards allow the Commission to monitor the performance of the BL&P.

The Commission seeks to:

- Optimise customer service communication;
- Maximise accessibility to customers; and
- Reduce inconvenience to customers.

The Standards of Service are divided into two categories - Guaranteed Standards of Service (GES) and Overall Standards of Service (OES) - which define minimum, mandatory levels of service standards for the BL&P.

3.2 Guaranteed Standards of Service

Guaranteed Standards of Service outline the minimum levels of service which the BL&P must meet in the delivery of electricity supply. Failure to meet the level of service stated requires the BL&P to compensate individually affected customers; this is subject to specific exemptions, which are presented later.

The levels of compensation are intended to act as an incentive for the BL&P to improve service delivery. Compensation is currently automatic for five (5) of the eight (8) Guaranteed Standards of Service.

Automatic compensation, in respect of a breach by the BL&P, appears as a credit on the customer's next bill, once eligibility is verified.

An assessment of the BL&P's performance over the three-year period was conducted based on the information submitted quarterly to the Commission; the results are presented in Table 1 on pages 13 - 15.

Overall, the BL&P's level of performance was acceptable in the majority of the categories. Fault Repair Customer's Service (GES 1), which is defined as the time taken to restore supply after a fault occurs on an individual customer's service, was met by the BL&P for

the periods July 2014 to March 2015 and April to December 2016. The period April 2015 to March 2016 marginally fell short of this trend by 0.43%.

With respect to the time taken to restore multiple customers' supply - Fault Repair Distribution System (GES 2) - this trended similarly to the GES 1 Standard with the minimum target being met for both the abovementioned periods, while the 2015 - 2016 year missed the compliance mark by 0.18%.

The investigation of Voltage Complaints (GES 3) showed a high level of compliance with improvements in its subcategories. Notably, for GES 3 (a), the target was marginally missed for the last two years of the period under review. An average of 99.44% of those customers were visited within three (3) working days of receipt of the complaint. The Assessment of Complaints, GES 3 (b), registered consistent, 100% compliance in the 2015 - 2016 and April to December 2016 periods. This reflected a marked improvement of 22.22% since its inception in July 2014. The BL&P's performance for the time taken to rectify voltage issues, GES 3 (c), was stable and registered 100% compliance over the first two years of the review period.

Simple Service Connections (GES 4) - Connections made to customer's premises within 30 meters of the connection point - registered a high level of compliance over the three-year review period. The service level for July 2014 to March 2015 and the period (April to December) 2016, were marginally below the compliance mark by 1.26% and 1.6%, respectively; the period (April 2015 to March 2016), however, showed a larger variance of 4.49% from the 100% mark.

For Complex Connections which required a cost estimate (GES 5), the BL&P consistently met the compliance level over the three-year period in review.

Additionally, the BL&P mirrored a similar trend for Connect or Transfer of Service (GES 6) and Reconnection (GES 7). Both categories recorded high levels of service performance which average 99.72% and 99.93%, respectively.

The BL&P's level of compliance pertaining to Response to Billing Complaints (GES 8) showed a significant improvement over the reporting period - the performance level for the July 2014 to March 2015 year was marginally above the 75% mark; however, this improved in 2015-2016 by 21.44% and closed at 100% in December 2016.

Table 1: The BL&P's Guaranteed Standard Performance Assessment 2014-2016

STANDARD	TARGET	COMPENSATORY PAYMENT	AVERAGE % COMPLIANCE JULY 2014 - MAR. 2015	AVERAGE % COMPLIANCE APR. 2015 - MAR. 2016	AVERAGE % COMPLIANCE APR. 2016 - DEC. 2016
<p>GES 1 Fault Repair - Customer's Service This refers to the time it takes to restore supply after fault on customer' service (single customer)</p>	Within 12 hours	\$45.00 (D); \$90.00 (GS); \$215.00 (SVP/LP) Prorated on an hourly basis	100	99.57	100
<p>GES 2 Fault Repair - Distribution System This refers to the time it takes to restore supply after fault on the distribution system (multiple customers)</p>	Within 12 hours	\$45.00 (D); \$90.00 (GS); \$215.00 (SVP/LP) Prorated on an hourly basis	100	99.82	100
<p>GES 3 Voltage Complaint This refers to the investigation of voltage complaints</p>	(a) Visit within 3 working days of receipt of complaint	\$45.00 (D); \$90.00 (GS); \$215.00 (SVP/LP)	100	98.90	99.42
	(b) Assessment within 15 days of receipt of complaint		77.78	100	100
	(c) Correct within 3 months of receipt of complaint		100	100	N/A ³
<p>GES 4 Simple Service Connection This refers to the time it takes to provide a single service</p>	Within 12 working days	Refund of installation fee Automatic compensation	98.74	95.51	98.40

³ N/A - no corrective action was required.

STANDARD	TARGET	COMPENSATORY PAYMENT	AVERAGE % COMPLIANCE JULY 2014 - MAR. 2015	AVERAGE % COMPLIANCE APR. 2015 - MAR. 2016	AVERAGE % COMPLIANCE APR. 2016 - DEC. 2016
connection (connection point within 30 meters) after signing the contract for connection and the presentation of a valid certificate of inspection from the Government Electrical Engineering Department (GEED) by the customer					
GES 5 Complex Connection - Cost Estimate This refers to the time it takes to provide cost estimate for complex connection requiring a service visit	Within 3 months	\$45.00 (D); \$90.00 (GS); \$215.00 (SVP/LP)	100	100	100
GES 6 Connect or Transfer of Service This refers to the time it takes to connect or transfer service from one location to another location which has an existing installation	Within 2 working days	\$45.00 (D) \$90.00(G S) \$215.00 (SVP/LP) Automatic compensation	99.82	99.62	99.73
GES 7 Reconnection This refers to the time for reconnection of service on settling the bill	Within 1 working day	Refund of reconnection fee	99.93	99.90	99.95

STANDARD	TARGET	COMPENSATORY PAYMENT	AVERAGE % COMPLIANCE JULY 2014 - MAR. 2015	AVERAGE % COMPLIANCE APR. 2015 - MAR. 2016	AVERAGE % COMPLIANCE APR. 2016 - DEC. 2016
after disconnection at the meter					
GES 8 Response to Billing Complaints This refers to the timeframe in which the BL&P responds to customer billing complaints	Provide assessment within 15 working days of receipt of complaint if service visit is required; for other matters the BL&P is to respond within 5 working days	\$45.00 (D); \$90.00 (GS); \$215.00 (SVP/LP)	77.84	99.28	100

Key: D – Domestic; GS – General Service; SVP – Secondary Voltage Power; LP – Large Power

3.3 Customer Claims

Manual claiming for compensation under the Guaranteed Standards of Service continues to be unutilised by customers. The Commission remains concerned about this trend, since customers generally only receive compensation when it is automatic. It was observed that, in some instances, eligible manual claims remained unpaid at the end of the period. It was also noted that some automatic payment of claims were not being done in a timely manner. A summary of customer compensation is given in Table 2. The volume of customers eligible for compensation and actually receiving compensation fluctuated over the three-year period (2014 – 2016). The number of claims eligible for compensation peaked at 94 for the July 2014 to March 2015 year, but the subsequent years, 2015 – 2016 and April to December 2016, registered a decline of 23.40% and 59.72%, respectively.

The Commission notes that for the period July 2014 to March 2015, 17.02% of eligible customers received automatic compensation, while thirteen (13) of the seventy-six (76) eligible manual claims received were not paid. The Commission further notes that the unpaid status on these claims has continued throughout the reporting period. During the period April to December 2016, eighteen (18) of the thirty-four (34) claims which were paid, related to the reporting period (2015 – 2016); these claim payments were made more than three (3) months outside of the reporting period. As a result, the period April –

December 2016 registered the highest resolution rate (117.24%), compared to the 2014 - 2015 and the 2015 - 2016 periods, which were 17.02% and 58.33%, respectively. The Commission further emphasises the need to pay claims in a timely manner. The Commission proposes that all claims received by the BL&P which are eligible for compensation should be settled within one (1) month of receipt for automatic form of compensation and within two (2) months for manual verified claims.

Table 2: Customer Compensation for 2014 - 2016

CATEGORY	Jul. 2014 - Mar. 2015		Apr. 2015 - Mar. 2016		Apr. - Dec. 2016	
	A	M	A	M	A	M
Persons eligible for compensation (Automatic and Manual)	18	76	71	1	29	0
Persons actually receiving compensation (Automatic and Manual)	16	0	42	0	34	0
Percentage of eligible customers receiving compensation (Automatic only)	17.02%		58.33%		117.24%	

Key: A – Automatic; M – Manual

3.4 Overall Standards of Service

The Overall Standards of Service (OES) are designed to reflect the general performance of the BL&P on an island-wide basis and are not defined by the individual service a customer receives. No compensation is given to customers for failure to meet Overall Standards. The Commission, however, has the legislative power to impose penalties for non-compliance to the OES targets. An assessment of the BL&P’s performance under the Overall Standards of Service for the period 2014 – 2016 follows at Table 3 on pages 18 - 19.

3.5 The BL&P’s Performance under the Overall Standards of Service

The analysis revealed that the BL&P, under Meter Reading (OES 1), registered 96.35% and 97.23% average compliance in the domestic and commercial customer class categories over the 2014 – 2016 period. During this time, compliance remained relatively stable

(approximately 96.79%), but this fell short of meeting the 100% target required. Breaches by the BL&P in this category continue to be a major concern of the Commission, since this potentially affects customers in managing their consumption and budgets. The Commission acknowledges the BL&P's Advanced Metering Infrastructure (AMI) project⁴, which was initiated in 2016. The BL&P proposes to leverage AMI deployment to the operational and service benefit of customers and itself alike. Benefits include remote meter readings, improved responsiveness to billing queries, fault reporting and reliability. The Commission anticipates that such technological advancements should result in a marked improvement in this service category as this technology allows for meters to be read remotely.

The BL&P's performance under Voltage Complaint (OES 2) and Outage Notice (OES 3) registered high compliance, averaging 99.87% and 99.64%, respectively, over the three-year period; in both cases the performance was stable and well above the 95% target level assigned.

With regard to Response to Claims (OES 4), the BL&P has reported on a consistent basis that it has not received any written claims. The Commission is of the view that claims received by the BL&P in respect of GES 2, GES 5 and GES 8 should be recorded and accounted for under the OES 4 category. Submitted data suggests that a disconnect exists between the breaches and claims under the Guaranteed Standards of Service and what is reported under OES 4. The Commission remains concerned that this category under the OES framework continues to be unutilised. The Commission recognises the importance of public education with regard to Standards of Service and will continue to ensure that this role is executed by both the BL&P and itself. Additionally, it is proposed that this category be broadened to explicitly indicate written and verbally communicated claims.

Call Centre Answering (OES 5) provides another measure of the BL&P's customer service performance. The timeframe within which calls are answered by a BL&P's representative remained stable during the first two years of the three-year period under review. During

⁴ The BL&P's AMI roll out is scheduled to conclude on December 31, 2019 and targets 130,000 customers. More information can be viewed at the link: http://www.blpc.com.bb/images/watts-new/Graphics_BLPC_Newsletter_Nov2016.pdf.

the period (April to December) 2016, there was a 6.95% improvement in the number of calls responded to within one (1) minute. However, this fell short of meeting the required target mark. Failure to meet the 85% target by the BL&P continues to be of concern to the Commission, which is of the view that customers' calls should be answered promptly.

The BL&P's performance remained relatively stable and above the required 95% rate set for the Billing Period Standard (OES 6) - compliance averaged 96.33% over the three-year period under review.

Table 3: The BL&P's Overall Standards Performance Assessment (2014-2016)

STANDARD	TARGET	AVERAGE % COMPLIANCE JULY 2014 - MAR. 2015	AVERAGE % COMPLIANCE APR. 2015 - MAR. 2016	AVERAGE % COMPLIANCE APR. - DEC. 2016
OES 1 Meter Reading Frequency of meter reading	(a) 100% of Domestic/ General Service customers' meters to be read every two months	97.66	97.55	93.85
	(b) 100% of Secondary Voltage Power and Large Power customers' meters to be read monthly	97.30	97.13	97.25
OES 2 Voltage Complaints Response to Complaint of high/low voltage	95% of complaints to be responded to within five working days	100	99.67	99.93
OES 3 Outage Notice Prior notice of outages	95% of customers to be notified 48 hours before planned outages	98.91	100	100
OES 4 Response to Claims 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
OES 5 Call Centre Answering Billing and Trouble Centre calls answered by a customer service	85% of calls answered by a representative within one (1) minute	73.71	73.08	80.03

STANDARD	TARGET	AVERAGE % COMPLIANCE JULY 2014 – MAR. 2015	AVERAGE % COMPLIANCE APR. 2015 – MAR. 2016	AVERAGE % COMPLIANCE APR. – DEC. 2016
representative				
OES 6 Billing Period The period between two meter readings whether interim, estimated or actual	At least 95% of customers in each billing period shall be invoiced for no more than 33 days	96.20	96.61	96.18

- Q 1: Should the current target levels for the Guaranteed Standards of Service be amended?**
- Q 2: Should the current target levels for the Overall Standards of Service be amended?**
- Q 3: Should automatic compensation be assigned to all of the Guaranteed Standards of Service?**
- Q 4: Is the level of compensation adequate under each of the Guaranteed Standard of Service categories?**
- Q 5: What are your views on implementing a proposed target time of one (1) month for the automatic form of payment of claims and two (2) months for verified manual claims under GES 2, GES 5 and GES 8?**
- Q 6: Are there any other areas or issues which should be covered under the Guaranteed or Overall Standards of Service?**
- Q 7: What are your views on imposing penalties where the BL&P fails to meet the targets under the Guaranteed Standards and Overall Standards of Service?**

3.6 Reliability Performance

The Commission considers that, in addition to the evaluation of overall performance metrics, reliability indices⁵ provide a measure of system-wide service delivery to its customers. These are derived from the duration and number of power outages experienced and the number of affected customers. The length of time and the number of times a customer is without electricity relates to sustained outages, i.e. where customers experience a loss in supply or interruption beyond a specified period, typically greater than one minute in duration. A sustained outage refers to any interruption which is not classified as a momentary event and these typically last more than five (5) minutes.

Utilities classify these outages based on different times between one (1) to five (5) minutes. The Institute of Electrical and Electronic Engineers (IEEE) has adopted the five (5) minute criteria. The BL&P currently uses the IEEE's five (5) minute definition for sustained outages. The Commission notes that this definition varies across electricity suppliers and jurisdictions. Due to this inconsistency, the criteria and methodology used to determine Major Event Days⁶ differ as well. This creates a challenge in comparing reliability performance with other utilities. Definitions of the indices currently used to monitor the BL&P's performance are given below.

System Average Interruption Duration Index (SAIDI) – the average number of minutes that a customer is without an electricity supply over a specified time period (e.g. monthly). This is computed as the sum of the duration, pertaining to each sustained interruption (in hours), divided by the total number of customers. SAIDI excludes momentary interruptions⁷ (one minute or less). Mathematically, this is represented by:

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

⁵ See the, Institute of Electrical and Electronic Engineers, *Institute of Electrical and Electronic Engineers (IEEE) Guide for Electric Power Distribution Reliability Indices, 1366-2003, 2004 ed. (USA: IEEE, 2004)*.

⁶ IEEE 1366 Standard determines Major Event Days (MEDs) – these are days which exceed the threshold computed and the event(s) excluded from the indices calculation. The BL&P currently employs this method for SAIDI determination.

⁷ The (IEEE) 1366 standards, (2004), page 3 defines a momentary interruption as a single operation of an interrupting device that results in a voltage zero. Typically, these are outages which occur and last 5 minutes or less. These can cause voltage spikes and impact sensitive electronic equipment.

System Average Interruption Frequency Index (SAIFI) – the average number of times a customer’s supply is interrupted (e.g. each month). It is calculated as the sum of each sustained customer interruption divided by the total number of customers. SAIFI excludes momentary interruptions. Mathematically, this is represented by:

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

Customer Average Interruption Duration Index (CAIDI) – is the average duration of each supply interruption per customer. CAIDI is computed as the sum of the duration of each sustained customer interruption (in hours) divided by the total number of sustained customer interruptions (SAIDI divided by SAIFI). CAIDI excludes momentary interruptions. Mathematically, this is represented by:

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

The above reliability indices can be computed on any time basis - daily, weekly, monthly or yearly. The Commission reviews and monitors submitted reports from the BL&P on a quarterly basis, broken down by month. An assessment of reliability performance allows the Commission to determine whether there was an improvement or deterioration in the system-wide delivery of electricity. Table 4 shows the BL&P’s reliability performance over the period 2014 – 2016.

The analysis shows that the number of hours a customer was without an electricity supply (SAIDI), on average, was less than two (2) hours during the 2014 – 2015 period, compared to the latter two years of the review period, which recorded over three (3) hours. This represents an 83.76% increase for the 2015 – 2016 period, indicating that customers were without an electricity supply for an additional one (1) hour and thirty-nine (39) minutes on average. However, at the end of the third period, customers’ average outage time was down thirty-five (35) minutes (16.30%), to register an improvement over the previous period.

Table 4: BL&P’s Reliability Performance for the Period 2014 - 2016

SYSTEM RELIABILITY METRICS	ASSESSMENT PERIOD		
	Jul. 2014 – Mar. 2015	Apr. 2015 – Mar. 2016	Apr. – Dec. 2016
SAIDI (Hours per Customer)	1.97	3.62	3.03
SAIFI (Outages per Customer)	4.64	6.32	3.67
CAIDI (Hours per Affected Customer)	0.42	0.57	0.83

The SAIFI metric indicated that the average number of times per year a BL&P customer experienced a power outage varied over the period in review. The periods July 2014 to March 2015 and April to December 2016 registered lower incidences of outages per year, fewer than five (5) and four (4), respectively, compared to the 2015 – 2016 period, which was more than six (6) outages per year. At the end of the three-year period, BL&P’s customers experienced a decline in the number of outages, an improvement of 41.93% over the previous period (2015 – 2016). On average, a customer who experienced a power outage was out of service (CAIDI) for twenty-five (25) minutes (0.42 hours) during the 2014 - 2015 period; conversely, this time increased by 9.00 and 15.60 minutes, respectively, for the latter reporting periods.

The Commission considers that, based on the breadth of data thus far collected on these indices from April 2008 to December 2016, it is in a position to set targets in this area. It is proposed that targets be set based on the average of the BL&P’s historical performance, i.e. the recent five year period, since some anomalies were reported in prior years. Similar targets are used by St. Lucia Electricity Services Limited (LUCELEC)⁸, Grand Power Bahama Power Company Limited (GBPC)⁹ and in the State of Hawaii¹⁰.

⁸ St. Lucia Electricity Services Limited, “2015 Annual Report: In Transition,” 2016, 8 -10, <http://www.lucelec.com/sites/default/files/documents/LUCELEC-2015-AnnualReport.pdf>.

⁹ The Grand Bahama Port Authority, “Regulatory Framework,” Grand Bahamas Port Authority Web, accessed January 20, 2017, <http://gbpa.com/index.php/city-services/gb-power-regulation/regulatory-framework>.

¹⁰ The State of Hawaii report indicates examples of reliability indices that are widely used in the energy sector worldwide; SAIDI, SAIFI, CAIDI and ASIA remain the modal choices for indicating system delivery. Reliability Standards used by utilities aim for an ASIA above 99.98%, a SAIFI less than 1 and a CAIDI less than 2. See more information at, <http://puc.hawaii.gov/?s=reliability+report>.

- Q 8: Are the current reliability indices used to evaluate the BL&P's service delivery performance adequate?**
- Q 9: What other reliability indices should be considered to monitor the level of service performance by the BL&P?**

SECTION 4 PROPOSED CHANGES

4.1 Overview

In reviewing the Standards of Service, the Commission considered, *inter alia*: the complaints registered with the Commission; the performance of the BL&P under the present Standards of Service; local, regional and international developments within the sector; and the BL&P's capabilities. In addition, geography, customer base, customer density, type of plant, grid infrastructure, energy demand and the regulatory framework also influenced the proposals herein.

Where possible, the Commission sought to benchmark the BL&P's performance against that of its regional counterparts. This information is presented in Appendices 1 and 2 on pages 43 – 47.

Consequently, where the BL&P has reported to have consistently met the targets in the Standards of Service, the Commission is proposing to amend the same in order to encourage improved performance. Where there are breaches, the Commission reserves the right to impose penalties.

4.2 Proposed Amendments to Guaranteed Standards of Service

Fault Repair - Customer's Service (GES 1)

The Commission proposes to amend the target time for the restoration of supply to an individual customer after experiencing a fault on an individual customer's service line. Based on the information provided, the BL&P has consistently met the minimum target over the three (3) year period. The Commission therefore recommends that the restoration time be reduced from twelve (12) to seven (7) hours. The Commission also notes that some regional utilities e.g. St. Lucia Electricity Service Limited (LUCELEC)¹¹ and Dominica Electric Power Company (DOMLEC)¹² have much lower target times.

¹¹ LUCELEC recommends that, where the fault is in the service cable, supply should be restored within 6 hours. For more information see: <http://www.lucelec.com/content/lucelecs-customer-service-charter>.

¹² DOMLEC corrects the fault within 4 hours: Please see Appendix 1, page 43 for more information.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 1 Fault Repair Customer's Service This refers to the time it takes to restore supply after fault on a customer's service (single customer)	Within 7 hours of receipt of complaint	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation

Key: D - Domestic; GS - General Service; SVP - Secondary Voltage Power; LP - Large Power

Fault Repair - Distribution System (GES 2)

The Commission recognises that there is a significant economic loss and inconvenience associated with faults on the distribution system due to the fact that multiple customers are affected. The Commission also notes that the BL&P reported that it was consistently able to perform well in relation to GES 2. Hence, the Commission is proposing to adjust the restoration time from twelve (12) hours to six (6) hours in order to further improve performance.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 2 Fault Repair Distribution System This refers to the time it takes to restore supply after fault on the distribution system (multiple customers)	Within 6 hours of receipt of report	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation

Key: D - Domestic; GS - General Service; SVP - Secondary Voltage Power; LP - Large Power

Voltage Complaint (GES 3)

The Commission proposes to amend GES 3 (a), (b) and (c), which specifies the time required by the BL&P to respond, assess and correct voltage complaint problems. The Commission recognises that when a voltage problem is not rectified in a timely manner, the likelihood exists for greater damage to occur at a customer's premises. Hence, such circumstances necessitate urgency in responding. Shorter target times are mandated in the service standards of some regional jurisdictions¹³. The Commission also notes that, over the three-year period under review, the BL&P reported that it was required to respond to GES 3 (b) and (c) on a maximum of nine (9) and three (3) times, respectively and its

¹³ In Trinidad and Tobago, a 24-hour time frame speaks to the urgency in addressing these types of complaints. For more information, refer to Appendix 1, Table A1, pages 43 - 45.

performance based on the submitted data has been satisfactory. The low number of complaints under this category should facilitate speedier resolution of issues arising. The Commission therefore proposes to amend GES 3 (a), (b) and (c) as follows:

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 3 Voltage Complaint This refers to the investigation and correction of voltage complaints	(a) Visit within twenty-four (24) hours of receipt of the complaint	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP)
	(b) Provide an assessment within three (3) working days of receipt of complaint	Automatic Compensation
	(c) Correct within five (5) working days of receipt of complaint	

Key: D - Domestic; GS - General Service; SVP - Secondary Voltage Power; LP - Large Power

Complex Connection - Cost Estimate (GES 5)

As with GES 3, the Commission also recognises the importance of electricity access as it relates to the time taken in providing cost estimates for connections in this category. The Commission notes that historically, the target has been met consistently. Therefore the Commission is of the view that this target should be adjusted from three (3) months to ten (10) working days. Some regional utilities have adopted a similar target time¹⁴.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 5 Complex Connection - Cost Estimate This refers to the time it takes to provide cost estimate for complex connection requiring a service visit	Within ten (10) working days of receipt of request	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation

Key: D - Domestic, GS - General Service, SVP - Secondary Voltage Power, LP - Large Power

¹⁴ LUCELEC states that cost estimates are provided within fifteen (15) days of receipt of the request. See more information at <http://www.lucelec.com/content/lucelecs-customer-service-charter>. Jamaica Public Service Company Limited (JPS) provides cost estimates within 10 working days. Refer to Appendix 1, page 43 for more information.

Connect or Transfer of Service (GES 6)

The Commission proposes to amend the time required to connect or transfer an electricity service where an existing service line is present. The Commission considers that the BL&P’s reported performance was satisfactory in this category and proposes that the target be moved from two (2) working days to twelve (12) working hours of receipt of request.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
<p>GES 6 Connect or Transfer of Service This refers to the time it takes to connect or transfer service from one location to another location which has an existing installation</p>	<p>Within 12 working hours of receipt of request</p>	<p>\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation</p>

Key: D - Domestic, GS - General Service, SVP - Secondary Voltage Power, LP - Large Power

Reconnection (GES 7)

The Commission acknowledges that, according to the data submitted by the BL&P, that its historical performance has been satisfactory in this category. Therefore, the Commission proposes to move this target from one (1) working day to six (6) working hours.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
<p>GES 7 Reconnection This refers to the time for reconnection of service on settling the bill after disconnection at the meter as verified by the BL&P. The customer should notify the BL&P of the settlement using the bill receipt number when carried out other than at its offices.</p>	<p>Within 6 working hours of receipt of request</p>	<p>\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation</p>

Key: D - Domestic, GS - General Service, SVP - Secondary Voltage Power, LP - Large Power

Response to Billing Complaints (GES 8)

Billing complaints, which may include billing errors and the absence of a bill over an extended period, can inconvenience customers. Consequently, the Commission is of the view that the onus is on the BL&P to ensure that electricity bills are provided in a timely

manner and are accurate. The Commission therefore proposes the following changes: Where the BL&P is required to make a site visit to determine the cause, an assessment must be provided and the matter resolved within ten (10) working days of receipt of complaint. For other matters not requiring the BL&P to visit, it must resolve the matter within three (3) working days of receipt of complaint.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 8 Response to Billing Complaints This refers to the timeframe to which the BL&P responds to customer billing complaints	a) If service visit is required provide an assessment and resolution within ten (10) working days of receipt of complaint	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation
	b) For all other matters not requiring a service visit, the BL&P is required to satisfactorily resolve these within three (3) working days of receipt of complaint	

Key: D - Domestic; GS - General Service; SVP - Secondary Voltage Power; LP - Large Power

Q 10: Do you agree with the proposed changes to the target levels for GES 1, GES 2, GES 3, GES 5, GES 6, GES 7 and GES 8?

Timely Payment of Compensation (GES 9) - New Guaranteed Standard of Service

The Commission is seeking to introduce a new Guaranteed Standard of Service to monitor the payment of compensation to eligible customers. The Commission acknowledges that, despite the fact that the majority of the Guaranteed Standards of Service require automatic compensation for breaches, there is a need to establish a timeframe for the disbursement of compensation. The Commission is therefore proposing that all eligible claims be paid within one (1) month for breaches to Standards requiring automatic compensation and for manual claims, payment be made within two (2) months of receipt of the claim. Automatic compensation is also recommended for this category.

STANDARD	PROPOSED TARGET	COMPENSATORY PAYMENT
GES 9 (New) Timely payment of compensation relevant to the Standards of Service	a) All claims to be credited to the customer's account within one (1) month of its acceptance for automatic form of breaches.	\$45.00 (D) \$90.00 (GS) \$215.00 (SVP/LP) Automatic Compensation
	b) For manual claims customer's account to be credited within two (2) month of receipt of claim	

Key: D - Domestic; GS - General Service; SVP - Secondary Voltage Power; LP - Large Power

Q 11: Do you agree with the proposed new Standard of Service for the payment of compensation?

Q 12. Are there any other areas which should be covered under the Guaranteed Standards of Service?

4.3 Proposed Amendments to the Overall Standards of Service

Voltage Complaints (OES 2)

The Commission considers that there is a need to decrease the complaint response time, having recognised the possible severity of voltage problems. The Commission proposes to increase the target to 100%, with a target time of three (3) working days.

STANDARD	PROPOSED TARGET
OES 2 Voltage Complaints Response to complaint of high/low voltage	100% of complaints to be responded to within three (3) working days

Outage Notice (OES 3)

The Commission proposes that, based on the information provided by the BL&P, the target for this Standard be raised from 95% to 100% of all instances of planned outages; the forty-eight (48) hour notification will be retained. The proposed change is as a result of the BL&P continuously demonstrating that it can meet and surpass the target over the three-year review period. Additionally, the Commission proposes that the BL&P utilise a variety of media when notifying potentially affected customers.

STANDARD	PROPOSED TARGET
OES 3 Outage Notice Prior notice of outages	In 100% of instances of planned outages, potentially affected customers are to be notified 48 hours before the outage in each section of the media, e.g. television, radio, print, online (website), social media

Response to Complaints and Claims (OES 4)

The Commission sees merit in increasing the range of OES 4 to include orally submitted claims relating to Standards of Service. The Commission recognises that not all customers who report a fault or make a request and/or query are aware of the existing Standards of Service and the associated claim forms and procedures. Therefore, the Commission is of the view that the onus resides with the BL&P to inform the customer of the claims procedure when a complaint is made. Furthermore, where claims are submitted, the BL&P must acknowledge receipt as stipulated herein.

Given the aforementioned, the Commission is proposing that this Standard of Service be amended as follows:

STANDARD	PROPOSED TARGET
OES 4 Response to Complaints and Claims Response to written and oral claims related to Standards of Service	100% of customers' complaints and claims to be acknowledged within five (5) working days of receipt

Response to Damage Claims (OES 7) - New Overall Standard of Service

The Commission is concerned that equipment and appliance damage which may result from the BL&P's electricity supply can inconvenience customers, i.e. loss of use of equipment and unexpected financial burden. The Commission is proposing that the BL&P acknowledge a damage claim from a customer immediately on receipt. Additionally, the Commission recognises the negative impact customers face with regard to the time in which damage claims are settled and it is therefore proposed that 95% of eligible damage claims be settled within thirty (30) working days of receipt of the claim.

STANDARD	PROPOSED TARGET
<p>(NEW) OES 7 Response to Damage Claims Acknowledgement and settlement of claims</p>	(a) Acknowledge 95% of damage claims immediately on receipt of oral claims and for written claims, within five (5) working days of receipt.
	(b) Settle 95% of damage claims within thirty (30) working days' of receipt of written or oral claim

Tracking Complaints and Queries

With regards to a customer making a request, query and or a complaint to the BL&P whether written or orally, the BL&P is to issue a tracking number to the customer. The issuance of the tracking number will facilitate the monitoring of complaints.

Q 13: Do you agree with the proposed changes to the Overall Standards of Service for OES 2, OES 3 and OES 4?

Q 14: Should Response to Damage Claims be included in the Overall Standards of service?

Q 15: What other areas would you suggest be included in the Overall Standards of service?

4.4 Reliability Indices

The Commission is proposing to include an Average Service Availability Index (ASAI) in the reliability indices. This measures the percentage of time that a customer receives an electricity service over a defined reporting period¹⁵. An indication of availability of electricity service is an important feature of a utility's reliability. Mathematically, this is represented by:

$$ASAI = \frac{\textit{Customer Hours Service Availability}}{\textit{Customer Hours Service Demand}}$$

¹⁵ ASAI is usually reported annually; it should be noted that a normal calendar year has 8760 hours, whereas a leap year has 8784 hours. See IEEE 1366 Standards 2003, p 6.

International best practice suggests that reporting ASAI should be done to three or four decimal places¹⁶. An annual ASAI of 99.994 %¹⁷ of the electricity distribution system represents a good measure of service availability. The Commission notes that since the ASAI takes into account the SAIDI value, it can be readily computed.

Additionally, the Commission is proposing to assign reliability targets to the SAIDI, SAIFI, CAIDI and ASAI indices. The targets being proposed were developed based on the five-year historical annual performance average¹⁸. The Commission is of the view that these targets¹⁹ would allow further assessment of the BL&P's system delivery. The methodology proposed is internationally recognised and based on the premise that the BL&P should, at minimum, not perform worse than its average performance. The Commission is also of the view that the assignment of targets would act as a benchmark and should encourage greater efficiency. The targets proposed are outlined in Table 5. Additionally, a comparison of Barbados' SAIDI and SAIFI performance with other jurisdictions is presented in Appendix 2 on page 47.

Table 5: Summary of Proposed Annual Targets

METRIC	TARGET
SAIDI (Hours per year)	3.68
SAIFI (Outages per year)	5.84
CAIDI (Hours per year)	0.67
ASAI (Service availability)	99.957%

Q 16: What are your views on the addition of the proposed ASAI index and its target?

¹⁶ View an example of reporting on reliability indices by New Mexico Regulatory Commission at: <http://www.nmprc.state.nm.us/utilities/reliability-indices.html> and Hawaii Public Utilities Commission at <https://puc.hawaii.gov/wp-content/uploads/2013/07/Hawaiian-Electric-Companies-Annual-Service-Reliability-Reports-for-2015.pdf>.

¹⁷ An ASAI of 99.994% equates to a total outage duration of thirty (30) minutes per year.

¹⁸ A variety of methodologies are suggested in the literature to determine targets and benchmarks for Reliability Indices. Using the average of the utility's own annual historical data is reflective of its own unique operating circumstances. This provides insight on the baseline performance of service quality and also identifies performance indicator goals. For more information view the following sources: Pacific Economics Group Research, LLC, "Service Reliability Standards in Ontario: Analysis of Options," accessed January 09, 2017, http://www.ontarioenergyboard.ca/OEB/Documents/EB-2010-0249/OEB_Reliability_Standards_Report.pdf.

Additional information can be viewed at:

http://www.brattle.com/system/publications/pdfs/000/004/670/original/Approaches_to_Setting_Electric_Distribution_Reliability_Standards_and_Outcomes_Hesmondhalgh_Zarakas_Brown_Jan_2012.pdf?1378772119.

¹⁹ Grand Bahamas Power also use targets to monitor system performance. For 2015, SAIDI, SAIFI and CAIDI targets were 3.6 hours, 7.29 outages and 0.6 hours respectively.

Q 17: Should targets be set for the current reliability indices used?

SECTION 5 GENERAL EXEMPTIONS

The Commission acknowledges that the failure to meet the Guaranteed Standards of Service may be driven by circumstances or events beyond the control of the BL&P. In these circumstances, the BL&P is under no obligation to make compensatory payments, where such would give rise to a breach. The term used to define these events is *Force Majeure*. Black's Law Dictionary (2009) defines *Force Majeure*²⁰ as:

"An event or effect that can be neither anticipated nor controlled. The term includes both acts of nature (e.g. floods and hurricanes) and acts of people (e.g. riot, strikes and wars)."

Under the current Standards of Service framework, the following risks are considered to be *Force Majeure*:

- (a) An act of war (whether declared or not), hostile invasion, act of foreign enemies, terrorism or civil disorder;
- (b) A strike or strikes and or other industrial action or blockade or embargo or any other form of civil disturbance (whether lawful or not);
- (c) Landslides, lightning, hurricanes, floods, storm, earthquake, tsunami or any other natural disaster.
- (d) Riots;
- (e) Civil commotion;
- (f) Acts or threats of terrorism;
- (g) Insurrections;
- (h) Epidemics;
- (i) Trade restrictions;
- (j) Inability to obtain any requisite Government permits; and
- (k) 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.

²⁰ Bryan Garner, *Black's Law Dictionary* (United States: Thomson Reuters, 2009), 718.

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.

The situations which might fall into this category may include but are not limited to the following:

- (a) Inability to gain access to the customer's premises or the BL&P's facilities;
- (b) 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);
- (c) Where the customer or the customer's agent fails to fulfil his obligations;
- (d) Where the customer informs the BL&P in writing that he does not want further action to be taken on a matter;
- (e) Where the customer requests, in writing, that the BL&P take action at a later date than required by the Standards of Service;
- (f) Where an offence has been committed through interference with the BL&P's metering equipment;
- (g) Where the customer's electricity account remains unpaid after the BL&P has given the customer notice of its intention to disconnect the supply for non-payment;
- (h) Where the BL&P is requested by a public authority to provide emergency electricity supply to assist in emergency action and the provision of such service restricts the connection of a customer to a specified service or the rectification of a fault or service difficulty;
- (i) Where 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;
- (j) Other unforeseeable circumstances beyond the control of the Parties against which it would have been unreasonable for the affected party to take precautions and which the affected party could not foresee by using its best efforts; and

(k) Where there are legal constraints that may prevent the BL&P from meeting the Standards of Service.

It is proposed that these aforementioned, established, extenuating conditions be maintained.

Q 18: Should the stated exemptions be revised? What other exemptions should be added to the list?

SECTION 6 MONITORING AND ENFORCEMENT OF STANDARDS

The Commission has established 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 Standards of Service category;
- The actual average times taken to respond to and/or rectify issues referred to under each Guaranteed Standards of Service category;
- The level of compliance of each Overall Standard of Service category as a percentage; and
- Details of any extenuating circumstances that would have prohibited the BL&P from achieving the targets under the Overall Standards of Service.

The BL&P is required to submit to the Commission annual reports which, in addition to the information above, provide information on:

- The number of customers eligible for compensation during the reporting financial year;
- The total value of eligible compensation;
- The number of customers who actually received compensation; and
- The value of compensation remitted.

The Standards of Service reporting period begins on April 1 of the existing year and concludes on March 31 in the following year, which corresponds with the Commission's financial period.

Q 19: What recommendations would you make as it pertains to the Commission's monitoring and reporting on the Standards of Service?

The Commission reserves the right to conduct independent investigations to determine the extent to which the BL&P is meeting the Standards of Service.

Enforcement of Standards

If the BL&P continually fails to meet an Overall Standard of Service, particularly to the point where service is severely hampered and it appears that no reasonable effort has been made to rectify the breach, the BL&P shall provide an explanation to the Commission.

That notwithstanding, the Commission reserves the right to make any rules, regulations and orders in respect of penalties for non-compliance of the relevant Standards of Service in accordance with Section 38 of the URA, which states the following:

“The Commission may make

- a) rules;*
- b) regulations; and*
- c) orders with respect to*
 - i) imposing penalties for non-compliance with prescribed Standards of Service; and*
 - ii) prescribing amounts referred to in section 21 for failure to provide a utility service in accordance with the Standards of Service set by the Commission.”*

Public disclosure of information

Information related to the level of compliance by the BL&P, with the herein prescribed Guaranteed and Overall Standards of Service, will be made available to the public on an annual basis.

Public Education

The BL&P shall make a detailed list of the approved Guaranteed and Overall Standards of Service available to its customers. This list shall include information on the service categories, target times and compensatory payments, where applicable.

The BL&P’s fault reporting process will also be made known to the public and the appropriate contact numbers included.

The BL&P shall also widely publicise the means via which compensation for breaches may be sought. The Commission is of the view that this can be readily advertised on the customer’s electricity bill.

SECTION 7 LIST OF QUESTIONS

- Q 1:** Should the current target levels for the Guaranteed Standards of Service be amended?
- Q 2:** Should the current target levels for the Overall Standards of Service be amended?
- Q 3:** Should automatic compensation be assigned to all of the Guaranteed Standards of Service?
- Q 4:** Is the level of compensation adequate under each of the Guaranteed Standard of Service categories?
- Q 5:** What are your views on implementing a proposed time of one (1) month for the automatic form of payment of claims and two (2) months for verified manual under GES 2, GES 5 and GES 8?
- Q 6:** Are there any other areas or issues which should be covered under the Guaranteed or Overall Standards of Service?
- Q 7:** What are your views on imposing penalties where the BL&P fails to meet the targets under the Guaranteed Standards and Overall Standards of Service?
- Q 8:** Are the current reliability indices used to evaluate the BL&P's service delivery performance adequate?
- Q 9:** What other reliability indices should be considered to monitor the level of service performance by the BL&P?
- Q 10:** Do you agree with the proposed changes to the target levels for GES 1, GES 2, GES 3, GES 5, GES 6, GES 7 and GES 8?
- Q 11:** Do you agree with the proposed new Standard of Service for the payment of compensation?
- Q 12:** Are there any other areas which should be covered under the Guaranteed Standards of Service?
- Q 13:** Do you agree with the proposed changes to the Overall Standards of Service for OES 2, OES 3 and OES 4?
- Q 14:** Should Response to Damage Claims to be included in the Overall Standards of Service?
- Q 15:** What other areas would you suggest be included in the Overall Standards of Service?
- Q 16:** What are your views on the addition of the proposed ASAI index and its targets?

Q 17: Should targets be set for the currently reliability indices used?

Q 18: Should the stated exemptions be revised? What other exemptions should be added to the list?

Q 19: What recommendations would you make as it pertains to the Commission's monitoring and reporting on the Standards of Service?

SECTION 8 CONSULTATION PROCESS

The consultation paper includes a series of specific questions for which the Commission is 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 consultation paper for which the Commission has not prepared specific questions. There is no obligation to respond to all of the 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 the Consultation Paper

The Commission invites and encourages written responses, in the form of views or comments on the matters discussed in the Consultation Paper, from all interested parties including the BL&P, other regulated or soon to be regulated utilities, other licensed operators, government ministries, non-governmental organisations, customer representatives, residential customers, businesses and academics.

The consultation period will begin on **April 3, 2017** and end on **May 2, 2017 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 4:00p.m on May 2, 2017.

The Consultation Paper may be downloaded from the Commission's website at <http://www.ftc.gov.bb>. Copies of the Consultation Paper may also be collected between the hours of 9:00 a.m. to 4:00 p.m., Monday to Friday, during the consultation period, from the Commission's offices at the following address:

Fair Trading Commission
2nd Floor, Cedar Court
Willey Industrial Park
Willey
St. Michael
BARBADOS

Responses to the Consultation Paper may be submitted 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.

Responses may also be faxed to the Commission at (246) 424-0300. Mailed or hand delivered responses should be addressed to the Chief Executive Officer

Confidentiality

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.

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

The Commission expects, as in most consultations, to receive a range of 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 interest 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, provide an explanation thereto.

APPENDIX 1

COMPARISON OF STANDARDS OF SERVICE IN BARBADOS WITH OTHER JURISDICTIONS

Table A1: Comparison of Barbados' Guaranteed Standards of Service with Selected Regional and International Jurisdictions

Description of Standard	Proposed Target	Jamaica ²¹	Trinidad & Tobago ²²	Dominica ²³	United Kingdom ²⁴
GES 1 This refers to the time it takes to restore supply after fault on customer's service (single customer)	Within 7 hours of receipt of complaint	Unavailable	Unavailable	Must respond and correct problem within 4 hours	Within 12 hours
GES 2 This refers to the time it takes to restore supply after fault on the distribution system (multiple customers)	Within 6 hours of receipt of report	Unavailable	Within 10 hours	Unavailable	Within 24 hours
GES 3 This refers to the investigation of voltage complaints	(a) Visit within 24 hours of receipt of complaint	Voltage complaints are not singled out; all complaints are addressed. Acknowledgements within 5 days; investigations are completed within 30 working days; 60 working days for third parties.	Complaint responded to within 24 hours	Respond and commit to solution within 15 working days of receipt	Investigate within 7 working days
	(b) Provide assessment within 3 working days of receipt of complaint		Unavailable		Provide an explanation within 5 working days
	(c) Correct within 5 working days of receipt of complaint		All Complaint to be rectified within 15		

²¹Jamaica Public Service Company Limited, "Tariff Review for Period 2014-2019," 333 – 334, accessed January 03, 2017, http://www.our.org.jm/ourweb/sites/default/files/C-IPS%20Tariff%20Review%20for%20Period%202014-2019_Determination%20Notice.compressed.pdf.

²² Regulated Industries Commission (RIC), "Quality of Service Standards Annual Performance Report 2014: Electricity, Transmission and Distribution Sector," accessed January 03, 2017, http://www.ric.org.tt/wp-content/uploads/2015/10/QSS-Annual-Report-2014-rev_4-20151022.pdf.

²³ Independent Regulatory Commission (IRC), "Quality of Service Standards for Electricity Supply," accessed January 23, 2017, <http://www.ircdominica.org/files/downloads/2012/10/Decision-Paper-for-QSS-FINAL.pdf>.

²⁴ M & S Energy, *Guide to Service Standards 2015/2016: A guide to service standards you can expect as a customer*, accessed January 12, 2017, <https://www.mandsenergy.com/uploadedFiles/CoreMarketingSites/Assets/Documents/MandS/GuideToServiceStandardsMandS.pdf>.

Description of Standard	Proposed Target	Jamaica ²¹	Trinidad & Tobago ²²	Dominica ²³	United Kingdom ²⁴
			days		
GES 5 This refers to the time it takes to provide cost estimate for complex connection requiring a service visit	Within 10 working days of receipt of request	(i) estimate within ten (10) working days (ii) connection within thirty (30) working days after payment	Unavailable	*This standard does not specify a time period Must make a commitment in writing, (and keep the commitment), as to the completion of the works	Within 10 days for a connection less than 10MVA capacity; 20 working days for a connection of 1MVA capacity or more.
GES 6 This refers to the time it takes to connect or transfer service from one location to another location which has an existing installation	Within 12 working hours of receipt of request	Connections within four (4) working days after establishment of contract where supply and meter are already on premises	Unavailable		
GES 7 This refers to the time for reconnection of service on settling the bill after disconnection at the meter as verified by the BL&P	Within 6 working hours of receipt of request	Reconnection within twenty-four (24) hours of payment of overdue amount and reconnection fee	Time to restore supply after payment is made - within 24 hours	Within 24 hours	Unavailable
GES 8 This refers to the timeframe in which BL&P responds to customer or billing complaints	a) If service visit is required provide an assessment and resolution within ten (10) working days of receipt of complaint b) For all other matters not requiring a service visit, the BL&P is required to satisfactorily resolve these within three (3) working	Where necessary, customer must be billed for adjustment within three (3) months of identification of error, or subsequent to replacement of faulty meter	Substantive reply within fifteen (15) working days.	This standard, though similar, refers to queries. Substantive reply within 15 working days	

Description of Standard	Proposed Target	Jamaica ²¹	Trinidad & Tobago ²²	Dominica ²³	United Kingdom ²⁴
	days of receipt of complaint				
NEW (GES 9) This refers to the time it takes to pay claims related to the Standards of Service	Customer's account to be credited within one month of its acceptance				

Table A2: Comparison of Barbados' Overall Standards of Service with Selected Regional and International Jurisdictions

Description of Standard	Proposed Target	Jamaica ²⁵	Trinidad & Tobago ²⁶	Dominica ²⁷	United Kingdom ²⁸
OES 2 Response to Complaint of high/low voltage	100% of complaints to be responded to within three (3) working days	Unavailable		Unavailable	
OES 3 Prior notice of outages	In 100% of instances of planned outages, potentially affected customers are to be notified 48 hours before the outage in each section of the media, e.g. television, radio, print, online (website), social media	100% of planned outages for which at least forty-eight hours advance notice is provided	At least 3 days advance notice of planned outages 100% of the time	3 days prior notice of planned interruptions, 100%	

²⁵Jamaica Public Service Company Limited, "Tariff Review for Period 2014-2019," 333 - 334, accessed January 03, 2017, http://www.our.org.jm/ourweb/sites/default/files/C-IPS%20Tariff%20Review%20for%20Period%202014-2019_Determination%20Notice.compressed.pdf.

²⁶ Regulated Industries Commission (RIC), "Quality of Service Standards Annual Performance Report 2014: Electricity, Transmission and Distribution Sector," accessed January 03, 2017, http://www.ric.org.tt/wp-content/uploads/2015/10/QSS-Annual-Report-2014-rev_4-20151022.pdf.

²⁷ Independent Regulatory Commission (IRC), "Quality of Service Standards for Electricity Supply," accessed January 23, 2017, <http://www.ircdominica.org/files/downloads/2012/10/Decision-Paper-for-QSS-FINAL.pdf>.

²⁸ M & S Energy, *Guide to Service Standards 2015/2016: A guide to service standards you can expect as a customer*, accessed January 12, 2017, <https://www.mandsenergy.com/uploadedFiles/CoreMarketingSites/Assets/Documents/MandS/GuideToServiceStandardsMandS.pdf>.

Description of Standard	Proposed Target	Jamaica ²⁵	Trinidad & Tobago ²⁶	Dominica ²⁷	United Kingdom ²⁸
			This is a separate standard, which addresses written complaints: Substantive response within 10 working days and communicating final position within 30 working days.	Unavailable	
New (OES 7) Acknowledgement and settlement of Damage Claims	(a) Acknowledge 95% of damage claims immediately on receipt of oral claims and for written claims five (5) working days of receipt. (b) Settle 95% of damage claims within thirty (30) working days of receipt of written or qualified claim	90% of calls answered within 20 seconds	Unavailable	Unavailable	

APPENDIX 2

COMPARISON OF RELIABILITY INDICES OF BARBADOS AND OTHER JURISDICTIONS

The information presented in the following table describes the reliability performances of European Union (EU) countries, with major events²⁹ included. The table is intended to give an indication of the general operating sphere, not a utility peer-to-peer comparison.

Table A3. Comparison of Barbados' SAIDI and SAIFI Performance with other Jurisdictions³⁰

Country	SAIDI (Hours per year)	SAIFI (Outages per year)
Austria	0.58	0.69
Barbados ³¹	4.80	6.50
Denmark	0.25	0.40
France	1.00	0.89
Germany	0.27	0.28
Grand Bahamas ³²	3.50	8.50
Italy	0.76	1.74
Netherlands	0.45	0.32
Switzerland	0.35	0.34
United Kingdom	0.92	0.60
United States ³³	2.39	1.40

²⁹ Note that EU territories define a power outage as lasting longer than 3 minutes in contrast to the IEEE 1366, 5 minutes' standard. This suggests that index values may not uniquely compare fairly across different jurisdictions. Another consideration is that major or exceptional events differ between jurisdictions as well. For more details, view: Council of European Energy Regulators, *5th Benchmarking Report on the Quality of Electricity Supply 2011*, accessed January 23, 2017,

http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Electricity/Tab/CEER_Benchmarking_Report.pdf.

³⁰ Council of European Energy Regulators (CEER), *CEER Benchmarking Report 5.1 on the Continuity of Electricity Supply Data Update*, accessed January 11, 2017,

http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Electricity/Tab3/C13-EQS-57-03_BR5.1_19-Dec-2013_updated-Feb-2014.pdf.

³¹ Fair Trading Commission, *"Analysis of Barbados Light & Power Company Limited Annual Standards of Service Report 2015 – 2016,"* accessed January 17, 2017, http://www.ftc.gov.bb/library/sos/2016-08-23_blandp_%20annual_report.pdf.

³² Reliability information extracted refers to the 2014 year. For more details, view: The Grand Bahamas Port Authority Limited, *"Regulatory Framework: Reliability,"* The Grand Bahamas Port Authority Website, accessed January 23, 2017, <http://gbpa.com/index.php/city-services/gb-power-regulation/regulatory-framework>.

³³ Peter Larsen, James Sweeney, Kristina Hamachi-LaCommare, and Joseph Eto, *"Exploring the Reliability of U.S. Electric Utilities,"* accessed January 17, 2017,

http://www.usaee.org/usaee2014/submissions/OnlineProceedings/IAEE_ConferencePaper_01Apr2014.pdf.