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# **Office of Utilities Regulation**

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

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### **Determination Notice**

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**OFFICE OF UTILITIES REGULATION**

Date: 2024 February 28

## DOCUMENT TITLE AND APPROVAL PAGE

**1. DOCUMENT NUMBER: 2024/GEN/007/DET.001**

**2. DOCUMENT TITLE: Determination Notice – Comprehensive Review of the Guaranteed Standards Schemes for the Jamaica Public Service Company Limited and the National Water Commission**

**3. PURPOSE OF DOCUMENT**

This document sets out the Office's decisions regarding the revisions made to the Guaranteed Standards Schemes for the Jamaica Public Service Company Limited and the National Water Commission.


**4. ANTECEDENT PUBLICATIONS**

Publication Number	Publication Title	Publication Date
2022/GEN/020/CON.001	Consultation Document: Comprehensive Review of the Guaranteed Standards Schemes for the Jamaica Public Service Company Limited and the National Water Commission	2022 June 24

**5. Approval**

This document is approved by the Office of Utilities Regulation and the decisions therein become effective on 2024 February 28.

On behalf of the Office:

  
.....  
Ansord E. Hewitt  
Director-General

**DATE: 2024 February 28**

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## Acronyms and Definitions

In this Determination Notice, unless the context otherwise requires, the following will have the meaning specified below:

“CACU” means the Consumer Advisory Committee on Utilities.

“GS” means Guaranteed Standards.

“JPS” means the Jamaica Public Service Company Limited.

“JPS Licence” means the Electricity Licence, 2016.

“NWC” or “Commission” means the National Water Commission.

“OFGEM” means the Office of Gas and Electricity Markets, United Kingdom.

“OS” means Overall Standards.

“OUR” or “Office” means the Office of Utilities Regulation.

“OUR Act” means the Office of Utilities Regulation Act.

“Prescribed Utility Service” means the provision of telecommunications or sewerage services, the generation, transmission, distribution or supply of electricity, or the supply or distribution of water.

“QOS” means Quality of Service.

“RAMI” means Residential Advanced Metering Infrastructure.

“Review period” means 2012 January to 2021 September.

“Service Providers” means JPS and NWC.

## Part 1: EXECUTIVE SUMMARY

- 1.1 Pursuant to the provisions of the Office of Utilities Regulation Act (OUR Act), the Office of Utilities Regulation (OUR/Office) regulates the provision of utility services in the electricity, telecommunications, water and sewerage sectors. Among the powers and functions set out in the OUR Act, is the authority for the OUR to take measures it considers necessary or desirable to, *inter alia*, protect the interest of consumers. Specifically, the OUR 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.
- 1.2 Consistent with its powers, the OUR has established quality of service (QOS) standards which includes a Guaranteed Standards (GS) Scheme for some service providers operating in the electricity, water and sewerage sectors including the National Water Commission (NWC/Commission), which operates pursuant to the National Water Commission Act. Additionally, the OUR has specific powers to monitor, review and approve GS for service providers under their respective licenses including the Jamaica Public Service Company Limited (JPS) under its Electricity Licence, 2016 (JPS Licence). Similar provisions are also included in the licences for private water and sewerage service providers. Accordingly, the OUR has established GS for JPS, the NWC, and several licensed private water and/or sewerage providers.
- 1.3 The OUR has conducted periodic reviews of the GS Schemes for JPS and NWC since their establishment in 2001, as part of the Rate/Tariff Setting Process. However, due to the complexity of the tariff setting process and the time constraints circumscribed by the provisions of the relevant licence and/or regulatory processes, the OUR recognized that adequate time for a comprehensive consultation on the QOS standards, particularly, the GS Scheme, could not be achieved in the time allotted.

- 1.4 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 conducted a comprehensive review of the GS for the JPS and NWC, to ensure that they remain appropriate and address the service delivery areas that are most important to the customers. To this end, the OUR published a Consultation Document titled, “*Comprehensive Review of the Guaranteed Standards Scheme for the Jamaica Public Service Company Limited and the National Water Commission*” (Document No. 2022/GEN/020/ CON.001) dated 2022 June 24 (“Consultation Document”). The OUR also included, in its consultation, the proposed circumstances in which JPS sought to be excepted/exempted from specific GS.
- 1.5 The public and other stakeholders were invited to provide comments on the Consultation Document. However, feedback was only received from the Consumer Advisory Committee on Utilities (CACU), JPS, and NWC. The feedback and comments received were taken into consideration in arriving at the decisions outlined in this Determination Notice.

## SUMMARY OF STAKEHOLDERS’ COMMENTS AND OFFICE DETERMINATIONS

### **General Comments and OUR Decision to Consultation**

- 1.6 The Office has noted and considered the general comments received from JPS and NWC to the Consultation Document. Regarding the Service Providers’ request for the reduction of the number of GS respectively, the OUR has given due consideration to their proposals, which is discussed further in this Determination Notice. The OUR also noted that the Service Providers have maintained a generally high level of performance against the GS. However, the OUR recognizes that the GS prescribes minimum service level performance and therefore, encourages the service providers to strive to attain service delivery levels that will not only meet but exceed the GS performance requirements.

### **JPS Other General Comments**

- 1.7 Following the review of JPS's request for exemptions from the GS relating to customer issues and/or requiring customer actions, the Office is of the view that a general exemption from the GS to the customer-related issues/action identified is not warranted in all instances. Accordingly, the Office has taken the position that an exemption from GS compensation in these circumstances is only warranted where there is an illegal connection by a non-JPS account holder.
- 1.8 JPS's request for an exemption from EGS 1 – Connection to supply (New), EGS 6 – Reconnection after payment of overdue amounts, and EGS 12 – Reconnection after wrongful disconnection where it fails to remotely reconnect or connect a customer's supply due to meter tampering is denied as no justification was provided in support of the request. Additionally, the applicability of EGS 1 to this request was not evident.
- 1.9 The Office accepts JPS's request for an exemption from EGS 9 – Timeliness of meter replacement as the identified circumstances were deemed reasonable.

### **Approach to Regulating Service Quality**

- 1.10 With regard to the approach to regulating Quality of Service (QOS), the Office disagrees with JPS's suggestion to streamline GS performance benchmarking with the Q-factor, since the Q-factor is a specific standard (under the JPS Licence) which focuses on reliability of supply. The Office is of the view that there is no relation between the GS, which affixes the quality of service to be delivered to the customer through JPS's commercial arrangement with each individual customer, and the Q-factor.
- 1.11 The Office agrees with the NWC and CACU that the existing compensation payment is the most appropriate approach for GS service breaches. Note was also taken of the CACU's position that the compensation for the NWC GS breaches should attract automatic compensation, which is addressed in Part 3 of the Determination Notice. We have accepted the CACU's position that the process for NWC customers to submit the required claim forms for GS breaches should be automated. Accordingly, the Office has determined that:

- (a) The existing customer compensation approach as the compensation mechanism for Guaranteed Standards breaches for JPS and NWC, will remain.
- (b) The NWC will be required to provide its customers with the option to complete and submit the GS claim form electronically. The effective date of this determination will be specified in the next five-year Tariff Review Determination Notice for the NWC.

**Amendment to the compensation mechanism for JPS GS Scheme specific to residential (Rate 10) customers**

1.12 In the review of JPS’s proposal to amend the compensation mechanism for its GS Scheme for residential (Rate 10) customers, the Office considered:

- (i) the impact of using the monthly customer charge, as proposed by JPS, on the GS compensation amount;
- (ii) the impact of using an average of the customer’s bill as the basis for calculating the GS compensation amount;
- (iii) JPS’s revised proposal to establish the current amount of \$1,650, as the fixed GS compensation amount for residential customers; and
- (iv) the timeline for subsequent periodic reviews of the GS compensation amount for JPS residential customers.

1.11 In its review of the compensation mechanism, the Office also considered the objective of the GS compensation mechanism which is to provide affected customers with some monetary compensation for the inconvenience suffered due to service failures, while incentivizing the Service Provider to maintain prescribed service delivery levels. The methodology for deriving the compensation amount as to whether it can be achieved by either using the proposed method of adding a multiplier to the Customer Charge or through JPS’s proposal of establishing the existing amount as the fixed GS compensation was assessed. In its analysis of both methodologies, the Office formed the view that the main difference between the two approaches is that establishing



a fixed GS compensation may be the simpler one in the circumstances. Consequently, the Office has determined that:

- (a) A fixed amount for JPS GS compensation which is based on 20% of the calculated average residential customers' bill will be established.
- (b) The average residential customers' kWh consumption is to be calculated using the last twelve (12) months' data preceding the OUR's acceptance of JPS's Five-Year Rate Review.
- (c) JPS's fixed GS compensation amount is to be calculated using the average residential customers' kWh consumption and the rates determined at the Five-Year Rate Review.
- (d) The fixed GS compensation amount will be stated in the Five-Year Rate Review Determination Notice.
- (e) Special Compensation is retained as part of the GS compensation mechanism for JPS and is set at two (2) times the fixed amount determined for all other breaches.
- (f) No more than three (3) months after the effective date of the Five-Year Rate Review Determination Notice will be allowed for the implementation of the OUR determined fixed GS compensation for JPS.
- (g) The changes to the GS compensation mechanism are only applicable to the Rate 10 – Residential customer class. For clarity, the compensation mechanism for all other JPS rate classes remains unchanged.

### **Amendment to JPS GS EGS 3 – Response to Emergency**

1.12 Resulting from the review and assessment of the feedback received and research relating to JPS's proposal to transfer EGS 3 – Response to Emergency from the GS to the Overall Standards (OS) Scheme, the Office has granted the request. The review indicated that EGS 3 would be more suited as an OS to evaluate JPS's QOS performance on its "*Response to Emergency (broken wires, broken poles, fires, etc.)*". Consequently, the Office has determined that it will transition EGS 3 from a Guaranteed Standard to an Overall Standard. However, given the provisions of the JPS Licence regarding the timeline for changes to the OS, this transition will take effect with the effective date of JPS's Five-Year Rate Review Determination Notice.

## **Revision of Performance Target for JPS GS EGS 15 – Transitioning Existing Customers to the RAMI system**

- 1.13 No comments on JPS’s proposal to modify the performance target for EGS 15 was received. Further, JPS failed to provide the requested information to support its proposal for the Office’s consideration. Accordingly, the Office has determined that no change will be made to the performance target for EGS 15 at this time.

### **Additional Exemptions to JPS GS**

- 1.14 In addition to the request for exemptions to the GS set out in JPS’s general comments, JPS also requested that additional exemptions be granted to specific GS in instances where: (i) before a breach is committed, the customer requests that no action/further action be taken,; (ii) the customer fails to use the appropriate channel published by JPS to provide required information; and (iii) where information provided by the customer is erroneous or requires verification. JPS also proposed to apply the additional exemptions to any other GS deemed applicable.
- 1.15 Based on its assessment, the Office views the circumstances and applicable GS identified for these additional exemptions to be reasonable. The Office has also determined that it will allow JPS to apply these exemptions to any other GS deemed applicable. However, JPS will be required to provide the details of its application for these additional exemptions in its quarterly GS report.
- 1.16 Of the exemptions requested in JPS’s general comments, only the exemption of EGS 9 – Timeliness of meter replacement - in circumstances where the meter is not changed within the stipulated timeline due to the: (i) customer not keeping appointments to facilitate the meter change and (ii) meter inaccessibility is deemed to be reasonable.

### **Cap Period for Consecutive Individual JPS GS Breaches**

- 1.17 The Office considered the views expressed by JPS and the CACU regarding the issue of the cap periods for individual consecutive JPS GS breaches. JPS, on the one hand is against the continued

application of additional compensation for all consecutive GS breaches while the CACU is of the view that JPS should be required to pay additional compensation for as long as the breach goes unremedied. The Office considered how this issue is treated in the other jurisdictions, where additional compensation is not applied in all instances of consecutive GS breaches, with only one additional payment in most cases.

1.18 As indicated in the Consultation Document, the Office is amenable to making adjustments to the current cap periods for consecutive JPS GS breaches. Taking into consideration the feedback received, the approach used in other jurisdictions, and its own assessment of JPS's performance on each individual GS, the Office has determined that:

- (a) The cap period of eight (8) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five years. Accordingly, the GS for which compensation is applicable for up to eight periods of non-compliance are: **EGS 1** – New and Simple Connections, **EGS 6** – Reconnection after payment of overdue amounts, **EGS 7** – Estimated Bills, and **EGS 11** – Wrongful Disconnection and **EGS 12** – Reconnection after Wrongful Disconnection.
- (b) The additional compensation cap period for all remaining GS will revert to the initial four (4) periods of non-compliance.
- (c) JPS shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.
- (d) These amendments will take effect on the effective date of the next OUR Five-Year Rate Review Determination Notice for JPS.

## **Areas of Focus Covered Under JPS's GS Scheme**

- 1.19 As part of this comprehensive review of the GS Schemes, the Office undertook an assessment of the areas of focus for the JPS GS to ascertain their relevance and assess JPS's performance in light of its request for the removal of specific GS (EGS: 4, 5(a), 5(b) and 10). The Office also noted and agrees with the JPS and CACU that the number of standards under JPS's GS scheme exceeds those in other jurisdictions.
- 1.20 The assessment of JPS's GS performance over the last five (5) years indicated the areas in which JPS has shown improvements overtime (low incidents of breaches) and the areas in which there remains room for improvement (high incidents of breaches).
- 1.21 Based on the assessment, the OUR only agrees with the removal of EGS 4 given that it is among the standards with the lowest incidents of breaches over the last five years. In addition, the Office is satisfied that JPS has a robust billing system that should result in the company maintaining its ability to dispatch the first bill within forty (40) working days, given the results of recent investigations conducted on the company's billing system. However, in an effort to continue to monitor JPS's performance on the issuance of the first bill, JPS will be required to continue to include information regarding the number of new supplies and the timeline within which new bills are issued in its quarterly GS performance report.
- 1.22 The Office is also of the view that EGS 2, which relates to Complex Connections, can be subsumed into one (1) GS to replace what currently obtains. This decision is based on the notable low level of breaches of EGS 2 with the consideration that it remains relevant as a GS given the need to have new customer connections executed in a timely manner.
- 1.23 Accordingly, the Office has determined that:
- (a) EGS 4 – Billing Punctuality will be removed as an area of focus under JPS's GS Scheme. However, in an effort to continue to monitor JPS's performance on the issuance of the first bill, JPS will be required to continue to include information regarding the number of new supplies and the timeline within which new bills are issued in its quarterly GS performance report.

- (b) EGS 2 – Complex Connections will remain an area of focus but will be amended to one (1) Guaranteed Standard as follows:

Between 30m and 250m of existing distribution line

- (i) estimate within fifteen (15) working days
- (ii) connection within forty (40) working days

(c) Except for EGS 3, which will transition into an OS, all other areas of focus will be retained under JPS’s Guaranteed Standards Scheme.

(d) EGS 2 will take effect on the effective date of the next OUR Five-Year Rate Review Determination Notice for JPS.

### **GS for JPS’s Prepaid Metering Service**

- 1.24 In the Consultation Document, two (2) additional GS for JPS’s prepaid metering service, EMPS 3 – Meter Replacement and EPMS 4 – Service Availability were proposed. With regard to EMPS 3, the Office has reviewed and accepted that JPS’s request to extend the timeline to forty-eight (48) hours, where service is disrupted, is reasonable. However, the Office is of the view that this extended timeline shall include the meter fault/defect verification activity, so that the necessary actions are taken to reduce the inconvenience caused to the customer when service is disrupted. The Office is also of the view that JPS’s proposal for a twenty (20) working days timeline to replace a meter after detection/notification of defect/fault, where the customer’s supply is not disrupted is reasonable and consistent with the related GS for postpaid customers.
- 1.25 With regard to EPMS 4, the Office has accepted JPS’s proposed amendment to replace the word ‘attempt’ with ‘successful’ in the performance measure. However, no changes will be made to the five (5) minute timeline for the purchased kWh to be made available to the customer, as JPS did not provide any basis for its proposal to increase the timeline to ten (10) minutes. Additionally, the Office accepts JPS’s proposed thirty (30) minute timeline to reinstate a deactivated prepaid account.

1.26 The Office does not agree with JPS’s request for the exclusion of STS prepaid meters from the EPMS 4 performance measure. While the Office is aware that top-ups on these meters require customer actions, it is of the view that the aforementioned amendment (from ‘attempt’ to ‘successful’) to the performance measure has sufficiently defined the standard. As such, a breach would only occur where the customer does not receive the purchased kWh within five (5) minutes of a successful top-up and makes the issue of breaches due to unsuccessful top-ups redundant.

1.27 Accordingly, the Office has determined that:

1. Two (2) new standards will be added to JPS’s prepaid metering service. These are:

Code	Focus	Description	Performance Measure
EPMS 3	Meter Replacement	Timeliness of meter replacement	<p>(i) Maximum of forty-eight (48) hours to verify and replace meter after notification/detection of fault/defect, where the customer’s supply was disrupted.</p> <p>(ii) Maximum of twenty (20) working days to verify and replace meter after notification/detection of fault/defect, where the customer’s supply was not disrupted.</p>
EPMS 4	Service Availability	Availability of purchased kWh after successful top-up	<p>(i) kWh purchased shall be available to customers within five (5) minutes of successful top-up.</p> <p>(ii) Accounts suspended due to insufficient funds shall be reinstated within thirty (30) minutes of successful top-up.</p>

2. EPMS 1 and EPMS 2 remains the same.

**JPS's Proposal Specific to EGS 7 – Estimated Bills**

- 1.28 In response to the Consultation Document, JPS included a proposal specific to EGS 7 – Estimated bills, which restricts the company from sending more than two (2) consecutive estimated bills. JPS's proposal is based on the over 60% of customer's premises that are served by smart meters with capabilities for, among other things, remote meter readings. However, JPS also highlighted the challenges to obtain regular meter readings from its RAMI system due to high incidents of electricity theft. JPS's proposal also included changes to the following billing-related regulatory decisions that it alleges affect its performance on EGS 7 and other GS: (i) Definition of Estimate, (ii) Treatment of Under-estimation, Adjustment to Reading Date Threshold, and (iv) Elimination of High/Low Exceptions Threshold.
- 1.29 The Office has determined that JPS's proposal relating to EGS 7 – Estimated Bills requires further examination, especially in light of the implications on other GS and billing-related regulatory rules. Accordingly, the Office will undertake further assessment of this proposal and communicate its decisions regarding same within six (6) months of the date of this Determination Notice.

**Areas of Focus Covered Under the NWC GS Scheme**

- 1.30 The Office also undertook an assessment of the areas of focus covered under the NWC's GS scheme to ascertain their relevance and assess the NWC's request to change the timeline in the performance measure for WGS 11 – Reconnection after payment of overdue amounts, from 24 hours to 36 hours in rural areas. The results of the assessment of the NWC's GS performance over the last five (5) years showed that, like JPS, the NWC has shown improvements in some areas while there remains room for improvement in others.

- 1.31 Based on its assessment, the Office has determined that it cannot accede to the NWC’s request for an increase in the reconnection timeline for WGS 11 for rural areas since: (i) any undue delay to provide customers with access to water can have implications on their health and safety, and (ii) with the constraint of accessibility, where the NWC can present proof of its inability to access a specific location to reconnect a supply, then this can be submitted as the basis for the compensation payment not being applicable. However, the Office will reserve the right to review and assess the applicability of the compensation payment in these circumstances.
- 1.32 Specific to the areas of focus, the assessment identified two (2) NWC GS, namely WGS 6 – Account status (Issue of account status) and WGS 15 – Billing Adjustment (timeliness of adjustments to customer’s account) that recorded no breaches over the last five years. In addition, these two GS accounted for the least number of contacts or accounts relating to GS breaches. Accordingly, the Office has decided that it will remove WGS 6 and WGS 15 from the NWC GS Scheme. However, the NWC will be required to continue to include information regarding the number of contacts received related to Account Status and Billing Adjustment and the time taken to address both issues in its quarterly GS performance report. The Office has also decided to retain all other NWC GS as their areas of focus are deemed relevant to customers. The aforementioned changes will take effect on the effective date of the next five year Tariff Review Determination Notice for the NWC.

### **Compensation Mechanism and Level for the NWC GS Scheme**

- 1.33 The Office has reviewed and considered the responses from the CACU and the NWC regarding the NWC’s GS compensation mechanism. The Office agrees with the CACU that the compensation mechanism for the NWC should only comprise automatic compensation for breaches, thereby making it more consistent with what obtains for JPS. Accordingly, the Office has determined that the NWC GS will transition from the claim form submission requirement to attracting automatic compensation on a phased basis.



- 1.34 In its response to the Consultation Document, the NWC recommended the establishment of a single fixed service charge to derive the GS compensation, given the existing number of service charges per service connection. The NWC also highlighted the financial burden of the current GS compensation which undergirds its argument for the establishment of a single fixed service charge for GS compensation.
- 1.35 Having reviewed the proposal, the Office disagrees with the NWC's request to establish a single service charge to derive the GS compensation given that, as stated by the NWC, each service charge is specific to the size of the service connection.
- 1.36 With regard to the compensation for NWC GS breaches, the Office has confirmed the NWC's position that the current levels of compensation exceed, on average, 100% of total monthly bill charges for consumption of at least 14,000 litres for water services only for residential customers. Based on the analysis conducted, the OUR agrees with the NWC that its current GS compensation levels of four (4) and six (6) times the applicable monthly Service Charge for General and Special compensation respectively for all customer classifications, including residential customers, will exacerbate the financial burden with the increase in GS attracting automatic compensation.
- 1.37 Accordingly, the Office has determined that it will revise the NWC GS compensation level for all rate classifications to two (2) times the monthly Service Charge for General Compensation and three (3) times the monthly Service Charge for Special Compensation. However, given that the monthly Service Charge is reviewed annually as part of the NWC's inflationary (ANPAM) adjustment, the General and Special GS compensation for each customer classification will be the fixed rates where, upon the ANPAM adjustment the calculated GS compensation using the prevailing Service Charge falls below the fixed rates. Further, the Office has also determined that the changes to the NWC's compensation level will take effect at the effective date of the next five year Tariff Review Determination Notice for the NWC.

### **Cap Periods for Consecutive Individual NWC GS Breaches**

- 1.38 In its response to the Consultation Document, the NWC recommended that the approach used in the other jurisdictions referenced be applied to the issue of cap periods for consecutive individual GS breaches. The Office has considered the NWC’s response which aligns with the indication of our willingness to adopt the approach used in the other jurisdictions examined, to only apply additional compensation to specific consecutive breaches based on a defined criterion.
- 1.39 Accordingly, the Office has determined that it will amend the cap period for compensation payments applicable to consecutive GS breaches as follows:
- (i) The cap period of six (6) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five (5) years. Accordingly, the GS for which compensation is applicable for up to eight periods of non-compliance are: **WGS 1** – Connection to Supply, **WGS 5** – Wrongful Disconnection, **WGS 8** – Repair and replacement of faulty meter, **WGS 11** – Reconnection after payment of overdue amounts, and **WGS 12** – Reconnection after wrongful disconnection.
  - (ii) The additional compensation cap period for all remaining GS will be reduced to three (3) periods of non-compliance.
  - (iii) The NWC shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.
  - (iv) These amendments will take effect on the effective date of the next Tariff Review Determination Notice for the NWC.

### **Number of GS for JPS and NWC**

- 1.40 As shown in the determinations made, the Office has assessed and begun the process to reduce the number of GS for JPS’s post-paid service and the NWC. This has resulted in the number of

GS being reduced to 14 (down from 17) for JPS, and 15 (down from 17) for NWC. However, the changes will only apply as of the date specified in the service provider’s respective Determination Notices.

1.41 Additionally, as was previously stated, the OUR is committed to continue further comprehensive reviews of the GS Schemes for JPS and NWC to ensure that both schemes remain relevant and meet their objectives. These reviews will be conducted at mid-tariffs, that is every thirty (30) months, following the effective dates of the subsequent five year rate review issued after this Determination Notice.

## PART 2: LEGAL FRAMEWORK

2.1 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.

2.2 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...”*

2.3 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...”:*

2.4 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...”*

2.5 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...”*

2.6 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.

2.7 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.

2.8 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.”*

2.9 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;”*

2.10 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 customer(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...”*

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

# PART 3: OUR'S RESPONSES TO COMMENTS ON THE CONSULTATION DOCUMENT AND DETERMINATIONS

## Chapter 1 General Comments

### Overview

- 3.1 The Consultation Document was issued to the public on 2022 June 24 and sent via email to select consumer-centric interest groups and agencies, for the submission of responses by 2022 July 22. However, the Service Providers requested an extension of the response deadline, which was extended to 2022 August 19. Comments were only received from Consumer Advisory Committee on Utilities (CACU), JPS and NWC. In addition, the OUR through meetings with JPS and NWC, sought clarifications on aspects of their responses. As is the usual practice, respondents were also provided with an opportunity, through meetings and in writing, to submit comments on the responses received.

### Service Providers' General Comments and OUR Responses

#### JPS GENERAL COMMENTS

- 3.2 JPS indicated that the Service Providers' (JPS and NWC) average of over 90% GS compliance rating confirms that they have consistently delivered a high level of service to their customers over the past twenty (20) years. Specifically, JPS noted that its average performance over the past ten (10) years averaged 95%, with three (3) standards primarily accounting for the most breaches.
- 3.3 JPS also recommends that the OUR use this consultation process as an opportunity to make radical changes to the GS Scheme, which should include reducing the number of standards from twenty-one (21) to focus on fewer standards that are of current value to customers. In this regard, based on, inter alia, the number of breaches over the period reviewed, JPS highlighted five (5) GS which could be removed from its scheme, which would not compromise the effectiveness of the GS Scheme. JPS proposed the removal of EGS 3 – Response to emergency; EGS4 – Issuance of first bill; EGS5A – Complaints acknowledgement; EGS5B – Complaints investigation; and

EGS10 – Billing adjustment. Further, JPS advised of its strong objection to the OUR’s inclination of establishing additional GS.

3.4 JPS further proposes the exemption of the following GS in circumstances which include:

- (a) GS relating to customer issues and/or require customer actions. These include field services notation such as illegal connection, meter tampering and all access related issues (premises and community);
- (b) Failure to reconnect or connect supply after disconnection due to meter tampering. This would be specific to EGS 1, EGS 6 and EGS 12; and
- (c) Failure to replace meter after detection of fault (not due to tampering by the customer), which is specific to EGS 9. JPS requested an exemption from the payment of compensation where: (i) the customer is unable to keep an appointment to effect the meter replacement and/or (ii) the meter is inaccessible.

#### NWC GENERAL COMMENTS

- 3.5 In its general remarks, the NWC confirmed its continued commitment to providing its customers with quality service and stated that it is not averse to a compensation mechanism for customers in the event of service delivery breaches. The NWC is however of the view that the compensation mechanism associated with the GS Scheme should be reasonable and should not be onerous and punitive in nature such that it results in financial hardship to the service provider.
- 3.6 Additionally, like JPS, the NWC recommends that consideration be given to reducing the number of GS for both service providers on the basis that the number of standards for the Service Providers far exceeds the number of standards that exists in the other jurisdictions benchmarked in the Consultation Document.
- 3.7 Further, the NWC whilst acknowledging the need for standardization, cautioned that due consideration should be given to the differences in current technical and financial and other resource capacities of the various entities when reviewing the standards and the attendant compensation mechanism.



## OUR's RESPONSE TO SERVICE PROVIDERS' GENERAL COMMENTS

- 3.8 The OUR has noted the general comments received from JPS and NWC. Based on the data, the OUR confirms that the Service Providers have maintained a generally high level of performance against the GS. However, the OUR recognizes that the GS prescribes minimum service level performance and therefore encourages the service providers to strive to attain service delivery levels that will not only meet but exceed the GS performance requirements. Regarding the Service Providers' request to reduce the number of GS, the OUR has considered the proposal in relation to their respective GS Scheme and the matter is discussed further in this document.
- 3.9 In relation to JPS's general comments requesting exemptions from the GS in the circumstances identified in paragraph 3.4 above, the OUR is of the view that a general exemption from the GS to the circumstances identified is not warranted in all instances as indicated below.

### (i) Customer-related Issues/Actions (Applicable to all Guaranteed Standards)

For the customer-related issues/action, the OUR is of the view that a general exemption from all the GS would not be applicable in all the circumstances identified by JPS. For instance, circumstances related to defective meter sockets and access to premises/community would not affect JPS's ability to verify a breach of some standards that include EGS 5a or 5b or EGS 8. The OUR is of the view that an exemption from all the GS is only warranted where there is an illegal connection by a non-JPS account holder.

### (ii) Failure to reconnect or connect supply after disconnection due to meter tampering

With regard to a failure to reconnect or connect supply after disconnection due to meter tampering, the OUR does not understand the rationale to include EGS 1 among the GS for which exemption is being sought since this would be a new installation, complete with a new meter. Additionally, while JPS's request specifies that this exemption is applicable to EGS 1, EGS 6 and EGS 12, it has not provided any justification for the request for our consideration. The OUR also notes that provisions are made under JPS's Back Billing Policies and Procedures for the

company to recover amounts not billed due to meter tampering. Accordingly, the OUR is unable to consent to an exemption from these GS without the requisite justification.

(iii) Failure to replace meter after detection of fault (not due to tampering by the customer)

The OUR has reviewed JPS's request and is of the view that the circumstances identified by JPS for exemption of EGS 9 are reasonable and will be accepted. However, the OUR reserves the right to review and assess the applicability of the compensation payment. Accordingly, JPS will be required to provide verifiable evidence of the customer not keeping an appointment and/or the meter inaccessibility, where necessary.

- 3.10 Considering the foregoing, the OUR will include the exemption for EGS 9 in the corresponding discussion under the heading Exceptions and Exemption – Question 5.

## **Chapter 2 Regulation of Quality of Service**

Specific Comments, OUR's Responses and Determinations

### **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.

### **JPS Comments:**

3.11 JPS expressed the view that the OUR should transition away from the existing GS regime or significantly reduce the GS regime. JPS highlighted that it is the only utility provider that is regulated using two out of the three approaches to regulating service quality referenced in the Consultation Document: namely, customer compensation through the GS Scheme and price adjustments under the tariff regime through the Q-Factor. JPS further posited that its high compliance level with the GS indicates the successful entrenchment of most service standards into its routine operations. In addition, JPS suggested that its proposal to reduce the number of GS could be achieved through “... *streamlining of QoS performance benchmarking with the Q-Factor that tangibly links reliability (frequency and duration of outages) with the price of the service becoming the primary measure of value to most customers as an ongoing index of service quality.*”

**NWC Comments:**

3.12 The NWC stated that it is not averse to the compensation payment approach for GS breaches. In response to Questions 1(b) and (c) above, the NWC answered in the negative.

**CACU Comments:**

3.13 The CACU agreed in principle that the current imposition of customer compensation payments is the appropriate approach for GS breaches. It also expressed the view that like JPS, all NWC GS breaches should attract automatic compensation, given the greater social and health risks posed by the water and sewerage sectors. Notwithstanding its noted preference for automatic compensation under the NWC GS Scheme for all standards, CACU suggested that “...*the current system of a claim form should either be automatically generated for the customer to complete and submit electronically, or the form should be automatically completed by the [NWC] and an electronic request for verification/signature sent to the customer [by the NWC].*”

3.14 CACU also recommended that the regulation of service quality for NWC, like the JPS, should reflect a combined approach, which will see the inclusion of financial incentives in the rate-making mechanism as well as automatic compensation for QOS breaches. CACU, however, conceded that legislative changes to the existing regulatory framework for the NWC is required.

### **OUR's Response and Determination:**

- 3.15 The OUR notes but disagrees with JPS's suggestion to streamline QOS, and specifically GS, performance benchmarking with the Q-factor. In electric utility regulation, QOS performance is usually monitored and measured in three (3) general areas namely, Commercial Standards, Power Quality and Reliability. Commercial Standards encompasses the contractual arrangement between the JPS, and its customers as is represented under the GS Scheme. Power Quality mainly encompasses voltage quality which represents the usefulness of electricity to customers when there are no interruptions. The reliability dimension involves "continuity of supply", which focuses on interruptions in electricity service to customers and is measured using reliability (quality) indices (frequency and duration).
- 3.16 As represented in the existing Performance Based Rate-Making Mechanism (PBRM) defined in Schedule 3 of JPS Licence, the "reliability of supply" component of JPS's QOS performance, is addressed under the specified Q-Factor scheme. As defined, the Q-Factor is the annual allowed price adjustment to reflect changes in the quality of service ("reliability of supply") provided by JPS to its customers. Based on the described "reliability of supply" conditions, and the scope and application of the existing Q-Factor scheme, there is no direct relationship or connection between the Q-Factor mechanism and JPS's GS. As it stands, the performance requirements as set out under Schedule 1 of the JPS Licence and the reliability performance requirements (Q-Factor) defined under Schedule 3 of the Licence, are mutually exclusive. Accordingly, the OUR's position is that there is no justifiable basis to incorporate or benchmark the GS performance under the Q-Factor.
- 3.17 The OUR also notes and agrees with the NWC and CACU that the existing compensation payment is the most appropriate approach for GS service breaches. The rationale set out by CACU's recommendation that all NWC GS attract automatic compensation, is discussed and the decisions thereon, are set out further in this document.

- 3.18 The OUR agrees with the CACU that for those NWC GS that will continue to require the submission of a claim form, the process should be automated and customers be provided with the option to make these submissions electronically. It is the OUR's view that providing NWC customers with the option to automatically submit the GS claim form can, among other things, reduce the inconvenience and resources needed to physically submit the form and generally improve the efficiency of the GS claim submission process. Accordingly, the NWC will be required to put the necessary measures in place to facilitate customers being able to complete and submit the GS claim form electronically.
- 3.19 Additionally, the OUR has noted CACU's comments regarding the use of a combined approach to service quality regulation that will see financial incentives in the NWC rate making process. Currently, the existing regulatory framework for NWC is governed by the provisions of the OUR Act and Office Determinations. Therefore, the OUR will subject the proposal to further consideration to determine its feasibility and application where applicable.

**Determination 1: Approach to Regulating Service Quality**

The Office has determined that:

- (a) The existing customer compensation approach as the compensation mechanism for Guaranteed Standards breaches will remain.
- (b) The NWC is required to provide its customers with the option to complete and submit the GS claim form electronically. The effective date of this determination will be specified in the next five-year rate review Determination Notice for the NWC.

**CHAPTER 3: JPS GUARANTEED STANDARDS SCHEME PROPOSED CHANGES**

Comments Specific to JPS and OUR's Responses

**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?
- (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?

**JPS Comments:**

3.20 In response to the GS compensation mechanism, JPS expressed the view that the OUR’s proposal *to apply multipliers of 3.5 and 6.5 to the monthly customer charge as the mechanism for deriving the compensation for residential customers, results in an 11% and 4% increase respectively for General and Special Compensation based on the current tariff.* JPS further advised that this proposed increase in the compensation mechanisms for residential customers would result in a substantial increase in GS compensation amounts without the requisite adjustment to the R10 Customer Charge from tariff reviews. JPS further notes that an increase in the GS compensation value was not the intent of its proposal to use the Customer Charge as the basis for deriving the GS compensation mechanism for residential customers.

3.21 As an alternative, JPS proposed that the existing GS compensation amount of \$1,650, which represents about 15.6% of an average residential customer bill, be established as the flat fixed compensation for a breach of a residential GS. Additionally, JPS recommends that this flat GS compensation can be reviewed at the five year rate reviews *and adjusted if necessary to 20% of the calculated average residential customer’s bill, providing that the compensation level is not less than \$1,650.00.*

**CACU Comments:**

3.22 For CACU, the use of the Customer Charge as the basis to determine GS compensation is not binary in that the Customer Charge represents a small part of the overall cost to a JPS customer, *with consumption having the largest impact on the overall bill*. To support its point, the CACU cited that where multiple customers receive estimated bills for more than two (2) consecutive billing periods, the Customer Charges represent a small component of the amount collected by JPS.

3.23 In addition, CACU agreed that the strategy of applying a multiplier to the Customer Charge for JPS GS compensation is one that can be considered. However, CACU cautioned that the determination of the multiplier would require careful assessment and suggested that it could be considered based on consumption class, that is, where the customer falls on the Rate Schedule.

**OUR's Response and Determination:**

3.24 The objective of the GS compensation mechanism is to provide affected customers with some monetary compensation for the inconvenience suffered due to service failures while incentivizing the Service Provider to maintain prescribed service delivery levels. Derivation of the compensation amount can be achieved by either the use of the proposed method of adding a multiplier to the Customer Charge or through the establishment of an amount as the fixed GS compensation, although in the jurisdictions where this approach is used, the methodology of arriving at the fixed amount was not evident.

3.25 The OUR notes JPS's and CACU's comments regarding the use of a multiplier to the Customer Charge as the compensation mechanism for JPS GS breaches. As highlighted by JPS, it is accepted that this approach would result in an increase in the existing GS compensation amount for residential customers. However, in balancing the respective interests, the application of the multiplier to the Customer Charge is reasonable, since without it the amounts for JPS GS breaches would have been significantly reduced.

3.26 Further, the OUR also accepts that the use of the Customer Charge for the GS compensation mechanism is not reflective of the total charges that JPS customers may incur in the event of service failure. It is recognized that there are significant difficulties/challenges in quantifying the harm/inconvenience caused to customers in events of service failures. For instance, it would be difficult to quantify JPS's failure to acknowledge and/or respond to a customer's written correspondence and be able to relate this service failure to the total charges that are incurred in any billing period. However, in spite of the challenges to quantify the harm/inconvenience caused to a customer, the proposed use of the multiplier to the Customer Charge could serve to maintain and achieve a reasonable compensation level for GS service failures.

3.27 Alternatively, JPS has proposed to, at the first instance, establish the current reconnection fee of \$1,650 as the fixed compensation, which JPS indicated is approximately 15.6% of the average residential customer bill of consumption of 165 kWh/month at \$10,591. JPS also proposed that the flat fee be reviewed at the five-year rate reviews and adjusted if necessary to reflect 20% of the calculated average residential customer's bill based on the average consumption at the time of the review, provided that the compensation value is not less than \$1,650.

3.28 The OUR has examined JPS's proposal and is of the view that some aspects bear merit. However, the OUR is proposing that instead of establishing the current reconnection fee as the fixed GS compensation, the fixed compensation is established using a calculated percentage of the average residential customer's bill. The OUR is also of the view that JPS's proposal for the fixed compensation to reflect an average 20% of the residential customer's bill is reasonable, based on the following:

- (a) The fixed compensation, using rates as at 2023 September to calculate 20% of the average residential customer's bill with an average consumption of 165 kWh, is about \$1,747.
- (b) The calculated fixed compensation in (a) above represents a marginal increase over the existing amount, which should not significantly impact JPS's revenues.
- (c) This methodology will allow for the fixed compensation to be current.



- 3.29 However, given the provisions of JPS's Licence, the review of the GS scheme, inclusive of the compensation level/mechanism, will need to be undertaken between tariff reviews and not at five-year Rate Review as proposed by JPS.
- 3.30 Having examined the multiplier and fixed compensation methodologies (as proposed by JPS) and the implications thereof, the main difference between the two approaches is the simplicity of establishing a fixed GS compensation. Therefore, the OUR is amenable to establishing an amount as the General fixed compensation for breaches of residential GS, based on 20% of the average residential customer's bill. Whilst the compensatory sum does not reflect or attempt to remedy the actual loss, either partial or whole, experienced by each customer, the OUR must ensure that the fixed GS compensation remains reasonable over time. Further, the OUR has determined that the decisions on the change to the GS compensation mechanism is applicable to Rate 10 - residential customers only. For clarity, no change is being made to the GS compensation mechanism for any other JPS customer class.
- 3.31 The existing GS Scheme for JPS recognizes that there are some breaches that are more negatively impactful on the customer than others, namely Wrongful Disconnection and Reconnection after Wrongful Disconnection. For these two (2) standards, the customer is without service due to no fault of their own. Accordingly, the OUR has applied 'Special Compensation' to a breach of these standards which is calculated at two times the reconnection fee. The OUR is retaining the Special Compensation as part of the GS compensation mechanism for JPS and will maintain the compensation at two (2) times the fixed amount determined for all other breaches.
- 3.32 Consequent to the foregoing, the Office has decided that it will:
- (a) Establish a fixed amount for JPS GS compensation which will be based on 20% of the calculated average residential customers' bill.
  - (b) Calculate the average residential customers' kWh consumption using the last twelve (12) months' data preceding the OUR's acceptance of JPS's five-year Rate Review.

- (c) Calculate JPS's fixed GS compensation amount using the average residential customers' kWh consumption and the rates determined at the five-year Rate Review.
- (d) Indicate the fixed GS compensation amount in the five-year Rate Review Determination Notice.
- (e) Retain the Special Compensation as part of the GS compensation mechanism for JPS and maintain the compensation at two (2) times the fixed amount determined for all other breaches.
- (f) Allow no more than three (3) months after the effective date of the five-year Rate Review Determination Notice, for the implementation of the OUR determined fixed GS compensation for JPS.
- (g) The changes to the GS compensation mechanism are only applicable to the Rate 10 – Residential customer class. For clarity, the compensation mechanism for all other JPS rate classes remains unchanged.

**Determination 2: Compensation Mechanism for JPS GS Scheme**

The Office has determined that:

- (a) A fixed amount for JPS GS compensation based on 20% of the calculated average residential customers' bill will be established.
- (b) The average residential customers' kWh consumption is to be calculated using the last twelve (12) months' data preceding the OUR's acceptance of JPS's Five-year Rate Review.
- (c) JPS's fixed GS compensation amount is to be calculated using the average residential customers' kWh consumption and the rates determined at the Five-Year Rate Review.
- (d) The fixed GS compensation amount will be stated in the Five-Year Rate Review Determination Notice.
- (e) The Special Compensation is retained as part of the GS compensation mechanism for JPS and the compensation is maintained at two (2) times the fixed amount determined for all other breaches.

**Determination 2: Compensation Mechanism for JPS GS Scheme (cont'd)**

- (f) No more than three (3) months after the effective date of the Five-Year Rate Review Determination Notice, will be allowed for the implementation of the OUR determined fixed GS compensation for JPS.
- (g) The changes to the GS compensation mechanism are only applicable to the Rate 10 – Residential customer class. For clarity, the compensation mechanism for all other JPS rate classes remains unchanged.

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

**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.

**JPS Comments**

3.33 JPS submitted that EGS3 (Response to Emergency), is best converted to an Overall Standard (OS) arguing that the standard relates to the "response" to emergency calls for safety events due to fire, broken wire, broken pole, etc. rather than the time taken to restore service caused by outages. As such, no compensation should be applied to any individual customer. JPS further noted that

responding to emergencies is a most basic and high priority responsibility of a utility, and the company operates as a first responder to emergencies on its electrical network.

- 3.34 JPS posits that in light of the EGS 3 discussion in the Consultation Document it appears that the OUR is unclear of its intent of EGS 3 as a GS. On the one hand, the OUR is seeking to use the provisions of EGS 3 to have outages and emergencies resolved within the specified timeline, while on the other hand, highlighting in another section of the Consultation Document that JPS's "response" as stated under EGS 3 would be JPS's agents attending to an emergency to assess and coordinate a resolution rather than the resolution itself.
- 3.35 JPS further noted *that emergencies may or may not result in an interruption in service depending on the nature and location as loads may be transferred to other circuits that limit any service interruption...to only compensate the first customer who reports an emergency that affects multiple customers runs counter to the objective of the GS to individually compensate for the inconvenience of not meeting a standard.* Further, there is an additional conundrum in that anyone can report an emergency, whether the individual is affected or one of its customers.
- 3.36 JPS expressed the concern that maintaining EGS 3 as a GS "*...the OUR ...also risks creating moral jeopardy by offering compensation to customers for reporting events of emergency. Already, many service calls are logged by customers as emergencies, including fires, that are not validated by field visits. It would deny other customers and entities affected by the same event and goes against the basic principles of fairness and equity.*"
- 3.37 Based on the foregoing reasons, JPS reiterated that continuing to try to fit EGS 3 under the GS scheme would be inappropriate.

**CACU Comments:**

- 3.38 Like JPS, the CACU stated that EGS 3 should be converted to an OS. According to the CACU, the OUR's definition of 'emergency' only considers incidents 'caused' by internal factors and excludes external factors such as illegal electricity extractions, *tree and shrubbery on private property resting on overhead transmission lines*, etc., which are outside of JPS's control.

**OUR's Response and Determination:**

- 3.39 The OUR generally agrees with the comments posited by JPS and CACU regarding transitioning EGS 3 – Response to Emergency from a GS to an OS. Notwithstanding, the OUR has also noted the CACU's observation that the current definition of 'emergency', as stated in EGS 3, only considers incidents caused by internal factors and excludes the mentioned "external factors" which are deemed to be outside of JPS's control. This observation is correct since EGS 3, like all other GS, has to be specific in the definition of the circumstances that will be deemed to be an emergency. In deciding on these emergency circumstances, it was only reasonable to identify those that were deemed to be mostly in JPS's sphere of control. Additionally, provisions are made, outside of the GS, to treat the mentioned external factors. For example, concerning illegal extractions, an incentive mechanism is already incorporated in the existing PBRM for JPS to address such conditions. Circumstances of vegetation contact with JPS's T&D lines causing sustained power supply outages to customers are addressed under the established Q-Factor mechanism. In addition, the OUR was unable to identify other circumstance/s than those defined that could be considered an emergency and which would necessitate treatment as a GS.
- 3.40 Regarding JPS's assertion that the OUR is seeking to use the provisions of EGS 3 to address outages, the OUR refutes such claim. For clarity, the OUR emphasizes that reference to outages in relation to EGS 3 in the Consultation Document was specifically referring to the impact on customers due to the occurrence of any of the circumstances described as an emergency under the standard, and in no way attempted to categorize power outages as emergencies.
- 3.41 Based on our consideration of the aforementioned factors, the OUR's position is that EGS 3 would be more suited as an OS to evaluate JPS's QOS performance on its "*Response to Emergency (broken wires, broken poles, fires, etc.)*". Accordingly, the OUR has determined that EGS 3 will transition from a GS to an OS. However, given the provisions of JPS Licence regarding the timeline for changes to the OS, this transition will take effect with the effective date of JPS's five-year Rate Review Determination Notice.

**Determination 3: Conversion of EGS3 (Response to Emergency) to Overall Standard**

The Office has determined that EGS 3 is to be moved from being a Guaranteed Standard to an Overall Standard. In accordance with the provisions of the JPS Licence, the transition to Overall Standard will take effect with the effective date of JPS’s Five-Year Rate Review Determination Notice.

**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.”**

**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 onto its RAMI system? Please provide details to support your response.

**OUR’s Comments and Determination:**

- 3.42 No comments were received from stakeholders regarding JPS’s proposal to modify the performance target for EGS 15. As stated in the Consultation Document, JPS was required to provide additional information to support its proposal for our consideration. However, JPS failed to provide the requested additional information thereby inhibiting the evaluation of the proposal. Accordingly, in the absence of the information, the OUR’s position is that there will be no changes to the performance target for EGS 15 at this time.

**Determination 4: Revision of Performance Target for EGS 15**

The Office has determined that given JPS's failure to provide the required additional information/justification to support its request, there shall be no changes to the performance target for EG15.

**Exceptions and Exemptions to the Guaranteed Standards**

**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?

3.43 For context, the exemptions from making a GS payment sought by JPS relate to circumstances where there is a notification or default by the customer, or where justifiable circumstances may exist, which impedes JPS's ability to meet the prescribed standard.

**JPS Comments:**

3.44 JPS advised that it will publicize the appropriate channels through which customers can submit required information. JPS also committed to maintaining a record of verifiable evidence to substantiate claims where:

- (a) The customer informs, 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 (EGS1, EGS2A, EGS2B and EGS6)*
- (b) Customers fail to use the appropriate channels (email, address, telephone number) published by JPS to provide required information (EGS1, EGS2A, EGS2B, EGS5A and EGS5B)*

*(c) Information provided by the customer is erroneous or requires verification (The OUR is of the view that this proposal is applicable to EGS1, EGS2 & EGS5)*

3.45 JPS further confirmed, in a meeting on 2022 November 23, that it intends to apply the proposed additional exemptions to any other GS deemed applicable, as was stated in its written response.

**CACU Comments:**

3.46 The CACU expressed the view that the OUR's responses to JPS's request for exemptions are reasonable and appear to engender a framework that would foster greater accountability in favour of the consumer, thereby ensuring that JPS improves its customer service delivery.

**OUR's Response and Determination:**

3.47 The OUR reiterates its view in the Consultation Document that the circumstances and applicable GS identified by JPS for these additional exemptions are reasonable. For clarity it is reemphasized that item (c) in paragraph 3.43 above, that is where "*Information provided by the customer is erroneous or requires verification*", is only applicable to EGS 1, EGS 2 and EGS 5. In all instances where the exemptions are being applied, JPS shall require and receive verifiable evidence and is required to reproduce to produce same, when requested.

3.48 Additionally, considering the previous discussion on JPS's other exemption request, the OUR has agreed that EGS 9 – Timeliness of meter replacement, will be included in the GS for which compensation will not be payable where the: (i) customer does not keep appointments for JPS visits to replace the meter and (ii) meter is inaccessible.

3.49 With regard to JPS's request to apply these exemptions to any other GS deemed applicable, the OUR will allow JPS's request. However, JPS will be required to include in its quarterly GS report, information on all instances of exemptions applied, which shall include: the affected account, the applicable GS and the basis for the exemption.



### **Determination 5: Proposed Additional Exemptions to the Guaranteed Standards**

1. The Office has determined that additional exemptions to the Guaranteed Standards will apply where:
  - (a) The customer informs, before a breach of the GS is committed, that no action or further action relating to the matter should be taken by JPS. This is applicable to EGS1, EGS2A, EGS2B and EGS6.
  - (b) The customer fails to use the appropriate channels (email, address, telephone number) published by JPS to provide required information such that JPS is prevented from meeting the minimum service standards under the GS Scheme. This is applicable to EGS1, EGS2A, EGS2B, EGS5A and EGS5B.
  - (c) Information provided by the customer is erroneous or requires verification such that JPS is prevented from meeting the minimum service standards under the GS Scheme. This is applicable to EGS1, EGS2 & EGS5.
  - (d) For EGS 9, JPS is unable to change the meter within the stipulated time due to the:
    - (i) customer not keeping appointments for JPS visits to replace the meter, and
    - (ii) meter is inaccessible.
  - (e) The Office has further determined that JPS may apply these additional exemptions to any other GS it deems applicable. However, JPS shall provide in its quarterly GS report information on all instances of exemptions which shall include: the affected account, the applicable GS and the basis for the exemption.

### **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 answers.
- (c) If your answer to (b) above is yes, what are your views on the proposed criteria 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.

### **JPS Comments**

- 3.50 In JPS's view, the OUR failed to identify the unique quality of Jamaica's service challenges relative to the other jurisdiction on which it has "deemed it reasonable" to impose additional compensation for up to the current maximum eight (8) periods of breach for all GS. JPS further noted that the eight periods for additional compensation have doubled the cap period established at the start of the GS regime.
- 3.51 JPS did not support the OUR's justification for additional compensation for consecutive GS breaches, as providing an incentive for the service provider to remedy the breach in the shortest possible time. Citing its compliance rate, the company pointed out that given the amounts (\$816M) in lost income over the past ten (10) years, it was more than motivated to dramatically reduce and eliminate its most costly breaches. However, the unique quality of service challenges it faced should be considered.
- 3.52 Particularly, EGS 7 – Estimated Bills, whereby JPS is required to render no more than two consecutive estimates was highlighted. EGS 7 accounts for 86% of all its breaches and remains the main reason for not surpassing its 95% average compliance rating. JPS further noted that the

OUR is aware that the “*unique quality of service challenge*” with EGS 7, “*relates to the implementation of special metering infrastructure (RAMI) in areas with high levels of electricity theft*”, which impedes its ability to obtain consistent monthly meter reading for customers to avoid breaches. JPS highlighted the challenges such as problems with the specialized technology and equipment, widescale tampering that causes failures, and a lack of normal operational access and freedom in communities with high levels of electricity theft.

3.53 JPS acknowledged the inconvenience to customers affected by multiple estimates and subsequent adjustments due to under-estimation when readings are obtained. It noted however that accommodations are made with customers resulting in significant revenue impairment in addition to the relevant breach penalties.

3.54 In JPS’s view, the OUR failed to mention the impact of the back-billing policy provisions, which it claims severely limits retroactive billing of RAMI customers under conditions that the OUR deems to be within JPS’s control. Further, the back billing policy offers protection to these customers from full liability for underestimated consumption.

3.55 Consequently, JPS opined that the cap of eight (8) periods is not an incentive to encourage performance and considers it to be unnecessary and burdensome and results in excessive penalty payments that rob JPS of revenue that can help to address the problem. Therefore, the cap for EGS 7 should be reduced from eight (8) to the previous four (4) periods. In addition, JPS proposed that, given the high level of compliance it has attained and maintained the OUR should *further cap the compensation at the first breach for all other Guaranteed Standards in keeping with the international practice observed*. In essence, JPS proposed the elimination of additional compensation for consecutive GS breaches for all GS, except for EGS 7.

#### **CACU Comments**

3.56 CACU stated that placing a cap on consecutive GS breaches may deprive customers of justified compensation resulting from JPS’s tardiness in addressing the breach. Further, the implications of applicable laws and regulations in different jurisdictions should be considered in deciding on the appropriate cap for consecutive GS breaches. However, CACU expressed the view that the

existing decision to retain compensation for all prolonged consecutive breaches is reasonable, for all JPS customers.

**OUR's Response and Determination:**

- 3.57 The OUR has noted the views expressed and particularly JPS's comment regarding the absence of a rationale for additional compensation for all GS consecutive GS breaches, especially when compared to what obtains in Barbados, Trinidad & Tobago and the UK. The OUR's rationale for implementing additional compensation for consecutive GS breaches was hinged on encouraging JPS to ensure that every effort is made to adhere to the provisions of the GS; thereby attaining the established service levels. While the other jurisdictions referenced chose a different path in this regard, a possible reason for doing so may be the applicable laws and regulations, as noted by the CACU. In addition, in at least one jurisdiction, the options to switch service provider may also be a primary consideration. Further, whilst the OUR believes in benchmarking and the adoption of international best practices, it is recognized that the regulator must consider and adapt international best practices to effectively meet localized circumstances. Therefore, having reviewed the local circumstances, the OUR considers that where a breach is not corrected within the stipulated timeline, then it is only reasonable for the affected customer/s to receive compensation for the resulting inconvenience.
- 3.58 The OUR has noted JPS's comments regarding EGS 7 – Estimated Bills, which is the GS with the most breaches, and the significant challenges of the Residential Automated Metering Infrastructure (RAMI) system that have contributed to these breaches. However, the OUR is of the view that the challenges posed by the RAMI system that impact JPS's ability to obtain frequent meter readings cannot be blamed on third-party interference only. From its standpoint, the OUR observes that some of the challenges being experienced on the RAMI system can also be attributed to management decisions regarding the operations of this infrastructure and the availability of back-office resources. Additionally, based on JPS's rate and annual review submissions, the OUR has over time, provided JPS with the required financial resources to make needed improvements to the RAMI system. For instance, in the *Jamaica Public Service Company Limited Rate Review 2019 – 2024 Determination Notice*, (Document No.: 2020/ELE/016/DET.003), the OUR approved the RAMI-related projects submitted by the JPS as

well as the funds needed to undertake the projects. It is noted that one of the stated benefits of the RAMI-related projects is to improve JPS's ability to automate meter readings. Accordingly, having received those funds to augment the RAMI system, JPS needs to bear some responsibility for the challenges still being experienced with the RAMI system, especially where obtaining frequent meter readings is concerned.

3.59 The OUR agrees that the JPS Revised Back Billing Policy places restrictions on retroactive billing in circumstances deemed to be within JPS's control. However, there are no specific provisions in the JPS Revised Back Billing Policy for restrictions on retroactive billing specific to RAMI customers. Consequently, the OUR agreed with JPS, in 2019 September, on the methodology to be employed in the retroactive billing of RAMI customers following a period of prolonged (six months) consecutive estimates. Additionally, given the importance of meter readings to JPS's billing and by extension, its revenues, JPS should place great significance to obtaining frequent meter readings, at the least within the provisions of EGS 7.

3.60 Despite the foregoing, as stated in the Consultation Document, the OUR is amenable to adopting the approach used in the other jurisdictions, which is to only apply additional compensation to specific consecutive breaches based on a defined criterion. However, amendments will be applied to the adaptation to ensure that it suits our factual circumstances and to balance the interests of customers and JPS. Accordingly, considering the comments received and the assessment of JPS's performance on the GS over the review period, the OUR is amenable to amend the cap period for compensation payments applicable to consecutive GS breaches as follows:

1. The cap period of eight consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five (5) years, which is determined based on the number of breaches reported. Accordingly, the GS for which compensation is applicable for up to eight periods of non-compliance are: **EGS 1** – New and Simple Connections, **EGS 6** – Reconnection after payment of overdue amounts, **EGS 7** – Estimated Bills, and **EGS 9** – Meter Replacement.
2. The additional compensation cap period for all remaining GS will revert to the initial four (4) periods of non-compliance.

- 3.61 In addition, the OUR has determined that JPS shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.
- 3.62 The OUR will continue its assessment of JPS’s GS performance over the next five-year tariff period to determine whether further adjustments to the cap period for additional compensation for consecutive breaches is needed. Additionally, the OUR has determined that these amendments will take effect on the effective date of the 2024-2029 Rate Review Determination Notice for JPS.

**Determination 6: Cap Period for Consecutive Individual JPS GS Breaches**

The Office has determined that the following amendments will apply to the cap period for additional compensation applicable to consecutive individual JPS GS breaches:

1. The cap period of eight (8) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five years. Accordingly, the GS for which compensation is applicable for up to eight periods of non-compliance are: **EGS 1** – New and Simple Connections, **EGS 6** – Reconnection after payment of overdue amounts, **EGS 7** – Estimated Bills, and **EGS 11** – Wrongful Disconnection and **EGS 12** – Reconnection after Wrongful Disconnection.
2. The additional compensation cap period for all remaining GS will revert to the initial four (4) periods of non-compliance.
3. JPS shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.
4. These amendments will take effect on the effective date of the 2024 – 2029 Rate Review Determination Notice for JPS.

### **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?

#### **JPS Comments:**

3.63 JPS did not provide distinct comments/responses to the queries related to the areas of focus covered by its GS scheme. However, in its general comments on the Consultation Document, JPS highlighted its disagreement with the “large” number of GS when compared with the other jurisdictions referenced. JPS also expressed the view that the resource costs associated with the administration of the current GS scheme are burdensome and unnecessary.

3.64 Consequently, JPS has recommended that, in addition to its *EGS 3 – Response to Emergency* proposal, the following four GS should be considered for removal based on the (i) number of breaches committed over the review period and (ii) monthly and annual incidents of breaches measured against a relative comparator (such as number of customers, bills generated, disconnections, and meters installed):

- **EGS 4 - Issuance of First Bill**, which requires JPS to produce and dispatch the first bill within forty (40) working days after service connection.
- **EGS 5A - Complaints Acknowledgement**, which requires JPS to acknowledge written queries within five (5) working days.
- **EGS 5B - Complaints Investigation**, which requires JPS to complete investigations and respond to customers within thirty (30) working days. Where investigations involve a 3<sup>rd</sup> party, same is to be completed within sixty (60) working days.

- **EGS 10 – Billing Adjustment**, which requires JPS to, where necessary, apply adjustments to customer’s accounts within three (3) months of identification of error, or subsequent to replacement of a faulty meter.

### **CACU Comments**

3.65 The CACU did not provide any comments/responses to the areas of focus covered under JPS’ GS scheme. However, in response to Question 13 which sought views on the number of GS established for JPS and the NWC, the CACU stated that there are too many GS for both service providers.

### **OUR’s Review and Determination**

3.66 With regard to the reduction of the number of GS, the OUR acknowledges that the number of standards under JPS’s GS scheme exceeds those in other jurisdictions. However, the increase in the number of standards over time was due to the GS scheme being deemed to be the most appropriate means to address certain individual customer service delivery matters.

3.67 With this being the first comprehensive review of the GS scheme, it presents the opportunity to assess the areas of focus under JPS’s GS scheme to determine their relevance and continued need as a GS. To conduct this assessment, the OUR used the last five (5) years of the GS review period, as the shortened period is deemed most appropriate to JPS’s current GS Scheme. In addition, the OUR took into consideration the relevance of the specific issue to be addressed under the areas of focus.

3.68 The analysis for the five-year period generally shows a mixture of low and high incidents of breaches among the areas of focus under the GS Scheme, as shown in Table 1 below. Based on the outcome of the analysis, the OUR has concluded that those GS with the low number of breaches suggest customer service delivery areas in which JPS has shown improvements over time. Conversely, those GS with continued high incidents of breaches indicates service areas that require improvement on JPS’s part.

### **Table 1: JPS GS Assessment 2016 January – 2021 December**



<b>JPS GS &amp; Description</b>		<b>Total GS Breaches</b>	<b>Avg Total GS Breaches/Year</b>	<b>Avg Total GS Breaches/Quarter</b>
EGS 1	Connection to Supply – New and Simple	11,615	2,323	581
EGS 2(a)	Complex Connections (30m – 100m) Quotation	111	22	6
	Complex Connections (30m – 100m) Construction	20	4	1
EGS 2(b)	Complex Connections (101m – 250m) Quotation	7	1	0
	Complex Connections (101m – 250m) Construction	8	2	0
EGS 3	Response to Emergency	1	0	0
EGS 4	Billing Punctuality	30	6	2
EGS 5(a)	Complaint/Acknowledgement	26	5	1
EGS 5(b)	Complaint/Investigation	59	12	3
EGS 6	Reconnection	11,434	2,287	572
EGS 7	Estimated Bills	371,101	74,220	18,555
EGS 8	Estimation of Consumption	23,673	4,735	1,184
EGS 9	Meter Replacement	561	112	28
EGS 10	Billing Adjustment	2,975	595	149
EGS 11	Wrongful Disconnection	294	59	15
EGS 12	Reconnection after Wrongful Disconnection	44	9	2
EGS 13	Meter Change Notification	231	46	12
EGS 14	Compensation	215	43	11
EGS 15	Transitioning existing customers to RAMI system	316	63	16

3.69 Regarding JPS’s request for the removal of EGS 4, EGS 5(a), EGS 5(b), and EGS 10 from the GS Scheme the OUR’s considerations are as follows:

- (a) In relation to EGS 4, it has been among the standards with the lowest incidents of breaches over the last five years. Additionally, based on recent investigations conducted on JPS’s billing system, the OUR is satisfied that JPS has implemented a robust billing system that should result in the company maintaining its ability to dispatch the first bill within forty (40) working days. However, in an effort to continue to monitor JPS’s performance on the

issuance of the first bill, JPS will be required to continue to include information regarding the number of new supplies and the timeline within which new bills are issued in its quarterly GS performance report.

- (b) With respect to JPS's specific request for the removal of EGS 5(a) and 5(b), the OUR is of the view that while the handling of complaints also shows low incidents of breaches, it remains an area of critical relevance. Customer satisfaction and experience, including those relating to complaints handling are not taken lightly by the regulator. Poor customer complaints handling can have a devastating effect on the reputation of a business and reflect poorly on the efficacy of the regulator's efforts to ensure the delivery of quality service to customers. This is especially so, in instances where there is no competition to which a customer can defect in the event of less than satisfactory quality service delivery. Hence a quantitative measure is not necessarily reflective of the necessity to remove it from the GS Scheme. In addition, the OUR is of the view that further assessment will be needed on JPS's performance in handling complaints, considering the approved additional exemptions outlined in Determination 5 above.
- (c) In relation to the request for the removal of EGS 10, the OUR is of the view that the number of breaches shown in Table 1 above demonstrates that the timely application of adjustments to customers' accounts remains an area of improvement for JPS. The intent of EGS 10 is to ensure that adjustments are applied to customer's accounts closest to the period and/or incident that warranted the adjustment and any anomaly regarding a customer's account is corrected within the shortest possible time. Additionally, given that billing matters, which includes adjustments, remain the highest complaint category for the OUR and JPS over the years, this area of focus continues to be relevant as a GS.

3.70 In its assessment, the OUR determined that EGS 2(a) and EGS 2(b), which relate to Complex Connections, can be subsumed into one (1). This decision is based on the notable low level of breaches of EGS 2(a) and (b) with the consideration that it remains relevant as a GS given the need to have new customer connections executed in a timely manner. Accordingly, the OUR will amend the Performance Measure for EGS 2 as follows:

Between 30m and 250m of existing distribution line

- (i) estimate within 15 working days
- (ii) connection within 40 working days

3.71 It should also be noted that the OUR's assessment did not identify any other GS for removal at this time. It was determined that all other areas of focus are still relevant under the GS scheme due to the nature of the complaints received by the OUR, the continued high incidents of breaches in some instances, and even where there are relatively low incidents of breaches, the potential impact of a breach remains a relevant consideration.

**Determination 7: Areas of focus covered under JPS's GS Scheme**

The Office's determinations are as follows:

1. EGS 4 – Billing Punctuality is to be removed as an area of focus under JPS's GS Scheme. However, in an effort to continue to monitor JPS's performance on the issuance of the first bill, JPS will be required to continue to include information regarding the number of new supply of electricity and the timeline within which new bills are issued in its quarterly GS performance report.
2. EGS 2 – Complex Connections will remain an area of focus but will be amended to be one (1) Guaranteed Standard as follows:
  - Between 30m and 250m of existing distribution line
  - (i) estimate within fifteen (15) working days
  - (ii) connection within forty (40) working days
3. Except for EGS 3, which will transition into an OS, all other areas of focus will be retained under JPS's Guaranteed Standards Scheme.
4. EGS 2 will take effect on the effective date of the 2024 - 2029 Rate Review Determination Notice for JPS.

**Question 8: Guaranteed Standards for JPS’s Prepaid 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.

**JPS Comments:**

3.72 In its initial response to the OUR’s proposal to establish two (2) additional GS for its prepaid metering system, JPS stated that:

- (i) The EPMS 3 Performance Measure for a maximum time of twenty-four (24) hours to verify, repair/replace a meter after notification or detection of fault/defect is very aggressive and operationally impractical given the sequential nature of the notification for prepaid and the verification processes. Accordingly, JPS has proposed that the Performance Measure be amended as follows:

*“Maximum of 48 hours after verification to repair/replace meter after notification/detection of fault/defect”.*

- (ii) In EPMS 4 Performance Measure which states *“kWh purchased shall be available to customer within five (5) minutes of attempt to top-up”* –

- (a) the word “attempt” is broad and needs to be more definitive. Accordingly, JPS has proposed that the Performance Measure be amended as follows:

*“kWh purchased shall be available to customer within ten (10) minutes of successful top-up”.*

JPS further proposed that where a customer’s account becomes *deactivated due to insufficient balance, the reinstatement, after top-up, could be up to 30 minutes.*

(b) STS prepaid meters should be excluded from this performance measure since they require the customer's manual entry of digits issued when tokens are purchased to facilitate the specific amount of electricity (in kWh) on these meters. JPS further cited the following customer related actions that can result in unsuccessful top-ups of STS prepaid meters:

- *Reuse of a token;*
- *Inputting the wrong number into the keypad;*
- *The breaker at the house is turned OFF;*
- *Plugging the keypad into an outlet not connected to the service line (neighbour's house)*
- *Keypad battery is dead, and;*
- *Keypad is damaged (visibly)*

3.73 Following a virtual meeting held on 2022 November 23 with JPS to discuss its comments to the Consultation Document, JPS by letter dated 2022 November 29 submitted an additional proposal to its initial EPMS 3 response. In the additional proposal, JPS requested that the EPMS 3 performance measure be differentiated as follows:

1. *“Maximum of 48 hours after verification to repair/replace meter after notification/detection of fault/defect where the customer's supply was disrupted”.*
2. *Maximum of twenty (20) working days after verification to repair/replace meter after notification/detection of fault/defect where the customers' supply was not disrupted”.*

#### **OUR's Review and Determination**

3.74 In reviewing EPMS 3, the OUR has decided to remove 'repair' as an option that can be taken when a meter is found to be defective and to retain 'replacement' only. This decision was made to align EPMS 3 with the similar EGS 9 – Meter Replacement for JPS's postpaid service. Further, the OUR is aware of JPS's thrust to use SMART meters for both its postpaid and prepaid service, which spans over 75% of its customer base as at the end of 2024 January. The OUR is also aware

that the scope for repairing SMART meters is limited. Consequently, the word repair will be removed from EPMS 3.

- 3.75 The OUR has considered JPS's response to the proposal to establish two (2) additional GS for the company's prepaid metering system. In relation to JPS's proposed amendments to the performance measure for EPMS 3, the OUR accepts that JPS's request to extend the timeline to forty-eight (48) hours, where service is disrupted, is reasonable. However, the OUR is also of the view that this extended timeline should include the meter fault/defect verification activity, so that the necessary actions are taken to reduce the inconvenience caused to the customer when service is disrupted. Accordingly, the OUR has determined that it will accept JPS's proposal to extend the timeline for EPMS 3 to forty-eight (48) hours, where service is disrupted.
- 3.76 The OUR is also of the view that JPS's proposal for a twenty (20) working days timeline to replace a meter after detection/notification of defect/fault, where the customer's supply is not disrupted is reasonable and consistent with the related GS for postpaid customers. The OUR therefore accepts JPS's request to differentiate EPMS 3 accordingly.
- 3.77 With regard to EPMS 4, the OUR accepts JPS's proposed amendment to replace the word 'attempt' with 'successful' in the performance measure. However, the OUR will make no changes to the five (5) minute timeline for the purchased kWh to be made available to the customer as JPS did not provide any basis for its proposal to increase the timeline to ten (10) minutes. In addition, the OUR accepts JPS's proposed thirty (30) minute timeline to reinstate a deactivated prepaid account.
- 3.78 The OUR does not agree with JPS's request for STS prepaid meters to be excluded from the EPMS 4 performance measure. While the OUR is aware that top-ups on these meters require customer actions, it is of the view that the approved amendment to the performance measure has sufficiently defined the standard. With the amendment, the performance measure now places responsibility on the customer to ensure that their top-ups are successful in order to receive the kWh purchased. As such, a breach would only occur where the customer does not receive the purchased kWh within five (5) minutes of a successful top-up and makes the issue of breaches due to unsuccessful top-ups redundant.

**Determination 8: Guaranteed Standards for JPS’s Prepaid Metering Service**

The Office has determined that the following two (2) new GS, EGPMs 3 and EPMS 4 shall apply to JPS’s Prepaid Metering service:

1. The two (2) new standards shall read as follows:

Code	Focus	Description	Performance Measure
EPMS 3	Meter Replacement	Timeliness of meter repair/replacement	<p>(i) Maximum of forty-eight (48) hours to verify and replace meter after notification/detection of fault/defect, where the customer’s supply was disrupted.</p> <p>(ii) Maximum of twenty (20) working days to verify and replace meter after notification/detection of fault/defect, where the customer’s supply was not disrupted.</p>
EPMS 4	Service Availability	Availability of purchased kWh after successful top-up	<p>(i) kWh purchased shall be available to customers within five (5) minutes of successful top-up.</p> <p>(ii) Accounts suspended due to insufficient funds shall be reinstated within thirty (30) minutes of successful top-up.</p>

2. EPMS1 and EPMS 2 remains the same.

## **JPS's Proposal Specific to EGS 7 – Estimated Bills**

- 3.79 In its response to the Consultation Document, JPS included a proposal for specific changes related to EGS 7 – Estimated Bills, which restricts the company from sending more than two (2) consecutive estimated bills. As one of the main premises for its EGS 7 proposal, JPS indicated that over 60% of customers' premises are served by smart meters with capabilities to, inter alia: generate meter readings at frequent intervals throughout the day and obtain meter readings remotely. The features and capabilities of the smart meters augmented by the MyJPS Mobile App and other support systems, have facilitated direct access to customers for them to view and manage their energy consumption, real time, at more frequent intervals than monthly.
- 3.80 JPS further stated that despite the increase in and capabilities of smart meters installed, the challenge to obtain regular meter readings in several areas island-wide, where there are high incidents of electricity theft, continues to plague the company. JPS added that these communities are served by its Residential Automated Metering Infrastructure (RAMI) system which uses special meters mounted on its network. JPS noted that the RAMI system is plagued with excessive tampering that defeats the anti-theft design and enables electricity theft which has adversely affected the remote reading functionality and resulted in its inability to obtain regular meter readings. Consequently, JPS proposed the following amendments to EGS 7 and other billing-related regulatory decisions that affect its performance on this and other GS:

### **(i) Definition of Estimate (Smart Meter)**

- 3.81 In JPS's view, the capabilities of smart meters to store and recall actual consumption data at intervals have created an opportunity to define a criterion for an "estimated bill" for smart meter users. JPS adds that the criterion will require "*clear documentation of how smart meter data is generated, transmitted, and stored*". Accordingly, JPS proposes the following definition of an estimate for smart meter users:

*"Where there are actual readings for at least 75% of the days in a billing period, these actual readings will be used to do a linear estimate of the remaining days in the billing period for which there are no readings. For the purpose of guaranteed standards, given*



*the very high degree of accuracy in this computation, this bill would be treated the same as an actual bill and would not attract compensation.”*

3.82 JPS further proposes that no change is made to the basis on which non-smart meter accounts are estimated, that is, using the average of the last three actual meter readings.

**(ii) Treatment of Under Estimation**

3.83 JPS stated that it understands the need to maintain EGS7 as a GS as it protects customers from prolonged consecutive estimates that could result in unusually higher bills. Consequently, JPS is proposing the following approaches, which will address the injury to customers who receive estimated bills. The proposed approaches are intended to replace the existing compensation mechanism of EGS 7, where a customer is compensated for more than two consecutive estimated bills, and is applicable to Rate 10 (Residential) and Rate 20 (General Service) customers only.

(a) *“Where an actual reading is obtained after two or more consecutive estimates, and the actual reading is higher than the average of the last three actual readings, JPS will not bill the customer the excess kWh.*

(b) *Where the reading comes out lower than the average of the last three readings, customers will benefit from the write-off of the excess estimation as per existing billing practices.”*

3.84 However, JPS further proposed that (a) and (b) above should not be applicable where the estimate is due to faulty customer infrastructure or unauthorized customer activities.

**(iii) Adjustment to Reading Date Threshold**

3.85 JPS proposed that it be permitted to bill accounts with readings obtained +/- three (3) days of the scheduled date, where an actual reading for AMI meters is unavailable on the scheduled read date. In JPS’s view, its proposal *“allows for greater flexibility in the billing process that may be needed due to exigencies, increases the number of actual readings, and allows for real-time and accurate billing for customers, while mitigating the risk of overestimation or underestimation.”*

**(iv) Elimination of High/Low Exception Threshold**

- 3.86 JPS proposed the discontinuation of the 30% and 40% exception threshold for the Residential and Commercial customer classes respectively for automated readings from AMI meters. JPS further clarified its request, by stating that *“consumption readings registered by a smart meter that exceed these thresholds (above/below) should not be treated as exceptions and the readings accepted and used to bill the account.”*
- 3.87 In support of its proposal, JPS added that the smart meter capabilities to obtain and transmit meter readings automatically discards the current basis to disregard these readings and estimate a customer’s usage based on the 30/40% exceptions criteria. JPS further noted that *“smart meters provide greater confidence to proceed to bill on these readings in comparison to manual meter readings that are subject to human error, and therefore, the need for the verification process that the exception threshold directive mandated.”*

#### **OUR’s Response**

- 3.88 The OUR’s review of JPS’s EGS 7 proposal has indicated that this proposal requires further examination and consultation, especially in light of possible implications on:
- (i) Other GS. Based on our review, at least one other GS, EGS 8 – Estimation of Consumption, may be affected by JPS’s proposed amendment to EGS 7. EGS 8 prescribes the methodology for calculating estimated consumption by using an average of the last three actual meter readings. Therefore, JPS’ proposed EGS 7 changes may impact the accuracy of how estimated consumption is calculated, where the readings used to calculate same were not strictly based on actual meter readings.
  - (ii) Billing-related regulatory decisions and practices. Among JPS’s requests is the discontinuation of the Exceptions Criteria (High/Low Criteria) which requires the company to verify the accuracy of an actual meter reading where the consumption from the reading falls outside 30% and 40% of the average consumption for Residential and Commercial customers respectively.

Also, among its billing practices, JPS’s proposal to treat with underestimation does not involve an assessment of the actual meter reading against the estimated consumption, as is

the usual practice. Instead, the actual reading obtained after a period of two consecutive estimates is assessed based on an average of the last three actual meter readings.

The reasonableness of these approaches needs further assessment outside of this process.

- (iii) OUR Determinations (financial and performance) related to the SMART Meter and Residential Automated Metering Infrastructure (RAMI) programmes specific to the impact on meter readings. Given the financial resources that the OUR has approved for the implementation of the SMART Meter and RAMI programmes, further examination is needed to assess the extent to which the challenges highlighted by JPS to obtain meter readings through these technologies are customer related.

3.89 Accordingly, the OUR will undertake further assessment of JPS's EGS 7 proposal and will communicate its decisions regarding same within six (6) months of the date of this Determination Notice.

**Determination 9: JPS's Proposal for EGS 7 – Estimated Bills**

The Office has determined that JPS's proposal relating to EGS 7 – Estimated Bills requires further examination, especially in light of the implications on other GS and billing-related regulatory rules. Accordingly, the Office will undertake further assessment of this proposal and communicate its decisions regarding same within six (6) months of the date of this Determination Notice.

## CHAPTER 4 NWC'S GUARANTEED STANDARDS SCHEME

### Consultation Comments and Responses Specific to the NWC

#### 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?

#### NWC's Comments:

- 3.90 The NWC's response to the areas of focus under its GS scheme was somewhat contradictory. On the one hand, the NWC stated that while it understands the importance of the areas of focus covered under its GS scheme, it recommends that emphasis is placed *"on those areas of greatest concern to customers and which significantly impact the quality of service they receive"*, bearing in mind the smaller number of GS and areas of focus in other jurisdictions. On the other hand, in response to question (c) above, the NWC advised that it does not recommend the removal of any standards at this time.
- 3.91 In addition, the NWC requested that consideration be given to amending the performance measure for WGS 11 – Reconnection after Payment of Overdue Amounts to reflect a *"maximum of 24 hours to restore supply for urban areas (major towns) and 36 hours for rural areas (non-major towns) and on weekends and Public Holidays"*.
- 3.92 In a virtual meeting held on 2022 November 17 with the NWC to discuss its response to the Consultation Document, the NWC clarified its requested changes to WGS 11. The NWC indicated that the requested change in the performance timeline for WGS 11 is based on the location, proximity, and accessibility of the pipelines in rural areas. In addition, the NWC also stated that there were human resource constraints to effect the restoration within the specified twenty-four (24) hours, on public holidays, and weekends. Accordingly, additional time is needed

to undertake reconnection exercises in rural areas (non–major towns), on weekends and public holidays.

### OUR’s Response

- 3.93 As indicated in the Consultation Document, the OUR is using this inaugural comprehensive review to assess the areas of focus under the NWC’s GS scheme to determine their relevance and continued need as a GS. The OUR used the last five (5) years of the GS review period outlined in the Consultation Document for this specific review, as the shortened period is deemed most appropriate to the current GS scheme for the NWC. The OUR also considered the relevance of the specific issue to be addressed under the areas of focus.
- 3.94 Similar to the JPS review, the NWC GS analysis for the last five years generally shows a mixture of low and high incidents of breaches among the areas of focus as is shown in Table 2 below.

**Table 2: NWC GS Assessment 2016 January – 2021 December**

NWC GS & Description		Total GS Breaches	Avg Total GS Breaches/Year	Avg Total GS Breaches/Quarter
WSG 1	Access – Connection to Supply	3,545	709	177
WGS 2	Delivery of bills – Issue of first bill	13	3	1
WGS 3	Appointments – Keeping appointments	19	4	1
WGS 4(a)	Complaints – Acknowledgements	263	53	13
WGS 4(b)	Complaints - Investigations	2,875	575	144
WGS 5	Disconnection – Wrongful Disconnection	266	53	13
WGS 6	Account Status – Issue of account status	0	0	0
WGS 7	Water meters – Meter installation	2,128	426	106
WGS 8	Water meters – Repair/replacement of faulty meters	3,306	661	165
WGS 9	Water meters – Changing meters	153	31	8
WGS 10(a)	Water meters – Meter reading	2,203	441	110
WGS 10(b)	Water meters – Exceptional meter reading	629	126	31

NWC GS & Description		Total GS Breaches	Avg Total GS Breaches/Year	Avg Total GS Breaches/Quarter
WGS 11	Reconnection – after payment of overdue amounts	315	63	16
WGS 12	Reconnection – after wrongful disconnection	35	7	2
WGS 13	Compensation – Payment of compensation	146	29	7
WGS 14	Estimation of Consumption – Method of estimation	3	1	0
WGS 15	Billing adjustment – timeliness of adjustments to customer’s account	0	0	0

3.95 Based on the assessment, the OUR has identified that two (2) GS, namely WGS 6 – Account status (Issue of account status) and WGS 15 – Billing Adjustment (timeliness of adjustments to customer’s account) recorded no breaches over the last five years. WGS 6 – Account Status, allows the NWC a maximum time of fifteen (15) working days to provide the customer with a final bill after they have relocated and forty-five (45) days to refund credit balances. WGS 15 – Billing adjustment - requires that the NWC applies adjustments to customer’s accounts within three (3) months of: (i) identification of error, or (ii) subsequent to replacement of faulty meter.

3.96 Additionally, the assessment showed that WGS 6 and WGS 15 accounted for the least number of contacts or accounts relating to GS breaches. As shown in Table 3 below, of the approximately 23.5 million GS related contacts processed by the NWC for the period January 2016 – December 2021, WGS 6 and WGS 15 accounted for 115 (0%) and zero (0) contacts respectively. This low number of contacts suggests that the two (2) areas of focus may not be relevant to NWC customers.

**Table 3: Assessment of Contacts per NWC GS for 2016 January – 2021 December**

NWC GS & Description		Total No. of Contacts	Percentage of Total Contacts
WSG 1	Access – Connection to Supply	54,423	0%
WGS 2	Delivery of bills – Issue of first bill	33,501	0%
WGS 3	Appointments – Keeping appointments	5,579	0%
WGS 4(a)	Complaints – Acknowledgements	5,925	0%

NWC GS & Description		Total No. of Contacts	Percentage of Total Contacts
WGS 4(b)	Complaints - Investigations	237,084	1%
WGS 5	Disconnection – Wrongful Disconnection	216,927	1%
WGS 6	Account Status – Issue of account status	115	0%
WGS 7	Water meters – Meter installation	15,691	0%
WGS 8	Water meters – Repair/replacement of faulty meters	93,702	0%
WGS 9	Water meters – Changing meters	103,541	0%
WGS 10(a)	Water meters – Meter reading	18,778,016	80%
WGS 10(b)	Water meters – Exceptional meter reading	2,813,433	12%
WGS 11	Reconnection – after payment of overdue amounts	158,316	1%
WGS 12	Reconnection – after wrongful disconnection	400	0%
WGS 13	Compensation – Payment of compensation	779	0%
WGS 14	Estimation of Consumption – Method of estimation	967,553	4%
WGS 15	Billing adjustment – timeliness of adjustments to customer’s account	0	0%
<b>Total Contacts</b>		<b>23,484,965</b>	

3.97 In light of the foregoing assessment, the OUR will remove WGS 6 and WGS 15 from the NWC GS. However, in an effort to continue to monitor the NWC’s performance on WGS 6 and WGS 15, the NWC will be required to continue to include information regarding the number of contacts received related to Account Status and Billing Adjustment and the time taken to address both issues in its quarterly GS performance report. The OUR has also decided to retain all other GS as their areas of focus are deemed relevant to customers.

3.98 Based on the OUR’s review of the NWC’s requested change to extend the timeline for reconnections in rural areas from twenty-four (24) to thirty-six (36) hours specific to WGS 11 (Reconnection after payment of overdue amounts), the OUR is not minded to accede to the request for the following reasons:

- (i) Any undue delay to provide customers with access to water, has implications on their health and safety;

- (ii) The OUR recognizes the constraint of accessibility outlined by NWC. Therefore, where the NWC can present proof of its inability to access a specific location to reconnect a supply, such proof should be submitted as the basis for the compensation payment not being applicable. In such instances, the OUR reserves the right to review and assess the applicability of the compensation payment.

3.99 Consequent to the foregoing, the OUR refuses the NWC's request to amend WGS 11 (Reconnection after payment of overdue amounts) to reflect an extended timeline, of thirty-six (36) hours, to reconnect supplies for rural areas.

**Determination 10: Areas of focus covered under NWC's GS Scheme**

The Office has determined that under the NWC's Guaranteed Standards Scheme:

1. WGS 6 (Account status) and WGS 15 (Billing Adjustment) shall be removed. However, in an effort to continue to monitor the NWC's performance on WGS 6 and WGS 15, it will be required to continue to include information regarding the number of contacts received related to Account Status and Billing Adjustment and the time taken to address both issues in its quarterly GS performance report.
2. All other GS will be retained as their areas of focus are deemed relevant to customers.
3. The NWC's request to amend WGS 11 (Reconnection after payment of overdue amounts) to reflect an extended timeline, of thirty-six (36) hours, to reconnect supplies for rural areas, on weekends and public holidays is refused. Accordingly, the performance timeline for WGS 11 will remain the same for all locations, that is, within twenty-four (24) hours.
4. The foregoing amendments to the NWC's GS scheme will take effect on the effective date of the next five year Tariff Review Determination Notice for the NWC.



**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?

**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?

**CACU's Comments**

3.100 In the CACU's view, the compensation mechanism for the NWC GS should only be comprised of automatic compensation for breaches, given the greater social and health risks for water and sewerage services. The CACU adds that under the current system, it should be possible for an NWC customer to either (i) automatically generate, complete, and submit the GS Claim Form electronically or (ii) verify and/or sign an automatically completed form that was sent electronically.

**NWC's Comments**

3.101 The NWC recommended a continuation of the existing compensation mechanism, which includes standards attracting automatic compensation and those for which a claim form needs to be submitted. The NWC also recommends that no change (increase) is made to the number of standards that attract automatic compensation.

3.102 The NWC indicated that its recommendations are based on the adverse financial impact of the existing compensation mechanisms on its revenues. To support this point, the NWC noted that

the existing GS compensation represents approximately 112% and 173% of the total bill for consumption of 14,000 litres for a residential customer, which is also dependent on whether sewerage charges are applied. Therefore, where compensation is paid to a residential customer who consumed at least 14,000 litres, the NWC would not collect any revenues and the customer's account would be in credit. The NWC also noted that in contrast, the GS compensation for JPS is approximately 15% of the total bill for a residential customer, which leaves the remaining 85% of revenues to be collected.

3.103 Further, NWC noted that should all standards attract automatic compensation, additional resources (financial, human, and systems) would be needed to administer the GS Scheme. In addition, where all standards attract automatic compensation, coupled with the existing level of compensation, the GS Scheme would become punitive and add to NWC's financial burden.

3.104 The NWC added that it deems the use of the monthly Service Charge as the basis for the GS compensation to be a reasonable and simple approach. The NWC also noted that since compensation is based on service charge and the service charge is based on the size of the connection, there are a range of service charges. Therefore, it is recommended that a fixed service charge be used as the basis for compensating customers. The NWC also recommended that consideration be given to revising the GS compensation levels to two (2) and three (3) times the applicable Service Charge for General and Special Compensation respectively.

**OUR's Response**

3.105 Currently, excluding WGS 6 and 15, for which it was determined that they shall be removed from the GS Scheme, there are eight (8) GS that require the submission of a claim in the event of a breach, as indicated in Table 4 below.

**Table 4: NWC Guaranteed Standards Requiring the Claim Form Submission**

Code	Focus/Description	Performance
WGS 1	Access/ Connection to Supply	Maximum time of ten (10) working days to connect supply and install meter after establishment of contract.

WGS 2	Delivery of Bills/ Issue of first bill	Maximum time of forty (40) working days after connection of supply and installation of meter.
WGS 3	Appointments/ Keeping appointments	Must make and keep an appointment at customer's request and must notify customer within 24 hours prior to the appointed time, if the appointment will not be kept.
WGS 4(a)	Complaints/ Acknowledgement	Maximum of five (5) working days to acknowledge customer's written complaints, after receipt.
WGS 4(b)	Complaint Investigation	Maximum time of thirty (30) working days from the date of receipt of complaint to complete investigation and respond or provide an update.
WGS 7	Water meters/ Meter installation	Maximum of thirty (30) working days to install meter on customer's request.
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.
WGS 10 (b)	Water meters/ Exceptional meter readings	Where the NWC obtains a reading that falls within its exceptions criteria (60% high and 40% low), it is to be verified, the customer alerted upon verification and the reading applied to the customer's account within one (1) billing period.

3.106 As indicated in the Consultation Document, the OUR intends to continue to gradually transition the compensation type of all the NWC GS to automatic compensation. Being cognizant that the circumstances and operations of JPS may be different from that of NWC, the OUR agrees with the CACU that the compensation mechanism for the NWC should only comprise automatic compensation for breaches, thereby making it more consistent with what obtains for JPS. Further, as highlighted in the Consultation Document, there is greater compliance by the NWC with the GS that attract automatic compensation which, by extension, results in greater instances of service being delivered at the prescribed levels. Additionally, the OUR is mindful that 74% of the respondents to its survey indicated their preference for automatic compensation for NWC GS

breaches. Consequently, the OUR has determined that it will proceed with the phased approach to make all NWC GS attract automatic compensation.

3.107 Accordingly, the OUR has determined that the NWC GS outlined in Tables 5 and 6 below will transition from the claim form submission requirement to attracting automatic compensation on a phased basis. The schedule for the GS and/or areas of focus selected for transitioning to automatic compensation was determined based on those with the highest to the lowest incidents of breaches for which the submission of a claim form was required.

**Table 5: NWC GS to be transitioned to Automatic Compensation**

CODE	FOCUS	DESCRIPTION	PERFORMANCE
WGS 1	Access	Connection to Supply	<p>Maximum time of <u>ten (10) working days</u> to connect supply and install meter after establishment of contract.</p> <p><b>Compensation Type: Automatic</b> - as at the effective date of the next five year Tariff Review Determination Notice for the NWC.</p>
WGS 4(a)	Complaints	Acknowledgment	<p>Maximum of <u>five (5) working days</u> to acknowledge customer’s written complaints, after receipt.</p> <p><b>Compensation Type: Automatic</b> - as at the effective date of the next five-year Tariff Review Determination Notice for the NWC.</p>
WGS 4(b)	Complaints	Investigation	<p>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.</p> <p><b>Compensation Type: Automatic</b> - as at the effective date of the next five year Tariff Review Determination Notice for the NWC.</p>

3.108 The remaining NWC GS that require the submission of a claim form will transition to automatic compensation as outlined in Table 6:

**Table 6: Remaining NWC GS to be transitioned to Automatic Compensation**

<b>CODE</b>	<b>FOCUS</b>	<b>DESCRIPTION</b>	<b>PERFORMANCE</b>
WGS 2	Delivery of Bills	Issue of first bill	<p>Maximum time of <u>forty (40) working days</u> after connection of supply and installation of meter.</p> <p><b>Compensation Type: Automatic</b> – to take effect thirty (30) months (mid-tariff) after the effective date of the next five year Tariff Review Determination Notice for the NWC.</p>
WGS 3	Appointments	Keeping appointments	<p>Must make and keep an appointment at customer’s request and must notify customer within twenty-four (24) hours prior to the appointed time, if the appointment will not be kept.</p> <p><b>Compensation Type: Automatic</b> – to take effect thirty (30) months (mid-tariff) months after the effective date of the next five year Tariff Review Determination Notice for the NWC.</p>
WGS 7	Water meters	Meter Installation	<p>Maximum of <u>thirty (30) working days</u> to install meter on customer’s request.</p> <p><b>Compensation Type: Automatic</b> – to take effect thirty (30) months (mid-tariff) after the effective date of the next five year Tariff Review Determination Notice for the NWC.</p>
WGS 9	Water meters	Changing Meters	<p>NWC must provide customer with details of the date of the change, meter reading on the day and serial number of the new meter.</p> <p><b>Compensation Type: Automatic</b> – to take effect at the effective date of the next five year Tariff Review Determination Notice for the NWC following the 30-month transition period.</p>

CODE	FOCUS	DESCRIPTION	PERFORMANCE
WGS 10(b)	Water Meters	Exceptional Meter Readings	<p>Where the NWC obtains a reading that falls within its exceptions criteria (60% high and 40% low), it is to be verified, the customer alerted upon verification and the reading applied to the customer's account within one (1) billing period.</p> <p><b>Compensation Type: Automatic</b> – to take effect at the effective date of the next five year Tariff Review Determination Notice for the NWC following the 30-month transition period.</p>

3.109 With regard to the NWC's recommendation to use a single fixed service charge to derive the GS compensation, the OUR does not agree with establishing a single service charge to derive the GS compensation given that each service charge is specific to the size of the service connection. The establishment of a single service charge as suggested may result in some customer classes being placed at a disadvantage while others benefit. For instance, establishing a single fixed service charge may result in an increase in the rate for those customers with the smallest connection and thereby subsidize the service charge for those with larger connections. The OUR will therefore set the applicable service charges based on the nature of the service connections.

3.110 Concerning the compensation for NWC GS breaches, the OUR has confirmed the NWC's submission that the current compensation level exceeds, on average, 100% of total monthly bill charges for consumption of at least 14,000 litres, where the charges represent water services only for residential customers (see Figure 1 below). In this regard, where GS compensation (General or Special) is paid to a residential customer – that is usually served by a 5/8 size meter, it will cover the bill charges and leave a remainder, thereby placing the account in credit.

**Figure 1: Impact of Current NWC GS Compensation on Total Water Bill Charges for Residential Customers**

<b>Water Service Only</b>				
<b>Description</b>	<b>Units</b>	<b>Rate</b>	<b>Total</b>	<b>GS Compensation/ Total Charges</b>
Water consumption ('000 litres)	14	140.08	1,961.12	
Service Charge	1	1,099.75	1,099.75	
<b>Subtotal</b>			<b>3,060.87</b>	
PAM (5.05%)			154.57	
X Factor (-5%)			(153.04)	
K Factor (20%)			612.17	
<b>Total Bill Charges</b>			<b>3,674.57</b>	
<b>Current General GS Compensation</b>	4	1099.75	4399	<b>120%</b>
<b>Current Special GS Compensation</b>	6	1099.75	6598.5	<b>150%</b>

3.111 The OUR's analysis, further shows that where the total bill represents charges for water and sewerage services for a residential customer, the current General and Special GS consumption represent about 69% and 103% of the total bill respectively, as shown in Figures 2 below.

**Figure 2: Impact of Current NWC GS Compensation on Total Water & Sewerage Bill Charges or Residential Customers**

<b>Water and Sewerage Services</b>				
<b>Description</b>	<b>Units</b>	<b>Rate</b>	<b>Total</b>	<b>GS Compensation/ Total Charges</b>
Water consumption ('000 litres)	14	140.08	1,961.12	
Sewerage	14	161.79	2,265.06	
Service Charge	1	1,099.75	1,099.75	
<b>Subtotal</b>			<b>5,325.93</b>	
PAM (5.05%)			268.96	
X Factor (-5%)			(266.30)	
K Factor (20%)			1,065.19	
<b>Total Bill Charges</b>			<b>6,393.78</b>	
<b>Current General GS Compensation</b>	4	1099.75	4,399.00	<b>69%</b>
<b>Current Special GS Compensation</b>	6	1099.75	6,598.50	<b>103%</b>

3.112 Based on the analysis conducted, the OUR agrees with the NWC that its current GS compensation levels of four (4) and six (6) times the applicable monthly Service Charge for General and Special compensation respectively for residential customers, is onerous and will likely pose a significant financial burden with the increase in GS attracting automatic compensation. The assessment also indicates that the current compensation level is onerous on the NWC revenues for all customer classifications.

3.113 Accordingly, the OUR has determined that it will accept the NWC’s recommendation of revising the GS compensation level for all rate classifications to two (2) times the monthly Service Charge for General Compensation and three (3) times the monthly Service Charge for Special Compensation. However, given that the monthly Service Charge is reviewed annually as part of the NWC’s inflationary (ANPAM) adjustment, the General and Special GS compensation for each customer classification will be the fixed rates outlined in Figure 3, where upon the ANPAM adjustment the calculated GS compensation using the prevailing Service Charge falls below the revised fixed GS compensation.

**Figure 3: NWC Revised GS Compensation**

Service Connection (Meter Size)	Service Charge 2021 - 2022 (\$)	Revised General GS Compensation	Fixed General GS Compensation	Revised Special GS Compensation	Fixed Special GS Compensation
5/8 inches / 15mm	1,099.71	2,199.42	2,199.42	3,299.13	3,299.13
3/4 inch / 20mm	2,405.49	4,810.98	4,810.98	7,216.47	7,216.47
1 inch / 25mm	3,141.28	6,282.56	6,282.56	9,423.84	9,423.84
1 1/4 inches /30mm	5,914.67	11,829.34	11,829.34	17,744.01	17,744.01
1 1/2 inches / 40mm	5,914.67	11,829.34	11,829.34	17,744.01	17,744.01
2 inches / 50mm	8,376.75	16,753.50	16,753.50	25,130.25	25,130.25
3 inches / 75mm	15,211.16	30,422.32	30,422.32	45,633.48	45,633.48
4 inches / 100mm	24,578.40	49,156.80	49,156.80	73,735.20	73,735.20
6 inches / 150mm	37,440.67	74,881.34	74,881.34	112,322.01	112,322.01

3.114 The OUR has also determined that the changes to the NWC’s compensation level will take effect at the effective date of the next five year Tariff Review Determination Notice for the NWC.



**Determination 11: Compensation Mechanism and Level for the NWC Guaranteed Standards Scheme**

The Office has determined that the following amendments will apply to the compensation mechanism and level for the NWC's Guaranteed Standards Scheme:

1. The phased approach to transitioning all NWC GS to attract automatic compensation will continue as outlined in Tables 4 and 5 above.
2. The NWC GS compensation level for all rate classifications is revised to two (2) times the monthly Service Charge for General Compensation and three (3) times the monthly Service Charge for Special Compensation. However, given that the monthly Service Charge is reviewed annually as part of the NWC's inflationary (ANPAM) adjustment, the General and Special GS compensation for each customer classification will be the fixed rates outlined in Figure 3 above, where upon the ANPAM adjustment the calculated GS compensation using the prevailing Service Charge falls below the fixed GS compensation.
3. The changes to the NWC's compensation level will take effect at the effective date of the next Tariff Review Determination Notice for the NWC.

**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.

**NWC’s Response**

3.115 With regard to the cap period for consecutive individual GS breaches, the NWC stated that it understands the rationale for the approach taken and is not averse to its continuation. However, the NWC opined that adopting the approach used in the other jurisdictions examined regarding consecutive GS breaches would be more reasonable, logical, and in conformance with “best practice”. Further, the NWC agreed with the proposed criteria to only apply additional compensation to consecutive GS breaches that (i) attract Special Compensation, and (ii) have the highest incidents of breaches over a five (5) year period. Additionally, while the NWC is in favour of a capped period for consecutive GS breaches, it is of the view that the current stipulated six (6) periods for non-compliance are unreasonable and are considered to be punitive, given its adverse impact on revenues.

**OUR’s Response:**

3.116 The OUR has considered the NWC’s response which aligns with the indication of our willingness to adopt the approach used in the other jurisdictions examined, to only apply additional compensation to specific consecutive breaches based on the defined criteria. The OUR has also included its review of the NWC’s compensation levels in the review of the cap periods for consecutive GS breaches. Accordingly, in light of the assessment of the NWC’s GS performance over the review period, the OUR will amend the cap period for compensation payments applicable to consecutive GS breaches as follows:

- (v) The cap period of six (6) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five (5) years. Accordingly, the GS for which compensation is applicable for up to six

(6) periods of non-compliance are: **WGS 1** – Connection to Supply, **WGS 5** – Wrongful Disconnection, **WGS 8** – Repair and replacement of faulty meter, **WGS 11** – Reconnection after payment of overdue amounts, and **WGS 12** – Reconnection after wrongful disconnection.

(vi) The additional compensation cap period for all remaining GS will be reduced to three (3) periods of non-compliance.

3.117 Additionally, the OUR has determined that the NWC shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.

3.118 The OUR will continue its assessment of the NWC’s GS performance over the next five-year tariff period to determine whether further adjustments to the cap period for additional compensation for consecutive breaches are needed. Additionally, the OUR has determined that these amendments will take effect on the effective date of the next Tariff Review Determination Notice for the NWC.

**Determination 12: Cap Periods for Consecutive Individual NWC GS Breaches**

The Office has determined that the following amendments will apply to the cap period for additional compensation applicable to consecutive individual NWC GS breaches:

1. The cap period of six (6) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five (5) years. Accordingly, the GS for which compensation is applicable for up to six (6) periods of non-compliance are: **WGS 1** – Connection to Supply, **WGS 5** – Wrongful Disconnection, **WGS 8** – Repair and replacement of faulty meter, **WGS 11** – Reconnection after payment of overdue amounts, and **WGS 12** – Reconnection after wrongful disconnection.

**Determination 12: Cap Periods for Consecutive Individual NWC GS Breaches  
(cont'd)**

2. The cap period of six (6) consecutive breaches will continue to apply to GS that attract Special Compensation and those with the highest incidents of breaches over the past five (5) years. Accordingly, the GS for which compensation is applicable for up to six (6) periods of non-compliance are: **WGS 1** – Connection to Supply, **WGS 5** – Wrongful Disconnection, **WGS 8** – Repair and replacement of faulty meter, **WGS 11** – Reconnection after payment of overdue amounts, and **WGS 12** – Reconnection after wrongful disconnection.
3. The additional compensation cap period for all remaining GS will be reduced to three (3) periods of non-compliance.
4. The NWC shall submit, in its quarterly GS report, information on the GS that attracts additional compensation for consecutive breaches. This information shall include (i) the individual GS with consecutive breaches, (ii) the number of periods of consecutive breaches, and (iii) the amounts applied for consecutive breaches.
5. The amendments to the cap periods for consecutive NWC GS breaches will take effect on the effective date of the next Tariff Review Determination Notice for the NWC.

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

**CACU's Response**

- 3.119 The CACU expressed the view that there are too many GS for both JPS and NWC, resulting in the Schemes becoming unmanageable for the regulator. The CACU further stated that the OUR's practice of adding GS at each rate/tariff review does not conform to trends in similar and/or global markets.

### **JPS's and NWC's Response**

3.120 While neither JPS nor NWC provided a response to this specific question, in their general comments and/or responses to other questions, both service providers expressed their view that there are too many GS. The Service Providers recommended that the number of GS and/or areas of focus in the other jurisdictions examined should be used as a guide to reduce the number of GS.

### **OUR's Response**

3.121 In its review of the GS schemes, the Office is mindful that the resulting standards must reflect the current regulatory environment and address actual and potential challenges to enhance the levels of service delivery. The Office has sought to strike the appropriate balance of providing acceptable minimum quality of service to customers whilst not overburdening the Service Providers.

3.122 The OUR having considered all the available data on quality of service delivery, including the results of the recent 2023 Report on Mystery Shopping Study of the Utility Service Providers, has assessed and gauged the service delivery environment, and has commenced, to varying degrees, the reduction of the number of GS for each service provider as indicated in the determinations. As shown in the determinations made, the number of GS has been reduced to 14 (down from 17) for JPS and 15 (down from 17) for NWC. The amended GS for JPS and NWC are shown in Appendices I and II respectively. Given that the changes in regulatory standards or requirements normally carry a corollary financial impact, it is considered appropriate in this instance to introduce the updated standards at the time of the outcome of the rate review, that is, as at the date specified in the service provider's respective Determination Notices.

3.123 The OUR reiterates that it is committed to undertake further comprehensive reviews of the GS Schemes for JPS and NWC to ensure that both schemes remain relevant and meet their objectives. These reviews will be conducted at mid-tariffs, that is every thirty (30) months, following the effective dates of the subsequent five-year rate review issued after this Determination Notice.

**Determination 13: What are your views on the number of GS for JPS and the NWC**

The Office has determined that the following will apply regarding the number of standards for the JPS and NWC:

1. The number of GS for JPS's postpaid will be reduced to 14 as per Determinations 3 and 7.
2. The number of GS for the NWC will be reduced to 15 as per Determination 10.
3. Subsequent comprehensive reviews of the GS Schemes for JPS and NWC will be undertaken every thirty (30) months following the effective dates of the subsequent five-year rate review issued after this Determination Notice.

Appendix I: Amended GS for JPS

JPS Guaranteed Standards (Amended as per 2024 GS Determination Notice)

Code	Focus	Description	Performance Measure	Amendments
<b>EGS 1</b>	Access	Connection to Supply - New & Simple Installations	<p>New service installations within five (5) working days after establishment of contract, includes connection to RAMI system</p> <p><b>Automatic Compensation</b></p>	None
<b>EGS 2(a)</b>	Access	Complex Connection to supply	<p>Between 30m and 100m of existing distribution line</p> <p>(i) estimate within ten (10) working days</p>	<p>Amended to combine to one (1) GS instead of two (2) as follows:</p> <p>EGS 2 – Complex Connection</p> <p>Between 30m and 250m of existing distribution line</p> <p>(i) estimate within 15 working days</p> <p>(ii) connection within 40 working days</p>

Code	Focus	Description	Performance Measure	Amendments
			(ii) connection within thirty (30) working days after payment <b>Automatic Compensation</b>	
<b>EGS 2(b)</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 <b>Automatic Compensation</b>	
<b>EGS 3</b>	Response to Emergency	Response to Emergency	Response to emergency calls within five (5) hours – emergencies defines as: broken wires, broken poles, fires.	Removed from the GS Scheme for transition to the Overall Standard Scheme as at the effective date of JPS's next five-year Rate Review Determination Notice.
<b>EGS 4</b>	First Bill	Issue of First Bill	Produce and dispatch first bill within forty (40) working days after service connection.	Removed from the GS Scheme as an area of focus as per Determination 7.



Code	Focus	Description	Performance Measure	Amendments
EGS 5(a)	Complaints/ Queries	Acknowledgements	Acknowledge written queries within five (5) working days <b>Automatic Compensation</b>	None
EGS 5(b)	Complaints/ Queries	Investigations	Complete investigations and respond to customer within thirty (30) working days. Where investigations involve a 3 <sup>rd</sup> party, same is to be completed within sixty (60) working days. <b>Automatic Compensation</b>	None
EGS 6	Reconnection	Reconnection after Payments of Overdue amounts	Reconnection within twenty-four (24) hours of payment of overdue amount and reconnection fee <b>Automatic compensation</b>	None
EGS 7	Estimated Bills	Frequency of Meter reading	Should NOT be more than two (2) consecutive estimated bills (where company has access to meter). <b>Automatic Compensation</b>	None

Code	Focus	Description	Performance Measure	Amendments
<b>EGS 8</b>	Estimation of Consumption	Method of estimating consumption	An estimated bill should be based on the average of the last three (3) actual readings  <b>Automatic Compensation</b>	None
<b>EGS 9</b>	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  <b>Automatic Compensation</b>	None
<b>EGS 10</b>	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  <b>Automatic Compensation</b>	None
<b>EGS11</b>	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.	None

Code	Focus	Description	Performance Measure	Amendments
EGS12	Reconnection	Reconnection after Wrongful disconnection	<p><b>Automatic &amp; Special Compensation</b></p> <p>The company must restore a supply it wrongfully disconnects within five (5) hours.</p> <p><b>Automatic &amp; Special Compensation</b></p>	None
EGS13	Meter	Meter change	<p>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.</p> <p><b>Automatic Compensation</b></p>	None
EGS 14	Compensation	Making compensatory payments	<p>Accounts should be credited within one (1) billing period of verification of breach</p> <p><b>Automatic Compensation</b></p>	None
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	None

Code	Focus	Description	Performance Measure	Amendments
			<p>more than three (3) hours to facilitate transition to the RAMI system.</p> <p><b>Automatic Compensation</b></p>	

**Compensation**

The Office has determined that compensation for a breach of the JPS GS shall be as follows:

**(i) General Compensation**

- a. Residential Customers – A fixed amount based on 20% of the calculated average residential customers’ bill will be established.
- b. Commercial Customers – a breach of the Guaranteed Standards shall be four (4) times the customer charge.

**(ii) Special Compensation**

- c. **Wrongful Disconnection**  
 Compensation for wrongful disconnection will be (2) times the fixed GS compensation for residential customers and five (5) times the network access/customer charge for commercial customers.
- d. **Reconnection after Wrongful Disconnection**  
 Reconnection after wrongful disconnection (where breached) will be (2) times the fixed GS compensation for residential customers and five (5) times the network access/customer charge for commercial customers.

- (iii) The Office has also retained the eight (8) periods of non-compliance of a breach for which compensation is applicable for the following GS: EGS 1 – New and Simple Connections, EGS 6 - Reconnection after payment of overdue amounts, EGS 7 –

Estimated bills, EGS 11 – Wrongful Disconnection and EGS 12 – Reconnection after Wrongful Disconnection. Breaches of all remaining individual GS will attract compensation of up to four (4) periods of non-compliance.

## Appendix II: Amended GS for the NWC

### NWC Guaranteed Standards (Amendments as per 2023 GS Determination Notice)

CODE	FOCUS	DESCRIPTION	PERFORMANCE	Amendments
WGS1	Access	Connection to supply	Maximum time of <u>ten (10) working days</u> to connect supply and install meter after establishment of contract.  <b>Compensation type: Claim</b>	Compensation type:  Change of compensation type from Claim to Automatic as at the effective date of the next Tariff Review Determination Notice for the NWC.
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  <b>Compensation type: Claim</b>	Compensation Type:  Modification: Change of compensation type from Claim to Automatic 30 months (mid-tariff) after the effective date of the next Tariff Review Determination Notice for the NWC.
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.  <b>Compensation type: Claim</b>	Compensation type:  Change of compensation type from Claim to Automatic 30 months (mid-tariff) after the effective date of the next Tariff Review Determination Notice for the NWC.



CODE	FOCUS	DESCRIPTION	PERFORMANCE	Amendments
WGS 4(a)	Complaints	Acknowledgement	Maximum of <u>five (5) working days</u> to acknowledge customer's written complaints, after receipt.  <b>Compensation type: Claim</b>	Compensation type:  Modification: Change of compensation type from Claim to Automatic as at the effective date of the next Tariff Review Determination Notice for the NWC.
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.  <b>Compensation type: Claim</b>	Compensation type:  Modification: Change of compensation type from Claim to Automatic as at the effective date of the next Tariff Review Determination Notice for the NWC.
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.  <b>Compensation type: Automatic</b>	None
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.	Removed from the NWC's GS Scheme as per Determination 10.

CODE	FOCUS	DESCRIPTION	PERFORMANCE	Amendments
WGS 7	Water meters	Meter installation	<p><b>Compensation type: Claim</b></p> <p>Maximum of thirty (30) working days to install meter on customer's request</p> <p><b>Compensation type: Claim</b></p>	<p>Compensation type:</p> <p>Change of compensation type from Claim to Automatic thirty (30) months (mid-tariff) after the effective date of the next Tariff Review Determination Notice for the NWC.</p> <p>None</p>
WGS 8	Water meters	Repair or replacement of faulty meters	<p><b>Compensation type: Automatic</b></p> <p>Maximum time of twenty (20) working days to verify and repair or replace meter after defect is identified by or reported to the NWC.</p>	None
WGS 9	Water Meters	Changing Meters	<p><b>Compensation type: Claim</b></p> <p>NWC must provide customer with details of the date of the change, meter reading on the day and serial number of the new meter.</p>	<p>Compensation type:</p> <p>Change of compensation type from Claim to Automatic thirty (30) months (mid-tariff) at the effective date of the next Tariff Review Determination Notice for the NWC following the 30-month transition period.</p> <p>None</p>
WGS 10	Water meters	Meter reading	Should NOT be more than two (2) consecutive estimated bills (where company has access to meter).	None



CODE	FOCUS	DESCRIPTION	PERFORMANCE	Amendments
WGS10(b) <b>(NEW)</b>	Water Meters	Exceptional Meter Readings	<p><b>Compensation type: Automatic</b></p> <p>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.</p> <p><b>Compensation Type: Claim</b></p>	<p>Compensation type:</p> <p>Change of compensation type from Claim to Automatic thirty (30) months (mid-tariff) at the effective date of the next Tariff Review Determination Notice for the NWC following the 30-month transition period.</p>
WGS11	Reconnection	Reconnection after payment of overdue amount	<p>Maximum of 24 hours to restore supply.</p> <p><b>Compensation type: Automatic</b></p>	None
WGS12	Reconnection	Reconnection after wrongful disconnection	<p>NWC must reconnect a supply it inadvertently disconnected within 8 hours of being notified of the error.</p> <p><b>Compensation type: Automatic</b></p>	None
WGS13	Compensation	Payment of compensation	<p><b>Compensation type: Automatic</b></p> <p>Maximum of <u>thirty (30) working days</u> to process and apply credit to customer's account.</p> <p><b>Compensation Type: Claim/Automatic</b></p>	None
WGS 14 <b>(NEW)</b>	Estimation of Consumption	Method of Estimation	<p>An estimated bill should be based on the average of the last three (3) actual readings.</p> <p><b>Compensation type: Automatic</b></p>	None

CODE	FOCUS	DESCRIPTION	PERFORMANCE	Amendments
WGS 15 (NEW)	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 <b>Compensation Type: Claim</b>	Removed from the NWC's GS Scheme as per Determination 10.

### Compensation Mechanism

Compensation for breaches of the Guaranteed Standards shall be maintained as follows:

#### General Compensation

The Office has determined that the compensation for breach of a Guaranteed Standard will be two (2) times the applicable service charge.

#### Special Compensation

In the case of Reconnection after payment of Overdue Amounts, Wrongful Disconnection and Reconnection after Wrongful Disconnection, the compensation will be three (3) times the applicable service charge.

Where applicable, customers must submit claims within one hundred and twenty (120) working days after the breach is committed.

Breaches of individual standards will attract compensation of up to six (6) periods of non-compliance for the following GS: WGS 1 – connection to Supply, WGS 5 - Wrongful Disconnection, WGS 8 – Repair and replacement of faulty meters, WGS 11 – Reconnection after overdue amounts and WGS 12 – Reconnection after Wrongful disconnection. Breaches of all remaining individual GS will attract compensation of up to three (3) periods of non-compliance. For clarity, where a standard is breached and is not remedied within the

stipulated time, compensation is to be applied to the affected account for that particular breach for up to three (3) and/or six (6) periods within which it goes un-remedied. The stipulated timeline for each breach is to be used to determine the periods of non-compliance.