



# **Fair Trading Commission**

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

**April 2017 - December 2017**

**September 18, 2018**

## **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 role of the Standards of Service framework is to ensure operational consistency and outline the minimum Standards of quality, customer service and reliability that must be met by the Barbados Light & Power Company Limited (BL&P).

This report provides an assessment of the BL&P's April 1 to December 31, 2017 performance relative to the Standards of Service Decision 2014 - 2017. This nine (9) month review was as a consequence of the institution of the Standards of Service Decision January 1, 2018 - March 31, 2020. The first reporting quarter for the new Standards of Service, therefore coincided with the last date of the reporting quarter of the Decision 2014 - 2017 and resulted in the report period of less than the usual twelve (12) months. The BL&P's performance in the Standards of Service for the period April 1, 2016 to March 31, 2017 is included in this report for reference purposes only and does not represent any direct comparison with the nine-month period under review.

The assessment report for the aforementioned review period consists of three (3) Sections and recommendations for improved monitoring of the Standards of Service. In Section 1 an evaluation of the BL&P's performance under the Guaranteed Standards of Service is presented. The timely payment of claims is also addressed under this Section. Appraisal of the BL&P's performance under the Overall Standards of Service is given in Section 2. In Section 3, an assessment of the BL&P's submitted reliability performance is provided.

## SECTION 1 - GUARANTEED STANDARDS OF SERVICE

There are eight (8) mandatory performance criteria under the Guaranteed Standards of Service which the BL&P must meet on a consistent basis while providing electricity service to each customer. Service delivery by the BL&P is benchmarked against these Standards for assessment of its performance. A breach of any of the Guaranteed Standards of Service targets by the BL&P, except under force majeure conditions, necessitates it crediting the account of the affected customer. A summary of the BL&P's performance for the period April - December, 2017, is presented in Table 1.

**Table 1: Guaranteed Standards of Service**

GUARANTEED STANDARD	TARGET	AVERAGE (%) COMPLIANCE	
		April 1 - December 31, 2017	April 1, 2016 - March 31, 2017 <sup>1</sup>
<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 12 hours.	99.36	100
<b>GES 2</b> <b>Fault Repair Distribution System</b>  Restore supply after fault on distribution system (multiple customers).	Within 12 hours.	99.43	100
<b>GES 3</b> <b>Voltage Complaint</b>  This refers to the investigation of voltage complaint.	a) Visit within 3 working days <sup>2</sup> of receipt of complaint.	97.64	99.16
	b) Provide assessment within 15 days of receipt of complaint.	N/A <sup>3</sup>	100

<sup>1</sup> The inclusion of compliance data for the twelve-month period, April 1, 2016 to March 31, 2017, is mainly for reference purposes only and not any direct comparison with the nine-month period April 1-December 31, 2017.

<sup>2</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.

<sup>3</sup> Not Applicable: No activity requiring assessment of complaint arose.

GUARANTEED STANDARD	TARGET	AVERAGE (%) COMPLIANCE	
		April 1 - December 31, 2017	April 1, 2016 - March 31, 2017 <sup>1</sup>
	c) Correct within 3 months of receipt of complaint.	N/A <sup>4</sup>	N/A <sup>5</sup>
<b>GES 4 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.	97.39	98.70
<b>GES 5 Complex Connection - Cost Estimate</b>  This refers to the time it takes to provide cost estimate for complex connection requiring a service visit.	Within 3 months.	100	100
<b>GES 6 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 2 working days.	98.31	99.71
<b>GES 7 Reconnection</b>  This refers to the time for reconnection of service on settling the bill after disconnection at the meter.	Within 1 working day.	99.69	99.96
<b>GES 8 Response to Billing Complaints</b>  This refers to the timeframe in which BL&P responds to customer billing complaints.	Provide assessment within 15 working days of receipt of complaint if service visit is required; for other matters the company is to respond within 5 working days.	100	99.62

<sup>4</sup> Not Applicable: No activity requiring resolution arose.

<sup>5</sup> Not Applicable: No activity requiring resolution arose.

A review of the BL&P's submitted report for the period April 1 – December 31, 2017 indicates a reasonably high level of compliance with the Guaranteed Standards. Complex Connection – Cost Estimate (GES 5) and Response to Billing Complaints (GES 8) both achieved perfect compliance (100%), while the remaining Standards each recorded compliance above 97%.

The BL&P's submitted report intimated that under Fault Repair Customer's Service (GES 1), service was restored to 99.36% of the customers impacted by a fault on their service within the target of twelve (12) hours. Only one (1) breach was registered.

Similarly, for Fault Repair Distribution System (GES 2), the BL&P indicated that it met the twelve (12) hour target 99.43% of the time, while restoring service to multiple customers affected by a fault on the distribution system. The target was breached three (3) times. The number of breaches increased under Voltage Complaint (GES 3), category (3 a), which requires the BL&P to visit the incident site within three (3) working days of receipt of complaint. This target was breached thirty-five (35) times and returned a compliance level of 97.64%. The BL&P reported that for the categories Assessment of Voltage Complaint (GES (b)) and Resolution of Voltage Complaint (GES 3 (c)), there were no incidents which required the assessment or resolution of a complaint.

With regard to Simple Service Connection (GES 4), the BL&P indicated that of the aggregate customer service connection requests (460) received, 97.39% were connected to the distribution system within the target of twelve (12) working days; 2.61% of these requests (12) fell outside of this target. However, under Connect or Transfer of Service (GES 6), the BL&P submitted that it failed to connect or transfer twenty-six (26) of the 1,535 customer connection or transfer of service requests within the target of two (2) working days, thus a 98.31% compliance level was generated.

The Standard for Reconnection (GES 7), which captures the BL&P's compliance with the aggregate customer reconnection requests completed within the one (1) working day target, registered nine (9) breaches against the 2,890 reconnection requests it received, resulting in a compliance level of 99.69%.

Compared to the previous year 2016 - 2017, the BL&P's performance in six (6) of the eight (8) Guaranteed Standards of Service declined by less than 2% in each instance. The decline in performance produced a similar trend of less than 2% with reference to the 2015 - 2016, with the exception of GES 4, which registered an improved compliance of 1.88%. Generally, the total number of breaches over the nine-month period under review was eighty-six (86), compared with thirty-six (36) for the previous twelve-month period. Voltage complaint issues (GES 3(a)) accounted for the majority of the breaches, which was more than double the amount for the previous period. Likewise, the level of breaches under Connect or Transfer of Service (GES 6) almost quadrupled relative to the previous period. However, under Complex Connection - Cost Estimate (GES 5), the BL&P submitted that it consistently attained perfect compliance from April 2016 to December 2017.

The treatment of breaches under the Guaranteed Standards of Service are accounted for in the BL&P claims summary (Table 2) below.

**Table 2: Customer Claims Summary April 1 - December 31, 2017**

Category	Mode of Compensation	
	Automatic	Manual
Number of customers eligible for compensation	83	3
Number of customer claims received	102	0
Number of customer claims paid	88	0
Percentage of eligible customers claims paid	86.27%	0%

Based on the summary statistics submitted, a total of eighty-three (83) claims were automatically generated, while three (3) required the customer to initiate the claim. However, the BL&P reported that it had not received any customer initiated claims for the period under review. The claims summary shows that eighty-eight (88) automatically generated claims were paid, while one hundred and two (102) claims were received. A total of nineteen (19) claims were brought forward from the previous period; by December 31, 2017, the cumulative number of claims outstanding was

reduced to fourteen (14). This suggests that the ratio of the number of claims compensated to the number received was 86.27%.

Compared to the previous year, the carry-over of claims was less prevalent and the payment of claims appears to be satisfactorily managed. The high resolution rate suggests an improvement in efficiency relative to processing claims. Additionally, the number of claims received increased by forty (40) relative to the sixty-two (62) received in the previous period, inclusive of brought-forward claims. With these claims excluded, the variance in claims was forty-eight (48) – eighty-three (83) compared to thirty-five (35). A major limitation of the existing claims processing structure is the inability to distinguish between the number of claims paid relative to a prior quarter and claims paid in the current quarter, particularly when the quantities are the same. Consequently, a feature which can register this distinction between claims paid in different quarters is warranted, as this should facilitate the effective tracking of claim payments. It is expected that the new Standard Timely Payment of Claims (GES 9) will incentivise improvement in claims processing. Furthermore, if the aforementioned feature were introduced, it could operate in concert with GES 9, thereby optimising tracking and monitoring capabilities of both the BL&P and the Commission.

## SECTION 2 - OVERALL STANDARDS OF SERVICE

Overall Standards of Service comprises six (6) benchmarks, which detail the minimum performance criteria the BL&P must meet for the system-wide delivery of electricity. Under these Standards, the BL&P is not required to compensate individual customers when breaches arise. However, where the BL&P fails to meet any of the Overall Standards on a consistent basis, 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.

A summary of the BL&P's performance under the Overall Standards of Service is presented in Table 3.

**Table 3: Overall Standards of Service**

OVERALL STANDARD	TARGET	AVERAGE (%) COMPLIANCE	
		April 1 - December 31, 2017	April 1, 2016 - March 31, 2017 <sup>6</sup>
<b>OES 1</b>  <b>Meter Reading</b> Frequency of meter reading.	(a) 100% of Domestic/General Service customer meters read every 2 months.	96.02	94.25
	(b) 100% of Secondary Voltage Power and Large Power customer meters to be read monthly.	96.88	97.14
<b>OES 2</b>  <b>Voltage Complaints</b> Response to Complaints of high/low voltage.	95% of complaints to be responded to in 5 working days.	98.99	99.89
<b>OES 3</b>  <b>Outage Notice</b> Prior notice of outages.	All potentially affected customers to be notified of planned outages 48 hours before outage in 95% of instances.	100	100

<sup>6</sup> The inclusion of compliance data for the twelve-month period, April 1, 2016 to March 31, 2017, is for reference purposes only and not a direct comparison with the nine-month period April 1-December 31, 2017.

OVERALL STANDARD	TARGET	AVERAGE (%) COMPLIANCE	
		April 1 - December 31, 2017	April 1, 2016 - March 31, 2017 <sup>6</sup>
<b>OES 4</b> <b>Response to Claims</b> Response to Written Claims related to Standards of Service	100% of customers to receive acknowledgement of receipt of claim within 10 working days.	N/A <sup>7</sup>	N/A <sup>8</sup>
<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 in 1 minute.	80.23	75.07
<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.	94.28	95.77

The BL&P's performance under the Overall Standards of Service for the review period was generally satisfactory. The BL&P submitted that it met and exceeded the 95% benchmark in Voltage Complaints (OES 2) and Outage Notice (OES 3), thus a compliance level of 98.99% and 100%, respectively, were attained. Conversely, for Meter Reading (OES 1), the categories (a) and (b), which require the BL&P to read 100% of Domestic/General Service customer meters bi-monthly and all Secondary Voltage Power and Large Power customer meters monthly, registered a compliance level of 96.02% and 96.88%, respectively.

As the BL&P's Advanced Metering Infrastructure (AMI) Project approaches the mid-point in its deployment schedule, the impact of the AMI rollout on the OES 1 (Meter Reading) Standard has been negligible. By December 31, 2017, a total of 45,380 meters were installed. Given the confluence of these events, the Commission made written request to the BL&P, to ascertain the status of the AMI project and the challenges

<sup>7</sup> No Assessment - The BL&P has reported that no Written Claims were received under this Standard.

<sup>8</sup> No Assessment - The BL&P has reported that no Written Claims were received under this Standard.

experienced during the transition. The Commission will continue to monitor the BL&P's performance under this Standard as the AMI Project transitions to full deployment by December 2019.

With regard to Response to Claims (OES 4), the BL&P reported that it had not received any written Guaranteed Standards of Service-related claims; this has been the trend historically. However, this observation has led to an amendment to this Standard under the Standards of Service Decision 2018 - 2020, which took effect on January 1, 2018. The Standard will now capture oral and written claims, while it previously only captured the latter. It is expected that this amendment will generate some activity under this Standard.

Call Centre Answering (OES 5) registered a compliance level of 80.23% for the prompt answering of billing and trouble queries by the BL&P's customer representative within one (1) minute. The BL&P's performance under this Standard has been consistently unsatisfactory. However, a gradual improvement in compliance was observed relative to the previous twelve-month period.

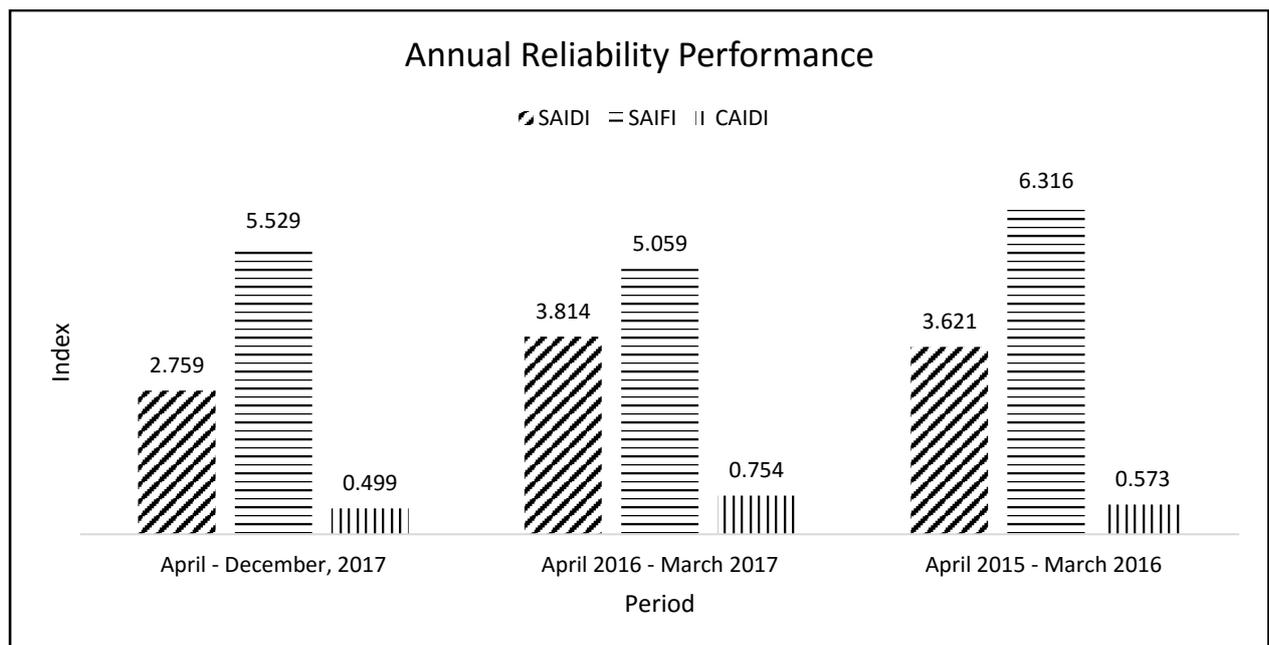
In relation to Billing Period (OES 6), 94.28% of customer base accounts were invoiced for thirty-three (33) days. However, this performance fell short of the required 95% benchmark. It is anticipated that when AMI deployment concludes, customers and the BL&P stand to benefit from a timely and efficient billing process.

Compared to the 2016 to 2017 period, the BL&P's performance in the Overall Standards of Service declined by less than 2% in most instances - compliance in OES 2 fell by less than 0.5%. On the contrary, the Standard OES 1 (a) registered a 1.78% increase in compliance, while OES 5 exhibited a 5.16% improvement. The Standard OES 3 continues to consistently attain perfect compliance.

### SECTION 3 - SYSTEM RELIABILITY PERFORMANCE

Reliability of the electricity grid is a key feature in the continuity of supply and represents a measure of the system’s ability to rebound from unexpected events, disturbances, intermittency of variable renewable energy systems and cybersecurity issues impacting the electricity network. An assessment of the BL&P’s reliability performance by the Commission provides a measure of viability of the entire network. The BL&P has adopted three (3) reliability indicators - System Average Interruption Index (SAIDI), System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI). Currently, no targets are assigned to these indicators. A comparison of the BL&P’s performance for April 2015 – December 2017 is presented in Figure 1.

**Figure 1: The BL&P’s Reliability Performance, April 2015 - December 2017**



The BL&P’s reliability performance for the review period suggests a reasonable level of service. The SAIDI statistic indicates that the average outage duration was 2.759 hours per customer, an improvement of 27.66% over the previous period. This suggests that for the average customer, the total duration of a power outage was sixty-three (63) minutes shorter than interruptions for the previous year. However, there were 9.29% more power outages on average per customer in the period under review

than the prior period; the frequency of outages, SAIFI, recorded 5.529 outages per customer on average. Similar to the SAIDI, the average outage restoration time, CAIDI, fell by 51.08% and yielded 0.499 hours per customer for the period. Customers on average had service restored 15.30 minutes faster relative to the previous period.

Generally, the reliability performance was reasonable; the average customer outage duration was more than an hour shorter than in the previous period. While outages were more frequent, customers' service was restored in a shorter time. In order to provide a more accurate assessment of the BL&P's performance, the Commissions' Standards of Service 2018 - 2020 Decision, which was issued on September 29, 2017, details the assignment of reliability targets for SAIDI, SAIFI, CAIDI and ASIA. The reliability targets came into effect on January 1, 2018. The new reliability index, ASIA, will allow assessment of the BL&P's system reliability in terms of its availability. The reliability targets will allow the Commission to monitor the BL&P's reliability performance relative to these benchmarks.

## **SUMMARY**

Based on the BL&P's submitted data for the review period, performance under the Guaranteed Standards of Service and Overall Standards of Service was reasonable. The Standards Voltage Complaints (GES 3 (a)) and Connect or Transfer of Service (GES 6) accounted for the majority of the breaches. The payment of claims appears to be more efficient; however, a feature is needed to identify outstanding claims which are paid during the review period in order to track claims more efficiently. The observed impact of AMI deployment on the Meter Reading Standard (OES 1) has been minimal to date and the Commission will seek to ascertain the cause from the BL&P.

Additionally, the Commission will monitor how the AMI project enhances the customer service experience and the BL&P's performance over a wide range of the Standards. It is anticipated that the Standards of Service Decision 2018 - 2020 will play a crucial role in incentivising improved performance from the BL&P and provide a greater level of monitoring following its full institution.

The level of reliability was reasonable for the period under review. Service interruptions and restoration of supply times were shorter despite an increase in the number of power outages.

The Commission will continue to monitor compliance with the Standards of Service and seek appropriate resolutions, as warranted. It also envisions that with the transition to AMI, an appropriate policy framework will be required to protect customer's data from manipulation and theft; this will also address issues of use, access, security and management of the customers' data.