
Office of Utilities Regulation

CONSULTATION DOCUMENT

Comprehensive Review of the Guaranteed Standards Scheme for the Jamaica Public Service Company Limited and the National Water Commission



OFFICE OF UTILITIES REGULATION

2022 June 24

Abstract

Utility regulators have recognized the need to establish quality of service (QOS) standards to ensure that minimum service quality is delivered to consumers of generally monopolistic service providers. These QOS standards take different forms depending on the jurisdiction. Regardless, one commonly identified feature of QOS standards is the need to provide compensation to affected customers while at the same time, incentivize the Service Providers to deliver service in keeping with the prescribed levels of service standards.

As the regulator for prescribed utility services in Jamaica, the Office of Utilities Regulation (OUR/Office) has established QOS standards for the electricity, water and sewerage sectors. These standards consist of the Guaranteed Standards Scheme and the Overall Standards Scheme. The Guaranteed Standards (GS) Scheme consists of a compensatory mechanism for breaches of the prescribed standards. The Overall Standards Scheme sets out prescribed service level targets to be attained by the utility provider. However, no compensatory payment to customers is made when the Service Providers do not achieve the targets. Instead, the Overall Standards are monitored and assessed by the OUR in the rate review process and the Service Providers are required to take corrective actions where they do not achieve the approved targets.

Over the years, the OUR has included reviews of the QOS standards in its tariff setting process. However, given the complexity of the tariff setting process and the time constraints circumscribed by the relevant licence and regulatory processes, the OUR has recognized that adequate time for a comprehensive consultation on the QOS standards, particularly, the GS Scheme, could not be achieved in the time allotted.

Consequently, in an effort to enhance its ability to undertake an in-depth assessment of and garner the public's views on the impact of the GS Scheme and its continued relevance, the OUR has decided to conduct a public consultation to focus on assessing the GS Schemes for the Jamaica Public Service Company Limited (JPS) and the National Water Commission (NWC). Following the consultations, the OUR will make decisions regarding any changes that may be necessary to ensure that the GS Schemes achieve their objectives.

Contents

| | |
|--|----|
| Abstract | 2 |
| Consultation Process | 4 |
| Acronyms and Definitions | 6 |
| PART 1: INTRODUCTION | 7 |
| Background | 7 |
| Structure of Document | 9 |
| PART 2: LEGAL FRAMEWORK | 10 |
| Part 3: Regulation of Service Quality | 13 |
| Defining Service Quality and Quality of Service Standards | 14 |
| Approaches used in Regulating Service Quality | 14 |
| Part 4: Current Quality of Service Schemes | 19 |
| Summary of JPS and NWC Performance on GS Scheme | 19 |
| Significant GS Scheme Changes for JPS and NWC | 21 |
| Summary of GS Scheme Survey Findings | 23 |
| Part 5: JPS Guaranteed Standards Scheme Proposed Changes | 26 |
| Summary of JPS' Proposed Post-paid GS modifications and OUR's Response | 26 |
| Further Discussion on JPS GS for Postpaid Service | 44 |
| Cap Periods for Consecutive Individual JPS GS Breaches | 44 |
| | 47 |
| Areas of Focus under Existing JPS GS Scheme | 47 |
| Discussion on GS Established for JPS' Pre-paid Metering System | 52 |
| Part 6: NWC Guaranteed Standards Scheme | 56 |
| Appendix 1: Summary of Questions | 67 |
| Appendix 2: Current JPS Guaranteed Standards | 72 |
| Appendix 3: Current NWC Guaranteed Standards | 75 |

Consultation Process

Persons who wish to express opinions on this Consultation Document are invited to submit comments in writing to the Office of Utilities Regulation (“OUR”) by post, delivery, facsimile or e-mail addressed to:

Office of Utilities Regulation
P.O. Box 593,
36 Trafalgar Road,
Kingston 10

Attention: Collette Goode, Consumer Affairs Specialist (Policy)

Fax: (876) 929-3635

E-mail: collette.goode@our.org.jm and Cc: rim@our.org.jm

Responses are requested by 2022 July 22

Confidential information in responses should be submitted separately and clearly identified as such. In the interest of promoting transparent debate, however, respondents are requested to limit, as far as possible, the use of confidentiality markings. Responses which are not confidential, pursuant to any relevant legislation, will be posted to the OUR’s website (www.our.org.jm). Respondents are therefore encouraged to supply their responses in electronic form to facilitate such postings.

COMMENTS ON RESPONSES

There will be a specific period for respondents to view other responses (non-confidential) and comment on them. The comments may take the form of either correcting factual error(s) or putting forward

counter-arguments. As in the case of the responses, comments which are not confidential will be posted to the OUR's website.

Comments on responses are requested by 2022 August 8.

Arrangement for viewing responses

This service is currently unavailable. Please visit the OUR's website to view the responses and comments received by the OUR.

Consultation Timetable

The timetable for the Consultation is summarized in the Table below:

| Event | Date |
|---|-------------------|
| Publish Consultation Document | 2022 June 24 |
| Deadline for receipt of responses to the Consultation Document | 2022 July 22 |
| Deadline for receipt of comments to responses to the Consultation Document | 2022 August 8 |
| Publication of Determination Notice inclusive of OUR's Response to Comments | 2022 September 30 |

Acronyms and Definitions

In this Consultation Document, unless the context otherwise requires, the following will have the meaning specified below:

1. “FTC” means Fair Trading Commission, Barbados
2. “GS” means Guaranteed Standards
3. “JPS” means the Jamaica Public Service Company Limited
4. “JPS Licence” means the Electricity Licence, 2016
5. “MSET” means the Ministry with responsibility for electricity
6. “NWC” or “Commission” means the National Water Commission
7. OFGEM means the Office of Gas and Electricity Markets, United Kingdom
8. OFWAT means the Water Services Regulation Authority, United Kingdom
9. “OS” means Overall Standards
10. “OUR Act” means the Office of Utilities Regulation Act
11. “OUR” or “Office” means the Office of Utilities Regulation
12. “Prescribed Utility Service” means the provision of telecommunication or sewerage services, the generation, transmission, distribution or supply of electricity, or the supply or distribution of water
13. “QOS” means Quality of Service
14. “RAMI” means Residential Advanced Metering Infrastructure
15. “Review period” means 2012 January to 2021 September
16. “RIC” means Regulated Industries Commission (Trinidad and Tobago)
17. “Service Providers” means JPS and NWC

PART 1: INTRODUCTION

Background

- 1.0 Pursuant to the Office of Utilities Regulation Act (OUR Act), the Office of Utilities Regulation (OUR or Office) is responsible for regulating the provision of utility services in the electricity, telecommunications and water and sewerage sectors. Among the powers and functions set out in the OUR Act, the OUR is empowered to take measures it considers necessary or desirable to, inter alia, protect the interest of consumers. Specifically, it may give directions to providers of prescribed utility services as defined in the OUR Act, to ensure that the needs of consumers of the services are met. Also, the OUR may, by order, prescribe standards for the measurement of, among other things, the quality or other conditions relating to the prescribed utility services.
- 1.1 One means by which the OUR fulfills this function is the establishment and monitoring of quality of service (QOS) standards by way of a Guaranteed Standards (GS) Scheme for some Service Providers operating in the electricity, water and sewerage sectors. Additionally, the OUR has specific powers to monitor, review and approve GS for the Jamaica Public Service Company Limited (JPS) under its Electricity Licence, 2016 (JPS Licence). Accordingly, the OUR has established GS for JPS, the National Water Commission (NWC), and a number of licensed private water and/or sewerage providers.

What are the Guaranteed Standards?

- 1.2 The OUR is committed to making the utility sectors work better for consumers and improve experience for customers. GS are QOS performance measures that set reasonable standards for the provision of utility services delivered by the JPS, the NWC and private water and sewerage providers to an individual customer. If these Service Providers fail to comply with a GS, the affected customer is entitled to compensation, which is usually applied as a credit to the account. As such, GS acts as an incentive for the Service Providers to improve performance.

- 1.3 The GS Scheme has been established for the JPS and NWC since 2001, after consultation processes. Those for private water and sewerage providers have been more recently established, as part of their individual licensing and tariff setting processes.
- 1.4 Since the establishment of the GS Scheme, the OUR has performed periodic reviews on the GS for the JPS and NWC during the Rate/Tariff Review process. However, given the complexity of the tariff setting process and the time constraints circumscribed by legislation, the relevant licence and regulatory processes, the OUR has recognized that adequate time for a comprehensive consultation on the QOS standards, particularly, the GS Scheme, could not be achieved in the time allotted. As have been evident over the years, including the reviews of the QOS, and particularly the Guaranteed Standards as part of a tariff setting process, has limited the OUR's ability to undertake any in-depth assessment and sufficiently garner the public's views on the GS Scheme. This is due to the time constraints (as it relates to the JPS, this is specified in the JPS Licence) that is associated with the tariff setting process, which does not allow adequate time for a comprehensive consultation on the QOS.
- 1.5 Consequently, in an effort to enhance its ability to undertake an in-depth assessment of and garner the public's views on the impact of GS Scheme and its continued relevance, the OUR has deemed it necessary to conduct a comprehensive review of the JPS and NWC GS, to ensure that they remain appropriate and address the service delivery areas that are most important to the customers. Further, in addition to the *force majeure* provisions of the JPS Licence, JPS in its *2019-2024 Tariff Application* proposed a number of circumstances, in which the company is seeking to be excepted/exempted from specific GS. The OUR has therefore deemed it necessary to include JPS's request for exception/exemption from specified GS in this consultation process so that the public is provided with an opportunity to comment on this request.
- 1.6 Whilst GS has also been established for the private water and/or sewerage service providers, the OUR has decided not to include them in this comprehensive review. This decision was based on the view that any similar undertaking requires a more targeted approach, given that each of

these service providers serves specific geographic areas and their customers may have unique needs. Additionally, there is currently a dearth of GS performance data from these service providers, a situation the OUR has taken measures to address.

Purpose of the Consultations

1.7 In light of the foregoing, this consultation is designed to garner information from the public, including the service providers, to ascertain among other things, the:

- (a) Relevance of the existing GS Scheme for JPS and NWC;
- (b) Levels of satisfaction or dissatisfaction with the areas of focus under the existing GS Schemes for JPS and NWC.
- (c) Changes, if any, that are needed to ensure that the GS Scheme for JPS and NWC meet the needs of customers; and
- (d) Reasonableness of the circumstances in which JPS is seeking exceptions/exemptions from specific GS

Structure of Document

1.8 The remainder of this Consultation Document is structured as follows:

- Part 2: Legal Framework
- Part 3: Regulation of Service Quality
- Part 4: Current JPS & NWC Quality of Service Schemes
- Part 5: Guaranteed Standards Scheme - Proposed Changes and the OUR's Position
- Appendix 1: Summary of Questions
- Appendix 2: Current JPS Guaranteed Standards
- Appendix 3: Current NWC Guaranteed Standards

PART 2: LEGAL FRAMEWORK

- 2.0 Pursuant to section 4 of the OUR Act, the Office, as part of its overall functions, regulates “*prescribed utility services*”. The First Schedule of the OUR Act defines “*prescribed utility services*” to include the generation, transmission, distribution and supply of electricity; supply or distribution of water; and the provision of sewerage services.
- 2.1 Section 4(1)(a) of the OUR Act provides as follows:
- “4(1) Subject to the provisions of this Act, the functions of the Office shall be to –*
(a) regulate the provision of prescribed utility services by licensees or specified organizations...”
- 2.2 Further, pursuant to section 4(2)(a) of the OUR Act, the OUR, where it considers it necessary, may give directions to any licensee with a view to ensuring that the needs of consumers are met. Section 4(2)(a) of the OUR Act provides as follows:
- “The Office may, where it considers necessary, give directions to any licensee or specified organization with a view to ensuring that –*
(a) the needs of the consumers of the services provided by the licensee or specified organization are met...”:
- 2.3 Additionally, section 4(3)(b), of the OUR Act empowers the OUR to take measures as it considers necessary or desirable to protect the interests of consumers in relation to the supply of a prescribed utility service. Section 4 (3) (b) states:
- “4(3) In the performance of its functions under this Act the Office shall undertake such measures as it considers necessary or desirable to: –*
...
(b) protect the interests of consumers in relation to the supply of a prescribed utility service...”

2.4 Section 4(5) of the OUR Act permits the OUR to prescribe quality standards for the regulated services by order published in the Gazette. Subsection (b) in particular states:

“(5) The Office may, by order published in the Gazette –

...

(b) prescribe standards for the measurements of quantity, quality or other conditions relating to prescribed utility services...”

2.5 In the exercise of these various statutory powers, the OUR has prescribed and monitored GS Schemes for NWC and several private water and sewerage providers. The NWC GS are reviewed by the OUR as part of the NWC’s periodic tariff review process, which up to recent times, has been once every five years.

2.6 Additionally, several private water and sewerage service provider licences expressly make provision for the implementation of a GS Scheme in respect of the services provided thereunder. Reviews of the standards prescribed in the licences have been, like the NWC, reviewed and if necessary, revised by the OUR as part of the licensees’ tariff review exercise.

2.7 Specific to the electricity sector, the Electricity Act, 2015 provides for the OUR’s general regulatory oversight responsibility for this sector. Section 4 (d) of the Electricity Act, 2015 states:

“4. In the regulation of the electricity sector, the following persons shall have the following roles –

...

(c) the Office shall regulate the electricity sector generally.

2.8 The Electricity Act, 2015 also empowers the OUR to give directions to any licensee with a view to ensuring that the needs of consumers with respect to the supply of electricity are met. Section 5(a) of the Electricity Act, 2015 states that:

“5. The Office may, where it considers necessary, give directions to any licensee with a view to ensuring that –

(a) the needs of the consumers of the services provided by the Single Buyer are met;”

2.9 In addition, the JPS Licence provides for the establishment and review of a GS Scheme for the JPS. Condition 17 provides in part as follows:

“ Condition 17: Guaranteed Standards and Overall Standards

- 1. The Licensee shall use all reasonable endeavours to achieve the Guaranteed Standards and Overall Standards.*
- 2. Breach of the Guaranteed Standards shall result in the Licensee making the applicable compensatory payment set out in Schedule 1 to the affected customers(s).*

....

- 5. Guaranteed Standards as well as the level of compensation payments will be reviewed periodically by the Office (normally between rate reviews) and where appropriate and in consultation with the Licensee, the Office may introduce new standards...”*

2.10 The JPS GS have been reviewed, and where necessary, revised by the OUR during the JPS’s five-year tariff review process prescribed by the JPS Licence.

Part 3: Regulation of Service Quality

- 3.0 In competitive markets, the presence of multiple providers of a good or service creates incentives for suppliers to reduce costs and provide the quality of service desired by customers in order to gain or maintain market share. In non-competitive or monopoly markets, a single entity fully or substantially controls the market, and has the ability to unilaterally determine the supply and price of a product and/or service. Consequently, in a non-competitive market, consumers have limited or no choice and providers of goods and services are not incentivized to focus on delivering and maintaining a high quality of service.
- 3.1 In the Jamaican electricity market, the supply, transmission and distribution, are a monopoly since the JPS has the exclusive right to transmit, distribute and supply electricity. Within the water and sewerage sectors, the market is monopolistic with one major service provider, the NWC, and several small private licensed providers. However, the small water and/or sewerage providers are licensed to serve specific areas, which is defined in each service provider's Licence. Accordingly, the structure of the water and/or sewerage sector also displays the characteristics of a monopoly market.
- 3.2 One of the main focus of regulation is to achieve efficient costs and set prices at a level that is similar to what would obtain within a competitive market. Regulators have generally tried to achieve competitive market rates through economic models, which include price or revenue cap methodologies. However, price/revenue cap regulation has the potential to negatively affect service quality, as these methodologies create incentives for the regulated entity to improve on efficiency by reducing operating and maintenance costs. Regulators have therefore had to increase their focus on mitigating the negative impact that price/revenue cap regulation may have on quality of service delivery, to ensure that consumers' interests are protected. To this end, regulators have established quality of service standards.

Defining Service Quality and Quality of Service Standards

- 3.3 It is accepted that the delivery of quality service is a critical component of any business/entity. However, there has been no precise definition of quality, with many of the suggested definitions focusing on meeting customers' needs, requirements and expectations. In an article titled: *Market Orientation, Service Quality and Customer Satisfaction in Public Utilities*, published in the European Journal of Business and Management (2018), service quality is defined as “customers’ expectation of service compared to customers’ perception of service received.” Factors that may impact customers’ perception of service quality include changes in technology and lifestyles. Additionally, the costs associated with delivering quality service must be considered. For the purposes of this consultation, the OUR will use the foregoing definition of service quality, bearing in mind the factors that may influence the customers’ perception of quality.
- 3.4 Within the utility regulatory environment, QOS standards represent prescribed performance measures that guide the delivery of service to customers. There are generally two types of QOS standards, namely GS and Overall standards (OS). The GS prescribe performance levels for service delivery with a compensatory mechanism attached resulting in individual customers being compensated where a breach occurs. The OS prescribes performance targets, in technical areas, that utility service providers should meet and that will impact more than one customer. As was previously mentioned, this consultation will focus on the GS Schemes for the JPS and NWC for the reasons outlined in Part 1.

Approaches used in Regulating Service Quality

- 3.5 Having recognized the need to pay closer attention to quality of service within a price/revenue cap regime, regulators have used a number of approaches to incentivise the achievement of

prescribed quality of service levels. According to the Handbook of Economic Regulation¹, these approaches include:

1. The setting of legally binding targets for specific service levels

In the establishment of QOS standards, this approach is more akin to command and control rather than economic regulation. Accordingly, it is mainly used for the category of standards where the cost of failure to meet the necessary quality is unacceptable, such as drinking water quality and safety standards that apply to the transportation sector.

This approach is evident in some of the QOS standards that are established for our water and sewerage sector by the responsible agency. For example, in relation to water quality, the standards specify that: “...*at least ninety-five percent (95%) of water samples must be negative with coli-form bacteria*”; and,

“the level of residual chlorine should be between .05 and 5.0 mg/l and present in at least ninety-five percent (95%) of samples...”

The prescribed compliance levels provided by the standards are in an effort to, for example, ensure that potable water quality is maintained at a level that allows for its consumption and general use by the consumer, without experiencing any adverse effects.

2. The imposition of customer compensation payments for service failure

With the compensatory payments approach, the underlying logic is that they cause the regulated entity to internalize the social cost of poor quality into its planning. Accordingly, compensatory payments are associated with the non-adherence to the established service level. It is envisioned that if the compensatory mechanism is set at the correct levels, then:

- (i) the regulated entities would be incentivized to attain and maintain compliance with their

¹ International Handbook on Economic Regulation, Edited by Michael Crew and Davis Parker, 2006

quality of service practices, and (ii) customers are compensated for the inconvenience caused by the service failure.

One of the challenges with this approach is determining the optimal level of compensation that will incentivise service quality compliance by the regulated entities. Setting the compensation level too low may encourage the regulated entity's non-adherence to the standards, as it may be more feasible to pay the compensation rather than attain the prescribed compliance level. On the other hand, setting high compensation levels may result in excessive expenditure by the regulated entity to avoid incurring compensation, which would ultimately be passed on to the customers. Additionally, compensation payments are only feasible where clearly identifiable events can be attributed to particular customers.

3. The inclusion of specific financial incentives in the Price/Revenue Cap formula

In this approach, quality of service is directly linked to the price/revenue cap performance based rate-making mechanisms, with incentives for the enhancement of service quality. However, there is an appreciable risk that the targets to be attained by the regulated entities although efficient, they may not result in the attainment of the requisite efficient level of service quality.

This approach is used in determining the non-fuel rates for JPS, in keeping with the provisions of the JPS Licence and for example, the reliability of electricity service provided by JPS (Q-Factor). According to the JPS Licence, in each rate adjustment process, the “*Q-Factor, which is the annual allowed price adjustment to reflect changes in the quality of service provided by the Licensee to its customers*”, is to be determined by the OUR using a predetermined criteria and scoring system. The type of formulation is usually more complex and relies heavily on data, which is not always available.

The Approach used Locally to Regulate QOS

- 3.6 In establishing a local QOS regime, the OUR employed and implemented the customer compensation for service failure approach for the JPS GS Scheme, as prescribed by the JPS Licence. The same approach was adopted for use in the water and sewerage sector, in an effort to maintain consistency with the approach that is used for all GS schemes. This approach was also adopted for the water and sewerage sectors GS Schemes as it is deemed to be most appropriate of the abovementioned approaches to target specific service quality issues for the service providers to remedy and provide some level of compensation to the customer for any inconvenience caused.
- 3.7 The approach to establishing compensation for service failures is widely used in the European electricity sector. According to the 6th CEER Benchmark Report on the Quality of Electricity and Gas², *“Nearly two thirds of countries offer individual compensation to network users when standards are not met.”* In addition to Jamaica, this approach is also incorporated in the GS schemes in Barbados and Trinidad and Tobago.
- 3.8 In implementing the compensation for service failures approach, customers’ accounts are credited with the stipulated amounts where the service provider breaches any of the established GS. Additionally, compensation is applied automatically for all JPS GS breaches while a combination of automatic payments and the submission of a claim form by the customer is used for GS breaches in the water and sewerage sector. For example, where JPS or NWC disconnects a service which has no outstanding balance or is under investigation by the Service Provider or the OUR, the disconnection is deemed to be wrongful and entitles the affected customer to compensation under the GS Schemes. Details and discussions on the compensation mechanism for JPS and NWC are provided in Part 5 of this Document.

² 6th CEER Benchmark Report on the Quality of Electricity and Gas: [d064733a-9614-e320-a068-2086ed27be7f \(ceer.eu\)](https://www.ceer.eu/~/media/Files/2022/Benchmark-Report-2022-23/6th-CEER-Benchmark-Report-on-the-Quality-of-Electricity-and-Gas-2022-23.pdf)

Question 1: Approaches to Regulating Service Quality

- (a) What are your views on OUR's selection of the approach that imposes customer compensation payments for service failure to incentivize regulated entities to achieve the service levels prescribed by the GS Schemes for the JPS and the NWC?
- (b) Of the three (3) approaches discussed, other than the compensation payments for service failure, would you recommend another approach?? If yes, please outline the reasons for your selection.
- (c) Would you recommend a combination of approaches? Is yes, please indicate your combinations and the reasons for your selection.

Part 4: Current Quality of Service Schemes

- 4.0 The OUR, in the execution of its regulatory functions and in consultation with the Service Providers, has established QOS standards which include GS.
- 4.1 Currently, for the JPS, there is a total of twenty-one (21) GS, nineteen (19) for its post-paid service and two (2) for its pre-paid service. For NWC, seventeen (17) GS have been established. These GS prescribe service levels to be met by JPS and NWC in areas which include access, billing, metering, disconnection, reconnection and complaints handling. Details of the established GS for JPS and NWC is provided in Appendices 2 and 3.

Summary of JPS and NWC Performance on GS Scheme

- 4.2 Both Service Providers are required to submit quarterly compliance reports to the OUR on their GS performance. However, the OUR has decided that for this review, it will focus on the period 2012 January to 2021 December, since it has identified a significant gap in the GS report submissions during the immediate preceding years. Additionally, the GS for this review period represent the most current, following changes that were made to the scheme during preceding tariff/rate review processes.
- 4.3 The analysis of JPS's and NWC's performance on the GS for the period 2012 January to 2021 December indicates that both Service Providers maintained a compliance rating of over 90%. Additionally, as is seen in Table 1 below, over the review period JPS committed a total of 597,073 breaches, which attracted potential compensatory payments of approximately \$1.4 billion, of which approximately \$816 million (58%) was paid out to the affected customers. NWC committed 56,418 breaches which attracted potential compensatory payments of approximately \$123 million, of which approximately \$27 million (22%) was paid out to the affected customers. The unpaid sum resulted from a combination of: (i) required claim forms not being submitted for validation, and (ii) the implementation of the decision from the Ministry of Science, Energy and Technology (MSET) to reject JPS's initial request and subsequent

reconsideration request for force majeure relief from the GS due to the impact of the Covid-19 pandemic on its operations. JPS in letter dated 2021 November 3 advised the OUR of its acceptance of MSET's decision and submitted a schedule for the payment of the outstanding GS compensation covering the period 2020 March – 2021 September. The OUR reviewed and approved the payment schedule, which covers the period 2021 November – 2022 April.

Table 1: Guaranteed Standards Breaches and Compensation for 2012 January – 2021 December

| Years (Jan - Dec) | JPS | | | | NWC | | | |
|----------------------|-----------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|----------------------|---------------------------|
| | No. of Breaches | Potential Payments (\$) | Actual Payments (\$) | Actual/Potential Payments | No. of Breaches | Potential Payments (\$) | Actual Payments (\$) | Actual/Potential Payments |
| 2021 | 64,453 | 141,736,000 | 66,561,833 | 47% | 3,945 | 15,532,993 | 4,515,624 | 29% |
| 2020 | 64,548 | 148,417,618 | 148,417,618 | 100% | 2,397 | 8,607,782 | 2,595,839 | 30% |
| 2019 | 68,753 | 142,477,357 | 142,477,357 | 100% | 2,096 | 7,152,078 | 2,248,200 | 31% |
| 2018 | 72,046 | 148,000,000 | 148,000,000 | 100% | 2,146 | 7,022,808 | 3,800,000 | 54% |
| 2017 | 75,571 | 151,800,000 | 151,800,000 | 100% | 2,561 | 8,211,017 | 3,840,000 | 47% |
| 2016 | 77,350 | 187,814,077 | 117,300,000 | 62% | 2,754 | 8,573,499 | 4,400,000 | 51% |
| 2015 | 68,838 | 132,600,000 | 36,000,000 | 27% | 2,827 | 8,756,979 | 2,600,000 | 30% |
| 2014 | 18,026 | 79,469,253 | 774,380 | 1% | 3,459 | 9,964,378 | 2,462,000 | 25% |
| 2013 | 35,699 | 127,239,489 | 2,232,000 | 2% | 8,206 | 21,683,140 | 218,725 | 1% |
| 2012 | 51,789 | 140,556,467 | 2,334,000 | 2% | 26,027 | 27,777,685 | 238,725 | 1% |
| Total | 597,073 | 1,400,110,261 | 815,897,188 | | 56,418 | 123,282,359 | 26,919,113 | |

4.4 Important notes related to Table 1:

- (i) For the NWC, in 2013, the reported breaches and compensation amounts are for three (3) quarters only as the Commission did not submit the report for the 2013 April – June quarter;
- (ii) For JPS, in 2014, the reported breaches and compensation represent only two quarters, 2014 January – June. JPS had notified the OUR of the impending change of its Customer Information System (CIS) during the 3rd quarter of 2014 and the impact that this activity would have had on their ability to accurately track, collect data and report on its GS performance. Accordingly, JPS requested a suspension of its GS reporting requirement for the remainder of 2014; and

(iii) For 2015, the reported breaches and compensation amounts for JPS represent the two last quarters (2015 July – December) only. JPS advised that it experienced technical challenges following the implementation of its new CIS during the 3rd quarter of 2014. It further advised that the challenges continued to impact the company’s ability to accurately report on its GS performance and requested an extension to the reporting period suspension. The extension was granted. JPS therefore resumed its GS report submission for the quarter beginning 2015 July.

Significant GS Scheme Changes for JPS and NWC

JPS

- 4.5 The OUR in its “*Jamaica Public Service Company Limited Tariff Review for period 2014 – 2019: Determination Notice*”³ (JPS 2014 - 2019 Determination Notice), stated that in keeping with Condition 17 of the prevailing licence, the conversion of the compensation mechanism for breaches of all GS from the submission of a claim form to automatic compensation will commence on a phased basis.
- 4.6 As shown in Table 1 above, the sum paid out for breaches of the JPS GS increased significantly since 2015 when compared with previous years. The conversion of the redress for all breaches to automatic compensation was completed by the end of 2016, which has resulted in all payments for GS breaches being applied as a credit to the affected customers’ accounts automatically. Additionally, all outstanding compensation for JPS GS breaches, covering the period 202 March – 2021 September, were paid as per the OUR approved JPS GS compensation schedule.
- 4.7 Additionally, the OUR increased the applicable period of non-compliance for payment of compensation from six to eight billing periods. This means that where a standard is breached

³ Document No. 2014/ELE/008/DET.004 dated 2015 January 7

and is not remedied by JPS within the stipulated time, the compensation sum is payable up to eight billing periods for which the breach continues to occur.

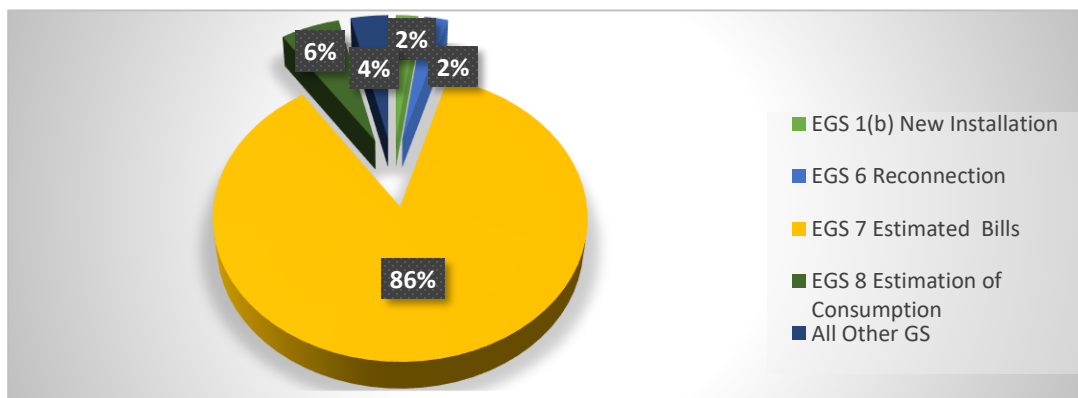
NWC

- 4.8 With regard to the NWC, during the review period, the OUR also increased the number of GS that attract automatic compensation (see the OUR's 2013 *National Water Commission Review of Rates – Determination Notice*⁴). This resulted in seven (7) out of fifteen (15) standards attracting automatic compensation, which is up from four (4) of thirteen (13) from the preceding review period.

Predominant GS Breaches

- 4.9 As is shown in Figure 1 below, Estimated bills (EGS 7) at 86%, accounted for the GS with the most incidents of breaches for the JPS. EGS 7 restricts JPS from sending more than two (2) consecutive estimated bills (where the company has access to its meter) without a penalty. Reconnection after overdue payments followed with 6%, while Estimation of Consumption and Simple Connections each accounted for 2%. All other JPS GS shared the remaining 4% of breaches.

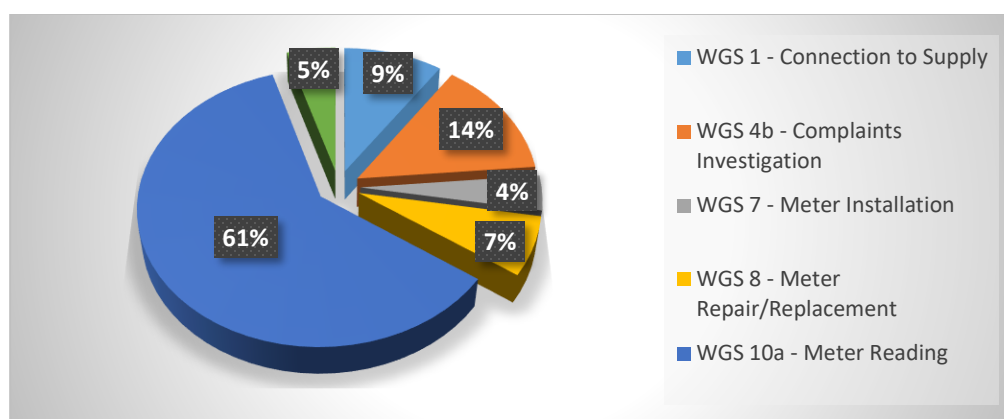
Figure 1: JPS Predominant GS Breaches



⁴ National Water Commission Review of Rates - Determination Notice; Document Number: 2013/WAS/004/DET.003

4.10 As shown in Figure 2 below, for the NWC, the top three GS with the highest incidents of breaches were: WGS 10a - Meter Reading (61%), which restricts the NWC from sending more than two (2) consecutive estimated bills (where it has access to the meter); WGS 4b – Complaints Investigation (14%), which requires NWC to provide a response, or an update, to complaints within thirty (30) working days; and WGS 1 – Access (9%), which requires NWC to connect a new supply within ten (10) working days. WGS 8 - Meter Repair/Replacement and WGS 7 – Meter Installation followed with 7% and 4% respectively. All other NWC GS shared the remaining 5% of breaches.

Figure 2: NWC Predominant GS Breaches



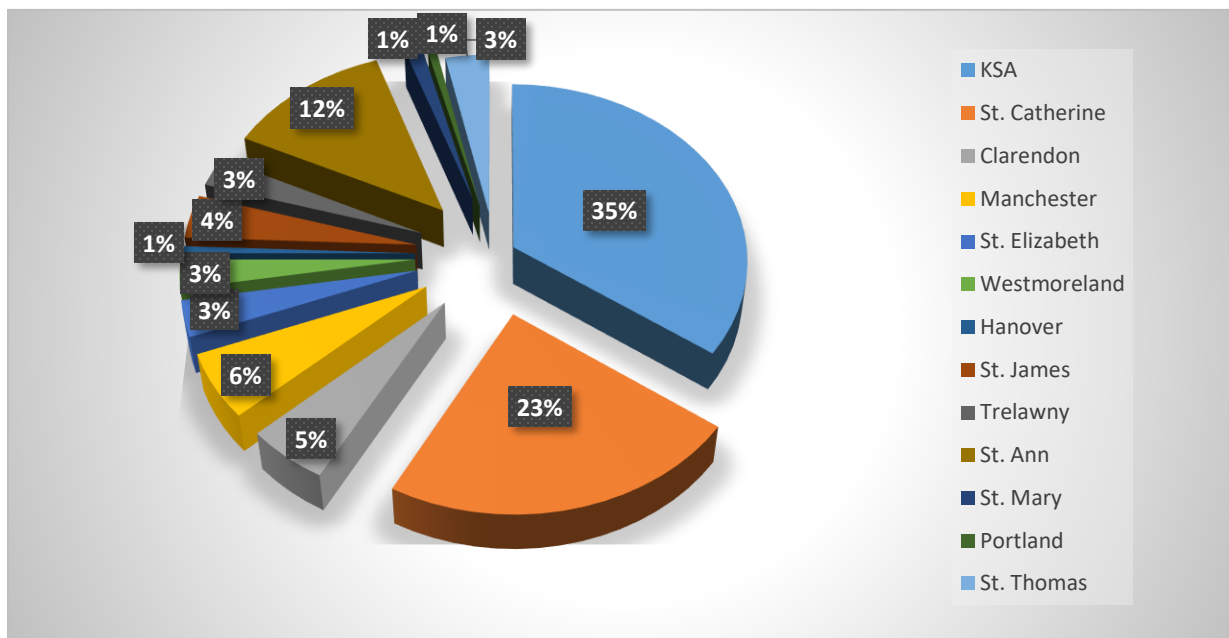
Summary of GS Scheme Survey Findings

- 4.11 As part of this consultation, a survey was conducted in an effort to gauge the public's awareness level of and views on the GS Schemes for the Service Providers. The survey was developed internally and distributed through Google Forms from 2020 August 13 - 27. One hundred and fifty-two (152) individuals responded to the survey.
- 4.12 The assessment of the respondents' GS awareness level indicates that 15% were extremely aware and 43% were moderately aware of the GS Schemes. The remaining 42% of respondents stated that they were not aware of the GS Schemes. This GS awareness level is somewhat in line with the findings of the OUR commissioned 2019 National Consumer Satisfaction Survey,

which indicated a 43% and 42% moderate awareness levels for the JPS and NWC standards respectively.

- 4.13 The results also show that 72% and 78% of respondents are of the view that the GS provide a way for them to hold JPS and NWC accountable in their service delivery, respectively. Thirty-five percent (35%) and 30% of respondents are of the view that the GS for JPS and NWC respectively, serve no purpose. For the JPS GS, 43% of the respondents are of the view that they cover the aspects of service that are important to them while 50% of the respondents share a similar sentiment in relation to the NWC GS. Thirty percent (30%) and 36% of respondents are satisfied with the existing JPS and NWC GS, respectively. Ten percent (10%) of respondents are of the view that there are too many GS for the Service Providers.
- 4.14 In relation to compensation for breaches of the NWC GS, 74% of respondents prefer that the compensation be applied automatically, 16% prefer to submit the claim form while the remaining 10% is satisfied with the existing compensation mechanism of automatic application and claim form submission.
- 4.15 All of the parishes were represented in the one hundred and fifty-two (152) individuals who responded to the survey. As is shown in Figure 3 below, Kingston & St. Andrew, St. Catherine and St. Ann accounted for 35%, 23% and 12% respectively. The remaining parishes each had a share of 6% or less of respondents.

Figure 3: Survey Respondents



- 4.16 Additionally, persons within the age group 25 – 64 years accounted for 88% of the respondents with 65% and 35% being females and males respectively. Ninety-six percent (96%) of respondents receive their electricity supply from JPS, while 88% of respondents receive their water supply from the NWC.
- 4.17 It is recognized that the number of respondents is not representative of the generally accepted statistical sample size. The OUR is however of the view that the results provide some valuable information on the views of members of the public in relation to the GS Schemes established for the Service Providers.

Part 5: JPS Guaranteed Standards Scheme Proposed Changes

- 5.0 It has been the practice of the OUR to review the GS Schemes as part of its tariff review process. Accordingly, the Service Providers would include in their Tariff/Rate Review submissions proposals outlining the requested changes to their respective GS. In keeping with the usual practice, JPS in its 2019 – 2024 Rate Review submission, included proposed GS changes specific to its post-paid service. No proposal was submitted in relation to the GS associated with its pre-paid service. The NWC, in its 2018 tariff review submission, did not propose any changes to its existing GS.
- 5.1 In light of the OUR's decision to conduct a comprehensive review of the GS for the JPS and NWC as part of its 2020-2021 Work-plan activities, consideration of the proposed GS modifications was deferred to the completion of this project. This decision was communicated to the Service Providers.

Summary of JPS' Proposed Post-paid GS modifications and OUR's Response

- 5.2 The proposed changes requested by JPS to its postpaid GS are as follows:
- **Modification of Compensation Methodology**
- 5.3 Under the existing construct for residential customers, the compensation is based on the value of the reconnection fee; and for commercial customers, the customer charge is used as the basis for calculating the compensation.
- 5.4 JPS has requested that the compensation methodology be amended and proposed that the fixed monthly customer charge be used as the basis to calculate GS compensation for all rate classes. In support of its proposal, JPS is of the view that:
- (a) The use of a single methodology will bring simplicity, consistency, and transparency to the compensation mechanism. Additionally, JPS cites the use of the single methodology

in the local water and sewerage sector and other regional territories such as Barbados and Trinidad and Tobago (T&T);

- (b) The practice of linking the compensation methodology for residential customers to the value of the reconnection fee results in the compensation being determined by JPS's third party negotiations with independent contractors who conduct disconnection/reconnection exercises. JPS further advises that this association "*inhibits the Company's ability to make the reconnection fee cost reflective*"; and
- (c) Given that the customer charge is reviewed annually during the annual adjustment process, associating the compensation methodology to the customer charge would automatically result in it being reviewed on an annual basis.

OUR's Position

- 5.5 The OUR has reviewed JPS's request regarding the use of a single methodology to determine the compensation for both residential and commercial customers, specifically using the fixed monthly customer charge, as the sole basis for calculating compensation for GS breaches. In its review, the OUR considered:
- 1. The compensation mechanism used in other jurisdictions; and
 - 2. Whether the requested modification to JPS' compensation mechanism would have an adverse impact on the objectives of the GS Scheme
- 5.6 In examining the compensation mechanism for other jurisdictions, the OUR confirmed the application of a single methodology in Barbados and T&T. Currently, the compensation for GS breaches in Barbados⁵ range between \$45 - \$215 with the payment being applied based on the customer classification. In T&T⁶, GS compensation is set at \$60 for residential customers,

⁵ See Barbados Fair Trading Commission's Decision on the Barbados Light & Power Company Limited Standards of Service 2017 – 2020 at: https://www.ftc.gov.bb/library/sos/2017-09-19_commission_decision_sos_blandp.pdf

⁶ See Trinidad & Tobago Regulated Industries Commission's Final Decision on Quality of Service Standards for the Electricity Transmission and Distribution Sector 2017 at: <http://www.ric.org.tt/wp-content/uploads/2017/10/FINAL-DECISION-QUALITY-OF-SERVICE-STANDARDS-FOR-TTEC-2017.pdf>

which is representative of 21% of the average bi-monthly bill. For non-residential customers, the GS compensation in T&T is set at \$60 and \$600 for specified standards, representing 2% and 20% of the average monthly bill per customer class. A review was also conducted on the GS compensation mechanism for the electricity sector in the UK⁷, which indicates that a standard fee of £30 is set for GS breaches.

- 5.7 The review of the aforementioned jurisdictions indicated that the GS compensation mechanism can be derived based on varying factors, which include the average/percentage of a bill or establishing a flat/standard fee. However, except for T&T, which bases its GS compensation mechanism on an average of the customer's bi-monthly or monthly bill, there is no apparent evidence on how the flat/standard GS compensation is derived in the other jurisdictions. In essence, no prescribed rule was identified regarding the basis on which the flat/standard fee compensation mechanism is to be derived.
- 5.8 The review also indicated that there was consensus on the objectives to be attained in designing a GS compensation mechanism. All jurisdictions reviewed coalesced around the view that the compensation is to be set at a level that will, cumulatively, provide some level of penalty for the service provider when service levels fall below the established standard. In so doing, service providers are incentivized to provide the minimum prescribed service level, while compensating the customer for the inconvenience caused by the service breach.

Review of the Customer Charge, Reconnection Fee and Percentage of Average Monthly Bill

- 5.9 The monthly Customer Charge for residential (Rate 10) and small commercial (Rate 20) customers of JPS is comprised of some of the fixed costs incurred for operating the business. These fixed costs are incurred despite JPS's sales and include staff and loan interest costs.

⁷ See the Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 at: <https://www.legislation.gov.uk/uksi/2015/1544/regulation/8/made>

- 5.10 As outlined in the JPS 2014 -2019 Determination Notice, the existing monthly Customer Charge for residential customers is \$525.85. Additionally, the monthly Customer Charge is reviewed annually as part of the JPS's Annual Review, which adjusts the base rates for movement in inflation, among other things. Using an average monthly consumption of 160 kWh and the JPS rates as at 2022 March, it is also important to note that, the current Customer Charge represents approximately 5% of the total charges for residential customers.
- 5.11 As stated in JPS's proposal, the Reconnection Fee represents the costs incurred to reconnect supplies that have been disconnected and is derived based on the company's third party negotiations with independent contractors. However, while the Reconnection Fee is ultimately approved by the OUR, the regulator is not involved in JPS's discussions with the contractors regarding the proposed fee to be charged. Presently, JPS's Reconnection Fee is \$1,650 and represents the general amount for GS compensation for residential customers. Also, using an average monthly consumption of 160 kWh and JPS's 2022 March rates, the current Reconnection Fee represents approximately 15% of the total charges for the residential customer.
- 5.12 The Percentage of Average Monthly Bill methodology requires the calculation of the average bill for a defined period and a decision made by the relevant authority on the percentage of that sum that would be applicable to GS breaches for residential customers. As previously indicated, T&T calculates a bi-monthly average for residential customers and a monthly average for non-residential customers.
- 5.13 The bi-monthly and monthly averages are determined using the consumption and associated charges for the respective customer base; which is similar to the method used by JPS to determine the Security Deposit. Thereafter, the regulator decides on a percentage of the bi-monthly/monthly average as the GS compensation. Presently, the compensation for residential and non-residential customers represent 2% and 20% respectively of T&T's average bills.

5.14 Notably, the OUR was unable to obtain information as to the factors which influenced the determination of the percentage of the average bi-monthly/monthly bill that is applied.

5.15 Having reviewed the options of the monthly Customer Charge, Reconnection Fee and Percentage of Average Monthly Bill for the GS compensation mechanism, the OUR has identified the following advantages and disadvantages/challenges, which are outlined in Table 2 below.

Table 2: GS Compensation Mechanism Advantages & Disadvantages/Challenges

| GS Compensation Mechanisms | Advantages | Disadvantages/Challenges |
|-----------------------------------|--|--|
| Monthly Customer Charge | Reviewed annually and adjusted for inflation, which can also result in the GS compensation being adjusted annually if used as the basis to derive the GS compensation mechanism. | The current amount of \$525.85 is about 32% of the current GS compensation and represents about 5% of the total bill charges for 2022 March, based on an average consumption of 160 kWh. |
| | Is determined by the OUR | |
| | Includes costs that are directly related to JPS's operations and affects all residential customers | |
| Reconnection Fee | Represents a charge that is directly related to a customer activity; | Is not calculated/determined by the OUR. The OUR approves the Reconnection Fee proposed by JPS, which the OUR may vary based on reasonable grounds. |

| GS Compensation Mechanisms | Advantages | Disadvantages/Challenges |
|----------------------------|--|--|
| | | <p>With the GS compensation being tied to the Reconnection Fee, there is the risk that this fee may be kept at a minimum to suit reconnection purposes, and may not necessarily reflect and achieve the value proposition of the QOS imperative.</p> |
| | <p>Is currently over 200% higher than the current monthly Customer Charge and represents approximately 15% of the total bill charges for 2022 March, which is ten percentage point higher than the Service Charge.</p> | <p>Based on complaints received, the OUR intends to review the reasonableness of the existing Reconnection Fee being applicable to customers with SMART/AMI meters, since these meters have the capacity to be disconnected and reconnected remotely. It is therefore possible that changes will be made in respect of the Reconnection Fees for residential customers with Smart/AMI meters,. This could therefore result in an overall variation in the compensation for GS breaches where the compensation mechanism is aligned to the Reconnection Fee</p> |

| GS Compensation Mechanisms | Advantages | Disadvantages/Challenges |
|------------------------------------|--|---|
| Percentage of Average Monthly Bill | Directly related to monthly bill charges for residential customers | Deciding on the appropriate percentage of the average monthly bill that will ensure that the objectives of the GS Scheme is attained. |

5.16 Of the three options presented, the OUR is not averse to accepting the proposal to use the monthly customer charge as the sole basis for JPS's compensation mechanism as the advantages encompasses those identified in the other options. Also, as was stated by JPS, the monthly Customer Charge is the GS compensation mechanism used for all its other customer classes as well as in the local water and sewerage sector. The OUR has no evidence that the use of the customer charge as the basis of the compensation value under the GS Scheme within the local water and sewerage sectors, is adversely affecting the GS compensation mechanism. However, in order to address the disadvantage/challenge of the amount for the monthly Customer Charge being significantly less than the existing compensation level, the OUR will consider incorporating the use of a multiplier to the Customer Charge, as is done for JPS's commercial customers and in the water and sewerage sector.

Customer Charge Multiplier

5.17 To further enhance the GS compensation mechanism and to ensure efficacy, a multiplier is sometimes used to increase the amount that is awarded in compensation for breaches. This is done in instances where it is deemed that the compensation is not sufficient to encourage compliance by service providers and to give the affected customer an increased amount for the inconvenience experienced. For example, the compensation for JPS commercial customers is calculated at five (5) times the network access/customer charge. Also, the general compensation for a breach of any NWC GS is calculated at four (4) times the Service Charge, which is synonymous with JPS's Customer Charge. Additionally, Special Compensation is awarded for

specified breaches for all service providers with established GS. A multiplier is used to calculate the compensation for all breaches attracting Special Compensation. One example of a breach which attracts Special Compensation is Wrongful Disconnection, for which the current compensation is calculated at two (2) times the reconnection fee for JPS and six (6) times the Service Charge for the NWC.

5.18 In light of the foregoing and to ensure that if the Customer Charge is used to derive the GS compensation for JPS residential customers, it does not go below the current level, the OUR is proposing that:

1. General compensation for GS breaches is calculated at three and a half (3.5) times the Customer Charge.
2. Special Compensation for specified GS breaches is calculated at six and a half (6.5) times the Customer Charge.

Question 2: Compensation Mechanism for JPS GS Scheme

- (a) What are your views on JPS's request to use the monthly Customer Charge as the basis to determine GS compensation?
- (b) Of the three (3) options discussed that can be used as the basis to derive JPS's GS compensation, which is your preferred choice and why?
- (c) If the monthly Customer Charge is used as the basis for JPS GS compensation, what are your views on using a multiplier to ensure that the sum does not fall below current levels and provide an incentive for compliance by JPS?
- (d) What are your views on the OUR's proposed General and Special compensation mechanisms for JPS's customers, using the monthly Customer Charge with the multiplier being applied?

- **Request for the Modification of Existing Standards**

A. **Conversion of EGS 3 – Response to Emergency to an Overall Standard**

EGS 3 – Response to Emergency provides that: “Response to Emergency calls within five (5) hours – emergencies defined as: broken wires, broken poles, fires.”

5.19 JPS has requested that EGS 3 be converted to an Overall Standard as there are challenges to accurately monitor and measure its response under the requirements of the GS. In support of its proposal, JPS argues that:

- GS are intended to compensate an individual customer, or a well-defined set of customers, for its failure to provide a service or response, due to the company’s action or inaction that caused an inconvenience;
- Emergencies, by nature, are unplanned and are random events that can be triggered by third parties. JPS adds that the tracking of its response to emergencies is foremost and most importantly a matter of public safety that should be tracked as an Overall Standard. The company also indicated that it will continue to report its performance on its response to an emergency to the OUR; and
- A review of the quality standards in Barbados and T&T as well as a study on service quality regulations undertaken by the Ontario Energy Board indicated that the use of an emergency response GS is not widespread.

OUR’s Position

5.20 The OUR has considered JPS’s proposal to convert EGS 3 (Response to Emergency) to an Overall Standard. We have noted and confirmed JPS’s statements regarding the non-inclusion of an emergency GS in the schemes established in Barbados and T&T as well as the findings of the research conducted by the Ontario Energy Board. We have also noted that an emergency GS is not included in the UK’s Scheme. However, in assessing this proposal, the OUR has focused on:

- (i) Whether the current EGS 3 fit into the aforementioned definition of a GS;
- (ii) Whether the circumstances that caused the establishment of the emergency GS still exist and remain relevant; and

(iii) Whether there are other circumstances that can be included in the definition of an emergency under EGS 3

- 5.21 As defined, the GS prescribes the delivery of service quality to individual customers in specific circumstances. Where there is a breach of the GS, then the affected customer is entitled to compensation.
- 5.22 Since the establishment of the JPS GS Scheme in 1999, the OUR deemed it necessary to include a standard that targets JPS's responsiveness to emergencies. The original intent of EGS3 was outlined in the document titled *Quality of Service Standards for Electric Utilities A Consultation Document, 1999* (1999 QOS Consultation Document), which is "*to ensure JPS remains responsive to customer's demands relating to emergency and service calls*". In the 1999 QOS Consultation Document, the proposed definition for an emergency, included "*...problems/defects at the metering point, broken or defective service lines, defective transformer fuses, low or high voltage conditions or any condition which causes interruption of supply to one or more customers in a particular area*". The definition for 'emergency' has since been narrowed to refer to situations of: *broken wires, broken poles and fires*". While these emergency circumstances still exist today, the issue of relevance under the GS Scheme must be determined.
- 5.23 Based on the effects of the circumstances that are defined as emergencies under EGS 3, the main impact on customers resulting from broken wires and broken poles is likely service disruption, which may affect one or more customers in a particular area. JPS's performance relating to service disruptions/outages is measured under the Q-factor provisions of JPS's Licence. However, while the Q-factor measures JPS's performance as it relates to outages, EGS 3 seeks to limit the inconvenience that a customer may suffer due to outages and encourages JPS to respond within a specified/prescribed timeline in these specific circumstances.
- 5.24 In the case of fires, these would be specific to JPS's transmission and distribution lines for which the assistance of third parties, such as the Fire Brigade, would be needed to have resolved. While JPS would be responsible for de-energizing its power lines in the event of fires, it is not reasonable to expect JPS to solely resolve incidence of fires.

5.25 In spite of the intent of EGS 3 to limit the inconvenience to customers due to outages from broken wires, poles and incidence of fires, based on the current definition of an emergency, the OUR recognizes that it may not fit into the definition of a GS, since an EGS 3 emergency situation may affect more than one JPS customer. Consequently, there is some ambiguity regarding the decision on who gets compensated in these defined emergency situations. Additionally, as seen in the case of fires, the resolution of same is not solely within JPS's control.

5.26 However, being mindful of the aforementioned original intent of establishing an emergency GS, the OUR is considering providing further clarifications/explanations regarding EGS 3, so as to ensure that it appropriately fits under the GS Scheme. This consideration is made due to the need to have the emergency circumstances, identified under EGS 3, resolved within the shortest possible time in order to mitigate any adverse impact on the affected customer/customers. Accordingly, the OUR is considering retaining EGS 3 under the GS Scheme with the current circumstances - broken wires, poles and incidents of fires - but proposes to update the definition for EGS3 with the following clarifications:

- (i) JPS's 'Response' as stated by EGS 3 will be defined as the company's agents attending to an emergency situation to assess the nature of the problem to be resolved. Consequently, JPS agents undertaking an assessment of the issue will be deemed a 'Response', which is stipulated to be done within 5 hours of receipt of the first call; and
- (ii) Compensation for EGS 3 is payable to the first account holder who reports the emergency to JPS, as per JPS's records (that is, Call Centre Log and/or MyJPS Mobile App, etc.).

5.27 The OUR is therefore considering the following two options regarding EGS 3:

- (i) JPS's proposal to remove EGS 3 from the GS Scheme for placement under the OS scheme given the aforementioned challenges identified. However, the OUR is cognizant of JPS's

licence provision which requires that the Overall Standards be reviewed “...periodically by the Office (at rate reviews) and where appropriate and in consultation with the Licensee, new standards introduced at rate reviews”. Accordingly, should it be determined that EGS 3 is transitioned to an Overall Standard, the effective date would be deferred to JPS’s next rate review;

- (ii) Retaining EGS 3 with the current circumstances. However, clarifications/explanations will be provided for JPS’s ‘Reponse’ as stated in the standard as well as the eligibility for compensation.

Question 3: Conversion of EGS3 (Response to Emergency) to Overall Standard (OS)

- (a) What are your views on whether the OUR should accommodate JPS’s request to convert EGS3 – Response to Emergency to an OS or to retain the standard under the GS Scheme? Please provide details to support your response.
- (b) Should EGS 3 be retained as a GS, do you agree with the proposed explanations to ‘Response’ and compensation eligibility? Please provide details to support your response.
- (c) Should EGS 3 be retained as a GS, do you think that the explanations provided for ‘Response’ and compensation eligibility makes it more appropriate for the GS Scheme? Please provide details to support your response.

B. Revision of Performance Target for EGS 15

EGS 15: Service Disruption, Transitioning Existing Customers to RAMI System, provides that: “Where all requirements have been satisfied on the part of the company and the customer, service to existing JPS customers must not be disrupted for more than three (3) hours to facilitate transition to the RAMI system.”

5.28 JPS has proposed that the performance target for EGS 15 – Transitioning Existing Customers to Residentail Automated Metering Infrastructure (RAMI) System - be modified as the requirement to not disrupt the supply of an existing customer for more than three (3) hours to facilitate transition to the RAMI system, is impractical and therefore not achievable. JPS also stated that the required time to complete the transition will vary depending on the scope of work and the number of customers affected. Accordingly, JPS proposes that the process to facilitate the transition to its RAMI system be treated as one requiring a planned outage, for which adequate notice must be provided to customers. JPS further purports that where it *“fails to complete the transition to RAMI within the time communicated, then compensation must be paid to the affected customer.”*

OUR’s Position

5.29 Following the OUR’s approval which facilitated JPS’s implementation of the RAMI system during the 2009 – 2014 tariff review period, the OUR received complaints from customers about the system. Among the complaints is JPS’s delay in transitioning existing customers unto the system, resulting in them being without service for an extended period, despite satisfying all the requirements to effect the transition. Accordingly, the OUR in its JPS 2014 – 2019 Determination Notice implemented EGS 15 in order to incentivize JPS to conduct the transitioning process within a specified three (3) hour timeline, thereby reducing the inconvenience to the affected customers.

5.30 JPS’s request to amend the performance target for EGS 15 is based on the premise that the approved timeline is impractical and therefore not achievable. The OUR noted that JPS did not provide any data to support its position. However, based on the OUR’s performance review of JPS’s quarterly GS report submissions, the company has attained an 88% EGS 15 compliance rating for the period 2018 January – 2021 December. In fact, for this review period, except for 2018 when the compliance level was about 51%, JPS has reported an annual 100% compliance rating.

- 5.31 In light of the foregoing, the OUR finds JPS's request to amend the timeline for transitioning customers to the RAMI system to be unreasonable since, if accepted, the customer may be without service for an undetermined period of time. The OUR also takes into consideration the fact that the decision to transfer a customer's supply onto JPS's RAMI system is determined solely by JPS with no input from customers. Accordingly, it is the view of the OUR that JPS needs to make every effort to ensure that any disruption or inconvenience that may result from transitioning customers to its RAMI system is minimal.
- 5.32 JPS also contends that the three (3) hour timeline stipulated by the standard is impractical. However, the company has not provided any detailed explanation for its conclusion. The OUR is of the view that the suggestion to only provide the customer with the prescribed 24 hour advanced notification of an outage is unreasonable and unacceptable. The intent of EGS 15 is to specify a reasonable timeline for transitioning existing customers unto the RAMI system, which would provide some level of certainty and thereby minimizing the inconvenience to customers. The OUR suggests that if proper planning is undertaken by the JPS to transition customers to its RAMI system, then a reasonable timeline can be agreed on within which the customer can expect a disruption in service. Notwithstanding, the OUR in exercising its regulatory duties seeks to balance the interests of the service providers and that of customers. The OUR is therefore amenable to revisiting the timeline for EGS 15 with a view to revising same provided that there is data to support the view that three (3) hours is impractical and not achievable and the customers would not be unjustifiably prejudiced.

Question 4: Revision of Performance Target for EGS 15

- (a) What are your views on JPS's proposal to replace the three (3) hour performance target for EGS 15 with the requirement for JPS to only provide advanced notification of an outage? Please provide details to support your response.
- (b) What are your views on the OUR's response to JPS's proposal regarding its request to transition existing customers unto its RAMI system? Please provide details to support your response.

- **Exceptions and Exemptions to the Guaranteed Standards**

5.33 JPS has proposed that, in addition to a waiver of its obligations to comply with the GS where such compliance is impaired due to *force majeure* conditions, it should not be obliged to make GS payments in the following circumstances, which are outside of its control:

- i. When the customer informs JPS before a breach of the GS is committed that they do not want JPS to take any action or further action relating to the matter. This would be applicable to:
 - ***EGS 1 – Connection to Supply – New & Simple Installations:*** *New service installations within five (5) working days after establishment of contract, includes connection to RAMI system;*
 - ***EGS 2(a) – Complex Connection to Supply: Between 30m and 100m of existing distribution line:*** *(i) estimate within ten (10) working days (ii) connection within thirty (30) working days after payment;*
 - ***EGS 2(b) – Complex Connection to Supply: Between 101m and 250m of existing distribution line:*** *(i) estimate within fifteen (15) working days (ii) connection within forty (40) working days after payment; and*
 - ***EGS 6 – Reconnection after overdue amounts:*** *Reconnection within twenty-four (24) hours of payment of overdue amounts and reconnection fee.*
- ii. Where information is required from the customer and (a) it is not provided using the appropriate telephone number, address and email address as indicated and published by JPS; or (b) it is not provided within the timeframe that would allow JPS to take action before a breach occurs. This would be applicable to:
 - ***EGS 1 – Connection to Supply – New & Simple Installations:*** *New service installations within five (5) working days after establishment of contract, includes connection to RAMI system;*
 - ***EGS 2(a) – Complex Connection to Supply: Between 30m and 100m of existing distribution line:*** *(i) estimate within ten (10) working days (ii) connection within thirty (30) working days after payment;*

- **EGS 2(b) – Complex Connection to Supply: Between 101m and 250m of existing distribution line:** (i) estimate within fifteen (15) working days (ii) connection within forty (40) working days after payment;
 - **EGS 5(a) – Complaints/Queries Acknowledgement:** Acknowledge queries within five (5) working days; and
 - **EGS 5(b) – Complaints/Queries Investigations:** Complete investigations and respond to customer within thirty (30) working days. Where investigations involve a 3rd party, same is to be completed within sixty (60) working days.
- iii. Where the information provided is erroneous or requires verification. This would be applicable to all standards.

OUR's Position

- 5.34 The OUR has reviewed the additional circumstances proposed by JPS, within which the GS should be exempted and has noted that similar provisions, specific to (i) above, are allowed in other jurisdictions, such as the UK and Barbados.
- 5.35 The related provisions for GS exemptions outlined in the UK's "*Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015*" state, in part:

"Exemptions and limitations to supplier payment obligations

- 9.—** (3) A supplier is not obliged to make a standard payment under regulation 8(2) or an additional standard payment under regulation 8(3), as applicable, if—
- (a) ...;
- (b) the customer notifies the supplier that the customer does not wish the supplier to take any action, or any further action, in relation to the matter and the notification occurs before the time when the supplier would have failed to meet the individual standard of performance had the notification in question not occurred;

(7) A supplier is not obliged to make a standard payment following a failure to meet any individual standard of performance set out in regulation 4 (faulty meters) or 5 (faulty prepayment meters) if it is necessary to attend the customer's premises in order to achieve the standard of performance and the customer has asked the supplier not to do so”.

5.36 Similarly, the related provisions for GS exemptions in Barbados, as outlined in the document titled: *Decision – The Barbados Light & Power Company Limited Standards of Service 2017 – 2020*, states in part:

“Other Exemptions and Conditions

The Commission is cognisant that other circumstances may exist from time to time, which might impede the BL&P's ability to meet the prescribed Standards of Service. In such circumstances, where a customer is dissatisfied with the BL&P's application of an exemption, that customer may seek the Commission's assistance. Thereafter, the Commission may sanction the BL&P's action or require an alternative approach.

The situations in this category may include but are not limited to the following:

...

(e) Where the customer informs the BL&P, in writing, that no further action should be taken on a matter; ...”

5.37 The OUR deems the proposals to be reasonable where the customer makes a specific request for action not to be taken or where required information is not provided through the appropriate channels and/or not within the specified timeline. In these circumstances, the OUR is of the view that it would be unreasonable to hold JPS accountable to the provisions of the GS Scheme since they would have been impacted by customers' requests and/or obligations. However, in consideration of these proposed exemptions, there should be appropriate safeguards and therefore, the OUR is of the view that JPS should be required to:

- (i) In relation to item i. in paragraph 5.32 above, JPS must require and receive verifiable evidence of the customers' request for no or any further action to be taken regarding EGS 1, 2 or 6. JPS must ensure it is able to produce same to the OUR, where necessary, in the event of any dispute regarding a breach of the respective GS;
- (ii) In relation to item ii. in paragraph 5.32 above, JPS is required to publicize the appropriate telephone number, mailing address and email address to be used by customers for a specified timeline, before the exemption will take effect. Additionally, JPS should be required to provide verifiable evidence, to the OUR, that the requested/required information was not received from the customer within the specified timeline, in the event of any dispute regarding a breach of the respective GS; and
- (iii) In relation to item iii, in paragraph 5.32 above, JPS should identify the specific standards to which the proposed exemption would be applied, as the OUR is of the view that this proposal would not reasonably be applicable to all standards. The proposal requests that circumstances in which “...the information provided is erroneous or requires verification...” that the GS should be excepted/exempted. Based on our review of the GS, this exception/exemption would only be applicable to those standards for which input/information from the customer is required. As such, the OUR is of the view that an exception/exemption would only be applicable to EGS 1, 2, and 5 in this circumstance. JPS should also be required to provide verifiable evidence to the OUR that the information provided was erroneous or required verification, in the event of any dispute regarding a breach of the respective GS.

Question 5: Proposed Additional Exemptions to the Guaranteed Standards

(a) What are your views on JPS's proposals regarding exemptions to the GS?

(b) What are your views on the OUR's position regarding JPS's proposed exemptions to the GS?

Further Discussion on JPS GS for Postpaid Service

Cap Periods for Consecutive Individual JPS GS Breaches

- 5.39 The OUR has recognized that there are instances where a GS breach is not corrected by JPS within the stipulated timeline. For example, the OUR is aware of customers being billed based on consecutive estimated consumption for prolonged periods, which exceeds six months. In an effort to mitigate this practice, the OUR has established that, where JPS GS breaches are not corrected within the specified timelines, the applicable compensation, per breach, is payable for up to eight (8) billing periods of non-compliance.
- 5.40 Over the years, there has been discussion on whether a cap period should be placed on GS breaches and if so, what should the cap period be. Generally, a cap period places a limit on the incidents of consecutive GS breaches that is liable for compensation. For example, EGS 1 requires that JPS makes a new and simple installation/connection within five (5) working days after establishment of contract, including RAMI connections. Where JPS fails to make the connection within the stipulated five (5) working days, it constitutes a breach. In addition, for each five (5) working day period that passes without the connection being made, another breach of EGS 1 is committed. However, JPS is only liable to compensate the customer for up to eight periods of consecutive breaches of EGS 1.
- 5.41 A review was conducted on how the issue of consecutive GS breaches is treated in other jurisdictions, namely, Barbados, T&T and the UK. The review found that in Barbados, as outlined its *Determination of Standards of Service for the Barbados Light & Power Company Ltd. (BP&L)*, Document Number FTC/UR/CONSOS/BPL-2021-01, *GES 1 - Fault Repair – Customer Service* is the only GS that has additional compensation for consecutive breaches. No cap period is placed on the eligibility for compensation for consecutive breaches of GES 1, except where an exemption applies. Similarly, T&T only applies additional compensation for consecutive GS breaches to one standard, that is, *GES 1 – Restoration of Supply after*

*Unplanned Outage on the Distribution System*⁸. However, compensation for breaches of GES 1 is capped at a maximum of three (3) additional periods of the breach occurring. In the UK⁹, provision is made for only one additional compensation payment where the supplier fails to make the initial payment for each GS breach.

5.42 Unlike the other jurisdictions examined, in light of our unique quality of service challenges faced, the OUR has deemed it reasonable to apply additional compensation for consecutive breaches of all GS. The OUR is of the view that the application of additional compensation for consecutive GS breaches provides an incentive for the service provider to remedy the breach in the shortest possible time, thereby, limiting the inconvenience to the affected customer. Additionally, based on the OUR's experience of prolonged consecutive breaches of *EGS 7 – Estimated Bills*, the effect on the customer can be of financial significance in that the customer may be required to pay a significant sum when an actual reading is obtained and applied to the account. For instance, for the period 2015 January – 2021 December, the OUR received six hundred and forty-two (642) contacts from JPS customers about the number of consecutive estimated bills that they received and the sums for which they were billed when actual readings resumed. In these instances, the customers' accounts were billed consecutively on estimates for an average of 16 months. When the actual reading was applied to the account, it was adjusted for any anomalies caused by the estimates. In most of these instances, the meter reading indicated that the account was under-estimated and the customer's account was then billed to recover the previous unbilled charges. Following a prolonged period of consecutive estimated billings, the OUR's Consumer Affairs Unit (CAU) has seen evidence of an account being billed for more than \$100,000.00 after an actual reading was done.

5.43 The OUR is proposing to maintain the application of additional compensation for all consecutive GS breaches. It recognizes however, that there is a challenge in deciding on the applicable number of periods for which JPS should be required to compensate the customer.

⁸ <http://www.ric.org.tt/wp-content/uploads/2017/10/FINAL-DECISION-QUALITY-OF-SERVICE-STANDARDS-FOR-TTEC-2017.pdf>

⁹ <https://www.legislation.gov.uk/ukxi/2015/1544/regulation/8/made>

Placing a cap on the number of periods for which GS compensation is payable for consecutive breaches can result in further inconvenience and significant financial impact on the customer and could have the effect of not incentivizing the service provider to remedy the situation causing the breach. Conversely, without a cap on the number of applicable periods for which compensation is payable for consecutive GS breaches, the service provider can incur significant increased financial costs, which can ultimately be passed on to the customer.

5.44 However, the OUR is amenable to adopting the approach used in the other jurisdictions examined, which is to only apply additional compensation to specific consecutive GS breaches based on the:

- (i) the impact on the customer such as those GS that attract ‘Special Compensation’; and
- (ii) the GS with the highest incidents of breaches over a five (5) year period.

Question 6: Cap Period for Consecutive Individual JPS GS Breaches

- (a) What are your views of the OUR's position to retain compensation for all prolonged consecutive breaches of the GS, and not selected ones as is done in other jurisdictions?
- (b) Do you think the OUR should adopt the approach used in other jurisdictions to only apply additional compensation to selected consecutive prolonged GS breaches? Please give reasons for your answer.
- (c) If your answer to (b) above is yes, what are your views on the proposed criteria, in paragraph 5.44, the selection of GS breaches for which additional compensation would be applicable?
- (d) Are you in favour of retaining a cap period for prolonged consecutive GS breaches or would you prefer to receive compensation for as long as the breach occurs, even if it may result in increased electricity rates? Please give reasons for your answer.
- (e) Where a cap period is retained, do you deem the current eight (8) periods for which JPS is liable to pay compensation for prolonged individual breaches of the GS reasonable? Please give reasons for your answer.

Areas of Focus under Existing JPS GS Scheme

- 5.45 As is shown in Table 3 below, the nineteen (19) GS established for JPS postpaid service focuses on the delivery of service quality in the areas of: access/service connection, emergencies, billing, complaints handling, metering, disconnection, reconnection, compensation and transitioning RAMI customers.

Table 3: JPS GS Performance for 2012 - 2021

| Standards | | 2012 January - 2021 December | | |
|-----------|---------------------------------|------------------------------|-----------------|---------------------|
| | | No. of Breaches | Compliance Rate | % of total Breaches |
| ESG1 (a) | New & Simple Connections | 14,381 | 97% | 2% |
| EGS 2(a) | Complex Connections - Quotation | 154 | 89% | 0% |

| Standards | | 2012 January - 2021 December | | |
|-----------|---|------------------------------|-----------------|---------------------|
| | | No. of Breaches | Compliance Rate | % of total Breaches |
| EGS 2(b) | Complex Connections - Construction | 33 | 95% | 0% |
| EGS 2(a) | Complex Connection - Quotation | 13 | 96% | 0% |
| EGS 2(b) | Complex Connections- Construction | 13 | 92% | 0% |
| EGS 3 | Response to Emergency | 1,958 | 82% | 0% |
| EGS 4 | Billing Punctuality | 260 | 100% | 0% |
| EGS 5(a) | Complaint/ Acknowledgement | 26 | 100% | 0% |
| EGS 5(b) | Complaints/ Investigation | 75 | 99% | 0% |
| EGS 6 | Reconnection | 13,835 | 98% | 2% |
| EGS 7 | Estimated Bills | 514,563 | 92% | 86% |
| EGS 8 | Estimation of Consumption | 34,168 | 98% | 6% |
| EGS 9 | Meter Replacement | 585 | 100% | 0% |
| ESG 10 | Billing Adjustment | 7,289 | 92% | 1% |
| EGS 11 | Wrongful Disconnection | 772 | 100% | 0% |
| EGS12 | Reconnection After Wrongful Disconnection | 99 | 90% | 0% |
| EGS 13 | Meter Change Notification | 8,275 | 99% | 1% |
| ESG 14 | Compensation | 258 | 98% | 0% |
| EGS 15 | Transitioning RAMI Customers | 316 | 88% | 0% |
| Totals | | 597,073 | 95% | |

5.46 The review of JPS's GS performance, as seen in Table 3 above, also indicates an overall GS compliance rating of 95% from January 2012 to December 2021. *Estimated Bills, Estimation of Consumption, New and Simple Connections* and *Reconnection* were the JPS GS with the

highest incidents of breaches over the review period and as was previously stated, accounted for approximately 96% of total breaches committed. All other standards accounted for 1% or less of breaches.

5.47 As is shown in Table 4 below, the areas of focus covered by the established GS for JPS are generally similar to several of those covered in other jurisdictions. Also, see Appendix 2 for the full details of the JPS GS.

Table 4: Guaranteed Standards Areas of Focus Across Jurisdictions

| Service Standards Areas of Focus | REGULATORS | | | |
|---|------------|-----|-----|-------|
| | OUR | RIC | FTC | OFGEM |
| New Service Connection (Simple & Complex) | √ | √ | √ | |
| Response to Emergency | √ | | | |
| Issuance of First Bill | √ | √ | | |
| Complaints Handling | √ | √ | √ | |
| Reconnection after outstanding payments | √ | √ | √ | √ |
| Estimated Bills | √ | | | |
| Method of estimating consumption | √ | | | |
| Metering (Replacement/Faulty) | √ | | | √ |
| Billing Adjustments | √ | | | |
| Wrongful Disconnection | √ | | | |
| Compensation Payments | √ | √ | √ | √ |
| Transitioning of existing customers to RAMI system | √ | | | |
| Restoration after unplanned outage | | √ | | |
| Keeping Appointments | | √ | | √ |
| Investigation of voltage complaints | | √ | √ | |
| Fault repairs (Customer premises & distribution system) | | | √ | |
| Connection/Transfer of existing service | | | √ | |

| Service Standards Areas of Focus | REGULATORS | | | |
|----------------------------------|------------|-----|-----|-------|
| | OUR | RIC | FTC | OFGEM |
| Faulty Prepaid Meter | | | | √ |

Key: OUR – Office of Utilities Regulation (Jamaica)

RIC - Regulated Industries Commission (Trinidad and Tobago)

FTC – Fair Trading Commission (Barbados)

OFGEM – Office of Gas and Electricity Markets (United Kingdom)

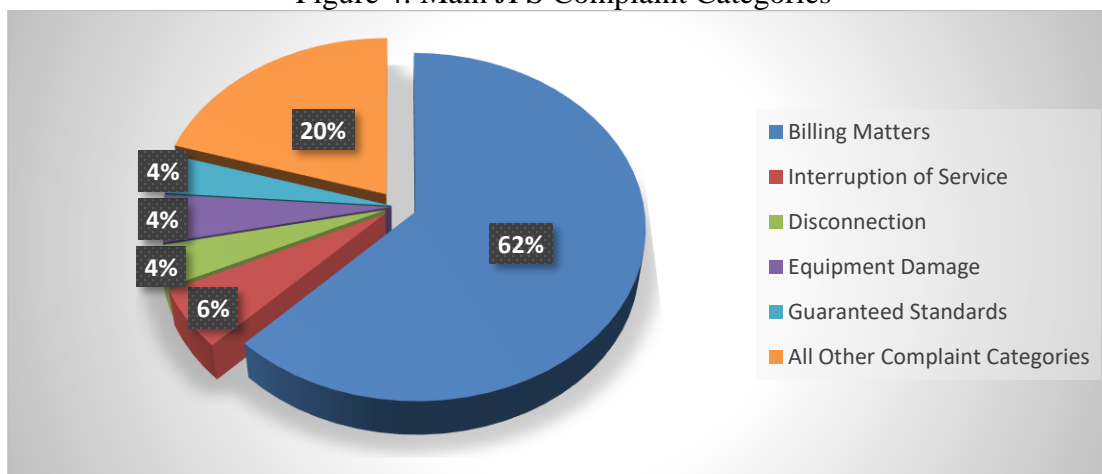
5.48 An assessment was also conducted on the nature of complaints the OUR received from JPS customers over the past five (5) years, 2017 January – 2021 December. The assessment period was selected to ensure currency and relevance of the complaints. As is shown in Table 5 and Figure 4 below, Billing Matters (62%), Interruption of Service (6%), Equipment Damage, Disconnection and Guaranteed Standards at 4% each, were the top reasons for customer complaints relating to their service with the JPS. All other complaint categories accounted for the remaining 20%, which includes the ‘Other’ complaint category, which represents 5%. ‘Other’ refers to those complaints that either do not fit under any of the established complaint categories as seen in Table 5 below or were erroneously not placed under the appropriate category.

Table 5: JPS Complaint Categories for 2017 – 2021

| Complaint Category | Review Periods (2021) | | | | | Total Complaints | Percentage of Total Complaints |
|----------------------------|-----------------------|-------|-------|-------|-------|------------------|--------------------------------|
| | Y2017 | Y2018 | Y2019 | Y2020 | Y2021 | | |
| Billing Matters | 763 | 945 | 939 | 1,637 | 1,483 | 5,767 | 62% |
| Customer Service | 1 | 7 | 3 | 7 | 4 | 22 | 0% |
| Defective Streetlights | 14 | 31 | 19 | 10 | 10 | 84 | 1% |
| Disconnection | 34 | 42 | 62 | 107 | 102 | 347 | 4% |
| Equipment Damage | 100 | 73 | 72 | 85 | 81 | 411 | 4% |
| Guaranteed Standards | 63 | 61 | 74 | 71 | 61 | 330 | 4% |
| Guaranteed Standards Query | 16 | 11 | 8 | 14 | 18 | 67 | 1% |
| Health & Safety | 27 | 26 | 29 | 68 | 46 | 196 | 2% |
| Illegal Connections | 26 | 24 | 41 | 32 | 32 | 155 | 2% |
| Interruption of Service | 87 | 71 | 68 | 114 | 177 | 517 | 6% |
| Irregular Supply | 2 | 2 | 2 | 4 | 12 | 22 | 0% |
| Metering | 9 | 11 | 3 | 3 | 5 | 31 | 0% |
| Other | 61 | 37 | 79 | 133 | 165 | 475 | 5% |

| Complaint Category | Review Periods (2021) | | | | | Total Complaints | Percentage of Total Complaints |
|---|-----------------------|--------------|--------------|--------------|--------------|------------------|--------------------------------|
| | Y2017 | Y2018 | Y2019 | Y2020 | Y2021 | | |
| Payment Arrangement | 4 | 6 | 6 | 7 | 8 | 31 | 0% |
| Poor Service Quality | 14 | 25 | 44 | 45 | 64 | 192 | 2% |
| Prepaid Metering Service | 0 | 0 | 0 | 0 | 21 | 21 | 0% |
| Property Damage | 11 | 9 | 8 | 17 | 11 | 56 | 1% |
| RAMI Service Connection & CDI | 4 | 6 | 25 | 10 | 0 | 45 | 0% |
| Reconnection | 14 | 18 | 24 | 21 | 21 | 98 | 1% |
| Rebate/Refund | 4 | 6 | 13 | 12 | 20 | 55 | 1% |
| Removal of Utility Pole | 6 | 0 | 0 | 0 | 0 | 6 | 0% |
| Security Deposit | 0 | 0 | 0 | 0 | 33 | 33 | 0% |
| Service Connection | 26 | 48 | 46 | 38 | 51 | 209 | 2% |
| Terms & Conditions of Service | 0 | 0 | 0 | 4 | 22 | 26 | 0% |
| Unable to get through to Service Provider | 0 | 1 | 5 | 9 | 19 | 34 | 0% |
| Unavailability of Service | 8 | 2 | 1 | 0 | 3 | 14 | 0% |
| Total | 1,294 | 1,462 | 1,571 | 2,448 | 2,469 | 9,244 | |

Figure 4: Main JPS Complaint Categories



5.49 The review of the reasons for customer complaints in relation to the GS established locally and in other jurisdictions indicate that, inter alia:

- (i) JPS GS are established in relation to the main reason for customer contact, namely, Billing Matters;
- (ii) Locally, provisions for service interruption issues are made under JPS's Overall Standards as well as the Q-factor provision of the Licence. This issue is covered under the GS Scheme established for T&T; and
- (iii) GS established in other jurisdictions that are excluded in the local JPS GS Scheme include: *Keeping Appointments, Investigation of voltage complaints, Fault repairs (Customer premises & distribution system), Connection/Transfer of existing service, and Faulty Prepaid Meter.*

Question 7: Areas of focus covered under JPS GS Scheme

- (a) What are your views on the importance of the areas of focus for the JPS GS to customers?
- (b) What changes, if any, would you make to the areas of focus covered by the JPS GS Scheme?
- (c) If you could add a service area to the JPS GS, what would it be and why?
- (d) If you could remove a service area from the JPS GS, which area would it be and why?

Discussion on GS Established for JPS' Pre-paid Metering System

5.50 The OUR, in the JPS 2014 – 2019 Determination Notice, approved JPS's request for the introduction of its Pre-paid Metering System. In anticipation of this new system, and in an effort to ensure that customers who opt in to use the new system continue to receive service at an acceptable standard, the OUR established the following two (2) GS as shown in Table 6 below:

Table 6: JPS's Prepaid Metering Guaranteed Standards

| Code | Focus | Description | Performance Measure |
|------|-------|-------------|---------------------|
|------|-------|-------------|---------------------|

| | | | |
|--------|--------------------|---|--|
| EPMS 1 | Service Connection | Transitioning Existing Customers to Pre-paid Metering Service | Transition to Pre-paid metering service must be completed within fifteen (15) days of establishment of contract. |
| EPMS 2 | Service Disruption | Transitioning Existing Customers to Pre-paid Metering Service | Except where there is the need for the premises to be recertified by the GEI, there should be no disruption in customer's service. |

5.51 Since the introduction of JPS's Pre-paid Metering service, the OUR has received fifty-five (55) related complaints. The nature of the complaints received included:

- Service interruption due to issues such as customer's inability to top-up, delay in the application of credit and metering issues;
- Service connection delays due to lack of meters in some instances;
- Malfunctioning meters; and
- Reduced kWh for the same amount of credit.

5.52 The OUR has taken note that approximately 40% of these complaints relate to service interruption resulting from customers' inability to top-up/add credit or malfunctioning meters. The OUR is of the view that given current technology, the causes of such service interruptions are within JPS's control and could be better managed.

5.53 In the case of top-ups/adding credit, information obtained from the document titled *Prepaid Brochure* on JPS's website indicates that the kWh purchased should be available to customers as soon as the unique voucher number/code is entered and submitted on the relevant JPS device (keypad) installed at the premises. The OUR is of the view that similar to customers on JPS's postpaid service, customers on JPS's prepaid service should not be without service or experience an undue delay in service restoration where there is proof that the customer fulfilled the obligation of purchasing credit and their top-up attempt/s failed.

- 5.54 A review of the GS established in the UK indicated that a standard is included for its Pre-paid Metering System, with a focus on faulty prepaid meters. This GS prescribes the time of three (3) hours, on a workday, or four (4) hours on any other day, for the service provider to verify and address a customer's complaint about a faulty meter; thereby limiting the time customers are without service.
- 5.55 Given the inconvenience that can result from service disruptions, especially when same is not a result of any action or inaction on the part of the customer, the OUR is proposing to establish two additional GS for JPS's prepaid metering service, EPMS 3 and EPMS 4. The details of EPMS 3 and EPMS 4 are set out in Table 7 below.
- 5.56 For EPMS 3, the timeline proposed for JPS to verify, repair/replace the meter is 24 hours. In proposing this timeline, the OUR took into consideration the inconvenience the customer may experience with the service being interrupted due to a meter defect, as well as it allows a reasonable time for JPS to attend to the premises to have the issue resolved. The 24 hour timeline is also proposed in keeping with the timelines for JPS to:
- (ii) restore service following payment of overdue amounts (EGS 6); and
 - (iii) restore service after wrongful disconnection (GS 11)

Table 7: Proposed Additional JPS Prepaid Metering Guaranteed Standards

| Code | Focus | Description | Performance Measure |
|--------|-----------------------------|---|---|
| EPMS 3 | Meter Repair/Replacement | Timeliness of meter repair/replacement | Maximum of 24 hours to verify, repair/replace meter after notification/detection of fault/defect. |

| | | | |
|--------|----------------------|---|--|
| EPMS 4 | Service Availability | Availability of purchase kWh after top-up | kWh purchased shall be available to customer within five (5) minutes of attempt to top-up. |
|--------|----------------------|---|--|

Compensation for Prepaid Metering Service Breaches

5.57 The OUR, in the JPS 2014 -2019 Determination Notice, did not indicate the compensation for breaches associated with JPS's Pre-paid Metering Service. The OUR is therefore, through this consultation, proposing to establish a compensation mechanism for JPS's Pre-paid Metering Service.

5.58 In spite of the three tiered and two-tiered rate structures associated with JPS's post-paid and prepaid services respectively, the charges for Rate 10 and Rate 20 customers are similar, irrespective of the service type. In light of this similarity, the OUR is proposing to apply the compensation mechanism for the postpaid service to the prepaid service for Rate 10 and Rate 20 customers.

Question 8: GS for Pre-paid Metering System

- (a) What are your views on the GS that have been established for JPS's Prepaid Metering System?
- (b) What are your views on the two additional Prepaid Metering Service GS proposed by the OUR?
- (c) Do you agree with the OUR's position to apply the GS compensation mechanism that is determined for postpaid service to the prepaid service? Please explain.

Part 6: NWC Guaranteed Standards Scheme

- 6.0 The OUR has included in this consultation process, a review of the established GS for the NWC, despite the Commission's proposal in its 2018 Tariff Review submission to maintain the existing GS Scheme. Decisions arising from this consultation will determine the changes, if any, that will be made to the NWC's GS during the next tariff review process.
- 6.1 A review of NWC's GS performance, as seen in Table 8 below, indicates an overall GS compliance rating of 92% for the period 2012 January 2012 – 2021 December. The GS with the highest incidents of breaches over the review period are: *Meter Reading, Complaints Investigation, Connection to Supply, Repair/Replacement of faulty meters, and Meter installation* which all accounted for approximately 96% of total breaches. All other standards each accounted for 1% or less of total breaches.

Table 8: NWC's GS Performance 2012 - 2021

| Standards | | 2012 January to December 2021 | | |
|-----------|---|-------------------------------|-----------------|---------------------|
| | | No. of Breaches | Compliance Rate | % of Total Breaches |
| WGS 1 | Connection to Supply | 5,413 | 90% | 10% |
| WGS 2 | Issue of first bill | 17 | 97% | 0% |
| WSG 3 | Keeping Appointments | 31 | 97% | 0% |
| WGS 4a | Complaints Ack. | 336 | 94% | 1% |
| WGS 4b | Complaints Investigation | 7,899 | 96% | 14% |
| WGS 5 | Wrongful Disconnection | 462 | 97% | 1% |
| WGS 6 | Account Status | 23 | 91% | 0% |
| WGS 7 | Meter installation | 2,298 | 89% | 4% |
| WGS 8 | Repair/Replacement of faulty meters | 3,942 | 93% | 7% |
| WGS 9 | Changing Meters | 163 | 97% | 0% |
| WGS 10a | Meter Reading | 34,195 | 77% | 61% |
| WGS 10b | Exceptional Meter Reading | 630 | 87% | 1% |
| WGS 11 | Reconnection after Paying Overdue amounts | 719 | 97% | 1% |
| WGS 12 | Reconnection after Wrongful Disconnection | 65 | 86% | 0% |
| WGS 13 | Compensation not credited within 30 days | 222 | 77% | 0% |

| Standards | | 2012 January to December 2021 | | |
|-----------|-----------------------------|-------------------------------|-----------------|---------------------|
| | | No. of Breaches | Compliance Rate | % of Total Breaches |
| WSG 14 | Calculating Estimated Bills | 3 | 100% | 0% |
| WGS 15 | Billing Adjustments | - | 100% | 0% |
| Total | | 56,418 | 92% | |

6.2 As is shown in Table 9 below, the areas of focus covered by the NWC's GS are similar to a number of the areas covered in other jurisdictions. The full details of NWC's GS are outlined in Appendix 3.

Table 9: Guaranteed Standards Areas of Focus

| SERVICE STANDARDS AREAS OF FOCUS | REGULATORS | | | |
|---|------------|-----|-----|-------|
| | OUR | RIC | FTC | OFWAT |
| Service Connection (New) | √ | √ | √ | |
| Timeliness of First Bill | √ | | √ | |
| Keeping Appointments | √ | | √ | √ |
| Account Status | √ | | | |
| Complaints Handling | √ | √ | √ | √ |
| Disconnection/ Wrongful Disconnection | √ | | √ | |
| Reconnection | √ | √ | √ | |
| Meter Installation, repair or replacement | √ | | √ | |
| Meter Reading (Estimated Bills) | √ | | | |
| Methods of Estimation | √ | | | |
| Timeliness of Billing Adjustments | √ | | | |
| Compensation Payments | √ | √ | | |
| Supply of piped water | | √ | √ | |
| Notice & Restoration after Service Interruption | | √ | | √ |
| Provision of Truck water if water supply is interrupted | | √ | | |
| Repair of Water Service Connections | | √ | | |
| Response to poor water quality | | √ | | |
| Incidence of low pressure | | | | √ |

| SERVICE STANDARDS AREAS OF FOCUS | REGULATORS | | | |
|---------------------------------------|------------|-----|-----|-------|
| | OUR | RIC | FTC | OFWAT |
| Properties affected by sewer flooding | | | | √ |

Key: OUR – Office of Utilities Regulation (Jamaica)

RIC – Regulated Industries Commission (Trinidad & Tobago)

FTC – Fair Trading Commission (Barbados)

OFWAT – Water Services Regulation Authority, UK

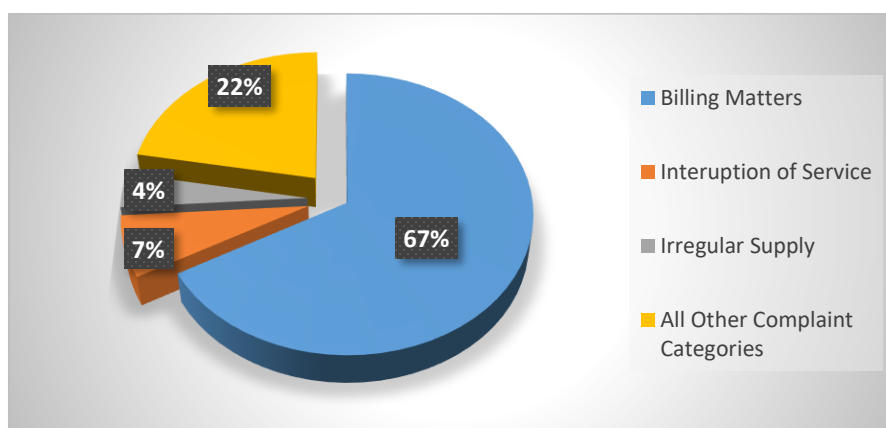
- 6.3 An assessment was also conducted on the nature of complaints the OUR received from NWC customers over the past five (5) years, 2017 January – 2021 December. Similar to JPS, the assessment was done using this period to ensure currency and relevance of issues complained about. As is shown in Table 10 and Figure 5 below, billing matters (67%), interruption of service (7%) and irregular supply (4%) were the top three reasons for customer complaints relating to NWC's services. All other complaint categories accounted for the remaining 22%.

Table 10: NWC Complaint Categories for 2017 - 2021

| Complaint Category | Review Periods | | | | | Total Complaints | Percentage of Total Complaint |
|----------------------------|----------------|-------|-------|-------|-------|------------------|-------------------------------|
| | Y2017 | Y2018 | Y2019 | Y2020 | Y2021 | | |
| Billing Matters | 626 | 553 | 617 | 907 | 951 | 3654 | 67% |
| Broken Main | 16 | 18 | 9 | 14 | 30 | 87 | 2% |
| Customer Service | 5 | 1 | 3 | 0 | 5 | 14 | 0% |
| Disconnection | 24 | 26 | 22 | 13 | 42 | 127 | 2% |
| Guaranteed Standards | 50 | 41 | 30 | 25 | 33 | 179 | 3% |
| Guaranteed Standards Query | 10 | 5 | 4 | 5 | 6 | 30 | 1% |
| Health & Safety | 5 | 11 | 6 | 11 | 6 | 39 | 1% |
| Illegal Connections | 2 | 2 | 6 | 4 | 3 | 17 | 0% |
| Interruption of Service | 48 | 91 | 136 | 75 | 33 | 383 | 7% |
| Irregular Supply | 34 | 52 | 65 | 43 | 18 | 212 | 4% |
| Leak at Meter | 23 | 19 | 11 | 22 | 19 | 94 | 2% |
| Metering | 19 | 15 | 2 | 3 | 9 | 48 | 1% |
| Other | 54 | 32 | 39 | 72 | 104 | 301 | 6% |
| Payment Arrangement | 11 | 6 | 3 | 1 | 12 | 33 | 1% |
| Poor Service Quality | 6 | 7 | 2 | 8 | 10 | 33 | 1% |
| Property Damage | 7 | 4 | 1 | 6 | 3 | 21 | 0% |
| Reconnection | 5 | 7 | 6 | 5 | 7 | 30 | 1% |
| Rebate/Refund | 7 | 3 | 7 | 7 | 17 | 41 | 1% |

| | | | | | | | |
|---|------------|------------|------------|-------------|-------------|-------------|----|
| Service Connection | 9 | 11 | 9 | 13 | 16 | 58 | 1% |
| Terms & Conditions of Service | 0 | 0 | 1 | 2 | 8 | 11 | 0% |
| Unable to get through to Service Provider | 1 | 1 | 4 | 14 | 10 | 30 | 1% |
| Unavailability of Service | 11 | 2 | 1 | 3 | 0 | 17 | 0% |
| Total | 973 | 907 | 984 | 1253 | 1342 | 5459 | |

Figure 5: Main NWC Complaint Categories



6.4 The review of the reasons for the establishment of GS locally and in other jurisdictions indicate that, inter alia:

- (i) The NWC GS relates to what matters to consumers and one of the main reason for customer contact is billing issues, which do not appear to be problematic in other jurisdictions;
- (ii) Provisions for service interruption issues are made under the NWC's Performance Targets. This issue is covered under the GS Schemes for T&T and UK; and
- (iii) The GS established in other jurisdictions that are not included in the local GS Scheme include: *Provision of Truck water if water supply is interrupted; Repair of Water*

Service Connections; Response to poor water quality; Incidence of low pressure; and, Properties affected by sewer flooding.

Question 9: Areas of focus covered under NWC's GS Scheme

- (a) What are your views on the importance of the areas of focus for the NWC GS to customers?
- (b) If you could add a service area to the NWC GS, what would it be and why?
- (c) If you could remove a service area from the NWC GS, which area would it be and why?

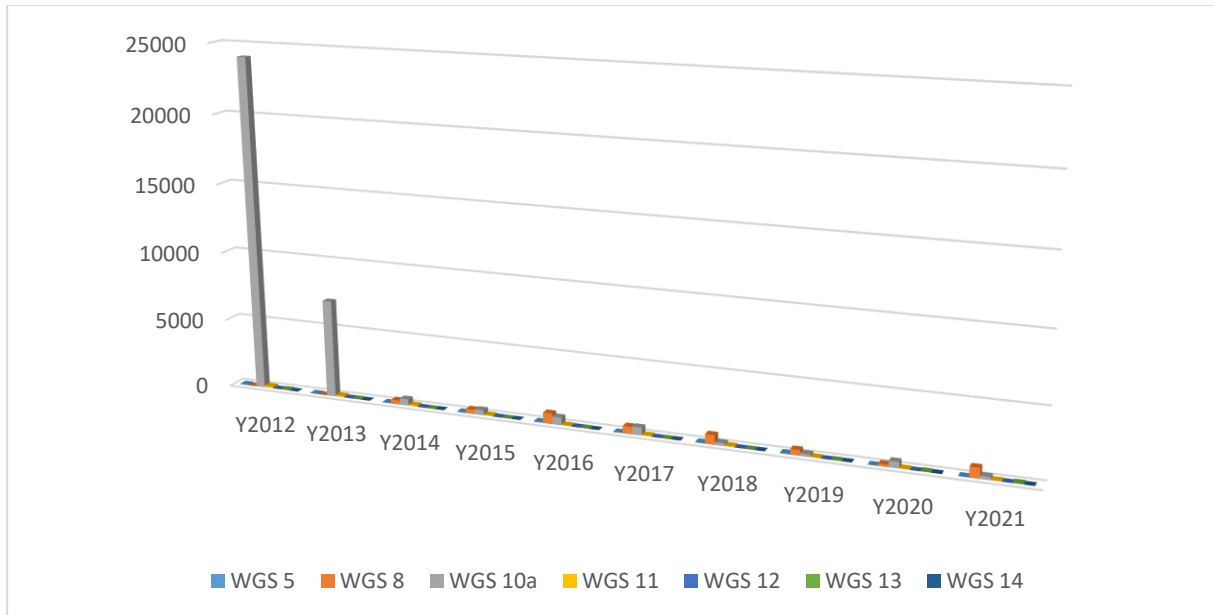
Compensation Mechanism for NWC GS

- 6.5 Similar to the JPS, the compensation mechanism for the NWC GS entails compensatory payments for service standard breaches. However, unlike the JPS, the compensation mechanism for the NWC GS involves the requirement for customers to submit a claim form for breaches of some standards while the compensation for the remaining standards is applied automatically.
- 6.6 The research conducted indicates that the design of a GS compensation mechanism varies depending on the jurisdiction. For instance, compensation for breaches of all GS established for the water and sewerage sector in the UK is applied automatically while in T&T, customers are required to submit a claim form for similar GS breaches. It was also noted that a consideration for the UK's decision to convert the GS compensatory payments in the water sector to automatic was to make it consistent with the compensatory mechanism within the electricity sector. Additionally, T&T has indicated its intention to make the compensatory payments for GS breaches in its water and sewerage sector automatic in the future.
- 6.7 It is important that the compensation regime prioritises those service quality issues that will make the most difference to consumers. Therefore, in 2008, the OUR began the process of introducing automatic compensation to the GS for the Commission. Automatic compensation

means that the customer must not be required to make an additional claim for compensation beyond the first notification it makes to the service provider of the issue arising. In other words, customers are not required to make a claim for compensation in the event of a breach of the GS by the service provider. By automating the payment of compensation, the level of customer involvement required to receive payment is limited and it ensures that customers are compensated quickly and easily by the service provider for a qualifying service issue. Additionally, this was done in an effort to further incentivize the NWC to improve service levels in particular areas covered under the scheme, remove the requirement to submit claims forms (which some customers viewed as a further inconvenience), and to maintain some similarity with the compensation mechanism for the JPS and NWC GS Schemes.

- 6.8 At present, compensation for seven (7) NWC GS, representing 41%, are automatically applied. These GS are: WGS 5 – Wrongful Disconnection, WGS 8 – Repair or replacement of faulty meters, WGS 10(a) – Meter Reading, WGS 11 – Reconnection after payment of overdue amounts, WGS 12 – Reconnection after wrongful disconnection, WGS 13 - Compensation and WGS 14 – Method of Estimation.
- 6.9 The review of the NWC GS breaches, which attract automatic compensation over the period 2012 January – 2021 December, shows a general decline in the number of breaches, except for WGS 8 – Repair/Replacement of faulty meters. As shown in Figure 6 below, the most significant decline in GS breaches that attract automatic compensation was WGS 10(a) – Meter Reading – which restricts the NWC to sending no more than two (2) consecutive estimated bills, where the Commission has access to the meter. In 2012, the NWC reported 24,078 breaches of WGS 10(a), which has since declined to a range of 195 – 7,068 breaches annually. This suggests that the objective to use automatic compensation to further incentivize the NWC to improve performance in these specific areas was generally achieved.

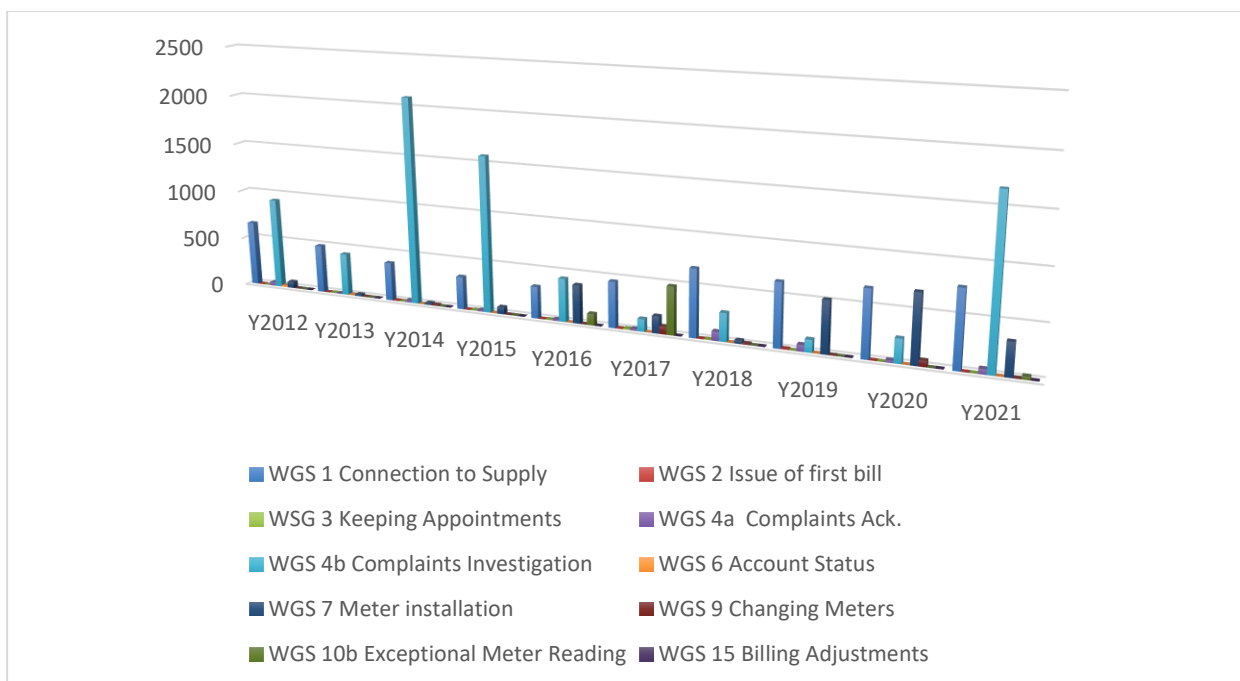
Figure 6: NWC Breaches of GS Attracting Automatic Compensation



6.10 With regard to the NWC GS for which the submission of a claim form is still required, the review indicates that WGS 4b - Complaint Investigation accounted for the highest incidents of breaches over the review period 2012 – 2021. As is shown in Figure 7 below, WGS 1 – Connection to Supply and WGS 7 – Meter Installation accounted for the next highest incidents of GS breaches requiring the submission of a claim form.

In addition, the potential compensation for all the NWC GS requiring the submission of a claim form amounted to approximately \$33 million, of which only about \$29,000 was paid.

Figure 7: NWC Breaches of GS which require Claim Form Submission



6.11 In light of the foregoing and in keeping with the 74% majority of respondents to the OUR survey who indicated their preference for automatic compensation for NWC GS breaches, the OUR intends to continue the gradual transitioning of all NWC GS to attract automatic compensation. It is anticipated that the transition process of all NWC GS breaches to attract automatic compensation will be completed over the next two (2) tariff review periods.

Question 10: Compensation Mechanism for the NWC GS

- (a) What are your views on the continuation of the submission of a claim form for some standards while automatic compensation for others? If you support this approach, which standards should attract automatic compensation and which should be by claim, and why?
- (b) What are your views regarding converting the compensation mechanism for breaches of NWC GS to automatic payments only over the next two (2) tariff review periods and why?

Compensation Level for NWC GS

- 6.12 In establishing compensation for GS Schemes, regulators have remained mindful of the position that the sum paid to the affected individual customer, will never fully compensate for the actual loss or inconvenience suffered as a result of a service breach. However, when taken as an aggregate, the compensation associated with GS breaches should motivate the service provider to aim to deliver quality service, at least, at the prescribed level.
- 6.13 In the case of the NWC, multiples of the monthly service charge are used as the basis to derive the GS compensation. As is seen in Table 2 above, basing the GS compensation on the monthly service charge allows for it to be: adjusted annually as part of the ANPAM (inflationary) adjustment of NWC rates; determined by the OUR; reflective of costs that are directly related to the NWC's operation; and a cost that affects all residential customers. Additionally, in order to ensure that the amount determined for GS compensation meets the objectives of the GS Scheme, a multiplier is applied to the NWC's customer charge. In addition, similar to what obtains for JPS, 'Special Compensation' is applied to specified NWC GS, which generally relates to service disruption/restoration, given the gravity of the impact and is viewed to cause the greatest inconvenience to customers.
- 6.14 Accordingly, the existing NWC GS compensation is as follows:
- (i) **General Compensation** - four (4) times the applicable monthly service charge. The NWC Service Charge for residential service as at 2021 August is \$984.52. As such, the compensation for a GS breach would be about \$3,938; and
 - (ii) **Special Compensation** – six (6) times the application monthly service charge, which is approximately \$5,907 for a residential customer. This is applicable to breaches of specific GS, namely: Reconnection after Payment of Overdue Amounts, Wrongful Disconnection and Reconnection after Wrongful Disconnection.

Question 11: Compensation Level for NWC GS

- (a) What are your views on the OUR's continued use of the monthly Service Charge as the basis for NWC GS compensation?
- (b) What are your views on the reasonableness of the current compensation levels of four (4) and six (6) times the Service Charge for NWC's General and Special Compensations respectively?

Cap Period for Consecutive Individual GS Breaches

- 6.15 The OUR has recognized that there are instances where a GS breach is not corrected by the NWC within the stipulated timeline. Accordingly, in an effort to mitigate this practice, the OUR determined that where the NWC GS breaches are not corrected within the specified timelines, the applicable compensation is payable for up to six (6) periods of non-compliance.
- 6.16 With regard to the other jurisdictions examined, the issue of periods of non-compliance for GS breaches in the water and sewerage sector is treated differently. For instance, the applicable period in T&T is up to 3 periods of non-compliance while in the UK, provision is made for only one additional compensation payment where the supplier fails to make the initial payment for each GS breach and the customer submits the required claim form within a three (3) month period. There is no evidence of a similar provision for the water and sewerage sector in Barbados.
- 6.17 The OUR reiterates its view that given our local circumstances, the application of additional compensation for consecutive GS breaches provides an incentive for the service provider to remedy the breach in the shortest possible time, thereby, limiting the inconvenience to the affected customer. In this regard, the OUR is proposing to maintain the application of additional compensation for consecutive NWC GS breaches, but accepts that there is the similar issue of deciding on the applicable number of periods for which the NWC should be required to compensate the customer.

6.18 Similar to the proposal made for JPS, the OUR is also amenable to adopting the approach used in the other jurisdictions examined, that is, to only apply additional compensation to specific consecutive NWC GS breaches based on the criteria of:

- (i) the impact on the customer such as those GS that attract ‘Special Compensation’; and
- (ii) the GS with the highest incidents of breaches over a five (5) year period.

Question 12: Cap Periods for Consecutive Individual NWC GS Breaches

- (a) What are your views of the OUR’s position to retain compensation for all prolonged consecutive breaches of the NWC GS?
- (b) Do you think that the OUR should adopt the approach used in other jurisdictions to only apply additional compensation to selected consecutive prolonged GS breaches? Please give reasons for your answer.
- (c) If your answer to (b) above is yes, what are your views on the proposed criteria, in paragraph 6.18, to select those GS breaches for which additional compensation would be applicable?
- (d) Are you in favour of retaining a cap period for prolonged consecutive GS breaches or would you prefer to receive compensation for as long as the breach occurs? Please give reasons for your answer.
- (e) Where a cap period is retained, do you deem the current six (6) periods for which the NWC is liable to pay compensation for prolonged individual breaches of the GS reasonable? Please give reasons for your answer.

Appendix 1: Summary of Questions

Question 1: Approaches to Regulating Service Quality

- (a) What are your views on OUR's selection of the approach that imposes customer compensation payments for service failure to incentivize regulated entities to achieve the service levels prescribed by the GS Schemes for the JPS and the NWC?
- (b) Of the three (3) approaches discussed, other than the compensation payments for service failure, would you recommend another approach?? If yes, please outline the reasons for your selection.
- (c) Would you recommend a combination of approaches? If yes, please indicate your combinations and the reasons for your selection.

Question 2: Compensation Mechanism for JPS GS Scheme

- (a) What are your views on JPS' request to use the monthly Customer Charge as the basis to determine GS compensation?
- (b) Of the three (3) options discussed that can be used as the basis to derive JPS' GS compensation, which is your preferred choice and why?
- (c) If the monthly Customer Charge is used as the basis for JPS GS compensation, what are your views on using a multiplier to ensure that the sum does not fall below current levels?
- (d) What are your views on the OUR's proposed General and Special compensation for JPS, using the monthly Customer Charge with the multiplier being applied?

Question 3: Conversion of EGS3 (Response to Emergency) to Overall Standard (OS)

- (a) What are your views on whether the OUR should accommodate JPS's request to convert EGS3 – Response to Emergency, to an OS or to retain the standard under the GS Scheme? Please provide details to support your response.
- (b) Should EGS 3 be retained as a GS, do you agree with the proposed explanations to 'Response' and compensation eligibility? Please provide details to support your response.

- (c) Should EGS 3 be retained as a GS, do you think that the explanations provided for ‘Response’ and compensation eligibility makes it more appropriate for the GS Scheme? Please provide details to support your response.
- (d)

Question 4: Revision of Performance Target for EGS 15

- (a) What are your views on JPS’ proposal to replace the three (3) hour performance target for EGS 15 with the requirement for JPS to only provide advanced notification of an outage? Please provide details to support your response.
- (b) What are your views on the OUR’s response to JPS’s proposal regarding its request to transition existing customers unto its RAMI system? Please provide details to support your response.

Question 5: Proposed Additional Exemptions to the Guaranteed Standards

- (a) What are your views on JPS’s proposals regarding exemptions to the GS?
- (b) What are your views on the OUR’s position regarding JPS’s proposed exemptions to the GS?

Question 6: Cap Period for Consecutive Individual JPS GS Breaches

- (a) What are your views of the OUR’s position to retain compensation for all prolonged consecutive breaches of the GS, and not selected ones as is done in other jurisdictions?
- (b) Do you think the OUR should adopt the approach used in other jurisdictions to only apply additional compensation to selected consecutive prolonged GS breaches? Please give reasons for your answer.
- (c) If your answer to (b) above is yes, what are your views on the proposed criteria, in paragraph 5.43, to select those GS breaches for which additional compensation would be applicable?

- (d) Are you in favour of retaining a cap period for prolonged consecutive GS breaches or would you prefer to receive compensation for as long as the breach occurs, even if it may result in increased electricity rates? Please give reasons for your answer.
- (e) Where a cap period is retained, do you deem the current eight (8) periods for which JPS is liable to pay compensation for prolonged individual breaches of the GS reasonable? Please give reasons for your answer.

Question 7: Areas of focus covered under JPS GS Scheme

- (a) What are your views on the importance of the areas of focus for the JPS GS to customers?
- (b) What changes, if any, would you make to the areas of focus covered by the JPS GS Scheme?
- (c) If you could add a service area to the JPS GS, what would it be and why?
- (d) If you could remove a service area from the JPS GS, which area would it be and why?

Question 8: GS for Pre-paid Metering System

- (a) What are your views on the GS that have been established for JPS' Prepaid Metering System?
- (b) What are your views on the two additional Prepaid Metering Service GS proposed by the OUR?
- (c) Do you agree with the OUR's position to apply the GS compensation mechanism that is determined for postpaid service to the prepaid service? Please explain.

Question 9: Areas of focus covered under NWC's GS Scheme

- (a) What are your views on the importance of the areas of focus for the NWC GS to customers?
- (b) If you could add a service area to the NWC GS, what would it be and why?

- (c) If you could remove a service area from the NWC GS, which area would it be and why?

Question 10: Compensation Mechanism for the NWC GS

- (a) What are your views on the continuation of the submission a claim form for some standards while automatic compensation for others? If you support this approach, which standards should attract automatic compensation and which should be by claim, and why?
- (b) What are your views regarding converting the compensation mechanism for breaches of NWC GS to automatic payments only over the next two (2) tariff review periods, and why?

Question 11: Compensation Level for NWC GS

- (a) What are your views on the OUR's continued use of the monthly Service Charge as the basis for NWC GS compensation?
- (b) What are your views on the reasonableness of the current compensation levels of four (4) and six (6) times the Service Charge for NWC's General and Special compensation respectively?

Question 12: Cap Periods for Consecutive Individual NWC GS Breaches

- (a) What are your views on the OUR's position to retain compensation for all prolonged consecutive breaches of the NWC GS?
- (b) Do you think that the OUR should adopt the approach used in other jurisdictions to only apply additional compensation to selected consecutive prolonged GS breaches? Please give reasons for your answer.
- (c) If your answer to (b) above is yes, what are your views on the proposed criteria, in paragraph 6.18, to select those GS breaches for which additional compensation would be applicable?

- (d) Are you in favour of retaining a cap period for prolonged consecutive GS breaches or would you prefer to receive compensation for as long as the breach occurs? Please give reasons for your answer.
- (e) Where a cap period is retained, do you deem the current six (6) periods for which the NWC is liable to pay compensation for prolonged individual breaches of the GS reasonable? Please give reasons for your answer.

Questions 13: What are your views on the number of GS for JPS and the NWC?

Appendix 2: Current JPS Guaranteed Standards

| Code | Focus | Description | Performance Measure |
|-----------------|-----------------------|---|---|
| EGS 1 | Access | Connection to Supply - New & Simple Installations | New service installations within five (5) working days after establishment of contract, includes connection to RAMI system Automatic Compensation |
| EGS 2(a) | Access | Complex Connection to supply | Between 30m and 100m of existing distribution line (i) estimate within ten (10) working days (ii) connection within thirty (30) working days after payment Automatic Compensation |
| EGS 2(b) | Access | Complex Connection to supply | Between 101m and 250m of existing distribution line (i) estimate within fifteen (15) working days (ii) connection within forty (40) working days after payment Automatic Compensation |
| EGS3 | Response to Emergency | Response to Emergency | Response to Emergency calls within five (5) hours – emergencies defined as: broken wires, broken poles, fires. Automatic Compensation |
| EGS4 | First Bill | Issue of First bill | Produce and dispatch first bill within forty (40) working days after service connection Automatic Compensation |
| EGS 5(a) | Complaints/ Queries | Acknowledgements | Acknowledge written queries within five (5) working days Automatic Compensation |
| EGS 5(b) | Complaints/ Queries | Investigations | Complete investigations and respond to customer within thirty (30) working days. Where investigations involve a 3 rd party, same is to be completed within sixty (60) working days. Automatic Compensation |

| Code | Focus | Description | Performance Measure |
|---------------|---------------------------|--|---|
| EGS 6 | Reconnection | Reconnection after Payments of Overdue amounts | Reconnection within twenty-four (24) hours of payment of overdue amount and reconnection fee Automatic compensation |
| EGS 7 | Estimated Bills | Frequency of Meter reading | Should NOT be more than two (2) consecutive estimated bills (where company has access to meter). Automatic Compensation |
| EGS 8 | Estimation of Consumption | Method of estimating consumption | An estimated bill should be based on the average of the last three (3) actual readings Automatic Compensation |
| EGS 9 | Meter Replacement | Timeliness of Meter Replacement | Maximum of twenty (20) working days to replace meter after detection of fault which is not due to tampering by the customer Automatic Compensation |
| EGS 10 | Billing Adjustments | Timeliness of adjustment to customer's account | Where it becomes necessary, customer must be billed for adjustment within three (3) months of identification of error, or subsequent to replacement of faulty meter Automatic Compensation |
| EGS11 | Disconnection | Wrongful Disconnection | Where the company disconnects a supply that has no overdue amount or is currently under investigation by the OUR or the company and only the disputed amount is in arrears. Automatic & Special Compensation |
| EGS12 | Reconnection | Reconnection after Wrongful disconnection | The company must restore a supply it wrongfully disconnects within five (5) hours. Automatic & Special Compensation |
| EGS13 | Meter | Meter change | JPS must notify customers of a meter change within one (1) billing period of the change. The notification must include: the date of the change, the meter readings at the time of change, reason for change and serial number of new meter. |

| Code | Focus | Description | Performance Measure |
|---------------|--------------------|---|---|
| | | | Automatic Compensation |
| EGS 14 | Compensation | Making compensatory payments | Accounts should be credited within one (1) billing period of verification of breach Automatic Compensation |
| ESG 15 | Service Disruption | Transitioning Existing Customers to RAMI System | Where all requirements have been satisfied on the part of the company and the customer, service to existing JPS customers must not be disrupted for more than three (3) hours to facilitate transition to the RAMI system. Automatic Compensation |

Appendix 3: Current NWC Guaranteed Standards

| CODE | FOCUS | DESCRIPTION | PERFORMANCE |
|-----------------|-------------------|-------------------------|---|
| WGS1 | Access | Connection to supply | Maximum time of <u>ten (10) working days</u> to connect supply and install meter after establishment of contract. Compensation type: Claim |
| WGS2 | Delivery of bills | Issue of first bill | Maximum time of <u>forty (40) working days</u> after connection of supply and installation of meter Compensation type: Claim |
| WGS3 | Appointments | Keeping appointments | Must make and keep an appointment at customer's request and must notify customer within reasonable time prior to the appointed time, if the appointment will not be kept. Compensation type: Claim |
| WGS 4(a) | Complaints | Acknowledgement | Maximum of <u>five (5) working days</u> to acknowledge customer's written complaints, after receipt. Compensation type: Claim |
| WGS (4b) | Complaints | Investigations | Maximum time of <u>thirty (30) working days</u> from the date of receipt of complaint to complete investigation and respond or provide an update. Compensation type: Claim |
| WGS 5 | Disconnection | Wrongful Disconnection | Where the NWC disconnects a supply that has no overdue amount or is currently under investigation by the OUR or the NWC and only the disputed amount is in arrears. Compensation type: Automatic |
| WGS 6 | Account status | Issue of account status | Meter to be read on same day customer is moving, if on a weekday (within two (2) working days of move if on a weekend) provided five (5) working days' notice of move is given. Maximum time of 15 working days to provide final bill after move and 45 days to refund the credit balances. |

| CODE | FOCUS | DESCRIPTION | PERFORMANCE |
|-----------------|---------------------------|--|--|
| | | | Compensation type: Claim |
| WGS 7 | Water meters | Meter installation | Maximum of <u>thirty (30) working days</u> to install meter on customer's request Compensation type: Claim |
| WGS 8 | Water meters | Repair or replacement of faulty meters | Maximum time of <u>twenty (20) working days</u> to verify and repair or replace meter after defect is identified by or reported to the NWC. Compensation type: Automatic |
| WGS 9 | Water Meters | Changing Meters | NWC must provide customer with details of the date of the change, meter reading on the day and serial number of the new meter. Compensation type: Claim |
| WGS 10 | Water meters | Meter reading | Should NOT be more than two (2) consecutive estimated bills (where company has access to meter). Compensation type: Automatic |
| WGS10(b) | Water Meters | Exceptional Meter Readings | Where the NWC obtains a reading that falls within its exceptions criteria (60% high and 40% low), same is to be verified, the customer alerted upon verification and the reading applied to the customer's account within one (1) billing period. Compensation Type: Claim |
| WGS11 | Reconnection | Reconnection after payment of overdue amount | Maximum of 24 hours to restore supply. Compensation type: Automatic |
| WGS12 | Reconnection | Reconnection after wrongful disconnection | NWC must reconnect a supply it inadvertently disconnected within 8 hours of being notified of the error. Compensation type: Automatic |
| WGS13 | Compensation | Payment of compensation | Maximum of <u>thirty (30) working days</u> to process and apply credit to customer's account. Compensation Type: Automatic |
| WGS 14 | Estimation of Consumption | Method of Estimation | An estimated bill should be based on the average of the last three (3) actual readings. |

| CODE | FOCUS | DESCRIPTION | PERFORMANCE |
|---------------|--------------------|--|---|
| | | | Compensation type: Automatic |
| WGS 15 | Billing Adjustment | Timeliness of adjustment to customer's account | Where necessary, customer must be billed for adjustment within three (3) months of: (i) identification of error, or (ii) subsequent to replacement of faulty meter Compensation Type: Claim |