
Office of Utilities Regulation

Quality of Service Standards for the National Water Commission

EXPLANATORY DOCUMENT AND STATEMENT

1999 December

CONTENTS

PART 1: EXPLANATORY DOCUMENT

INTRODUCTION	1
RESULTS OF THE CONSULTATION	1
QUALITY OF SERVICE STANDARDS.....	1
LEVEL OF COMPENSATION	2
PAYMENT METHOD	2
PROPOSED SERVICE STANDARDS.....	3
FORCE MAJEURE CONDITIONS AND EXEMPTIONS FROM STANDARDS	4
TABLE 1: RESPONSES TO CONSULTATION QUESTIONS	5
TABLE 2: COMMENTS ON STANDARDS	9

PART 2: STATEMENT

STATEMENT ON QUALITY OF SERVICE STANDARDS SCHEME FOR NATIONAL WATER COMMISSION	16
FORCE MAJEURE CONDITIONS AND EXEMPTIONS FROM STANDARDS	17
TABLE A: OVERALL STANDARDS	18
TABLE B: GUARANTEED STANDARDS	18
QUALITY OF SERVICE STANDARDS FOR NWC	19
OVERALL STANDARDS	19
GUARANTEED STANDARDS.....	20

PART 1: EXPLANATORY DOCUMENT

INTRODUCTION

In 1999 February, the Office of Utilities Regulation published a consultative document on quality of service standards for the water utility. The document provided an overview of the principles on which service quality standards for the water sector are set and made suggestions about what standards might be appropriate for the National Water Commission. Specific proposals were put forward for two categories of service standards, overall and guaranteed, to be introduced in 1999 July, with compensatory payment, for failure to meet the agreed on guaranteed standards, commencing one year later. However, a response (unofficial) from the main party, NWC was not received until 1999 August. The new timetable, as a result of this delay is for publication of the OUR's statement on the Quality of Service Standards Scheme in 1999 December, following which, the standards will be introduced in 2000 January. NWC will start reporting on the standards in 2000 April and the guaranteed standards scheme will be implemented in 2001 April.

The document proposed that the minimum level of compensatory payment be equal to the service charge of \$100 for domestic customers and \$200 for commercial customers. It was also suggested that payment, for breach of guaranteed standards, would be made automatically by NWC in most cases, but that customers may be asked to claim payment in particular instances. It was suggested that the payment would take the form of a one-time credit on consumers' bills, and not by a cheque.

The consultation lasted four (4) months, during which time the document was circulated to interested parties and the public in general. During this time also, presentations of the document were made to various interest groups. The document invited comments, in writing, on the proposals, from all interested parties and particularly, sought responses to specific questions.

This paper will outline the results of the consultation and OUR's conclusions regarding the standards which NWC should implement. The quality of service standards scheme for NWC then follows.

RESULTS OF THE CONSULTATION

Written comments on the proposals were received from two respondents, Jamaica Institution of Engineers (JIE) and National Water Commission (NWC). The views expressed are presented in detail in Tables 1 and 2. However, a summary of the views and conclusions follow.

Quality of service standards

There is general consensus that a quality of service standards scheme is appropriate for National Water Commission. On the issue of guaranteed standards, however, JIE feels that the application of token amounts for compensation is best avoided. NWC, however, supports compensation for breach of guaranteed standards. NWC also suggested particular modifications to certain standards. These suggestions are presented in detail in Table 2.

Level of compensation

The consultative document included suggestions for three possible options for determining the level of compensation. The first option was an amount equivalent to the monthly average water only bill, which was determined to be approximately \$500 for domestic customers and \$6000 for commercial customers. These were based on average monthly consumption of 5,000 gallons for domestic customers and 25,000 gallons for commercial customers, as indicated by NWC's consumption data supplied to the OUR. Option 2, which was the OUR's favoured approach, proposed compensation in line with the service charge, which is currently approximately \$100 for domestic customers and ranges from \$200 to approximately \$3000 for commercial customers. The third option proposed was for the compensation to be fixed as a percentage of the consumer's next (or last) bill.

JIE believes that if compensation is to be applied at all, the amounts should be set at standardized estimates of the value of the losses or suffering occasioned to customers. NWC agreed with the OUR's proposal that option 2 is the best option and that the principle of a compensation payment equal to the service charge is reasonable. NWC thinks the amount should be nominal and fixed. The OUR sees no reason to change its proposal as the payment being proposed is not meant to be compensation for damages, as suggested by JIE, and, in fact, the scheme will not prevent consumers from taking the matter to a court of law if they so desire.

The document, however, also sought comments on whether domestic and commercial customers should receive the same level of compensation. The comments received from NWC suggest that the level of compensation should be equivalent to the service charge being paid by domestic customers, for both domestic and commercial

customers. NWC believes that commercial customers should not be given a different level of compensation from domestic customers, as this, in their view, is inconsistent with the universal policy that domestic water for health, safety, security and immediate human survival take precedence.

The OUR's position is that, despite the fact that water for domestic use takes precedence, commercial customers do pay higher service charges, which range from approximately \$200 to \$3000. If compensation is to be based on service charge, the OUR maintains the view that commercial customers should therefore receive a higher compensation in line with the service charge paid. The amount suggested in the consultative document was the minimum charge, of \$200, paid by this group. A single compensatory payment to this group was suggested in order to make the scheme simpler by not having varying compensatory payments. However, after receiving comments via direct meetings with Brian Young, an advisor to the OUR, the OUR now recognizes that if payments are to be in line with service charge, then all customers should be compensated by the actual amount of service charge paid. This will ensure that the scheme is equitable.

Payment method

The document outlined that compensatory payments could either be made automatically by NWC or the customer could be required to claim for it within a specified time (three (3) months) of the breach. It was proposed, however, that a mix of the two methods could be applied in that, NWC would automatically compensate consumers in most cases, but customers would be required to claim in the few instances where it might be difficult for NWC to determine all the affected customers. A proposal was also put forward for the payments to be made by a one-time credit on

consumers' bills instead of by a cheque. This is because it was felt that crediting the bill directly would compensate the user of the service regardless of whether it is the account holder who actually receives the service and pays the bill. Also, if consumers were compensated by the actual service charge, the scheme would be easy to administer since bills would just be credited by the value of the service charge.

NWC is of the view that customers should be required to claim compensation. The utility, at a meeting with the OUR voiced their concern about the development of adequate systems to ensure that a system of automatic payments would work. The OUR, despite appreciation for the Commission's preference for claims, is of the view that NWC should automatically compensate customers in all cases where the affected customer can be readily identified. As outlined in the document, the requirement for the customer to claim may lessen the impact of the scheme as an incentive for the NWC to perform. This is evidenced from the UK scheme in which it can be seen that only a minority of customers entitled to compensation, actually make a claim as they seem to be unaware of their entitlement. The OUR believes that despite the provision of intense campaigns to educate customers of the standards and their entitlements and constant periodic reminders, customers may still tend not to claim as they may not remember the details of the standards. However, in keeping with the agreement made with NWC, the OUR will leave the option for automatic compensation open until 2001 when the guaranteed standards scheme is implemented.

Nevertheless, whether customers are required to claim or are compensated automatically, NWC will have to develop appropriate systems. Since the objective of the scheme is likely to be better met if consumers are compensated automatically, the OUR feels that NWC should strive to develop the systems which will enable

proper operation of such a scheme. The OUR believes that NWC will have sufficient time to ensure that adequate systems are in place at the time of implementation of the guaranteed standards, to allow for automatic payments to be effected. For those standards, which require consumers to claim, this has to be done within three (3) months of the standard being breached. But, as stated in the Consultative Document, even where the onus is on NWC to compensate automatically, customers who believe that an automatic payment was due and had not been paid, can make a claim, within three (3) months of the breach.

NWC did not object to the suggestion of a credit to consumers' bills.

Responses to the specific questions asked are presented in detail in Table 1.

Proposed service standards

Detailed descriptions of the suggested quality of service standards, both overall and guaranteed, were provided in the document. The OUR requested respondents to indicate agreement or not and to suggest modifications, additions or deletions. Table 2 presents the comments received on the standards as well as the OUR's response to the suggested modifications.

NWC indicated that the standards being proposed by the OUR failed to include areas which NWC believe to be critical to its quality of customer service. These are quality of repair, frequency of system breakdowns, disconnection's in error and road re-instatement. NWC has, however, indicated that they are in agreement to monitoring of service standards as an introduction but any more additions may produce administrative problems. They therefore proposed a phased introduction of the standards, which were proposed in the consultative document.

The OUR's view is that NWC is free to implement additional standards which have not been proposed by the OUR. Furthermore, the standards proposed by OUR are based on areas which were determined to be important at the present time, but there may be the need to develop other standards at a later date.

Notwithstanding, the OUR in its review of the proposed standards believe that there should be an overall standard relating to the quality of effluent from sewerage plants. This would require NWC to comply with standards that are set by NRCA.

The original timetable had scheduled introduction of the standards in 1999, July. These would be monitored for a period of one year, during which time NWC would have been required to report on its performance with respect to the standards. However, payments for the guaranteed standards would not be implemented until one year later.

The revised timetable will allow NWC to start monitoring the standards as soon as they have been agreed to, which should be 2000 January. However, NWC will not be required to start reporting on their performance until 2000 April. By 2001 April, more than one year after introduction, all the standards should have been monitored to determine their viability as a guaranteed standard and the necessary systems in place to determine when a standard has been breached and when compensation payments are due. The OUR believes that there is no reason why all the standards cannot begin to attract compensation at the same time since the necessary administrative system would be in place.

Force majeure conditions and exemptions from standards

In the consultative document, a provision was made for the guaranteed standards to be suspended in circumstances where compliance

is beyond the control of the NWC. It was suggested that the burden of proof of an exceptional circumstance would lie with the utility except in the following cases, which will be deemed exceptional circumstances

- ? Exceptional weather or natural disaster
- ? Exceptional system conditions such as major breakdown of treatment plants or pumping stations; and
- ? Drought

The NWC requires a definition of a major breakdown from the OUR but suggested that a major breakdown may be an occurrence that affects ability to provide water for more than 12 hours. NWC also suggested that the list of exceptional circumstances should include

- ? Civil unrest
- ? Strikes; and
- ? Malicious destruction of property

The OUR accepts that these situations may also be included in the list of exceptional circumstances. However, on review, the OUR thinks that the above circumstances should not be deemed as exceptional. Instead, the burden of proof of exceptional circumstance will lie with the NWC. The above list of circumstances will be examples of possible events that may be exceptional.

Table 1: RESPONSES TO CONSULTATION QUESTIONS

CONSULTATION QUESTION	RESPONSES	OUR's REMARKS
Q2.1 What are the appropriate categories of performance, which service standards for NWC should cover?	<p>NWC has proposed the following modifications and additions to the proposed categories</p> <ol style="list-style-type: none"> 1. Response time to complaints (not only <i>written</i> complaints) 2. Time for subdivision approvals (addition) 3. Restrictions on water use (addition) 	<ol style="list-style-type: none"> 1. The OUR accepts that "response time to writt should be response tir to take into account, th lodged by telephone o 2. The OUR understands being looked at by the so it may be suitable to standard is set by Gov future. Such a standar OUR, would have to b not directly affect curre 3. The OUR feels that a : restrictions on water u for development at a l
Q2.2 What information and benchmarks should OUR use in developing the service standards?	Not addressed	
Q2.3 Is guaranteed standards, and the scheme of compensatory payments, an appropriate method for customer service regulation in Jamaica at the present time?	<p>The National Water Commission supports compensation for breach of guaranteed standard as this is seen as a positive step towards developing a truly professional relationship between the NWC and its customers.</p> <p>JIE believes that the application of token amounts for compensation is best avoided.</p>	See Q3.1 for response to .
Q2.4 Should the standards be introduced and monitored for a period before compensation payments commence? If so, is one year adequate? What period of time should be allowed?	NWC suggests a phased introduction of the guaranteed standards with most of them being implemented two years after first introduction (that is, in 2001)	The OUR believes that ph: will not be necessary. A re puts implementation of the standards to 2001 April, wi will have more than one ye necessary systems in plac really no reason why all th be implemented at the sar
Q2.5 Which categories of performance should constitute overall standards and which, guaranteed? Why?	NWC has made suggestions for some of the proposed guaranteed standards to be changed to overall standards. These are presented in table 2.	See table 2

CONSULTATION QUESTION	RESPONSES	OUR's REMARKS
<p>Q3.1 What minimum level of compensation do respondents consider to be appropriate and how should it be determined? Are there any other options you would suggest?</p>	<p>NWC agrees that the size of the compensation should approximate that of the service charge to domestic customers.</p> <p>JIE feels that if compensation is applied at all, the amounts should be set at standardized estimates of the value of the losses or suffering occasioned to customers.</p>	<p>The OUR maintains that in uniformity in the system will be equal compensation for particular customer groups compensation is ideal. A scheme to make the scheme easier to administer especially in the introductory period.</p> <p>The OUR disagrees with JIE because the payment being meant to be compensatory consumers require compensation damages this scheme does not cover from taking the matter to a court.</p>
<p>Q3.2 Should domestic and commercial customers be compensated by the same amount?</p>	<p>NWC feels that commercial customers should not be treated differently from domestic customers with respect to size of compensation as that is not consistent with the universal policy that domestic water for health, safety, security and immediate human survival take precedence.</p>	<p>The OUR maintains that since commercial customers pay a higher service charge, if compensation is to be based on service charge, commercial customers should receive a higher compensation. The fact that domestic water takes precedence for health, safety, security and immediate human survival take precedence. Currently, commercial customers pay higher charges, which range from \$100 to \$200 per month. This means that commercial customers should receive compensation of \$200 to \$300.</p>
<p>Q3.3 Do respondents agree that some guaranteed standards should attract a higher penalty? If so, which types of guaranteed standards should carry larger penalties and how large should the greater penalty be?</p>	<p>NWC believes that the size of the compensation for all guaranteed standards should approximate the service charge.</p>	<p>The OUR agrees that initial standards should attract the highest compensation as this may be easier to administer. However, performance under the standards should be reviewed periodically, at which time a decision will be made about whether the standards should attract higher compensation.</p>

CONSULTATION QUESTION	RESPONSES	OUR's REMARKS
Q3.4 Should compensation payments be made automatically by NWC, should the customer be required to make a claim or should a mixture of the two methods be employed?	NWC recommends that customers must claim compensation. Payment should not be automatic.	The OUR maintains the view that compensation should be automatically covered in most cases with claims being made by the customer. In instances where NWC might identify the affected customer, the OUR would ensure that the scheme has been implemented so that impact on NWC's incentive to provide service to customers will not have the negative effect of reducing the awareness of the scheme. Otherwise, the level of claim compensation is a true indication of NWC's performance and may result in NWC paying more than they actually should. Since automatic compensation has not been done effectively if the scheme is in place, the OUR has shifted its focus to the implementation of the guaranteed service scheme to 2001 April, by which time it is expected to have all the systems in place for the proper functioning of the scheme. However, the OUR and NWC will continue to monitor that the decision on automatic compensation versus claims will be reviewed and the implementation of the guaranteed service scheme in 2001.
Q3.5 Do respondents think that compensation should take the form of a one-time credit on consumers' bills or by other means such as a cheque?	NWC did not object to the one-time credit on consumers' bills, which was proposed in the document. They have suggested that the message on the bill should be labeled "compensation payment" instead of "compensation for below standard service", which was proposed in the document as the latter statement is not recommended from a communication viewpoint.	The OUR maintains that the message on the bill should indicate exactly what the payment is for and cannot just say "compensation payment". It is therefore suggested that the message be labeled "compensation for breach of guaranteed standard service".
Q4.1 Do respondents agree with the OUR's proposed service standards? If not, please set out your suggested modifications, additions or deletions.	See table 2	See table 2
Q4.2 Should the standards be applied island-wide or should specific regional standards be developed?	NWC suggests that the standards be applied island-wide, while specific regional standards will be applied within the NWC.	The standards agreed to be applied island-wide. If NWC wishes to apply specific regional constraints or additional standards to specific regions, within the comparison, the OUR would not object.

CONSULTATION QUESTION	RESPONSES	OUR's REMARKS
<p>Q4.3 Should a plan be developed now for the level of the standards to increase over time in a specified manner, or should subsequent changes to the standards be the outcome of a review some time after they are in place?</p>	<p>NWC did not address the level of the standards changing over time. They did however suggest that, considering the financial position of the Commission, the fines should be nominal and subject to review for increase through continuing dialog between NWC and OUR.</p>	<p>The OUR had proposed to of the standards over time NWC strives to improve its We still believe that this is that periodic reviews can b both the levels of the stanc compensation amount. Th that the first review of the standards be done in 2003 implementation of the sche company's performance w overall standards will be ta at price reviews.</p>

Table 2: COMMENTS ON STANDARDS

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
WS1	Testing samples for impurities	It is the duty of NWC to make periodical analyses of water samples to ensure quality. NWC is required to take any water samples necessary for analysis and ensure that it is within the standards as specified by the MOH, ECD.	Standard acceptable
WS2	Minimum water pressure	NWC should ensure that the pressure of water supplied is within the specified level (25 to 35 psi). During drought conditions, NWC should continually advise customers of areas affected by low pressure or no supply and this standard will be waived for the period the drought persists	NWC recommends a range of 20 - 60 psi. JIE recommends a range of 26 to 110 psi.
WS3	Restoration after planned work	NWC is required to let customers know at least 24 hours beforehand if they need to turn off the water supply for more than 4 hours and when it will be turned on again. NWC also has to give at least 12 hours notice of work that is expected to last between 1 and 4 hours. If NWC cannot restore water supply at the specified time, they will let the public know. NWC will notify the public preferably in writing, e.g. in the newspaper. If time does not permit, a notice on the radio or television will suffice.	NWC finds the requirements of this standard acceptable. JIE has pointed out that the title "restoration after planned work" does not correspond to the contents, which speaks to "notice" of planned work, and suggests that the title be amended.

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS1	Connection to supply	NWC is required to connect all new customers, where water supply is available at the property boundary, within 5 working days after signing the contract for connection.	<p>NWC proposes a maximum of 10 working days as:</p> <ol style="list-style-type: none"> 1. Some connections may require road crossings 2. Planning time may be needed for connection of large-sized pipes 3. Required resources may not be readily available 4. May need to return customer's deposit in certain circumstances (water not in area) <p>NWC also wants the definition to include "unless otherwise agreed with the customer".</p>
GWS2	Issue of first bill	NWC must issue a bill to a new customer within 48 days after connection.	Standard acceptable by NWC. Suggests that issue of bill be defined as printing of bill since this date can be determined.

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS3	Keeping appointments	<p>NWC has a responsibility to satisfy a request for a representative to visit the customer's premises, to deal with an identifiable problem, and should let the customer know whether the visit will be before or after 12 noon.</p> <p>NWC must guarantee to keep all appointments or to give the customer at least 12 hours notice if an emergency prevents them from keeping the appointment.</p>	<p>NWC has proposed that "before or after 12 noon" be changed to "within one working day" and that the 12 hours notice requirement be removed as an emergency can occur less than 12 hours before the appointment. NWC also proposes that this standard be an overall standard because:</p> <ol style="list-style-type: none"> 1. NWC is providing a complimentary service 2. Emergencies can occur just prior to an appointment 3. Customers also sometimes do not keep appointments or make unreasonable demands <p>JIE believes that when a customer fails to keep an appointment, the customer should be required to pay a reasonable service charge for a new appointment.</p>
GWS4	Response to complaints not related to billing	<p>If a complaint is made in writing to NWC, NWC must acknowledge inquiry within 5 working days after receipt and a reply to the customer should be made in writing within 30 days of receipt.</p> <p>NWC is required to take details of telephone complaints at the time of the call. If the complaint has to be investigated NWC will still be required to provide an answer within the specified period.</p>	Standard acceptable

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS5	Bill accuracy	NWC is required to acknowledge inquiry within 5 working days and reply to all queries whether written or by phone regarding correctness of bills within 30 days of receiving the inquiry.	Standard acceptable based on the fact that it was agreed by OUR that the title would now be billing matters instead of bill accuracy.
GWS6	Final bill	If a customer is closing an account NWC is required to read the customer's meter on the day the customer is moving as long as 5 working days notice is given. NWC is also required to provide a final bill within 48 working days of the customer's moving.	Since customer accounts are tied to premises, NWC suggests that: 1. the title be changed from "Final bill" to "Account Status Request" 2. the standard be modified to read "If a customer is requesting an account status and/or service to cease , NWC..... is moving, if a working day, or within two (2) days if on a weekend , as long as 5 working days

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS7	Restoration after emergency lock-off	If there is a burst water main or other emergency, NWC may not be able to warn customers that water will be off. NWC will however be required to provide an alternative supply of water if necessary (trucking water to affected customers), and to restore supply within 24 or 48 hours (for urban or rural customers, respectively)	<p>NWC recommends that</p> <ol style="list-style-type: none"> 1. customers in "trucking water to affected customers" be changed to "areas" as NWC cannot guarantee that all customers will receive water 2. "if water cannot be restored within 24 hours then NWC will implement contingency plans to supply water to affected area(s)", be added 3. Whether or not trucking negates the compensation claim should be expressly stated. <p>NWC recommends as an overall standard because</p> <ol style="list-style-type: none"> 1. Resource constraints 2. Difficult to prove customers did not receive water 3. Certain jobs require more than 48 hours for supply to be restored

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS8	Meter installation	NWC is required to fit a meter to all un-metered customers who request one within 30 days of receiving the customer's order.	NWC suggests that standard be modified from "within 30 days of receiving the customer's order" to "within 30 days of accepting the customer's order". NWC believes that the Commission should be required to replace defective meters but not forced to meter supplies that are uneconomical. (remote areas and areas of low usage where costs of installation and reading are high) Recommends as an overall standard. Because the NWC Act already allows for alternative means of billing.
GWS9	Repair or replacement of faulty meters	If a customer's meter is faulty, NWC will repair or replace it within 40 working days of being informed by the customers.	Suggests definition be modified to " If a customer's meter is verified as faulty" as customers may mistake high consumption for faulty meter. Standard acceptable.
GWS10	Changing meters	If NWC needs to change a customer's meter, they are required to leave written details of the date of the change, meter readings on the day and serial numbers of the new meter.	NWC finds the standard achievable but recommends it as an overall standard because it is difficult to prove that written details of a meter change was left at the customer's premises.
GWS11	Meter reading	NWC has the responsibility to provide at least one bill approximately every three months and will guarantee to read customers' meters at least once every three months as long as it can be accessed.	Standard acceptable

CODE	DESCRIPTION	PROPOSED STANDARD	RESPONSES
GWS12	Reconnection after payment of overdue amounts	NWC is required to reconnect customers, whose supply has been locked off for debt and who have settled their accounts, within 24 or 48 hours (for urban or rural customers, respectively) after debt settlement.	Standard acceptable. NWC proposed that certain accounts (e.g. those which have been disconnected for years or reconnection of disconnected illegal supplies) be exempt from this standard.
GWS13	Correction of sewerage problems	NWC must correct all problems, which result in flooding from sewers, within 24 hours of being informed.	Recommended as an overall standard because 1. regions lacking in resources 2. Sewerage treatment plants in need of rehabilitation 3. Certain communities cause blockages as garbage is dumped in the system 4. In certain instances, it may be difficult to determine whether the customer or the NWC was at fault
GWS14	Payment of compensation	NWC is required to make payments that are due under the Guaranteed standards scheme within 60 days of 1. The date the standard was breached, for automatic payments; or 2. The date the claim was made, for claimed payments	Standard acceptable. However, it is suggested that i. all claims should be made in writing ii. payment approximates service charge; and iii. phased introduction of standards

PART 2: STATEMENT

STATEMENT ON QUALITY OF SERVICE STANDARDS SCHEME FOR NATIONAL WATER COMMISSION

The Office of Utilities Regulation has carefully considered all the comments received and has taken them into account in making a final decision on the quality of service standards for National Water Commission. The following is a statement of the quality of service standards scheme for the National Water Commission. The general features of the scheme are outlined below. Table A summarizes the overall standards while the standards which should be converted to guaranteed standards in 2001, are presented in Table B. This is followed by a detailed description of the standards. The codes of the standards have been changed to WOS for overall standards and WGS for guaranteed standards for consistency in codes across the different utilities.

A set of quality of service standards for the National Water Commission will be introduced in 2000 January at which time, monitoring by NWC will commence. NWC will be required to start reporting to the OUR on the standards in 2000 April. After a minimum period of one year, some of the standards will be converted to guaranteed standards as shown in Table B. Hence, some standards, as determined by the consultation, will remain as overall standards, while others will begin to require compensation payment by NWC to consumers when they have been breached.

NWC will be required to educate the public about the quality of service standards scheme on the implementation of the guaranteed standards scheme in 2001 April. The scheme should be promoted on at least one radio and one television programme. Details of the

scheme and the standards should be circulated to consumers on leaflets in their bills, and brochures about the scheme and the standards should be available at all NWC offices. Circulation of these leaflets should be repeated at least every four to six months.

It is expected that with the implementation of the guaranteed standards in 2001, NWC will have the necessary systems in place to allow for automatic compensation to consumers. Hence, most of the standards will require NWC to make automatic payments to customers when the standard is breached, but customers will be required to claim for compensation for particular standards, especially where NWC is unable to determine the affected customer(s). Claims should be made within three (3) months of the breach. However, the OUR and NWC have agreed that the decision on automatic compensation versus claims will be reviewed prior to implementation of the guaranteed standards scheme in 2001.

Payments for breach of guaranteed standards will be credited to customers' accounts. The message on the bill will be labeled "compensation for breach of guaranteed standard".

The compensation payment for domestic customers will be the same as the service charge to domestic customers, which is currently approximately \$100. The payment to commercial customers will be the same as the charge that is paid by this group of customers, which currently ranges from approximately

\$200 to \$3000. These are the amounts that will be paid for all the guaranteed standards.

All compensatory payments are to be made within 60 days of:

1. the date the standard was breached, for automatic payments; or
2. the date the claim was received, for claimed payments

However, even where the onus is on NWC to compensate automatically, customers who believe that an automatic payment was due and had not been paid, can make a claim, within three (3) months of the breach.

The first review of the guaranteed standards scheme will be in 2003, two (2) years after implementation. At that time a decision will be taken on whether an adjustment in the level of standard or compensation amount is needed. However, the aim is for the compensation to always be the same as the service charge.

Since the overall standards do not attract compensatory payments, NWC's performance against the overall standards will be taken into account at tariff reviews.

NWC is required to provide quarterly (with monthly breakout) quality of service standards reports, indicating their performance against the standards as outlined in the Office of

Utilities Regulation - Regulatory Framework for the National Water Commission 1999 - 2001.

The OUR, via its Consumer Affairs Department, will inform consumers of NWC's performance with regard to quality of service, by publishing relevant information on an annual and biannual basis.

Force Majeure conditions and exemptions from Standards

The Guaranteed Standards Scheme will be suspended in circumstances where compliance is beyond the control of NWC. The OUR must be promptly notified by the NWC in all cases of suspension or proposed suspension of the scheme indicating the exact duration of such suspension. The burden of proof of exceptional circumstance will lie with NWC. Examples of possible exceptional events are:

- ? bad weather or natural disaster
- ? system conditions such as major breakdown of treatment plants or pumping stations
- ? Drought
- ? Civil unrest
- ? Strikes; and
- ? Malicious destruction of property

On receiving the concurrence of the OUR that a force majeure condition exists, NWC will use appropriate means to advise customers. NWC must also make the necessary effort to restore a normal service to its customers as quickly as possible.

Table A: OVERALL STANDARDS

CODE	FOCUS	DESCRIPTION	PERFORMANCE MEASURE
WOS1	Water Quality	Testing samples for impurities	To ensure that water is within standards as specified by MOH
WOS2	Water Pressure	Minimum/maximum water pressure	Must maintain a pressure ranging from 20 to 60 psi
WOS3	Reliability of supply	Notify public of intention to interrupt supply – planned interruptions	Minimum notification time of 12 hours for short interruptions (not more than 4 hours) and 24 hours for longer interruptions (more than 4 hours)
WOS4	Sewerage	Correction of sewerage problems	Maximum of 24 hours to correct sewerage problems, after being informed
WOS5	Sewage	Sewerage effluent quality	Ensure that sewerage effluent is within the standards specified by NRCA
WOS6	Water meters	Changing meters	NWC must provide consumers with details of the date of the change, meter readings on the day and serial numbers of the new meter

Table B: GUARANTEED STANDARDS

CODE	FOCUS	DESCRIPTION	PERFORMANCE MEASURE
WGS1	Access	Connection to supply	Maximum time of 10 working days
WGS2	Delivery of bills	Issue of first bill	Maximum time of 48 working days after connection
WGS3	Appointments	Keeping appointments	Must notify customer prior to appointed time, if cannot keep appointment.
WGS4	Complaints	Response to complaints not bill related	Maximum of 5 working days to acknowledge customer complaints, after receipt. Maximum time of 30 working days to complete investigation and respond, from date of receipt of complaint
WGS5	Complaints	Response to billing complaints	Maximum of 5 working days to acknowledge customer complaints, after receipt. Maximum time of 30 working days to complete investigation and respond, from date of receipt of complaint
WGS6	Account status	Issue of account status	Meter to be read on same day customer is moving, if on a weekday (within 2 days of move if on a weekend) providing 5 days notice of move is given. Maximum time of 48 working days to provide final bill after move
WGS7	Reliability of supply	Restoration after emergency lock-off	Maximum time of 24 hours to restore supply in urban areas. Maximum of 48 hours in rural areas.
WGS8	Water meters	Meter installation	Maximum of 30 working days to install meter on customer's request
WGS9	Water meters	Repair or replacement of faulty meters	Maximum time of 40 working days to repair or replace meter after being informed
WGS10	Water meters	Meter reading	Maximum of 3 months between each meter reading and between bill issues
WGS11	Reconnection	Reconnection after payment of overdue amount	Maximum of 24 hours to restore supply in urban areas. Maximum of 48 hours to restore supply in rural areas.
WGS12	Compensation	Payment of compensation	Maximum of 60 working days to make payment when it becomes due

QUALITY OF SERVICE STANDARDS FOR NWC

Overall Standards

Drinking Water Quality

Objective: To ensure that the water supplied is always of the highest quality and fit for consumption.

WOS1 - Testing samples for impurities

Definition: It is the duty of the NWC to make periodical analyses of water samples to ensure quality. NWC is required to take any water samples necessary for analysis and check if the samples are within the standards specified by The Ministry of Health (MOH) Environment Control Division. 100% of all samples should meet the required standards.

Water Pressure

Objective: NWC is required to maintain a pressure in the pipes that will ensure that customers receive an adequate supply of water.

WOS2 - Minimum/Maximum water pressure

Definition: NWC should ensure that the pressure of water supplied to consumers is within the range of 20 to 60 psi. During drought conditions, NWC should repeatedly advise customers of areas affected by low pressure or no supply and this standard will be waived for the period that the drought persists.

Reliability of Supply

Objective: To minimize interruptions to supply for planned work

WOS3 - Notice of planned work

Definition: NWC is required to let customers know at least 24 hrs. beforehand, if they need to turn off the water supply for more than 4 hrs. and when it will be turned on again. NWC also has to give at least 12 hrs. notice of work that is expected to last between 1 and 4 hrs. If NWC cannot restore water supply at the specified time, they will let the public know. NWC will notify the public preferably in writing, e.g. in at least one newspaper. If time does not permit, a notice on at least one radio or television station will suffice.

The required notification time should be given for at least 90% of planned interruptions, (for work of duration not more than 4 hours as well as those of duration more than 4 hours).

Sewerage

Objective: To ensure acceptable effluent quality and minimize flooding from sewers.

WOS4 - Correction of sewerage problems

Definition: NWC must correct all problems, which result in flooding from sewers, within 24 hours of being informed.

WOS5 - Testing effluent samples

Definition: NWC is required to periodically take any effluent samples necessary for analysis and check if the samples are within the standards specified by The Natural Resources Conservation Authority (NRCA). 99% of all samples should meet the required standards.

Water Meters

Objective: To ensure that customers are promptly provided with a properly functioning meter.

WOS6 - Changing meters

Definition: If NWC needs to change a customer's meter, they are required to leave written details of the date of the change, meter readings (of old and new meters) on the day and serial numbers of the new meter.

Guaranteed Standards

Access

Objective: To ensure that new customers are promptly connected to NWC's system.

WGS1 - Connection to Supply

Definition: NWC is required to connect all new customers, where water supply is available at the property boundary, within 10 working days after signing the contract for connection.

Guarantee: If NWC fails to connect a customer within the specified period, NWC will automatically compensate the customer

Delivery of Bills

Objective: To ensure that new customers receive first bill, in a timely manner.

WGS2 - Issue of First Bill

Definition: NWC must issue (print and mail) a bill to a new customer within 48 days after connection.

Guarantee: If NWC fails to issue a bill within the specified period, NWC will automatically compensate the customer.

Appointments

Objective: To minimize the inconvenience to customers of having to wait for NWC's representatives to attend appointments.

WGS3 - Keeping appointments

Definition: NWC has a responsibility to satisfy a request for a representative to visit the customer's premises, to deal with an identifiable problem and should let the customer know whether the visit will be before or after 12 noon. NWC must guarantee to keep all appointments or to notify the customer prior to the appointed time, if an emergency prevents them from keeping the appointment.

Guarantee: If for any reason NWC does not keep an appointment it has made with a customer or does not give notice of a change, it will automatically compensate the customer. If the customer does not keep the appointment, s/he will not be entitled to payment on the subsequent rescheduled appointment.

Complaints

Objective: To ensure that, customers' complaints (written, by telephone or in person) are dealt with promptly and satisfactorily by NWC.

WGS4 - Response to complaints not related to billing

(Complaints not related to billing include, faulty meters, low pressure, poor water quality)

Definition: If a complaint is made in writing to the NWC, NWC must acknowledge the complaint (have a letter prepared for dispatch to the customer) within 5 working days after receipt of complaint and a reply to the customer should be made in writing within 30 working days of receipt.

NWC is required to take details of complaints made by telephone or in person, at the time of the call or visit. If the complaint has to be investigated, NWC will still be required to provide an answer within 30 working days of receipt.

Guarantee: If NWC does not meet the specified time, the customer will automatically receive compensation

WGS5 - Response to complaints about billing matters

Definition: NWC is required to acknowledge complaint within 5 working days and reply to all complaints whether written or by phone regarding bills within 30 working days of receiving the inquiry.

Guarantee: If NWC does not, the customer will automatically receive compensation

Account status

Objective: To ensure that a customer moving from a premises receives bill for relevant consumption.

WGS6 - Account status request

Definition: If a customer is moving and requests an account status and/or service to cease, NWC is required to read the customer's meter on the day the customer is moving, if on a working day, as long as (5) working days notice of the move is given to NWC. If the customer is moving on a weekend, NWC should read the meter within two (2) days of the move. NWC is also required to provide the relevant bill within 48 working days of the customer's moving.

Guarantee: If NWC does not, the customer will automatically receive compensation

Reliability of Supply

Objective: To minimize interruptions to supply for unplanned work (emergencies)

WGS7 - Restoration after emergency lock-off

Definition: If there is a burst water main or other emergency, NWC may not be able to warn customers that water will be off. NWC should, however, inform customers by making announcements on at least one radio station within 2 hours after interruption. NWC will be required to provide an alternative supply of water if necessary (trucking water to affected areas), and to restore supply within 24 or 48 hours (for urban or rural customers, respectively).

Guarantee: If NWC does not meet the specified time, customers can claim compensation by letter. Claims should be made within 3 months of the incident.

Water Meters

Objective: To ensure that customers are promptly provided with a properly functioning meter, which is read at regular intervals.

WGS8 - Meter installation

Definition: NWC is required to fit a meter, where an un-metered customer requests one, within 30 working days of receiving the customer's order.

Guarantee: If NWC does not, the customer will automatically receive compensation.

WGS9 - Repair or replacement of faulty meters

Definition: If a customer's meter is verified as faulty, NWC will repair or replace it within 40 working days of being informed by the customer, after verification by NWC, or within 40 working days after detection by NWC if the fault was discovered by NWC.

Guarantee: If NWC does not, the customer will automatically receive compensation.

WGS10 - Meter reading

Definition: NWC has the responsibility to provide at least one bill every three months and will guarantee to read customers' meters at least once every three months as long as it can be accessed. (NWC should make arrangements to relocate inaccessible meters)

Guarantee: If NWC does not, the customer will automatically receive compensation

Reconnection

Objective: To encourage prompt reconnection of customers after payment of overdue amounts

WGS11- Reconnection after payment of overdue amounts

Definition: NWC is required to reconnect customers, whose supply has been locked off for debt and who have settled their accounts, within 24 or 48 hours (for urban or rural customers, respectively) after debt settlement.

Guarantee: if NWC does not, the customer will automatically receive compensation.

Compensation

Objective: To ensure that the value of the compensation is not undermined by late receipt of payment.

WGS12 - Payment of Compensation (to be introduced in 2001 April)

Definition: NWC is required to make payments that are due under the Guaranteed Standards scheme within 60 days of

1. the date the standard was breached, for automatic payments; or
2. the date the claim was received, for claimed payments

Guarantee: If the payment due under a particular standard is not paid within the specified period, the customer will automatically receive compensation. This will repeat itself for subsequent periods until payment is made.

Breach of the individual standards will, however, attract only one payment.