



Fair Trading Commission

Consultation Paper

Review of Barbados Light & Power Company Ltd.

STANDARDS OF SERVICE

2010 - 2013

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REVIEW OF THE STANDARDS OF SERVICE FOR THE BARBADOS LIGHT & POWER COMPANY LIMITED

Purpose of Document

The Fair Trading Commission “Commission” is issuing this consultation document to review the Standards of Service Decision 2010-2013 for the Barbados Light & Power Company Limited (BL&P) pursuant to Section 4(3) of the Fair Trading Commission Act, Cap. 326B and Sections 3 and 4 of the Utilities Regulation Act Cap. 282.

The Commission is seeking to engage the public in order to obtain the views and opinions of various stakeholders.

This paper is intended to solicit comments on:-

- (a) The standards of service performance of the company;
- (b) Whether any additional Guaranteed or Overall Standards of Service should be implemented;
- (c) Whether any of the current Guaranteed or Overall Standards need to be modified or removed;
- (d) Whether the system of compensatory payment is adequate; and
- (e) Whether the number of Exemptions should be revised.

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 at www.ftc.gov.bb.

The Consultation period will begin on October 25, 2013 and end on December 06, 2013 at 4:00 p.m.

SECTION 1 BACKGROUND

Introduction

The issue of Standards of Service is extremely important in the regulation of utilities. In a competitive market, the customer 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 that adequate service is provided to customers.

Update of Local Electricity Sector

A number of new initiatives are taking place within the electricity sector almost simultaneously. Generally they are meant to maintain the future levels of service delivery and facilitate the exploitation of local renewable energy sources.

The Time-of-Use (TOU) tariff and the Interruptible Service Rider (ISR) which were first introduced at the same time as the Renewable Energy Rider (RER) in 2010 continue to be classified as pilot programmes. The TOU offers participants the opportunity to shift their demand from peak demand periods to off-peak periods and thus benefit from a lower per kWh rate during off-peak hours. On the other hand, the ISR allows the BL&P to temporarily interrupt the electricity service of participating customers during conditions of high system demand and customers are compensated for such. Both programmes are Demand Side Management strategies. The Commission has granted an extension of the TOU tariff and the ISR under the existing terms and conditions until the end of September 2015 or the next rate hearing, whichever is sooner.

In addition, the BL&P is developing an Integrated Resources Plan (IRP) to ensure sustainable development in the electricity sector by identifying the requisite investment that is necessary to meet the forecasted demand. Two pending studies

will inform this IRP - An Intermittent Renewable Energy Penetration Study and a Demand Side Management study. The Intermittent Renewable Energy Penetration Study will determine the maximum tolerable variable capacity while the Demand Side Management study explores strategies that will precipitate the efficient use of electricity by end-users.

The BL&P has also incorporated distributed Renewable Energy in the electricity system through the Renewable Energy Rider (RER). The RER was designed specifically to facilitate the sale of excess electricity to the grid by customers using solar photovoltaic (PV) or wind renewable energy systems to offset electricity consumption from the grid, thereby enabling the development of distributed generation on the island. This signalled the introduction of competition in the generation of electricity. The IRP indicates that the BL&P plans to include utility scale renewable energy in its energy mix through its own initiative as well as from commercial Independent Power Producers (IPP).

The Revised Electric Light and Power Bill to be considered by Parliament in October, among other things, formalises competition in electricity generation by offering licenses for renewable energy generation at utility scale.

SECTION 2 LEGISLATIVE FRAMEWORK

The Standards of Service for regulated utility services came into effect on June 1, 2006 in accordance with Section 3 (1) and 4 of the Utilities Regulation Act Cap. 282 (URA). Respectively, Sections 3 (1) and Section 4 of the URA set out the Commission's authority to determine the Standards of Service and the considerations that must be made when determining the Standards of Service¹.

The Commission is also charged with the responsibility of monitoring and periodically reviewing the Standards of Service in accordance with Section 3(1) of the URA. The Commission continues to hold the view that these standards are important to ensure that the BL&P, the dominant provider of electricity services, will provide efficient and reliable service to its customers.

¹ The text pertaining to Section 3 (1) and 4 of the Utilities Regulation Act is presented in Appendix A for reference.

SECTION 3 THE BL&P STANDARDS OF SERVICE

Objectives

The Commission has a statutory responsibility 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.

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.

These Standards of Service do not apply to damage claims.

Guaranteed Standards of Service

The Guaranteed Standards of Service (GES) are standards which apply to individual customers and are mandatory. 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. These compensatory payments take the form of credits to each affected customer's account. Affected customers are required to manually claim compensation under all of the categories except in the case of Provision of a Simple Service Connection Point within 30metres (GES4), and Connect Or Transfer of Service to an Existing Installation(GES6).

BL&P's Performance

The BL&P's performance in respect of the Guaranteed Standards of Service for the period April 02, 2010 to March 31, 2013 was assessed based on the reports submitted by the company. The results of this assessment are provided as follows:

Table 1: Compliance with Guaranteed Standards of Service for 2010 – 2013

STANDARD	TARGET	COMPENSATORY PAYMENT	AVERAGE % COMPLIANCE APR. 2010 - MAR. 2011	AVERAGE % COMPLIANCE APR. 2011 - MAR. 2012	AVERAGE % COMPLIANCE APR. 2012 - MAR. 2013
GES1 Restoration of Supply of Customer's Service	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) Prorated on an hourly basis	97.8	99.5	100
GES2 Restoration of Supply after Fault on Distribution System	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) Prorated on an hourly basis	99.7	100	99.8
GES3 Investigation of Voltage Complaints	(a) Visit and correct within 3 working days (b) Correct within 3	\$45.00 (Domestic); \$90.00 (General Service); \$215.00 (SVP/LP)	96.6	99.9	99.9

STANDARD	TARGET	COMPENSATORY PAYMENT	AVERAGE % COMPLIANCE APR. 2010 - MAR. 2011	AVERAGE % COMPLIANCE APR. 2011 - MAR. 2012	AVERAGE % COMPLIANCE APR. 2012 - MAR. 2013
	months for those not corrected within 3 working days		71.4	N/A ²	N/A ³
GES4 Provide a Simple Service Connection (connection point within 30m)	Within 12 working days	Refund of installation fee Automatic compensation	92.6	89.4	93.7
GES5 Provide Cost Estimate for Complex Connection Requiring Service Visit	Within 3 months	\$45.00 (Domestic); \$90.00 (General Service); \$215.00 (SVP/LP)	99.5	96.3	98.2
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) Automatic compensation	99.5	99.5	99.5
GES7 Reconnection of Service After Disconnection (due to unpaid bill)	Within 2 working days	Refund of reconnection fee	100	99.9	99.9
GES8 Response to Billing Complaint	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)	96.8	96.8	98.2

² The BL&P received no complaints in relation to category (b) of GES 3. Consequently no results were recorded in this category.

³ Ibid.

Overall, the BL&P's 2012/2013 compliance with the Guaranteed Standards of Service averaged above 95% in all of the eight standards except GES4 which speaks to the provision of a simple service connection. This standard fluctuated between 89.4% and 93.7%. Additionally, three of the guaranteed standards remained at the same compliance level as in the preceding period. These are GES3 which deals with investigations of voltage complaints, GES6 which relates to connecting or transferring a service to an existing installation and GES7 which deals with reconnection of service after disconnection due to an unpaid bill.

Further, three service categories all recorded compliance levels which improved over the previous year. These are: Restoration of Supply after a Fault on Customer's Service (GES1), Provision of Cost Estimate for Complex Connection Requiring a Site Visit (GES5), and Response to Billing Complaint (GES8). Only GES1 recorded perfect compliance in the period April 2012 to March 2013.

Customer Claims

Over the three-year period under review as shown in Table 2, the Commission observed that customers were not optimally utilising the guaranteed standards of service scheme, as they were not manually claiming for breaches. Customers received compensation under GES4 and GES6 where compensation is automatic.

Table 2: Customer Claims Summary 2010 - 2013

CATEGORY	2010/2011	2011/2012	2012/2013
Persons eligible for compensation	218	200	111
Persons actually receiving compensation	106	140 automatic	77
Percentage of eligible customers receiving compensation	39.4%	70% Only automatic compensation was paid	69.4%

Overall Standards of Service

Overall Standards of Service are used as indicators for evaluating the general performance of the Company, including general reliability of service but are not geared towards assessing the level of service rendered to an individual customer.

The existing service categories for the Overall Standards of Service and the performance over the past three years are shown in the following table.

Table 3: Overall Standards 2010 – 2013

STANDARD	TARGET	AVERAGE % COMPLIANCE APR. 2010 – MAR. 2011	AVERAGE % COMPLIANCE APR. 2011 – MAR. 2012	AVERAGE % COMPLIANCE APR. 2012 – MAR. 2013
OES1 Frequency of meter reading	100% of domestic customers' meters to be read every two months	94.7	95.7	96.5
	100% of Secondary Voltage Power and Large Power customers' meters to be read monthly	97.9	96.9	97.2
OES2 Response to high/low voltage complaint	95% of complaints to be responded to within 5 working days	97.8	100	100
OES3 Prior notice of outages	95% of customers to be notified 48 hours before planned outages	98.7	99.5	100
OES4 Response to written claims related to Standards of Service	100% of customers to receive acknowledgement of receipt of claim within 10 working days	None received	None received	None received

STANDARD	TARGET	AVERAGE % COMPLIANCE APR. 2010 – MAR. 2011	AVERAGE % COMPLIANCE APR. 2011 – MAR. 2012	AVERAGE % COMPLIANCE APR. 2012 – MAR. 2013
OES5 Answering of billing and trouble calls	85% of calls answered by a representative within 1 minute	80.6	56.2	68.3

With reference to the overall standard for Frequency of Meter Reading (OES1) the company achieved compliance of over 90% but did not meet the 100% target. Based on customer complaints to the Commission, the failure of the company to meet this particular standard continues to be a concern to customers. The Company continues to fail to read Secondary Voltage Power (SVP) and Large Power (LP) meters every month.

The standards of service relating to answering of Billing and Trouble Calls (OES 5) recorded results of 68.3% in the period 2012 - 2013. Evidently, this is well below the targeted 85%, but an improvement by 12.1% points over the previous year. The targets for OES2, (response to high/low voltage complaint), and OES3, (prior notice of outages), were again exceeded while no claims were received under OES4, responses to written claims related to standards of service.

Q 1: What are your views on the service areas which the Commission has adopted as guaranteed and overall standards?

Reliability Indicators

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 level of electricity service delivery in Barbados. These are (a) System Average Interruption Duration Index (SAIDI); (b) the System Average Interruption Frequency Index (SAIFI) and; (c) Customer Average Interruption Duration Index (CAIDI). These indices are

indicators of the reliability and efficiency of electricity production and distribution and are relatively simple to calculate.

The SAIDI 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.

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

The SAIFI index is a measure of the frequency of interruptions per year that a customer experiences.

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

The CAIDI measures how quickly power is restored after an outage.

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

By collecting and comparing these measurements on a quarterly basis, the Commission is able to assess whether there has been an improvement or deterioration in the delivery of electricity service in Barbados.

Table 4 shows the performance of the three system reliability indicators over the past three years. Compared to the 2011/2012 period, the average duration of a service interruption (SAIDI) per customer in 2012/2013 decreased and customers experienced service interruptions less frequently (SAIFI). CAIDI remained at the same level in 2012/2013 that it had been in the previous period.

Q2: As a BL&P customer, have you experienced a decrease or increase in the number of power outages? Have the interruptions been for more than an hour?

System Reliability Indicator Indices

Table 4: System Reliability Indicators, 2010 – 2013

Year	System Reliability Indicators		
	SAIDI	SAIFI	CAIDI
2012/2013	4.98	8.06	0.61
2011/2012	6.35	10.39	0.61
2010/2011	3.40	6.16	0.55

Q 3: Do you agree with the continued use of the reliability indicators to evaluate the performance of the BL&P? Are there other indicators that could be used?

SECTION 4 RECOMMENDED CHANGES

As is standard practice, the Commission sought to benchmark the standards of service that are currently applicable in other jurisdictions with those of the BL&P. This comparison allowed for an assessment of the application of best practices. It must be noted 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.

Proposed Changes to the Guaranteed Standards of Service

Billing Complaints (GES8)

The Commission proposes to amend GES8, which currently requires the BL&P to respond within 15 working days to only those billing complaints which the company deems to require a site visit. This amendment would broaden this standard to include all written complaints made by customers and not just those relating to billing complaints.

Both internationally and regionally⁴, a standard which requires the service provider to firstly acknowledge receipt of a customer query and thereafter to investigate and provide a substantive response to the customer within a specific timeline is treated as a Guaranteed Standard of Service.

The company has recorded high levels of compliance in relation to GES8 and it is considered that this addition to the standard would serve to further inculcate good regulatory practice in the Standards of Service regime.

It is proposed that the level of compensation that presently relates to this standard should continue to apply.

⁴ Jamaica and Hong Kong

Description of Standard: Customer complaints: Refers to the timeframe in which BL&P responds to customer complaints relating to Standards of Service issues.

Target: Provide assessment within 15 working days of receipt of complaint for those complaints which the BL&P deems require a service visit. Those not requiring a service visit, the BL&P should respond within five working days.

STANDARD	TARGET	COMPENSATORY PAYMENT
GES8 (Revised) Customer Complaints The timeframe in which BL&P responds to customer complaints relating to standards of service issues	Provide assessment within 15 working days of receipt of complaint for those complaints which the BL&P deems require a service visit; those not requiring a service visit, the BL&P should respond within 5 working days	\$45.00 (Domestic) \$90.00 (General Service) \$215 (SVP/LP)

Q4: Do you consider that GES 8 should be widened to include all Standards of Service complaints?

Meter Reading

The Commission proposes the introduction of a new Guaranteed Standard of Service to encourage the BL&P to read 100% of Domestic/General Service meters every two months. A customer's bill Read Codes⁵ indicates whether the meter reading was Regular (R), Interim (I), Estimated (E) or Verified (V). Estimated bills are sent when the Company has not done the scheduled Regular (R) meter reading. This standard would discourage the BL&P from sending Estimated bills. It is noted that even though there is already an overall standard for meter reading, metering is an issue which touches and concerns Domestic Service customers in particular. In view of this, including this standard as a Guaranteed Standard of Service, while also retaining it as an Overall Standard of Service, would be an incentive for the Company to meet this target for the Domestic and General Service customers.

⁵ RC (read codes): E – Estimate (a BL&P-generated reading, estimated based on previous usage if a Regular reading is not obtained), I – Interim (a computer-generated reading, estimated based on previous usage, for Domestic and General Service tariffs in months when a reading is not scheduled), R - Regular (an actual scheduled meter reading by BL&P), C – Customer (a read provided by the customer), V - Verify (a read bill by a BL&P representative other than the meter reader).

It is further suggested that this standard should be eligible for automatic compensation which would signify that an individual customer would not have to claim in order to receive compensation. Additionally, it is proposed that the compensation for this standard should be commensurate with the other compensatory payments, based on customer class, that currently exist.

It is proposed that the new standard should read as follows: **Description of standard: Meter Reading: Refers to the frequency of reading domestic and general service meters. Target: There should not be more than one estimated bill in any three-month period. Compensatory payment: \$45.00 (Domestic Service), \$90.00 (General Service).**

STANDARD	TARGET	COMPENSATORY PAYMENT
GES9 (New) Meter Reading The frequency of reading domestic and general service meters	There should not be more than one estimated bill in any three-month period	\$45.00 (Domestic) \$90.00 (General Service) Automatic compensation

Q5: Do you consider that meter reading should be a guaranteed standard of Service? Do you agree with what is being proposed? Kindly explain.

Billing Periods

The Commission proposes that a new Guaranteed Standard of Service be instituted which relates to billing periods. This recommended standard of service seeks to ensure that the utility company does not bill customers at a higher energy tier or customer charge when the bill is calculated beyond a 31-day billing period. Therefore, the Commission proposes that this new standard would be worded as follows: **Description of standard: Billing Period: Refers to a period between two meter readings whether interim, estimated or actual. Target: Customers may not be billed for a period exceeding 31 days. Where such occurs the customer shall be**

rebilled within the next month to reflect a corrected prior month's bill with no more than 31 billing days, the appropriate customer charge and energy tiers.

Compensation in the amount of \$45.00 (Domestic Service), \$90.00 (General Service) and \$215.00 (SVP/LP) is proposed to be paid to customers in the circumstances where this standard is not met in order to encourage the company to bill customers within the appropriate billing period.

STANDARD	TARGET	COMPENSATORY PAYMENT
GES10 (New) Billing Period This refers to a period between two meter readings whether interim, estimated or actual	Customers may not be billed for a period exceeding 31 days. Where such occurs the customer shall be rebilled within the next month to reflect a corrected prior month's bill with no more than 31 billing days, the appropriate customer charge and energy tiers	\$45.00 (Domestic Service) \$90.00 (General Service) \$215.00 SVP/LP Automatic compensation

Receipt of an Estimated (E) bill under these circumstances will not incur a penalty relating to the new GES9 Standard. Furthermore, the Commission is of the view that this standard should also attract automatic compensation. It should be noted that customers will still be required to make a timely payments on the initial bill as there is no dispute related to usage.

Q 6: Do you agree that there should be a standard of service relating to billing periods? Do you agree with the proposed Standard?

Q 7: Are there any other areas where Guaranteed Standards of Service should be established?

Automatic Compensation

As stated previously, the Commission observed that customers were not utilising the Guaranteed Standards of Service scheme optimally as they are not manually claiming for breaches. This process requires customers to file claims with the BL&P once a standard is breached in order to be eligible for compensation. If the customer does not file, he or she will receive no compensation. However, when a standard of

service offers automatic compensation, such as is the case of GES4, GES6, GES9 and GES10 the Company is charged with the responsibility of applying compensation to the affected customer via a credit on the customer's account.

Q 8: Do you believe that automatic compensation should be applicable to only GES4, GES6, GES9 and GES10 or all Guaranteed Standards of Service?

Proposed Changes for Overall Standards of Service

Billing Adjustments

The Commission has received several complaints and queries from customers who, through no fault of their own, experienced a billing error and then after a significant period of time had elapsed, received a revised bill from the company. The Commission is desirous of introducing a new standard relating to timeliness of Billing Adjustments. This new standard would discourage the Company from billing a customer after six months of occurrence of an error, or replacement of a faulty meter. This standard has been applied in at least one other regional jurisdiction⁶.

Further, it is considered to be important for the Company to be given a clear guideline on how billing adjustments should be handled in the event that they arise. The Commission proposes that this new standard would be worded as follows:
Description of standard: Billing Adjustments: Refers to the timeframe within which a customer's bill may be retroactively amended after the occurrence of an error or replacement of a faulty meter. Target: A customer may only be retroactively rebilled within six (6) months of the occurrence of an error or replacement of a faulty meter.

STANDARD	TARGET
OES6 (New) Billing Adjustment This refers to the timeframe within which a customer's bill may be retroactively amended after the occurrence of an error or replacement of a faulty meter	100% of bill adjustment to be done within 6 months of occurrence of an error or replacement of a faulty meter.

⁶ Jamaica Standard EGS 10

Q 9: Do you agree that there should be a standard of service relating to billing adjustments?

Q 10: Do you propose any other changes, additions or deletions of the overall Standards of Service. If yes, please indicate the proposal/s and the supporting rationale.

SECTION 5 EXEMPTIONS

General Exemptions

The Commission is of the view that there are currently situations where failure to meet Guaranteed Standards of Service should not require compensatory payments from the service provider. Consequently, the standards are placed in abeyance in circumstances where conditions outside the control of the service provider make it impossible to meet the targets. This is referred to as *Force Majeure* which the Commission proposes to formally define as:

"Risks beyond the reasonable control of a party, incurred not as a product or result of the negligence of the afflicted party, which have a materially adverse effect on the ability of such party to perform its obligations."

The existing Standard of Service regime states that the force majeure conditions under which exemptions from standards may be granted are as follows:

- (a) Acts of God;
- (b) Riot;
- (c) Civil commotion;
- (d) Strikes, lockouts, and other industrial disturbances;
- (e) Acts of terrorism;
- (f) Wars;
- (g) Blockades;
- (h) Insurrections;
- (i) Epidemics;
- (j) Landslides;
- (k) Hurricanes;
- (l) Lightning;
- (m) Earthquake;
- (n) Storms;
- (o) Floods;

- (p) Trade restrictions;
- (q) Inability to obtain any requisite Government permits; and
- (r) 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.

The Commission is also of the view that *Force Majeure* conditions as well as the exemptions currently applied require refinement. This is in order to ensure that the instances in which these provisions can be applied are clear to both service providers and consumers.

It is therefore proposed that the following changes to the list be made:-

- (a) An act of war (whether declared or not), hostilities 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, lightening, hurricanes, floods, tempest, earthquake or any other natural disaster of overwhelming proportions;
- (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;
- (k) 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; and
- (l) 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 cannot foresee by using its best efforts.

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

- (a) Inability to gain access to premises or the BL&P's facilities where needed;
- (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 his/her agent fails to fulfil his/her obligations;
- (d) Where there are legal constraints that may prevent the BL&P from meeting the standard;
- (e) Where the customer informs the BL&P that he/she does not want further action to be taken on a matter;
- (f) Where the customer requests the BL&P to take action at a later date than required by the standard;
- (g) Where the BL&P reasonably considers that the customer's request or complaint is frivolous or vexatious;
- (h) Where an offence has been committed through interference with the BL&P's metering equipment;
- (i) Where the customer's electricity account remains unpaid after the BL&P has given the customer notice of its intention to disconnect his/her supply for non-payment;
- (j) 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

services restricts the connection of a customer to a specified service or the rectification of a fault or service difficulty; and

- (k) 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.

Q 11: Do you believe that the type of general and other exemptions should be revised? Give reasons for your view. Also, what are your recommendations?

SECTION 6 MONITORING AND ENFORCEMENT OF STANDARDS

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.

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.

The Standards of Service reporting period is April 1 to March 31 in order to correspond to the financial period of the Commission.

Q 12: What changes would you suggest in regard to the Commission's monitoring and reporting on the Standards of Service?

The Commission reserves the right to conduct independent investigations that seek to determine the extent to which the service provider is meeting the Standards of Service.

If the service provider continually fails to meet an overall standard, particularly to the point where service is severely hampered, and it appears that the service provider has not made a reasonable effort to rectify the breach, the service provider will provide an explanation to the Commission. Section 43 of the Fair Trading Commission Act, CAP. 326B and Section 31 of the Utilities Regulation Act CAP. 282 both state the following:

“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 \$100,000.00 and, in case of an continuing offense, to a fine \$10,000.00 for each day or part thereof during which the offense continues.”

The authority to make rules, regulations and orders in respect of penalties for non-compliance of the relevant standard comes from Section 38 of the Utilities Regulation Act, CAP. 282 which states the following:

The Commission may make

- a) rules;*
- b) regulations;*
- 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 pertaining to the level of compliance by the Company, with the herein prescribed Guaranteed and Overall Standards of Service will be made available to the public on an annual basis.

Public Education

The service provider shall make available to its customers a detailed list of the approved guaranteed and overall standards of service. This list shall include information on the service categories, target times, and compensatory payments where applicable. The Company's fault reporting process is to be made known to the public and the appropriate contact numbers included. The service provider shall also widely publicise the means via which compensation for breaches may be sought.

SECTION 7 LIST OF QUESTIONS

- Q 1: What are your views on the service areas which the Commission has adopted as guaranteed and overall standards?
- Q 2: As a BL&P customer, have you experienced a decrease or increase in the number of power outages? Have the interruptions been for more than an hour?
- Q 3: Do you agree with the continued use of the reliability indicators to evaluate the performance of the BL&P? Are there other indicators that could be used?
- Q 4: Do you consider that GES8 should be widened to include all standards of service complaints?
- Q 5: Do you consider that meter reading should be a guaranteed standard of Service? Do you agree with what is being proposed? Kindly explain.
- Q 6: Do you agree that there should be a standard of service relating to billing periods? Do you agree with the proposed standard?
- Q 7: Are there any other areas where guaranteed standards of service should be established?
- Q 8: Do you believe that automatic compensation should be applicable to only some or all Guaranteed Standards of Service?
- Q 9: Do you agree that there should be a standard of service relating to billing adjustments?
- Q 10: Do you propose any other changes, additions or deletions of the overall standards of service. If yes, please indicate the proposal/s and the supporting rationale.
- Q 11: Do you believe that the type of general and other exemptions should be revised? Give reasons for your view. Also, what are your recommendations?
- Q 12: What changes would you suggest in regard to the Commission's monitoring and reporting on the standards of service?

SECTION 8 CONSULTATION PROCESS

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. 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 this Consultation Paper

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 BL&P, other regulated or soon to be regulated utilities, other licensed operators, government ministries, non-governmental organisations (NGO's), customer representatives, residential customers, businesses and academics.

Consultation Timetable

The Consultation period will begin on **October 25, 2013** and end on **December 06, 2013**. 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 December 06, 2013.

Copies of this Consultation Paper can be collected between the hours of 9:00 a.m. and 4:00 p.m., Mondays to Fridays from the Commission's offices at the following address:

Fair Trading Commission
Good Hope
Green Hill
St. Michael
BB12003
BARBADOS

The Consultation Paper can also be downloaded from the Commission's website at www.ftc.gov.bb.

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.

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

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, 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.

APPENDIX 1

LEGISLATIVE FRAMEWORK

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:-

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

The Commission therefore has responsibility for determining and monitoring the standards of service offered and carrying out periodic reviews of the standards of service for utilities under its jurisdiction, which includes the regulated services of BL&P.

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 customers are provided with universal access to the service supplied by the service provider;*
- (c) The national environmental policy; and*
- (d) Such other matters as the Commission may consider appropriate.*

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

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

APPENDIX 2

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	Existing BL&P	Jamaica ⁷	Trinidad& Tobago ⁸	Hong Kong ⁹	United Kingdom ¹⁰	New South Wales, Australia ^{11, 12}
Restore supply after fault on customer's service (single customer)	Within 12 hours	Unavailable	Unavailable	Unavailable	18 hours	Unavailable
Restore supply after fault on the distribution system (multiple customers)	Within 12 hours	Unavailable	Within 10 hours	2 hours	Unavailable	Unavailable
Investigation of voltage complaints	Visit within 3 working days, correct within 3 months	This standard is different in that it requires that all investigations must be completed within 30 days	Company to visit within 24 hours and issues are corrected in 15 days	Within 3 working days	7 working days if a site visit is necessary	Unavailable
Provide a simple service connection (connection)	Within 12 working days	Within 4 working days of establishment	3 working days	Next Day	Unavailable	Connect customer by date agreed with

⁷ Jamaica Guaranteed Service Standards effective July 1, 2012

⁸ Regulated Industries Commission Electricity (Transmission and Distribution) Order, 2009

⁹ Hong Kong Electric Company Ltd, Customer Service, Service Standards, 2013

http://www.hec.com.hk/hec/customer/service_3.htm

¹⁰ The Electricity (Standards of Performance) Regulations 2010

<http://www.legislation.gov.ug/uksi/2010/698/contents/>

¹¹ Independent Pricing and Regulatory Tribunal of New South Wales. Distribution Business performance against customer service indicates in NSW.

¹² Customer Service Standards for the supply of Electricity to Permanent residents of Residential Parks - www.fairtrading.nsw.gov.au

Description of Standard	Existing BL&P	Jamaica ⁷	Trinidad & Tobago ⁸	Hong Kong ⁹	United Kingdom ¹⁰	New South Wales, Australia ^{11,12}
point within 30 m)		of contract where supply and meter is already on premises.				customer
Provide a cost estimate for complex connection requiring a service visit	Within 3 months	Between 30 m and 100 m of existing distribution line (i) Estimate within 15 working days (ii) connection within 40 working days	Unavailable	Unavailable	Unavailable	Unavailable
Connect or transfer of service to an existing installation	Within 2 working days	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Reconnection of service on settling the bill after disconnection at the meter	Within 2 working days	24 hours (automatic)	24 hours	Same day as payment received	Unavailable	Unavailable
Response to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit	This standard is different from the standard imposed by the BL&P because it relates to all customer complaints/ queries generally and a time period is placed on the company to: acknowledge written queries (5 working days);	Substantive reply within 15 working days	The standard in Hong Kong is different in that it requires the company to reply to any/all written enquiries on all customer accounts within 7 working days after receipt	Unavailable	Unavailable

Description of Standard	Existing BL&P	Jamaica ⁷	Trinidad& Tobago ⁸	Hong Kong ⁹	United Kingdom ¹⁰	New South Wales, Australia ^{11,12}
		complete an investigation (30 days)				
Billing punctuality. Time for first bill to be mailed after connection	Unavailable	Produce and dispatch first bill within 40 working days after service connection	Within 60 days – residential. Within 30 days – non-residential	Unavailable	Unavailable	Unavailable
Notice of supply interruption	Unavailable	Unavailable	Unavailable	7 days	2 days – if you fail to give 2 days’ notice and if you interrupt on a day other than the day that you agreed to give notice compensation will have to be paid.	2 working days. If you fail to give 2 days’ notice or if you interrupt the supply for longer than the time notified the penalty is \$20.
Response to emergencies	Unavailable	5 hours. Emergencies are defined as broken lines, poles or fines	Unavailable	Less than 28 minutes in urban areas.	3 hours	

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

Description of Standard	BL&P	Jamaica¹³	Trinidad& Tobago¹⁴	United Kingdom
Frequency of meter reading	100% of customers' meters to be read every two months	There should not be more than 2 consecutive estimated bills where the company has access to a meter but this is a guaranteed standard in Jamaica	90% of industrial read monthly, 90% residential and commercial read as per schedule	Unavailable
Response to high/low voltage complaint	95% of complaints to be responded to within 5 working days	Unavailable	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 3 days advanced notice 100% of the time	Unavailable
Reconnection after payment of overdue amount	90% of customers to be reconnected by the end of next working day	Reconnection within 24 hours of payment of overdue amount and reconnection fee. However, in Jamaica this is a guaranteed service standard rather than an overall service standard	Within 24 hours. However, in Trinidad this is a guaranteed service standard rather than an overall service standard	Unavailable
Response to written claims related to standards of service	100% of customers to receive acknowledgement of receipt of claim within 10 working days	Within 30 working days for all complaints. However, in Jamaica this is a guaranteed service standard rather than an overall service standard	10 working days and communicating final position within 30 working days. This standard relates however to all written requests or queries not just the standards of service.	100% of customers to receive acknowledgement of receipt of claim within 10 working days

¹³ Office of Utilities regulation (OUR). Jamaica Public services Company Limited. Tariff Review for Period 2004 – 2009. Determination Notice. June 25, 2004.

¹⁴ 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.