



Fair Trading Commission

ANALYSIS OF BARBADOS LIGHT & POWER COMPANY LIMITED ANNUAL STANDARDS OF SERVICE REPORT

July 2014 - March 2015

August 10, 2015

INTRODUCTION

The Utilities Regulation Act, CAP. 282 (URA), makes provisions for the Commission to determine standards of service for regulated utility companies. Standards of Service were first established in 2006 and are reviewed every three (3) years; this is the third iteration. In discharging this responsibility, the Commission consulted with stakeholders and the general public on the review of the February 2010 Barbados Light & Power Company Limited's (BL&P) Standards of Service. The consultation was held over a six week period and culminated with the issuance of a Decision on May 9, 2014. Two (2) new standards were included - GES 3b, which speaks to the assessment of a voltage complaint within fifteen (15) days, and OES 6, which establishes a maximum billing period of thirty-three (33) days for 95% of customers in each billing period. The revised Standards of Service became effective on July 1, 2014, therefore, this report only pertains to a nine month period. Generally, this report does not make historical comparisons, as the length of the reporting periods are dis-similar and thus would not support such statistical analysis. Performance is therefore considered in the context of the revised targets.

SECTION 1 - GUARANTEED STANDARDS OF SERVICE

Under this category of standards, each customer that is affected by a breach of the prescribed target for any of the eight service categories is eligible for compensation. Table 1 provides a summary of the performance of the BL&P for the period July 2014 to March 2015.

Amendments to Guaranteed Standards

The group of guaranteed standards to which automatic compensation is applied was expanded to include Restore Supply of Customer's Service (GES 1); Investigation of Voltage Complaints (GES 3); and Reconnection (GES 7). This means that customers will no longer be required to make manual claims for compensation under these standards if the service offered by the Company did not meet the prescribed target. When a breach under any of the automatically compensated guaranteed standards occurs, customers should expect to see a credit on a subsequent bill, once the issue has been resolved.

The 'Investigation of Voltage Complaints' (GES 3) standard was amended to include the requirement to provide an assessment, to the affected customer, within fifteen (15) working days of receipt of complaint. This adjustment, as articulated in the GES 3b component, is intended to facilitate the company keeping the customer abreast of the status of their complaint, inclusive of what is required to rectify the issue and the expected timeframe for resolution.

The Commission included 'Adverse Weather Conditions', which is defined as severe and persistent rain, as a specific exemption condition. This type of exemption may be invoked under GES 1 (Restore Supply Customer Service), GES 2 (Restore Supply Distribution System), GES 3 (Investigation of Voltage Complaints), GES 4 (Simple Service Connection), GES 6 (Connect or Transfer of Service), and GES 7 (Reconnection).

Performance under the Guaranteed Standards

All of the guaranteed standards returned compliance levels at or above 99%, except GES 4, GES 8 and the newly instituted GES 3b, which speaks to assessment of a voltage complaint within fifteen (15) days. GES 1, GES 2, GES 3a, GES 3c, and GES 5 all recorded perfect compliance. Of the nine (9) occasions where an assessment was required within fifteen (15) days (GES 3b), the standard was breached twice (77.8% compliance). GES 4, which speaks to the provision of a simple service connection, recorded eight (8) breaches and a compliance level of 98.5% for the nine (9) month period under review. The company breached the target for connection or transfer of service to an existing installation (GES 6) in four (4) instances, leading to a compliance rate of 99.8%. It also failed to reconnect service (GES 7) within the prescribed timeframe of one (1) working day on only five (5) occasions of the six thousand five hundred and fifty-two (6,852) requests for reconnection (99.9% compliance). Under GES 8, two hundred and sixty-seven (267) of three hundred and forty-three (343) billing complaints were responded to within the targeted time of fifteen (15) working days, resulting in a compliance level of 77.8%.

Table 1: Guaranteed Standards Performance Summary, July 2014 – March 2015

Standard	Description	Target	% Compliance
GES 1	Restore supply after fault on customer's service (single customer)	Within 12 hrs	100
GES 2	Restore supply after fault on distribution system (multiple customers)	Within 12 hrs	100
GES 3	Investigation of voltage complaints	a) Visit within 3 working days	100
		b) Assessment in 15 days	77.8 NEW
		c) Correct within 3 months	100
GES 4	Provide a simple service connection (connection point within 30 m)	Within 12 working days	98.2
GES 5	Provide cost estimate from complex connection requiring a service visit	Within 3 months	100
GES 6	Connect or transfer of service to an existing installation	Within 2 working days	99.8
GES 7	Reconnection of service on settling the bill after disconnection at the meter	Within 2 working days	99.9
GES 8	Respond to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit	77.8

Table 2: Consumer Claims Summary

Category	July 2014 - March 2015
Number of customers eligible for compensation	94
Number of claims received	31*
Persons actually receiving compensation	16
Percentage of eligible customers receiving compensation	17%

*18 of the 31 claims received were automatic BL&P generated claims and were not initiated by customers.

It is the first time we have observed customers making manual claims under the guaranteed standards of service scheme. Thirteen (13) customers submitted claims under the GES 8 - response to billing complaints category. Sixty-three (63) of the possible seventy-six (76) eligible customers did not claim compensation. 17.1% of those customers eligible to make manual claims did so. Customers should note that there will be a time lag between the time of submission of a claim and the date on which the legitimate claim is compensated, as an investigation is initiated in each instance to substantiate the claim.

SECTION 2 - OVERALL STANDARDS OF SERVICE

Overall Standards assess the company's countrywide performance and are not associated with compensation to individual customers. However, where a breach persists, the Commission may, at its discretion, invoke Section 43 of the Fair Trading Commission Act, CAP. 326 and Sections 31 and 38 of the Utilities Regulation Act, CAP. 282, which allow for the imposition of fines.

Amendments to Overall Standards

The Frequency of Meter Reading Overall Standard (OES 1) was strengthened to facilitate customer notification where the BL&P's meter readers have been encumbered in executing their duties as a result of locked gates, unrestrained dogs etc.

Billing Period (OES 6) was introduced as a new Overall Standard. As an Overall Standard, it does not attract individual compensation for a breach but it requires the BL&P to bill, at minimum, 95% of its customers for no more than thirty-three (33) days of service on all issued bills.

Additionally, the Commission determined that 'Adverse Weather Conditions', as defined previously, is also applicable as a special exemption condition under the Overall Standards - OES 1 (Meter Reading) and OES 6 (Billing Periods).

Performance under Overall Standards

All customer classes reported breaches in the prescribed Frequency of Meter Reading standard (OES 1). It is expected that meters under the Domestic and General Service classes should be read every two (2) months; the reports suggest that for the period under review, this occurred in only 97.7% of instances. The other customer classes, which capture commercial establishments and are to be read monthly, also recorded a similar compliance level (97.2%). This breach has implications for both the residential and commercial customer but particularly for commercial ones, as the resulting

estimated bills, which are generated when scheduled readings are missed, are unlikely to be accurate and thus have the potential to impact cash flow.

Performance under OES 2 and OES 3 continues to surpass the required 95% compliance, with both categories recording compliance above 98%. As has been the custom, the company was not required to respond to any written claims relating to Standards of Service (OES 4).

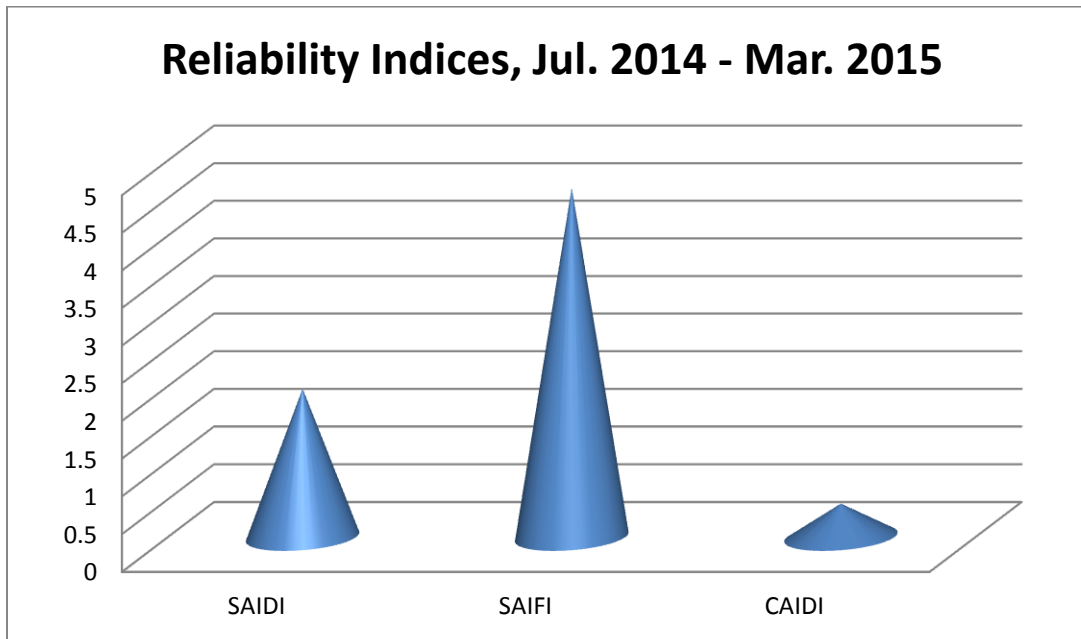
Compliance with OES 5, which speaks to the timeliness of answering billing and trouble calls, remains unsatisfactory at 74.2%; the standard requires that 85% of such calls be answered within one (1) minute.

The new Overall Standard, OES 6, was introduced in July 2014. The nine (9) month period under review reflects a compliance of 96.2%, thus allowing the company to meet the 95% target.

Table 2: Overall Standards Performance Summary, July 2014 - March 2015

Standard	Description	Target	% Compliance
OES 1	Frequency of meter reading	100% of Domestic and General Service customers' meters to be read every 2 months	97.7
		100% of Secondary Voltage Power and Large Power customers' meters to be read monthly	97.2
OES 2	Response to complaint of high/low voltage	95% of complaints to be responded to in 5 working days	100
OES 3	Prior notice of outages	95% of customers to be notified of planned outages 48 hrs before	98.9
OES 4	Response to written claims relating to standards of service	100% of customers to receive acknowledgement of receipt of claim within 10 working days	None received
OES 5	Answering of billing or trouble calls	85% of calls answered by a representative within 1 minute	74.2
OES 6	Billing period	At least 95% of customers in each billing period shall be invoiced for no more than 33 days	96.2 NEW

SECTION 3 - SYSTEM RELIABILITY INDICATORS



SAIDI, SAIFI, and CAIDI, when considered collectively, speak to the overall reliability of the electricity service as provided by the BL&P. It is recognised that there are no local established targets for these indicators and as such prior performance is the only available benchmark.

For the July 2014 to March 2015 period, SAIDI, the average duration of an interruption, and SAIFI, the frequency of interruptions, when assessed on a cumulative basis, stood at 1.97 hours and 4.64 interruptions per customer respectively, while CAIDA, the average time that the BL&P takes to restore service, averaged 0.44 hours over the period. With the exception of SAIFI, these figures are approximately comparable with those for the corresponding period in 2013 to 2014 (SAIDI - 1.98 hours, SAIFI - 3.51 interruptions per customer, CAIDI - 0.45 hours). Relative to the 2013 - 2014 period, service interruptions were more frequent.

SUMMARY

Based on the reports submitted, the BL&P generally offered a reasonably good level of service during the July 2014 to March 2015 period. However, more attention needs to be paid to the Overall Standards associated with frequency of meter reading and the answering of billing and trouble calls. Some attention must also be given to the company's response to billing complaints and the newly instituted Guaranteed Standard GES 3b (assessment within 15 days). This reporting period is the first time in which customers have exercised their right to claim compensation for breaches under the Guaranteed Standards. Although those customers making manual claims were in the minority, it is a significant improvement over previous years.