



# **Fair Trading Commission**

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

**April 1, 2018 - March 31, 2019**

Date: July 19, 2019

## **INTRODUCTION**

The Fair Trading Commission (the Commission) is empowered under the Fair Trading Commission Act, CAP. 326B (FTCA) and the Utilities Regulation Act, CAP. 282 (URA) of the Laws of Barbados to determine, monitor and review Standards of Service applicable to regulated utilities. The Standards of Service regime comprises regulatory instruments which mandate the Barbados Light & Power Company Limited (BL&P) to provide minimum Standards of quality, customer service and reliability in its delivery of electricity service.

This report evaluates the BL&P's performance for the period April 1, 2018 to March 31, 2019 relative to the Standards of Service Decision 2018 - 2020, which was issued September 29, 2017. This revised Standards of Service framework resulted in amendments to the targets of seven (7) of the Guaranteed Standards of Service and the addition of one (1) new Standard which addresses the timely payment of claims. Similarly, for the Overall Standards of Service, the targets of three (3) of these Standards were amended and one (1) new Standard was added to incentivise the timely payment of damage claims. Additionally, one (1) new metric was added to the three (3) existing reliability metrics; these now include performance targets. These Standards came into effect from January 1, 2018.

There are three (3) Sections contained herein. Section 1 provides an assessment of the BL&P's performance under the Guaranteed Standards of Service. This also includes a synopsis of the BL&P's efficiency relative to the processing of claims. Section 2 assesses the BL&P's performance under the Overall Standards of Service. Section 3 provides an appraisal of the BL&P's submitted reliability performance.

## SECTION 1 - GUARANTEED STANDARDS OF SERVICE

The Guaranteed Standards of Service are outlined below. Failure to meet these Standards requires that the BL&P compensate each affected customer via automatic or customer initiated credit, except under force majeure conditions. The Standards of Service which require customer initiated claims are GES 2 Fault Repair - Distribution System, GES 5 Complex Connection - Cost Estimate and GES 8 Response to Billing Complaints. The compliance level registered by the majority of Standards ranged from 96% to 99%; only two (2) categories registered compliance below 93%. Table 1 below summarises BL&P's performance for each Standard.

**Table 1: Guaranteed Standards of Service**

GUARANTEED STANDARD	TARGET	AVERAGE (%) COMPLIANCE
		April 1, 2018 - March 31, 2019
<b>GES 1</b> <b>Fault Repair - Customer's Service</b> This refers to the time it takes to restore supply after fault on customer's service (single customer).	Within 8 hours.	91.33
<b>GES 2</b> <b>Fault Repair - Distribution System</b> Restore supply after fault on distribution system (multiple customers).	Within 8 hours.	98.76
<b>GES 3</b> <b>Voltage Complaint</b> This refers to the investigation of voltage complaint.	a) Visit within 24 working hours of receipt of complaint.	98.14
	b) Provide assessment within 5 working days <sup>1</sup> of receipt of complaint.	99.36
	c) Correct within 30 working days of receipt of complaint.	92.86

<sup>1</sup> "Working Days" refers to Mondays to Fridays from 8:00 a.m. to 4:00 p.m. only and excludes public holidays and weekends. In measuring the response time for targets expressed in terms of working days, the day the complaint is made is excluded. Any other reference to days means calendar days.

GUARANTEED STANDARD	TARGET	AVERAGE (%) COMPLIANCE
		April 1, 2018 - March 31, 2019
<b>GES 4</b> <b>Simple Service Connection</b> This refers to the time it takes to provide a simple service connection (connection point within 30 metres) 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.	Within 12 working days of receipt of request.	96.09
<b>GES 5</b> <b>Complex Connection - Cost Estimate</b> This refers to the time it takes to provide cost estimate for complex connection requiring a service visit.	Within 30 working days of receipt of request.	100.00
<b>GES 6</b> <b>Connect or Transfer of Service</b> 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.	96.77
<b>GES 7</b> <b>Reconnection</b> This refers to the time for reconnection of service on settling the bill after disconnection at the meter.	Within 6 working hours of receipt of payment.	98.95
<b>GES 8</b> <b>Response to Billing Complaints</b> This refers to the timeframe in which BL&P responds to customer billing complaints.	a) Provide an assessment and resolution within 10 working days of receipt of complaint if service visit is required.	99.36
	b) For all other matters the company is to respond within 3 working days of receipt of complaint.	100.00
<b>GES 9</b> <b>Timely Payment of Compensation</b> This refers to the time in which the BL&P shall apply compensation to a customer's account on acceptance of a claim.	a) All credits to be applied to the customers' accounts within 2 months of occurrence of a breach where automatic compensation is applicable and within 2 months of acceptance of a Customer Initiated Claim, where applicable.	96.24

### **GES 1 - Fault Repair - Customer's Service**

Under this Standard, service was restored to 91.33% of individual customers impacted by a fault on their electricity service within the target of eight (8) hours. Overall, fifteen (15) breaches occurred during the review period.

### **GES 2 - Fault Repair - Distribution System**

For the period under review, a 98.76% compliance level was achieved for restoring service to multiple customers impacted by a fault on the distribution system, within the eight (8) hour target time. The number of breaches during this period was seven (7).

### **GES 3 - Voltage Complaint**

With regard to Visit to Site of Complaint (GES 3 (a)), which requires that sites impacted by voltage issues be visited within the twenty-four (24) working hours, the BL&P achieved this target 98.14% of the time; breaches occurred in thirty-two (32) instances.

Similarly, for the category Assessment of Voltage Complaint (GES 3(b)), the BL&P submitted that, of the total complaints received, 99.36% were evaluated within three (3) working days of receipt; this resulted in eleven (11) breach occurrences being recorded for the period.

In terms of Resolution of Voltage Complaint (GES 3 (c)), the BL&P reported that 92.86% of these were reconciled within the target time of thirty (30) working days of receipt; only two (2) breaches occurred under this category.

### **GES 4 - Simple Service Connection**

During the period under review, six hundred and forty (640) customer service connection requests were received by the BL&P; 96.06% of these were connected to the distribution system within the target of twelve (12) working days of receipt of request. By the end of the review period, twenty-five (25) breaches had been recorded.

### **GES 5 - Complex Connection - Cost Estimate**

The BL&P attained perfect compliance (100%) for this Standard which measures the time the BL&P takes to provide cost information against the benchmark of thirty (30) working days.

### **GES 6 - Connect or Transfer of Service**

The BL&P breached the target time of twelve (12) working hours seventy-nine (79) times under this Standard, in fulfilment of two thousand, four hundred and forty-four (2,444) customer connect or transfer service requests. As a consequence, the average compliance returned for the period was 96.77%. While the number of breaches recorded were the second highest amongst the Standards, the compliance statistics suggest that the BL&P's performance was generally consistent. The BL&P commented that competing resource allocations at the time contributed to the rise in these breach statistics.

### **GES 7 - Reconnection**

The BL&P indicated that ninety-seven (97) of the nine thousand, two hundred and thirty-one (9,231) customer reconnection requests received were not completed within six (6) working hours target. Breaches were highest under this Standard and more than 71% of the breaches occurred during the first quarter of the review period. As a result, the average compliance level returned for the period in review was 98.95%.

### **GES 8 - Response to Billing Complaints**

The BL&P attained 99.36% compliance for the category Assessment and Resolution (GES 8 (a)) where customers' complaints must be assessed and resolved within ten (10) working days of receipt of complaint if a site visit is required. The statistics for this Standard over the period suggest that compliance was consistent and reasonable. For the category Response to all other matters (GES 8 (b)), which requires complaints to be resolved within three (3) working days, where a site visit is not required, the BL&P achieved perfect (100%) compliance.

### **GES 9 – Timely Payment of Claims (New)**

This Standard measures the time within which the BL&P must credit customers' accounts, i.e. within two (2) months of receipt where claims are automatically generated and customer initiated. The BL&P registered a compliance level of 96.24% and a total of twelve (12) breaches for the period. The statistics submitted for this new Standard indicates that reasonable level of compliance was maintained over the period.

Overall, the aggregate number of breaches recorded for all Guaranteed Standards for the period was two hundred and eighty-three (283). The highest number of breaches occurred under GES 7 (34.28%), followed by GES 6 (27.92%), GES 3 (a) (11.31%) and GES 4 (8.83%). The aforementioned statistics for the Guaranteed Standards indicate that the BL&P's compliance was satisfactory, as ten (10) of the twelve (12) Standards registered a performance level above 95%.

### **Customer Claims Summary**

A summary of the breaches and the requisite compensation incurred under the Guaranteed Standards of Service is presented in Table 2 below.

**Table 2: Customer Claims Summary April 1, 2018 – March 31, 2019**

Category	Mode of Compensation	
	Automatic	Manual
Number of customers eligible for compensation	321	10
Number of customer claims received	321	3
Number of customer claims paid	304	3
Percentage of eligible customers claims paid	94.70%	30%

The claims information referenced above suggests that these were processed with a high degree of efficiency. At the end of the previous review period (March 31, 2018), the number of claims outstanding was forty-eight (48).

For the period in review, a total of two hundred and eighty-three (283) claims were eligible for compensation; considering the aforementioned aggregate number of unpaid claims registered by the end of March 2018, the number of eligible claims totalled three hundred and thirty-one (331). The statistics in Table 2 also indicate that three hundred and twenty-one (321) claims were automatically generated, compared to ten (10) which required the customer to initiate them.

However, 97.89% of the total three hundred and twenty-four (324) claims were received over the period in review, while compensation was paid to three hundred and seven (307) of the claims received. This value 94.75% of the total claims received and 92.75% of the total eligible claims.

An observation, however, is that the aggregate number of customer initiated claims which were eligible for compensation, were not submitted to the BL&P.

By the end of March 31, 2019, a total of seventeen (17) automatically generated claims were outstanding. This small number of claims represents 5.25% of the total claims received and is indicative of the extent to which processed claims were managed.



## SECTION 2 - OVERALL STANDARDS OF SERVICE

Overall Standards of Service assess BL&P's countrywide performance in relation to its delivery of service at the system level. Unlike Guaranteed Standards, if the BL&P breaches any of these seven (7) Standards, compensation to individual customers is not required. However, where a breach of the Overall Standards persists, the Commission may, at its discretion, invoke Section 43 of the FTCA and Sections 31 and 38 of the URA, which refer to the imposition of fines. The BL&P's performance under the Overall Standard of Service for the review period was reasonable, given the compliance level (97% or higher) returned by the majority of the Standards.

Table 3 below provides a summary of the BL&P's performance under the Overall Standards of Service.

**Table 3: Overall Standards of Service**

OVERALL STANDARD	TARGET	AVERAGE (%) COMPLIANCE
		April 1, 2018 - March 31, 2019
<b>OES 1 Meter Reading</b> Frequency of meter reading.	a) 100% of Domestic/General Service customers' meters to be read every 2 months.	97.66
	b) 100% of Secondary Voltage Power and Large Power customers' meters to be read monthly.	97.10
<b>OES 2 Voltage Complaints</b> Response to complaint of high/low voltage.	100% of complaints to be responded to within 24 working hours of receipt.	98.61
<b>OES 3 Outage Notice</b> Prior notice of outages.	In 100% of instances of planned outages, all potentially affected customers are to be notified 48 hours before the outage.	100.00
<b>OES 4 Response to Complaints and Claims</b> Response to written and oral complaints and claims related to Standards of Service.	100% of customers' complaints and claims to be acknowledged within 5 working days of receipt.	100.00

OVERALL STANDARD	TARGET	AVERAGE (%) COMPLIANCE
		April 1, 2018 - March 31, 2019
<b>OES 5</b> <b>Call Centre Answering</b> Billing and Trouble Centre calls answered by a customer service representative.	85% of calls to be answered within 1 minute.	83.37
<b>OES 6</b> <b>Billing Period</b> 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.	97.60
<b>OES 7</b> <b>Response to Damage Claims</b> Acknowledgement and settlement of claims.	a) Acknowledge 95% of damage claims immediately on receipt of oral claims and for written claims, within 5 working days of receipt.	100.00
	b) Settle 95% of damage claims within 2 months of receipt of written or oral claim.	100.00

### OES 1 - Meter Reading

The BL&P's performance in the categories Domestic/General Service Customers (OES 1(a)) and Secondary Voltage Power and Large Power Customers (OES 1 (b)) which requires all customer meters to be read monthly, for the former, and monthly, for the latter, registered compliance levels of 97.66% and 97.10%, respectively. These levels resulted from improvements in compliance throughout the review period. Despite attaining the satisfactory compliance levels above, historically the benchmarks for this Standard have never been achieved. The BL&P has indicated that 80,000 new meters have been rolled out under its Advanced Metering Infrastructure (AMI) project to date. The BL&P anticipates this project will now conclude by mid-2020. The shift from the previous project completion date of December 2019 arose from a shortage of AMI meters from suppliers.

The Commission expects that improvement in this Standard will be realised on full deployment and will continue to monitor the BL&P's compliance with this Standard as the AMI Project progresses.

### **OES 2 - Voltage Complaint**

This Standard stipulates that the BL&P must respond to all customer complaints concerning high/low voltage within twenty-four (24) working hours of receipt. BL&P achieved an average compliance level of 98.61% and, generally, performance statistics over the review period conveyed improved compliance levels.

### **OES 3 - Outage Notice**

During the review period, the BL&P maintained perfect compliance (100%) under this Standard, which requires that forty-eight (48) hours' notification be given to all customers who may be affected by planned outages.

### **OES 4 - Response to Claims**

During the review period under review, BL&P registered perfect compliance (100%) under this Standard which requires that all customer complaints and claims be acknowledged within five (5) working days of receipt.

### **OES 5 - Call Centre Answering**

With regard to Call Centre Answering (OES 5), compliance with this Standard remains a challenge; the compliance level achieved for the prompt answering of billing and trouble queries by the BL&P's customer representative within one (1) minute was 83.37%. Historically, the BL&P has not met the 85% target for this Standard overall. However, during the review period, the compliance level peaked at 88.83% in the second quarter and remained above 83% during the first and fourth quarters. These statistics are evident of improvements returned during the review period. The BL&P indicated that challenges with available human resources contributed to its inability to meet the benchmark.

**OES 6 - Billing Period**

Under this Standards, at least 95% of customers in each billing period shall be invoiced for no more than thirty-three (33) days. The BL&P exceeded this Standard's benchmark and attained 97.60% compliance.

**OES 7 - Response to Damage Claims (New)**

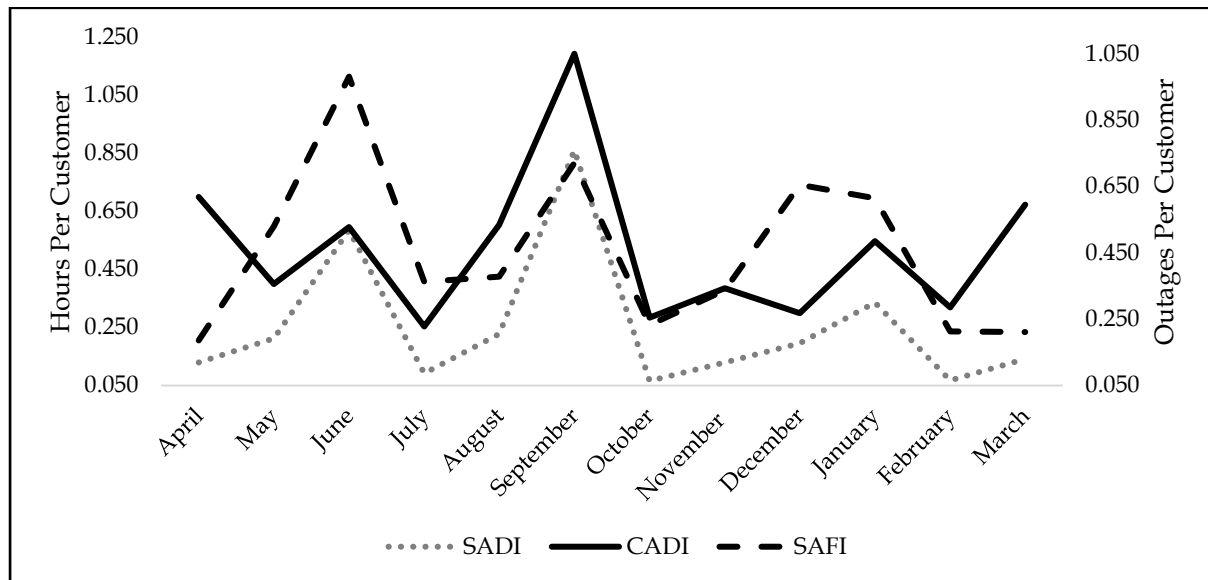
During the period under review, the BL&P achieved perfect (100%) for both Acknowledgement (OES 7 (a)) and Settlement (OES 7 (b)) of damage claims.

### SECTION 3 - SYSTEM RELIABILITY PERFORMANCE

Reliability of power supply will remain an essential measure of the quality of electricity service delivered to customers. It is anticipated that sustained levels of high grid reliability will be challenged further, where higher shares of variable renewable energy (RE) generation are to be utilised. This inevitable circumstance and the evolution of a more digitised electrical grid can impact grid availability and interoperability of distributed RE assets. These issues potentially make the integrated electrical network susceptible to cybersecurity threats and grid resilience concerns.

The BL&P's reliability performance for April 2018 to March 2019 is based on the benchmarks for the metrics: System Average Interruption Index (SAIDI); System Average Interruption Frequency Index (SAIFI); Customer Average Interruption Duration Index (CAIDI) and the Average System Availability Index (ASAI). These metrics provide a measure of robustness of the integrated electrical supply. Statistics of the BL&P's reliability system performance is presented in the following graph.

**Figure 1: The BL&P's Reliability Performance for April 1, 2018 - March 31, 2019**



The SAIDI performance for the year under review (Figure 1) was 3.05 hours per customer on average; this was 17.26% better than the standard of 3.68<sup>2</sup> hours per customer.

The SAIFI trend (Figure 1) shows the average number of power outages experienced by each customer; the cumulative interruption events for the review period returned was 5.42 on average. Outage records suggest that customers experienced at least one (1) service interruption over a three (3) month period. The frequency of outages per average customer, exceeded the target of 5.84 interruptions per year by 7.16%.

The statistics depicted for CAIDI (Figure 1) suggests that on average, a customer's service was restored within 0.56 hours; customers therefore benefitted from this improvement, which was approximately four (4) minutes better than the stipulated target of 0.63 hours.

In terms of service availability (ASIA), this was sustained at a high level throughout the review period; the provision of electrical power to customers exceeded the 99.958% benchmark, to maintain available power at 99.965% of the time.

Overall, the BL&P's performance met and exceeded the targets for the aforementioned metrics.

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<sup>2</sup>Annual Reliability Targets: SAIDI - 3.68 hours per customer, SAIFI - 5.84 Outages per customer, CAIDI - 0.63 Hours per customer and ASAI - 99.958% System Availability.

## SUMMARY

This report assessed BL&P's performance as it relates to the Standards of Service set by the Commission. With respect to both the Guaranteed and Overall Standards of Service for the period April 1, 2018 to March 31, 2019, Staff concludes that, based on data submitted by the BL&P, satisfactory compliance was attained.

Notably, compliance with the Guaranteed Standards GES 1 Fault Repair - Customer's Service and GES 3 (c) Voltage Complaint was below 95%. These performances, as well as those in the other categories in the Guaranteed Standards which fell short of the stipulated targets, signal the need for improved performance. Where claims arose, the Commission is satisfied that these were reasonably managed over the review period based on the low ratio of outstanding claims compared to the number of claims received.

In terms of the Overall Standards of Service, the BL&P's performance in OES 1 Meter Reading was moderate despite not meeting the benchmarks. Similarly, performance under OES 2 Response to Voltage Complaint, also warrants improvement. The Commission anticipates that improved performance statistics will be realised with the culmination of the BL&P's AMI project by the end of the first six (6) months of 2020. Additionally, while improvement was observed in OES 5 Call Centre Answering, greater compliance is required given that the BL&P has not historically met this benchmark on an annual basis. The BL&P expressed that increased customer calls during system disturbances, challenge existing resources to meet the stipulated target. The establishment of the new Standard, OES 7 Response to Damage Claims, appears to be functioning adequately.

Reliability of the BL&P's electricity service exceeded stipulated thresholds for all metrics. Outage durations and their occurrences trended downwards while restoration times were generally low for most of the review period. Owing to declining outage duration times, grid availability remained consistently high overall.

The Commission expects incremental improvements in the BL&P's performance under the Standards of Service framework will be contingent on the AMI features to be activated in the meters.

The Commission will continue to monitor and assess the BL&P's performance and make the requisite recommendations.