Fair Trading Commission

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

April 2015 – March 2016

August 23, 2016

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, now in their third iteration, were first established in 2006 and are reviewed every three (3) years. This report will present and analyse the performance of the Barbados Light & Power Co. Ltd (BL&P) in its compliance with both the Guaranteed and Overall Standards of Service. In addition, attention will be given to claims for compensation regarding breaches of the Guaranteed Standards of Service and to measures of overall reliability, such as the System Average Interruption Duration Index (SAIDI). Generally, this report will not make historical comparisons to the previous period, as the length of the reporting periods are dissimilar and thus would not support rigorous statistical analysis. Performance is therefore considered in the context of the established 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 Barbados Light & Power Co. Ltd. for the period April 2015 to March 2016.

Table 1: Guaranteed Standards Performance Summary, April 2015 – March 2016

Standard	Description	Target	% Compliance
GES 1	Restore supply after fault on customer's service (single customer)	Within 12 hrs	99.56
GES 2	Restore supply after fault on distribution system (multiple customers)	Within 12 hrs	99.82
GES 3	Investigation of voltage complaints	a) Visit within 3 working days	98.90
		b) Assessment in 15 days	100
		c) Correct within 3 months	100
GES 4	Provide a simple service connection (connection point within 30 m)	Within 12 working days	95.51
GES 5	Provide cost estimate for 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	99.62

GES 7	Reconnection of service on settling the bill after disconnection at the meter	Within 2 working days	99.90
GES 8	Respond to billing complaints	Provide assessment within 15 working days for those complaints which the Company deems require a service visit	99.28

For the period under review, all of the Guaranteed Standards returned compliance levels above 95%; GES 3b, GES 3c, and GES 5 all recorded perfect compliance. For the 12 month period ending March 31, 2016, there was only one (1) recorded breach of GES 1. GES 4, which speaks to the provision of a simple service connection, recorded thirty-five (35) breaches and a compliance level of 95.51%. The company breached the target for connection or transfer of service to an existing installation (GES 6) in ten (10) instances, leading to a compliance rate of 99.62%. It also failed to reconnect service (GES 7) within the prescribed timeframe of one (1) working day on five (5) occasions of the five thousand two hundred and fifty-six (5,256) requests for reconnection (99.90% compliance). Under GES 8, only one (1) instance failed to be responded to within the targeted time of fifteen (15) working days, resulting in a compliance level of 99.28%.

Table 2: Consumer Claims Summary April 2015 – March 2016

Category	Customer Metrics
Number of customers eligible for compensation	74
Number of claims received	72
Number of customers actually receiving compensation	42

The previous reporting period was the first time the Commission observed customers making manual claims under the Guaranteed Standards of Service scheme. This continued in the present period under review, albeit at a significantly lower level. Two (2) breaches which would have attracted manual claims, under GES2 and GES8 respectively, were registered during this period. There is room for improvement in terms of the speed in settling claims, with 56.75% of eligible customers actually receiving compensation. However, 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. Additionally, even though the majority of the claims are automatic, the process by which the claims are paid is manual. The claims left unpaid in one period will carry over and be paid in the following period.

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.

Table 3: Overall Standards Performance Summary, April 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	97.55
		100% of Secondary Voltage Power and Large Power customers' meters to be read monthly	97.13
OES 2	Response to complaint of high/low voltage	95% of complaints to be responded to within 5 working days	99.67
OES 3	Prior notice of outages	95% of customers to be notified of planned outages 48 hrs before	100
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	73.08
OES 6	Billing period	At least 95% of customers in each billing period shall be invoiced for no more than 33 days	96.61

All customer classes reported breaches of the prescribed Frequency of Meter Reading standard (OES 1). It is expected that 100% of 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 97.55% of instances. The other customer classes, which capture commercial establishments and are to be read monthly, also recorded a similar compliance level (97.13%); the required level of compliance in this case is also 100%. This breach has implications for both the residential and commercial customer, with the latter of particular concern as the resulting estimated bills, which are generated when scheduled readings are missed, are more likely to be inaccurate and thus have the potential to impact cash flow. The utility is actively undertaking an advanced metering infrastructure (AMI) pilot. If deemed to be practically and economically viable, customers should see the roll out of AMI over the next five (5) years, which would eliminate breaches under this category and allow customers to more actively manage their consumption.

Performance under OES 2 and OES 3 continues to surpass the required 95% compliance, with both categories recording compliance above 98%. The OES 3 standard recorded perfect compliance. 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 73.08%; the standard requires that 85% of such calls be answered within one (1) minute.

The newest Overall Standard which limits the billing period, OES 6, was introduced in July 2014. For the twelve (12) month period under review, the recorded level of compliance was 96.61%, thus allowing the company to meet the 95% target.

SECTION 3 – SYSTEM RELIABILITY INDICATORS

Figure 1: Reliability Indices Apr. 2015 – Mar. 2016

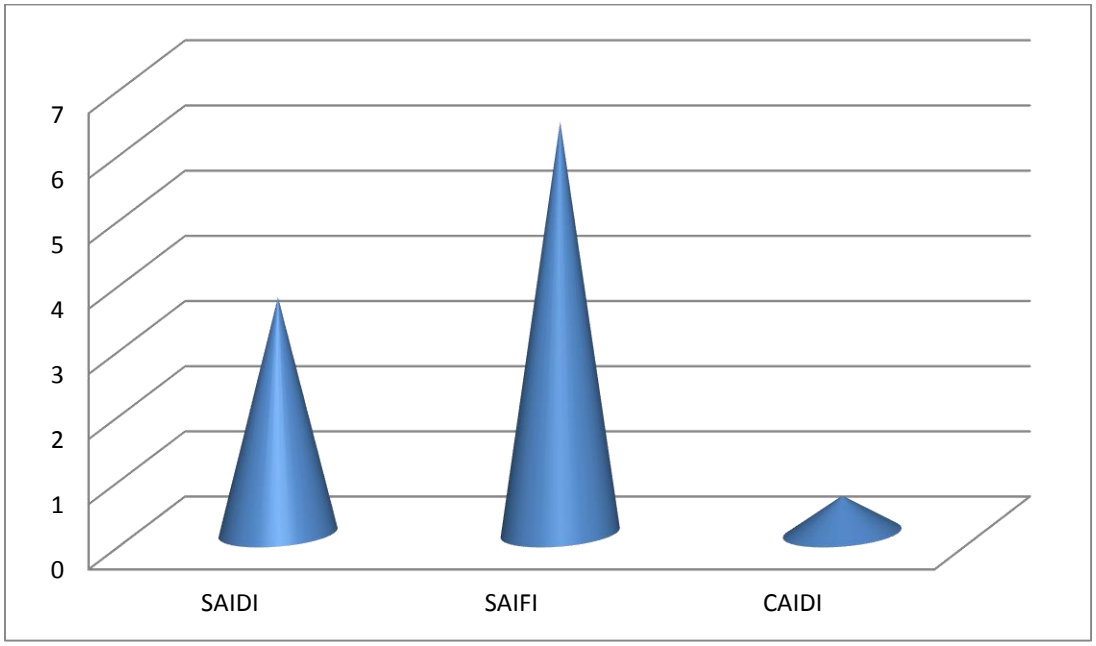

Table 4: Reliability Indices

International Reliability Indices[1]			
Country	**SAIDI Hours/year**	**SAIFI Interruptions/year**	**CAIDI Hours/year**
U.S.A (1997 data)	**2.7**	**1.2**	**1.4**
U.K. (1999 data)	**1.1**	**0.8**	**2.3**
Australia (2001-2002 data)	**3.3**	**2.3**	**1.5**
BL&P Reliability Indices			
BL&P 2015 - 2016	**3.6**	**6.3**	**0.57**
BL&P 2013 - 2014	**4.8**	**6.5**	**0.74**

[1] Baden Chatterton, "Network Reliability Measurement, Reporting, Benchmarking and Alignment with International Practices", Eskom. Accessed July 26, 2016 http://www.ameu.co.za/Portals/16/Conventions/Convention%202004/Chatterton%20Baden.pdf

When considered collectively, SAIDI, SAIFI, and CAIDI speak to the overall reliability of the electricity service, as provided by BL&P. It is recognised that there are no local established targets for these indicators. Direct number to number comparisons are not always ideal with respect to these indicators, due to variances in measurement and the differences in the definition of major events across jurisdictions; therefore, a fair benchmarking exercise would prove challenging. However, the upper portion of the table above has been included to offer a basic idea of these metrics in other jurisdictions. No regional comparisons were available. Additionally, present local data is compared to past performance over a comparable period.

For the April 2015 to March 2016 period, SAIDI, the average duration of an interruption, and SAIFI, the frequency of interruptions, when assessed on a cumulative basis, were reported as 3.6 hours and 6.3 interruptions per customer, respectively. CAIDI, the average time that the BL&P takes to restore service to affected customers, averaged 0.57 hours over the period. For the previous comparable reporting period (i.e. 2013 – 2014, as 2014 – 2015 does not represent a full 12 month period,) SAIDI, SAIFI and CAIDI were 4.8 hours, 6.5 interruptions per customer and 0.74 hours, respectively. These comparable values indicate that there has been a slight improvement in the reliability of the service provided by the BL&P.

SUMMARY

Based on the information submitted, it can be concluded that in general, BL&P performed well in terms of both the Guaranteed and Overall Standards of Service and as such offered a reasonably good level of service during the April 2015 to March 2016 period. However, it must be noted that the relatively weaker areas continue to be the frequency of meter reading and the answering of billing and trouble calls.

More attention needs to be paid to improve those areas, as they are strong indicators of the overall level of service provided to the customer. The efficiency with which claims are substantiated and then paid is also in need of some improvement. Measures of reliability were generally satisfactory. However, when compared with a few established international jurisdictions, there is room for improvement under SAIFI, which speaks to the number of service interruptions per customer per year. The Commission will closely monitor this over the next reporting period.