



DECISION

Quality of Service Standards for Electricity Supply

Document Ref: 2009/002/D

INDEPENDENT REGULATORY COMMISSION

Decision

Electricity Supply Act No 10 of 2006 - Sections 19, 20 and 21

This document sets out the Decision of the Independent Regulatory Commission **2009/002/D** – “**Quality of Service Standards for Electricity Supply**” - taken by the Commission at its meeting on September 16, 2009.

The Commission now **ORDERS** that these Rules, made pursuant to Sections 40 and 41 of the Electricity Supply Act No 10 of 2006, will become effective on the date given below.

Effective date: October 1, 2009

By Order

(Lancelot McCaskey)

On Behalf of the Commission

September 18, 2009

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Quality of Service Standards for Electricity Supply

1.0 INTRODUCTION

The Electricity Supply Act, No 10 of 2006 (the Act) establishes the Independent Regulatory Commission (the Commission, IRC) as the regulator for electricity supply in Dominica and empowers it with the responsibility for regulating prices, service standards and monitoring performances of service providers of electricity.

The Act also grants a licencee to Dominica Electricity Services Ltd. (DOMLEC) to generate, transmit, distribute and supply electricity in Dominica until December 31 2015. In the current environment, DOMLEC is the monopoly provider of these services.

Section 19 of the Act provides the IRC with exclusive powers to regulate all electrical entities that are subject to the Act and also to regulate all licensees with regard to all “economic” and “technical” aspects of regulation in accordance with the Act.

The Commission has been in the process of developing the regulatory framework for DOMLEC and has considered it important to introduce a regime of Quality of Service Standards of the electricity service into the regulatory objectives for the company.

The Commission issued its Consultative Document 2009/002/CD entitled “**Quality of Service Standards for Electricity Supply**” on April 23 2009, anticipating that consultations would be completed by June 30, thus enabling the Commission to issue its Determine the matter at its meeting on July 15, 2009. Arising out of the consultations, the Commission modified aspects of its proposals that were set out in the Consultative Document and issued its Draft Decision for a further period of consultation on July 31, 2009. No comments were received to this last round of consultation.

The Commission now sets out its Decision on “**Quality of Service Standards for Electricity Supply**”

2.0 PART A - DECISION

The Quality of Service Standards for electricity supply shall comprise Guaranteed Standards and Overall Standards.

Guaranteed standards are service criteria which the utility will guarantee as a basic level of service to individual customers. In providing this guarantee the utility will undertake to make a compensatory payment to the affected customer, should the standard be breached.

Overall standards are service criteria which affect the public supply system generally and therefore large groups of customers. Breaches of these standards have an overall impact on delivery of service either to customers generally or impact on the technical

performance of the power system. Although there are no direct compensatory payments under this group of standards, the Commission will take the performance of the Utility in these regards into account at tariff reviews.

2.1 *Guaranteed Standards*

GS01 New Connection to Supply - Simple (no pole required)

Definition:

The service provider must complete a new connection of supply within five (5) working days after submission of all payments and documentation. This requirement will not apply where the service provider and customer agree to a specific date for the connection to be made; in which case the date agreed will become the standard for the particular transaction.

Purpose: Consumers should receive service within a reasonable time, once all the requirements have been met.

GS02 Change of meter to “Pay – as –you - go” or vice versa

Definition:

The service provider must complete a meter change to a prepaid meter (pay –as u-go service) or vice versa within seven (7) working days after the customer has met all the conditions for “Pay – as – u – go” service. This requirement will not apply where the service provider and customer agree to a specific date for the meter change to be made; in which case the date agreed will become the standard for the particular transaction.

Purpose: Consumers should receive the new service mode within a reasonable time, once all the requirements have been met.

GS03 New Connection to Supply – Complex (poles, transformers or system reinforcement required)

Definition: Where system reinforcement or expansion is required to effect a supply to a single customer or group of customers, the service provider must, no later than 30 days after receipt of all information to support the application, make a commitment in writing to the applicant, and keep that commitment, offering a date on which the system will be available for individual service connections - after all conditions required of the customer have been met. [The date offered should be reasonable after having taken into consideration the scope and scale of the work involved]. Once the works are completed, GS06 will apply for the individual connections.

Purpose: To encourage the service providers to be responsive to customers who may have invested in development projects and whose success depend on timely connection of electricity service.

GS04 Billing Punctuality - Time for first bill to be mailed after service connection

Definition:

Provider must mail the first bill within 45 days after providing a new connection or establishing a new account.

Purpose: This is to ensure that consumers are not burdened with too long a period to be billed for new services. A heavy financial strain can be put on the consumer if the first statement is not rendered promptly.

GS05 Estimated Bills

Definition: A customer should not receive two consecutive estimated bills.

Purpose: To ensure that customers are billed on the basis of actual meter readings and are not subject to the uncertainties occasioned by a lack of confidence in estimated bills rendered by the service provider.

GS06 Responding to Billing and Payment Queries

Definition:

The service provider must respond in a substantive manner to a customer's billing and payment queries within 15 working days.

Purpose: To encourage the service provider to pay close attention and be responsive to consumers' queries and complaints.

GS07 Reconnection of Service after settling of overdue amounts or agreement on payment schedule

Definition:

The service provider must restore service to a customer within 24 hours after the outstanding bill, including the reconnection fee, has been settled by the customer or an agreement on a payment schedule has been reached. Reconnection shall be effected on the next business day if the expiration of the 24 hour period falls on a Sunday or Public Holiday.

Purpose: This is to ensure that consumers who were disconnected for failure to settle outstanding bills are reconnected promptly after settling the amounts for which the account was disconnected.

GS08 Investigation of Voltage Complaints

Definition:

Where the customer either has reported that he believes that the supply is or has been outside the permitted voltage range, or reports an event which might reasonably lead DOMLEC to believe that a supply is outside the permitted voltage range, DOMLEC must visit the affected premises to ascertain if a problem does in fact exist, and shall notify the customer, within 15 working days of receipt of the report, of its findings. If DOMLEC finds that a problem does in fact exist, the notification shall include a commitment, which must be kept, as to when the corrective action will be completed.

Purpose: This is to ensure that the problems that arise from voltage fluctuations are dealt with promptly to, among other things, reduce the risk of equipment damage.

GS09 Response to emergency calls

Definition:

In the case of an emergency call from individual consumers, the service provider must respond and take corrective action within 4 hours of the time that the call is logged. This standard does not apply to wide area outages but localized situations generally served by single transformers such as blown fuses, burnt service connections and similar single customer/limited area events.

Purpose: To encourage the service provider to respond to and correct routine trouble calls promptly.

GS10 Payments due under Guaranteed Standards

Definition:

Once a breach has been brought to the company whether by claim by a customer or automatically by the company, DOMLEC will have 45 days in which to make a substantive response and to make the compensatory payment. Failure to meet this standard will result in a further compensatory payment being due within 30 days and will repeat itself until the payment is made.

Purpose: The consumer should be compensated within a reasonable period.

Compensatory Payments for breaches of Guaranteed Standards

Claims

There will be two possible procedures for triggering a claim for breach of a Guaranteed Standard.

- 1) For certain standards, the customer, having recognized that there is a breach, must make a claim on the company within 60 days in a format and manner designed by the company. This will be treated similarly to a billing complaint to which the company is required to provide a substantive response within the guaranteed

period (15 days). Based on the outcome of its investigation, the company then makes the payment within the guaranteed period.

- 2) For other standards, the company recognizes that there is a breach and automatically makes the payment to customer within 45 days of the breach. If the customer recognized that the breach took place and does not receive the compensatory payment within the 45 days (reflected on his bill rendered immediately after the expiry of 45 days) a claim may be made, within 30 days, directly on the company. In these circumstances, failure to make the payment in the first instance shall also be treated as a breach of GS10.

Schedule 1, which forms part of this Decision, summarizes the Guaranteed Standards and also sets out the modality (C - claim) or (A - automatic) for triggering and resolving claims.

If the customer is dissatisfied with the responses of the company, the IRC may be requested to resolve the matter. In these circumstances the parties will agree that the Decision of the Commission will be final.

Levels of Compensatory payment

- 1) **For residential customers** - \$12.00 per breach
- 2) **For commercial and industrial customers** - \$33.00 per breach

Compensatory payments shall be credited to customers' accounts on the next bill after the payment is due pursuant to GS11, and shall be shown as a specific line item on statements when such amounts are credited stating "***Compensatory payment for breach of GS***" or other appropriate text agreed with the Commission

For the avoidance of doubt, the Commission will not allow these payments as an expense item on the company's accounts.

2.2 Overall Standards

OS01 Line faults repaired within specified period of fault being reported

Definition

The service provider is required to repair 95% of line faults within 16 hours of reported fault.

Purpose: To measure the service provider's performance against GS08 and to encourage diligence in attending to distribution system outages generally.

OS02 Billing Punctuality - mailing of bills after meter reading

Definition

The service provider is required to mail 100% of all bills within 5 working days after meter reading.

Purpose: To ensure prompt delivery of bills after meter reading so as to provide the opportunity for customers to receive bills in good time before the due date.

OS03 Frequency of meter testing

Definition:

The service provider should randomly test annually 10% revenue meters (three phase and single phase) that are over 5 years in service.

Purpose: To promote customer confidence in the accuracy of meters.

OS04 Prior notice of Planned Interruptions

Definition:

In the case of a planned interruption, the service provider is required to give three (3) days advance notice of the interruption 100% of the time. The notice must specify the expected date, time and duration of the outage and areas affected.

Purpose: To ensure that customers are given adequate notice of planned outages.

OS05 Street Lights Maintenance

Definition

The service provider is required to repair 100% of failed street lights under its control within 10 working days after receiving notification.

Purpose: To secure prompt repairs of faulty street lights not only for public lighting and safety reasons but also to maintain equity in the billing and payment for street lighting services.

OS06 Response to Meter Complaints

Definition:

The service provider is required to provide a substantive response to a customer's reported meter concerns or request for a meter test within 15 working days 95% of the times.

Purpose: To measure the service provider's responsiveness to meter complaints and to promote customer confidence in the accuracy of meters.

Schedule 2, which forms part of this Decision, summarizes the Overall Standards.

2.3 Force Majeure

During conditions of Force Majeure the service provider may apply to the Commission for suspension of any or all of the standards. Such application, which must be made within 5 days of the event, must specify the nature of the force majeure condition, the areas affected and the period and the standard(s) for which the suspension is requested. In its response the Commission will provide clear details as to the terms of its acceptance or modification or reasons for its denial of the request.

Force Majeure means an event or circumstance, which prevents the service provider from performing its obligations, which is not within the reasonable control or the result of negligence of the service provider and which by the exercise of due diligence the service provider is unable to overcome or avoid or cause to be avoided. Events of Force Majeure may include but are not limited to Acts of God, fire, flood, earthquakes, war; acts of terrorism, strikes, walkouts, lockouts and other action of labour arising from labour disputes.

2.4 Implementation of Standards Scheme

Table 2.4.1 sets out the timetable for the implementation of the Guaranteed Standards.

Table 2.4.1
Proposed time table for implementing Guaranteed Standards

Standard	Short Description	Guarantee
GS01	New connection of supply (Simple)	April1, 2010
GS02	Change of Meter to “Pay – as – you –go” service	April1, 2010
GS03	New Connection to Supply – Complex	April1, 2010
GS04	Billing punctuality. Time for first bill to be mailed after service connection	January1, 2010
GS05	Estimated Bills	January1, 2010
GS06	Responding to billing and payment queries	April1, 2010
GS07	Reconnection of service after settling of overdue amounts or agreement on payment schedule	January1, 2010
GS08	Investigation of voltage complaints	January1, 2010
GS09	Response to emergency calls (blown fuse, burnt service connections and similar single customer/limited area events)	January1, 2010
GS10	Payments due under guaranteed standards	April1 & Sept1, 2010

It should be noted that although the some standards become Guaranteed Standards in January 2010, the regime for compensatory payments will not come into effect until April

1, 2010. The intention is to allow the company time to test its systems for recognizing breaches and to adjust its billing system to enable the introduction of a new field for the compensatory payments to be identified on customers' bills. For those standards that come into effect in April 2010, the regime for compensatory payments will be effective on September 1, 2010.

The Overall Standards shall be phased in over a twelve (12) to eighteen (18) month period, where formal reporting on the standards will commence in January 2011. During the prior twelve (12) months, the Commission expects that DOMLEC will progressively collect and provide base line data for the various standards so there will be appropriate reference points for comparison when the formal reporting commences one year later.

2.6 Reports to the Commission

Commencing March 2010, DOMLEC shall provide quarterly reports to the Commission providing detailed information on its performance against each standard and in the case of the Guaranteed Standards estimates of the exposure for compensatory payments, as well as the amounts actually paid out.

2.7 Review of Standards

The Commission will review the standards scheme at each tariff review and will make appropriate adjustments after consultation on these occasions.

SCHEDULE 1**Guaranteed Standards**

Standard	Short Description	Guarantee	Claim Mode
GS01	New connection of supply (Simple)	Must complete within five (5) working days	Automatic
GS02	Change of meter to “Pay – as – you – go” service	Must complete within seven (7) working days	Automatic
GS03	New Connection to Supply – Complex	Must make a commitment in writing, (and keep the commitment), as to completion of the works.	Claim
GS04	Billing punctuality. Time for first bill to be mailed after service connection	45 days	Claim
GS05	Estimated Bills	Customer must not receive 2 consecutive estimated bills.	Claim
GS06	Responding to billing and payment queries	Substantive reply within 15 working days	Automatic
GS07	Reconnection of service after settling of overdue amounts or agreement on payment schedule	Within 24 hours	Automatic
GS08	Investigation of voltage complaints	Respond and commit to solution within 15 working days of receipt	Automatic
GS09	Response to emergency calls (blown fuse, burnt service connections and similar single customer/limited area events)	Must respond and correct problem within 4 hours	Claim
GS10	Payments due under guaranteed standards	Within 45 days of receipt of claim OR 45 days after breach for automatic payments	Automatic

SCHEDULE 2 Overall Standards

Standards	Short Description	Standard
OS01	Line faults to be repaired within 16 hours of fault being reported (not including blown fuses or single customer events)	95%
OS 2	Billing and punctuality. Bills to be mailed within 5 working days after meter reading	100%
OS 3	Frequency of meter testing – Annual testing of a specified random sample of meters that have been in service over 5 years	10%
OS 4	3 days prior notice of planned interruptions	100%
OS 5	Street light maintenance – faulty street lights to be repaired within 10 days of report	100%
OS 6	Substantive response to customer meter complaint or request for meter test within 15 days	95%

3.0 PART B – REASONS

3.1 Introduction

The Electricity Supply Act 10 of 2006 (the Act, ESA) grants a licence to Dominica Electricity Services Ltd. (DOMLEC) to generate, transmit, distribute and supply electricity in Dominica until December 31 2015. In the current environment, DOMLEC is the monopoly provider of these services.

Section 19 of the Act provides the IRC with exclusive powers to regulate all electrical entities that are subject to the Act and also to regulate all licensees with regard to all “economic” and “technical” aspects of regulation in accordance with the Act.

The Commission has been in the process of developing the regulatory framework for DOMLEC and has considered it important to introduce a regime of Quality of Service Standards of the electricity service into the regulatory objectives for the company.

The Commission issued its Consultative Document 2009/002/CD entitled “**Quality of Service Standards for Electricity Supply**” on April 23 2009, anticipating that consultations would be completed by June 30, thus enabling the Commission to issue its Determine the matter at its meeting on July 15, 2009.

Three public consultations, consistent with the Commission’s Rules of Practice and Procedures, were convened as public meetings in Roseau, Grand Bay and Portsmouth during the month of May, 2009.

The Consultation Document was accessible on the IRC website and was distributed to media houses as well as to a wide range of stakeholders and groups across the country so that consumers would be aware of the proposed standards well in advance of the consultations.

The consultations were advertised in the local media and received free press generated from News Releases and story pitching. The IRC sponsored a radio talk show to explain the proposed standards. Consumers were also encouraged to write, call or visit the IRC with their opinions.

Arising out of the consultations, the Commission has modified aspects of its proposals that were set out in the Consultative Document and its Decision reflects these modifications. In the ensuing discussions, no attempt is made to comment where there is agreement or general acceptance of the original proposal.

The Commission now sets out its thinking and reasoning that has informed this Decision.

3.2 Legal Framework

Section 19 of the Act provides for the powers of the Commission:

The Commission shall have sole and exclusive authority to regulate all electricity entities that are subject to this Act and shall have full powers to regulate all licensees with regard to all economic and technical aspects of regulation in accordance with this Act especially with regard to the determination of tariff or electricity charges.

S.20.1 (d) and (e) prescribes the related general duties of the Commission:

The Commission shall, without limiting the generality of this section, have a duty to perform and exercise its functions and powers under this Act in the manner which it considers best calculated to:.....

- (d) facilitate the promotion of sustainable and fair competition in the electricity sector where it is efficient to do so;*
- e) protect the interests of all classes of consumers of electricity as to the terms and conditions and price of supply;*

While some of the general functions of the Commission, as provided at S. 21(e) and S. 21(q) are:

- (e) establish, maintain, review, monitor, and amend, as appropriate, customer care standards;*
- (q) take such other actions as the Commission deems necessary to fulfill its duties and functions under this Act or as are otherwise necessary to serve the public interest or to fulfill the objectives of other legislation or treaties relating to the electricity sector of the Commonwealth of Dominica.*

3.3 Why service quality regulation.

The Commission subscribes to the view that as far as possible regulation should mimic competition. The critical drivers in a competitive environment are price and quality. Both are functions of efficiency but critically, the firm that offers good product and service quality will in time predominate. The monopoly service provider is not driven by the same forces as would be the case in a competitive environment and classically in times of increasing costs or pressure to reduce costs service quality is usually the first casualty.

The IRC's mandate is to secure the lowest prices possible for consumers and in seeking to deliver on this mandate, DOMLEC's operating efficiencies will come under scrutiny and to the extent that operational efficiency goals are to be achieved the IRC believes that quality of service may be sacrificed.

The Commission notes DOMLEC’s objection to the Commission’s expressed view that service quality may be sacrificed under circumstances of intense pressure to reduce costs. The Commission however regards its opinion to be axiomatic and has not heard any compelling arguments to cause it to change this view.

The IRC’s goal therefore is to discourage any compromise on service quality by introducing a series of customer service standards that DOMLEC will be required to meet. These are collectively referred to as Quality of service Standards.

3.4 Existing Practice

DOMLEC’s current practice of internal service benchmarks are reproduced at Table 3.4.1 for information purposes.

**Table 3.4.1
DOMLEC’s Service Benchmarks**

	SERVICE	Working Days
CONNECTIONS	Permanent Connection(upgrade from temporary)	7
	New Service Connections- no pole required (all fees paid)	7
	New Service Connections- required 1-6 poles	15
	New Service Connections-requires greater than 15 poles	25-30
	URD development (varies depending on the scope of work and whether customer undertakes any part of the works)	
	New Service Inspection (determines suitability)	3
	New Street Light New Service – Panel Required (Meter housing. For apartment buildings etc.)	7 20
	New Service-Panel Inspection	5
	New Service Connection- 1-6 poles	23
	New Service Connection- 7-15 poles	26
	New Service Connection- 15 poles and above	33
	Underground development URD	38
DISCONNECTION	Disconnection-Non-Payment	2
	Disconnection-Customer’s request	3
RECONNECTION	Reconnection-after Non-Payment	1
	Reconnection-New Lead/Meter (for long-term disconnected accounts. Pole may be required)	7
	Reconnection-New Lead/Meter (Right of Way [ROW] required- At least 15 days’ notice)	20
	Reconnection-on Pole	2
	Reconnection- Customer’s request	3
METER FUNCTIONS	Meter Relocation (post-construction or aesthetics-might require poles, additional wire etc.)	15
	Meter Removal (customer’s request)	3
	Meter Test-(customer’s request)	10
	Service Lead Shift	15

	Upgrade Service Assessment	7
BILLING FUNCTIONS	Customer Billing Inquiries	20
	Final Read (customer request)	3
TROUBLE CALLS	Restore Area and Individual power failures (fuses) across country. (Priority is given to Area failures)	4hrs
	Restore blown transformers (unless irreparable)	16hrs
	Restore Area power failures resulting from broken line apparatus	16hrs
COMPENSATION CLAIM	Assessment of claim & inspection (<i>acceptance or denial of liability letter will be sent to customer</i>)	15
	Repair (after liability accepted)	10
	Compensation claims (equipment/property)	5

The fact that DOMLEC has established internal standards reflects the company's recognition that certain basic levels of service are necessary to secure customer loyalty and ultimately profitability.

3.5 The IRC's Approach

Based on the experience in other jurisdictions, as well as on what has been emerging as best practice, the Commission is of the view that a system of guaranteed and overall standards would be an appropriate regime for service quality standards in Dominica. While the experience in other jurisdictions is useful and important as bench marks, the Commission recognizes that the critical decision will be the standards selected for application in Dominica, which must be relevant to and reflect Dominica's peculiar circumstances.

The standards are intended to provide consumers with an expectation as to the level of service that should be considered reasonable and consequently the standards should:

- focus on the dimensions of service that consumer's value.
- take other parameters such as reliability, technical quality, and service quality . into account
- encourage the utility to focus on specific areas which, if successful, will result in customers' satisfaction

3.6 Proposed Quality of Service Standards

In developing the standards to be included in the regulatory framework, the IRC has to consider a number of factors:

- (i) the current issues that are of concern of customers
- (ii) the physical conditions under which the service provider operates, as the standard need to be realistic and performance measurable
- (iii) the degree of effort and commitment of resources needed from the service provider to implement systems for meeting the prescribed standards in the short medium and long term

- (iv) comparison with other jurisdictions, especially in the Caribbean

The fact that DOMLEC already has a regime in place for gauging its quality of service is encouraging and presents an opportunity for a seamless adoption of some or all of them as regulatory standards. The advantage in adopting these company generated standards is (i) they represent the company's analysis of the issues that are important to its customers gleaned from a long operating experience in the Dominican environment and (ii) there would already be systems in place for monitoring and reporting on performance against these specific activities. These would be persuasive arguments for adopting the existing DOMLEC standards but the Commission is of the view that the customers' views and experiences may not be fully reflected in the DOMLEC criteria. As far as possible the Commission will seek to adopt such already existing standards as are appropriate and convert them to guaranteed standards but will propose other standards with a view to soliciting alternative views as to the customers' expectations for quality of service.

The Commission notes that throughout the consultations, DOMLEC maintained that it already had standards under which it operated and had no problem with the idea of quality standards. The company expressed concerns, however, about the challenges likely to be posed by some of the requirements. The company pointed out that the Commission was asking the company to operate above the level which it had already assessed as possible for itself and emphasized that the customer would have to pay for the efforts needed to meet some of the standards. The Commission is of the view that the majority of the standards reflect conditions which DOMLEC has already set for itself and, consequently, there should be no hardship on the company to meet these standards. The Commission is also of the view that to the extent that some standards may be more stringent than DOMLEC's self imposed standards, it ought to be understood, that this merely gives effect to a mimic of market pressures where customers demand ever increasing commitments to and delivery of continually improving service quality in a competitive environment.

3.7 Guaranteed Standards

Consultation Issue 7.1

The Commission would be interested to hear stakeholders' views on the proposed idea of introducing a system of guaranteed standards where compensatory payments are made by the service provider when a standard is breached

The Commission notes the following comment by DOMLEC:

*"DOMLEC does not have any objection per se to the concept of guaranteed standards for service. However, we strongly believe that the penalty for breach of mutually agreed standards should **not** be by individual compensatory payments but rather be by a schedule of fines developed by the Commission and agreed to by DOMLEC. Such fines would be levied against the Company would be chargeable to shareholders i.e. not recoverable through the rate mechanism.*

Furthermore, we believe that such fines should only be levied for repeated breach of service quality guarantees (and this can be quantifiable) and not on each individual case. Clearly, there can be many extenuating circumstances that may result in a particular breach of service quality standards. DOMLEC feels that only after a number of the same breaches have occurred in a specific timeframe should penalties apply.”

The informal poll that was conducted amongst participants at each of the public meetings reflected a general trend of support for the principle of compensatory payments.

The principle to guaranteed standards is that the Company undertakes to guarantee a certain level of service to the customer. In the relationship between the customer and DOMLEC, as the monopoly service provider, the customer has no recourse if the service breaks down or is not at the desired standard. In a competitive environment the customer has the opportunity to change the service provider. The regime for compensatory payments to the customers for breaches of guaranteed standards has become a best practice in jurisdictions that use this regulatory tool and the Commission believes that with increased awareness of customers, the application of this measure will greatly enhance the effectiveness of the regulatory regime and the objective to secure high standards of service for consumers. The Commission therefore does not agree with DOMLEC’s position on this matter.

Explanation and Definitions of Guaranteed Standards

GS01 New Connection to Supply - Simple (no pole required)

Definition:

The service provider must complete a new connection of supply within five (5) working days after submission of all payments and documentation. This requirement will not apply where the service provider and customer agree to a specific date for the connection to be made; in which case the date agreed will become the standard for the particular transaction.

Purpose: Consumers should receive service within a reasonable time, once all the requirements have been met.

Consultation Issue GS01

The Commission would be interested to hear stakeholders’ views on the appropriateness of this proposed standard

Both DOMLEC and the customer stake holders agreed that this is a useful and desirable standard. It was suggested that the 3 day standard was too aggressive particularly when compared to the practice in other jurisdictions. The Commission has taken this concern into account and has decided to relax the proposed standard and will introduce the standard as five (5) working days. Consumers expressed the view that that as the take up

of the “pay -as -you - go” service becomes more popular there should be a complementary standard for processing applications for a switch to that service. The Commission agrees with this suggestion and therefore introduces another guaranteed standard:

Change of meter to “Pay – as –you - go” or vice versa

Definition:

The service provider must complete a meter change to a prepaid meter (pay –as u-go service) or vice versa within seven (7) working days after the customer has met all the conditions for “Pay – as – u – go” service. This requirement will not apply where the service provider and customer agree to a specific date for the meter change to be made; in which case the date agreed will become the standard for the particular transaction.

Purpose: *Consumers should receive service the new service mode within a reasonable time, once all the requirements have been met.*

GS02 New Connection to Supply – Complex (poles, transformers or system reinforcement required)

Definition: Where system reinforcement or expansion is required to effect a supply to a single customer or group of customers, the service provider must make a commitment in writing to the applicant, and keep that commitment, offering a date on which the system will be available for individual service connections - after all conditions required of the customer have been met. [The date offered should be reasonable after having taken into consideration the scope and scale of the work involved]. Once the works are completed, GS06 will apply for the individual connections.

Purpose: To encourage the service providers to be responsive to customers who may have invested in development projects and whose success depend on timely connection of electricity service.

Consultation Issue GS02

The Commission would be interested to hear stakeholders’ views on the appropriateness of this proposed standard

Consumers were of the view that this Standard should be tighter in that the company ought to provide the initial response/commitment letter within a specified time. 21 days were suggested as an appropriate time but the Commission is of the view that the level of investigation and assessment required may be of such complexity that significant design work may be needed. The Commission has adopted the recommendation albeit with a 30 day standard rather than the 21 days suggested. The new Standard (GS02 and renumber) will therefore be:

GS02 New Connection to Supply – Complex (poles, transformers or system reinforcement required)

Definition: *Where system reinforcement or expansion is required to effect a supply to a single customer or group of customers, the service provider must, no later than 30 days after receipt of all information to support the application, make a commitment in writing to the applicant, and keep that commitment, offering a date on which the system will be available for individual service connections - after all conditions required of the customer have been met. [The date offered should be reasonable after having taken into consideration the scope and scale of the work involved]. Once the works are completed, GS06 will apply for the individual connections.*

GS03 Billing Punctuality - Time for first bill to be mailed after service connection

Definition:

Provider must mail the first bill within 45 days after providing a new connection or establishing a new account.

Purpose: This is to ensure that consumers are not burdened with too long a period to be billed for new services. A heavy financial strain can be put on the consumer if the first statement is not rendered promptly.

Consultation Issue GS03

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

GS04 Estimated Bills

Definition: A customer should not receive two consecutive estimated bills.

Purpose: To ensure that customers are billed on the basis of actual meter readings and are not subject to the uncertainties occasioned by a lack of confidence in estimated bills rendered by the service provider.

Consultation Issue GS04

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

GS05 Responding to Billing and Payment Queries

Definition:

The service provider must respond in a substantive manner to a customer's billing and payment queries within 15 working days.

Purpose: To encourage the service provider to pay close attention and be responsive to consumers' queries and complaints.

Consultation Issue GS05

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

DOMLEC notes that its internal standard is 20 working days and makes the point that the proposed standard would require an improvement of 25%. The Commission however is of the view that billing issues and payment queries are perhaps the most vexatious of customer issues and it behooves the company to concentrate on securing improvements in this dimension of customer service. The Commission has therefore decided not to amend this proposed standard.

GS06 Reconnection of Service after settling of overdue amounts or agreement on payment schedule

Definition:

The service provider must restore service to a customer within 24 hours after the outstanding bill, including the reconnection fee, has been settled by the customer or an agreement on a payment schedule has been reached. Reconnection shall be effected on the next business day if the expiration of the 24 hour period falls on a Sunday or Public Holiday.

Purpose: This is to ensure that consumers who were disconnected for failure to settle outstanding bills are reconnected promptly after settling the amounts for which the account was disconnected.

Consultation Issue GS06

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

The Commission notes that the requirements of this Standard are provided for in the Act Section 64(3) and (4).

GS07 Making and keeping appointments

Definition:

Where the service provider makes an appointment to meet with a customer at the customer's premises it must give a minimum of 24 hours notice if it has to reschedule the appointment for any reason.

Purpose: This is to ensure that the customer's time is respected recognizing that in many instances the customer has to make special arrangements to be available for the appointment.

Consultation Issue GS07

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

The Commission noted some concerns expressed by DOMLEC that this Standard could easily be the subject of frivolous claims which would be difficult to prove or disprove and, in the current environment, it could essentially become one persons word against another's. The Commission is minded to accept this view and has decided to withdraw it from the proposed standards, at this time.

GS08 Investigation of Voltage Complaints

Definition:

Where the customer reports that he/she believes that the supply is or has been supplied outside the permitted voltage range or reports an event which might reasonably lead the service provider to believe that a supply is outside the permitted voltage range, the service provider must visit, correct the problem and notify the customer within 15 working days.

Purpose: This is to ensure that the problems that arise from voltage fluctuations are dealt with promptly to, among other things, reduce the risk of equipment damage.

Consultation Issue GS08

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

The Commission notes that the time lines were questioned by consumers and DOMLEC alike. Some consumers opined that a 15 day period was too long for resolution of voltage complaints while others felt that this period was unrealistically short. DOMLEC supported the latter view. DOMLEC offered the following wording for this standard:

“Where the customer either has reported that he believes that the supply is or has been outside the permitted voltage range, or reports an event which might reasonably lead DOMLEC to believe that a supply is outside the permitted voltage range, DOMLEC must visit the affected premises to ascertain if a problem does in fact exist, and if so correct the problem. DOMLEC shall notify the customer within 15 working days of its intended course of action.”

The Commission recognizes that long term solution of some voltage complaints may require significant investment (needing planned budgetary support) or require the acquisition of equipment that have long delivery periods. The Commission is therefore minded to accept the position that to prescribe 15 days for the resolution of voltage complaints is unrealistic as a general provision. It has therefore decided to redraft this standard as follows:

“Where the customer either has reported that he believes that the supply is or has been outside the permitted voltage range, or reports an event which might reasonably lead DOMLEC to believe that a supply is outside the permitted voltage range, DOMLEC must visit the affected premises to ascertain if a problem does in fact exist, and shall notify the customer, within 15 working days of receipt of the report, of its findings. If DOMLEC finds that a problem does in fact exist, the notification shall include a commitment, which must be kept, as to when the corrective action will be completed.”

GS09 Response to emergency calls

Definition:

In the case of an emergency call from individual consumers, the service provider must respond and take corrective action within 4 hours of the time that the call is logged. This standard does not apply to wide area outages but localized situations generally served by single transformers such as blown fuses, burnt service connections and similar single customer/limited area events.

Purpose: To encourage the service provider to respond to and correct routine trouble calls promptly.

Consultation Issue GS09

The Commission would be interested to hear stakeholders’ views on the appropriateness of this proposed standard.

The Commission notes DOMLEC’s comments on the need for “emergency” to be defined where it states:

“A clear and unambiguous definition of the word “emergency” is necessary to avoid potential disputes arising out of this service quality standard. An “emergency” can sometimes be very subjective and it would be unreasonable to hold DOMLEC accountable to any standard that could be abused, intentionally or not”.

*The Commission believes that the concept of emergency call in the context in which it is used in the standard is generally understood in the electric utility business, and that the explanation that is included in the standard sets the appropriate context. **For the avoidance of doubt**, the Commission does not include incidents which involve a direct threat to public safety in this standard as the company’s response to these situations must be at the highest level attainable.*

GS10 Payments due under Guaranteed Standards

Definition:

The customer has 60 days after experiencing a breach to file a claim. The service provider will have 45 days in which to make a substantive response and if the claim is accepted to make the compensatory payment. Failure to meet this standard will result in a

further compensatory payment being due within 30 days and will repeat itself until the payment is made.

Purpose: The consumer should be compensated within a reasonable period.

Consultation Issue GS10

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

The discussions on Compensatory Payments in the succeeding section will inform the construction of this Standard.

3.8 Compensatory Payments Proposal

Claims for breaches of Guaranteed Standards

There are basically two possible procedures for triggering a claim against a Guaranteed Standard.

- 1) The customer, having recognized that there is a breach, must make a claim, within 60 days, on the company in a format and manner designed by the company. This would be treated as a customer complaint to which the company would be required to provide a substantive response within the guaranteed period. Based on the outcome of its investigation, the company then makes the payment within the guaranteed period.
- 2) The company recognizes that there is a breach and automatically makes the payment to the customer within 45 days of the breach. If the customer recognized that the breach took place and does not receive the compensatory payment within the 45 days a claim may be made, within 30 days, directly on the company. In these circumstances, failure to make the payment in the first instance would also be treated as a breach for which a compensatory payment would be due.

If the customer is dissatisfied with the responses of the company, the IRC could be requested to resolve the matter.

Consultation Issue 7.2

The Commission would be interested in hearing the views of stake holders on the merits of the following alternatives for triggering the compensatory payment:

- i. **The customer makes a claim a formal claim on the service provider**
- ii. **The service provider self regulates and makes the payment automatically.**

While there was general agreement amongst consumers on the principle that compensatory payments should be made in the event of a breach, there was an equal division of opinion as to the mechanism for triggering a claim. The Commission believes that the regime of Guaranteed Standards will be effective only if the acts of company

making and the customer receiving compensatory payments are realized. It also accepts that some standards are more effectively monitored by customers while others lend themselves more easily to monitoring by the company. The Commission has decided to use both modes for triggering compensation and has redrafted the procedure as follows:.

Claims

There will be two possible procedures for triggering a claim for breach of a Guaranteed Standard.

- 1) For certain standards, the customer, having recognized that there is a breach, must make a claim on the company within 60 days in a format and manner designed by the company. This will be treated similarly to a billing complaint to which the company is required to provide a substantive response within the guaranteed period (15 days). Based on the outcome of its investigation, the company then makes the payment within the guaranteed period.*
- 2) For other standards, the company recognizes that there is a breach and automatically makes the payment to the customer within 45 days of the breach. If the customer recognized that the breach took place and does not receive the compensatory payment within the 45 days (reflected on his bill rendered immediately after the expiry of 45 days) a claim may be made, within 30 days, directly on the company. In these circumstances, failure to make the payment in the first instance shall also be treated as a breach of GS10.*

Levels of Compensatory payment

The Commission is of the view that while compensatory payments are not intended to enrich customers they should be pitched at a levels where multiple or wide spread breaches would be a significant factor to the company's financial planning – thus providing an incentive for the company to be diligent in minimizing the potential for breaches to occur. Accounting for these payments will be a direct charge on profits (to the shareholder). For the avoidance of doubt, the Commission will not allow these payments as an expense item on the company's accounts.

The Commission is proposing that the level of the compensatory payment be fixed as follows.

- 3) For residential customers at the dollar value of the average monthly residential customer energy consumption (kWh) for the prior year (for the avoidance of doubt, this **excludes** the impact of any fuel surcharge pass through on customers' bills).
- 4) For commercial and industrial customers at the dollar value of the average monthly energy consumption (kWh) for this category taken together for the prior year (for the avoidance of doubt, this **excludes** the impact of any fuel surcharge pass through on customers' bills).

The Commission proposes that compensatory payments be credited to customers' accounts and that these are shown as a specific line item on statements when such amounts are credited.

Consultation Issue 7.3

The Commission would be interested to hear the views of the stakeholders on the principles to be used to determine the level of the compensatory payments.

The Commission noted the confusion amongst all stake holders at the proposed methodology and has amended the level of guaranteed payments to a simple flat amount as follows:

- 1) *For residential customers - \$12.00 per breach*
- 2) *For commercial and industrial customers - \$33.00 per breach*

*Compensatory payments shall be credited to customers' accounts on the next bill after the payment is due pursuant to GS10, and shall be shown as a specific line item on statements when such amounts are credited stating "**Compensatory payment for breach of GS**" or other appropriate text agreed with the Commission.*

For the avoidance of doubt, the Commission will not allow these payments as an expense item on the company's accounts

3.9 Proposed Overall Standards

Overall standards are a set of service criteria which affect the public supply system generally and therefore large groups of customers. Breaches of these standards have an overall impact on delivery of service either to customers generally or impact on the technical performance of the power system. The Commission is mindful that satisfactory achievement of these standards may require some time as the utility may have to invest in system improvements to secure the desired results. Nevertheless, although there are no direct compensatory payments under this group of standards, the Commission proposes to take the performance of the Utility in these regards into account at tariff

The proposed Overall Standards are summarized at Annex 2 but are hereunder defined and explained in detail.

Explanations and Definitions:

OS01 Line faults repaired within specified period of fault being reported

Definition

The service provider is required to repair 95% of line faults within 16 hours of reported fault.

Purpose: To measure the service provider's performance against GS08 and to encourage diligence in attending to distribution system outages generally.

Consultation Issue OS01

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

OS02 Billing Punctuality - mailing of bills after meter reading

Definition

The service provider is required to mail 100% of all bills within 5 working days after meter reading.

Purpose: To ensure prompt delivery of bills after meter reading so as to provide the opportunity for customers to receive bills in good time before the due date.

Consultation Issue OS02

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

OS03 Frequency of meter testing

Definition:

The service provider should randomly test annually 10% revenue meters (three phase and single phase) that are over 5 years in service.

Purpose: To promote customer confidence in the accuracy of meters.

Consultation Issue OS03

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

OS04 Prior notice of Planned Interruptions

Definition:

In the case of a planned interruption, the service provider is required to give three (3) days advance notice of the interruption 100% of the time. The notice must specify the expected date, time and duration of the outage and areas affected.

Purpose: To ensure that customers are given adequate notice of planned outages.

Consultation Issue OS04

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

Some consumers felt that one months notice of planned maintenance should be given but the Commission believes that while planning for this period is probably the reality, the cultural environment is such that customers are likely to have forgotten or not taken careful note of advisories given so far in advance.

OS05 Street Lights Maintenance

Definition

The service provider is required to repair 100% of failed street lights under its control within 7 working days after receiving notification.

Purpose: To secure prompt repairs of faulty street lights not only for public lighting and safety reasons but also to maintain equity in the billing and payment for street lighting services.

Consultation Issue OS05

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard

The Commission notes DOMLEC's concerns regarding this standard in that the procedures adopted between it and the local councils are such that 7 days may be impractical as a general requirement. The Commission is minded to accept DOMLEC's recommendation that the standard be 10 days.

OS06 Response to Meter Complaints

Definition:

The service provider is required to provide a substantive response to a customer's reported meter concerns or request for a meter test within 15 working days 95% of the times.

Purpose: To measure the service provider's responsiveness to meter complaints and to promote customer confidence in the accuracy of meters.

Consultation Issue OS06

The Commission would be interested to hear stakeholders' views on the appropriateness of this proposed standard.

3.10 Force Majeure

During conditions of Force Majeure the service provider may apply to the Commission for suspension of any or all of the standards. Such application, which must be made

within 5 days of the event, must specify the nature of the force majeure condition, the areas affected and the period and the standard(s) for which the suspension is requested. In its response the Commission will provide clear details as to the terms of its acceptance or modification or reasons for its denial of the request.

Force Majeure means an event or circumstance, which prevents the service provider from performing its obligations, which is not within the reasonable control or the result of negligence of the service provider and which by the exercise of due diligence the service provider is unable to overcome or avoid or cause to be avoided. Events of Force Majeure may include but are not limited to Acts of God, fire, flood, earthquakes, war; acts of terrorism, strikes, walkouts, lockouts and other action of labour arising from labour disputes.

3.11 Regional and International Practices

The use of quality of service standards such as those proposed for application in Dominica has been gaining acceptance as a regulatory tool over the last fifteen to twenty years and is now widely applied by regulators particularly in regimes where there is some form of incentive regulation. Annex 3 provides a sample of regional and international practices.

3.12 Implementation of Standards Scheme

The Commission is mindful that DOMLEC may need some time to introduce the standards into its normal business processes. As some of the proposed standards are already being applied in some form by DOMLEC there may be a case for a phased introduction of the standards, where those standards that are already being applied by DOMLEC as internal standards could be converted to Guaranteed Standards ahead of the others. It will also give DOMLEC and the Commission the opportunity to assess the effectiveness of the business systems that will have been put in place to administer, monitor and report on the scheme.

To the extent that the proposed standards are adopted, Table 11.1 sets out the proposed timetable for the implementation of the Guaranteed Standards.

The dates have been adjusted to reflect the views of the Commission after having heard the consultations.

Table 11.1
Proposed time table for implementing Guaranteed Standards

Standard	Short Description	Guarantee
GS01	New connection of supply (Simple)	April1, 2010
GS02	Change of Meter to “Pay – as – you –go” service	April1, 2010
GS03	New Connection to Supply – Complex	April1, 2010
GS04	Billing punctuality. Time for first bill to be mailed after service connection	January1
GS05	Estimated Bills	January1
GS06	Responding to billing and payment queries	April1, 2010
GS07	Reconnection of service after settling of overdue amounts or agreement on payment schedule	January1
GS08	Investigation of voltage complaints	January1
GS09	Response to emergency calls (blown fuse, burnt service connections and similar single customer/limited area events)	January1
GS10	Payments owed under guaranteed standards	April1 & Sept1, 2010

The Commission is proposing that the Overall Standards be phased in over a twelve (12) to eighteen (18) month period, where formal reporting on the standards commences in January 2011. During the prior twelve (12) months, the Commission expects that DOMLEC would progressively collect and provide base line data for the various standards so there will be appropriate reference points for comparison when the formal reporting commences one year later.

ANNEX 1 Amended Guaranteed Standards

Standard	Short Description	Guarantee
GS01	New connection of supply (Simple)	Must complete within five (5) working days
GS02	Change of meter to “Pay – as – you – go” service	Must complete within seven (7) working days
GS03	New Connection to Supply – Complex	Must make a commitment in writing, (and keep the commitment), as to completion of the works.
GS04	Billing punctuality. Time for first bill to be mailed after service connection	45 days
GS05	Estimated Bills	Customer must not receive 2 consecutive estimated bills.
GS06	Responding to billing and payment queries	Substantive reply within 15 working days
GS07	Reconnection of service after settling of overdue amounts or agreement on payment schedule	Within 24 hours
GS08	Investigation of voltage complaints	Respond and commit to solution within 15 working days of receipt
GS09	Response to emergency calls (blown fuse, burnt service connections and similar single customer/limited area events)	Must respond and correct problem within 4 hours
GS10	Payments due under guaranteed standards	Within 45 days of receipt of claim

ANNEX 2 Amended Overall Standards

Standards	Short Description	Standard
OS01	Line faults to be repaired within 16 hours of fault being reported (not including blown fuses or single customer events)	95%
OS 2	Billing and punctuality. Bills to be mailed within 5 working days after meter reading	100%
OS 3	Frequency of meter testing – Annual testing of a specified random sample of meters that have been in service over 5 years	10%
OS 4	3 days prior notice of planned interruptions	100%
OS 5	Street light maintenance – faulty street lights to be repaired within 10 days of report	100%
OS 6	Substantive response to customer meter complaint or request for meter test within 15 days	95%

ANNEX 3 Comparison of some Guaranteed Standards in different countries

Standard	Dominica	Barbados	Trinidad and Tobago	Jamaica	Guernsey
Time for first bill to be mailed after service connection	45 days	None	60 days (domestic) 30 days (non domestic)	45 working days	None
Reconnection of service after payment	24 hours	2 working days	24 hours	24/48 hours urban/rural	None
Making and keeping appointments	None	None	None	None	Must offer an appointment
Investigation of voltage complaints	Respond to complaint within 15 working days. Response must include a time commitment for correction	Visit - 3 working days. Correct - 3 months	None	None	Investigate -7 working days correct - 6 months
Response to billing and payment queries	Substantive reply within 15 working days	Provide assessment - 15 working days	None	Complete investigations - 30 working days	Answer queries - 3 working days
New Connections (simple)	5 working days	12 working days	3 working days	4 working days	3 working days
New connections (complex)	Must make and keep a commitment	None	None	Within 40 working days after agreement with customer	None
Response to emergency calls (blown fuses, etc)	Restore supply - 4 hours	None		Respond - 6 hours	Restore supply - 3 hours
Estimated Bills	Customer must not receive 2 consecutive estimated bills	None	None	Not more than 2 consecutive estimated bills	None
Payments under guaranteed standards	Within 45 days of claim	None	None	Within 45 days of verification	Payment within 10 working days

