

PUBLIC UTILITIES COMMISSION

Order No. 1 of 2022

In the matter of the Public Utilities Commission reviewing the Guyana Power and Light Inc. (GPL) Operating Standards and Performance Targets for the year 2021.

CORAM

Ms. Dela Britton	-	Chairman
Ms. Verlyn Klass	-	Commissioner
Dr. Leyland Lucas	-	Commissioner
Dr. Nanda Gopaul	-	Commissioner
Mr. Rajendra Bisessar	-	Commissioner (Excused)

IN ATTENDANCE

Mr. Vidiayar Persaud	-	Secretary/Legal Officer
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APPEARANCES

Guyana Power and Light:

Mr. Bharat Dindyal	-	Chief Executive Officer
Mr. Renford Homer	-	Deputy Chief Executive Officer, Support Services
Mr. Bharat Harjohn	-	Divisional Director of Operations
Mr. Loris Nathoo	-	Divisional Director of Finance
Ms. Rhonda La Fargue	-	Customer Services Director
Mr. Parsram Persaud	-	Divisional Director of Loss Reduction

Guyana Consumers' Association:

Mr. Patrick Dial	-	President
Dr. Yog Mahadeo	-	Advisor

The Licence to Supply Electricity for Public Purposes granted to the Guyana Power and Light Inc. (GPL) on October 1, 1999, was amended and made effective from October 4th, 2010.

This amendment made provision for GPL to submit with effect from the year 2011 its Operating Standards and Performance Targets (OSPT) on a one and five-year basis to the Minister for approval.

Further, by amendment to paragraph 16 of the Licence, the Operating Standards and Performance Targets for each one-year period included in every approved Development and Expansion Programme shall constitute the standard and quality of service which the Licensee shall provide in accordance with section 25(2) of the PUC Act. Same shall therefore be binding upon the Licensee; and shall be enforceable by the Commission. Simply put, the Operating Standards and Performance Targets constitute the standards and quality of service which GPL is mandated to report to the Commission at a Public Hearing which must be held by the 30th day of March of each year for the previous calendar year.

There are eight (8) standards and targets which are subject to review by the Commission, those are namely: -

1. Customer Interruptions
2. Voltage Regulation
3. Meter Reading
4. Issuing of Bills
5. Accounts Payable
6. Accounts Receivable
7. System Losses
8. Average Availability

The Commission is tasked with the responsibility to determine whether GPL has failed to achieve the standards and targets set. Should there be a failure to realise any of the standards/ targets, the Commission is empowered to impose a monetary penalty on the company in an amount not to exceed 25% of the total value of the dividends which is payable to the company's shareholder(s) in the calendar year under consideration. In its determination of any penalty to be levied on the power company, the Commission must take into consideration the impact which such failure on the part of the company in meeting its Operating Standard and Performance Targets will have on its customers.

On March 29th, 2022, the Commission held a public hearing into the review of GPL's 2021 Operating Standards and Performance Targets. The objective of the hearing was to afford GPL the opportunity to discuss its projections and to present its 2021 achievements and to justify its reasons for not meeting any of the targets or standards.

Hereafter we set out the standards and targets with explanations by GPL as it relates to the standards and targets achieved.

1. CUSTOMER INTERRUPTIONS

(a) System Average Interruption Frequency Index: (SAIFI)

The intent of this standard is to limit the average number of outages which consumers received during the year 2021 to no more than 90. GPL during its presentation indicated that the average number of outages experienced by a consumer in the year 2021 was 103. The standard was therefore not met.

The company in their presentation noted that the outages were as a result of feeder and transmission line trips and increased planned maintenance in 2021.

(b) System Average Interruption Duration Index (SAIDI)

The intent of this standard is to limit the duration of outages received during the year 2021 to no more than 95 hours. The average duration experienced by consumers during the year was 92. This standard was achieved.

2. VOLTAGE REGULATIONS

This standard requires that GPL "shall seek to maintain in stable conditions, voltages of $\pm 5\%$ of the nominal voltage and $\pm 10\%$ following a system disturbance". From the inception of the OSPT hearings the company has maintained that it would be difficult to monitor and report on the voltage supplied to each customer. This standard as in previous years was not measured. However, the company has elected to measure the percentage of voltage complaints it resolves within a 30-day period. The company in the year 2021 set a target of 95% of complaints to be resolved within 30-days. The company reported that it resolved 93% of voltage complaints within a 30-day period for the year 2021. The target set by the company was not achieved.

3. METER READING

The target set for the 2021 reporting year required GPL to read 97% of the meters of maximum demand consumers and 90% of the meters of non-maximum demand consumers. GPL reported that for 2021, 89% of non-maximum demand meters and 90% of the maximum demand meters were read. The targets set for both categories of consumers were not achieved.

The company explained that the COVID-19 pandemic negatively impacted its meter reading exercises across all billing cycles. In an effort to improve on its 2020 position however, the company implemented several initiatives to ensure that meter readings continued unabated. The implemented initiatives included 1) Manual readings of the maximum demand meters and the Advance Metering Infrastructure (AMI) meters, 2) the reliance on submissions from consumers' readings via the Company's WhatsApp account and 3) the replacement of 12,922 defective meters, which aided in GPL's ability to read and correct its consumption, were some of the key initiatives, measures and innovations to circumvent the national COVID-19 guidelines as it relates to social distancing and other measures.

4. ISSUING OF BILLS

GPL is required to issue maximum demand bills within 7 days and non-maximum demand bills within 10 days, after the meters have been read.

GPL reported that on average, maximum demand bills were issued within 6 days, and non-maximum demand bills within 8 days after the meters were read. The targets set for both categories of consumers were therefore met.

5. ACCOUNTS PAYABLE

This standard commits GPL to satisfy its indebtedness to its creditors within 26 days.

GPL reported that an average of 24 days was the number of days taken by the company to settle its indebtedness with its creditors. The standard was achieved.

6. ACCOUNTS RECEIVABLE

This standard commits GPL to a 40-day cash collection cycle. GPL reported that its actual cash collection cycle for the year under review was 24 days. The standard was achieved.

7. SYSTEM LOSSES

This standard sets system losses which includes technical and non-technical losses at 26.5% of dispatched power for year 2021. For the reporting period, system losses were 26.47 % of dispatched power. The standard was achieved by the company.

It was observed that despite achieving the standard, the achievement was marginally higher than in the 2020 reporting year where system losses stood at 26.11%. According to the company this was attributed to an increase in the generating capacity in 2021 which in turn led to an increase in technical losses for the company.

8. AVERAGE AVAILABILITY

For the year 2021, GPL was required to achieve an average generation availability of 80%. The company reported that average generation availability was 86%. This standard was met.

REVIEW OF STANDARDS NOT ACHIEVED

(1) Customer Interruptions

In 2021, the company had exceeded the target of 90 power outages when compared to the 99 outages for the year 2020. The company proffered that the COVID-19 pandemic hampered its usual schedule of maintenance in 2020 and the increase in planned maintenance activities was the direct result of that increase to 103 outages for the year 2021.

During the review of the previous 2020 OSPT, the company had then indicated that it intended to construct redundancy networks at critical points between Sophia and Onverwagt and Sophia and Garden of Eden. The intent of these networks is to maintain electricity supply during planned maintenance which would reduce the number of power outages. The Commission is confident that the company will proceed expeditiously with this plan.

(2) Voltage Regulation:

A major ongoing concern to the Commission from the reporting criteria of the OSPT is that the company has maintained that it is unable to measure and report on the voltage which is supplied to each consumer as required by the standard. The Commission

recognizes that GPL has implemented measures to ensure the improvement in the voltage supply by its networks which includes the upgrading of conductors, compensators, transformers and the intended upgrade of its Supervisory Control and Data Acquisition (SCADA) system. In particular, the upgrade to the SCADA system will allow for real time monitoring of data inclusive of voltages from meters and smart network devices and for the AMI meters to function in the mode of either postpaid meters or prepaid meters. Once this enhancement is complete it should enable the company to regulate and report on voltage in compliance with the requirements of the voltage regulation standards.

(3) Meter Reading:

According to the Company, the non-achievement of this standard was as a result of the constraints of the COVID-19 pandemic, which led to staff shortages and GPL's adherence to national guidelines on social distancing. As a consequence, the Company became reliant on remote meter readings utilizing handheld devices to record the readings for maximum demand meters. The AMI meters are not fool proof and, in some instances, failed to register the correct consumption. The handheld devices should provide a sound alternative to manual readings yet the devices continue to be plagued with defects. The Commission on a number of occasions has raised the issue of GPL's inability to rectify the defective devices.

The Commission expects that this troubling issue will be examined in the near future which will allow the Company to properly capture the meter readings in a concerted effort to achieve the standard.

DECISION

The Commission commends the Company on its achievement of most of its standards for the reporting year 2021. The Commission takes this opportunity to recognize the Company's continuous stride in the reduction of system losses, which loss poses an enormous financial burden to the company. The attainment of this key target is a seminal achievement for the company.

Recognizing the numerous challenges faced by the company in the year 2021, the Commission, endorses the views of the Guyana Consumer Association (GCA) regarding GPL's improvements in its quality of service and its continued efforts to upgrade its infrastructure.

The Commission in its deliberations took into account the devastating global impact of COVID-19, and GPL's immediate response to combat the pandemic by implementing:

- 1) Manual reading for Maximum Demand meters
- 2) The replacement of 12,922 defective meters
- 3) The submission of meter readings from consumers via the company's WhatsApp account.

In arriving at its decision, the Commission is cognizant that the imposition of penalties is often a measure of last resort for egregious events and not to be applied lightly. Therefore, the Commission after careful review of the targets achieved and GPL's projections for improved service has determined that no penalty is warranted for GPL's 2021 performance.

The Commission will however, continue to monitor GPL's performance to ensure the proper rollout and implementation of its projected measures which will serve as a direct benefit to consumers who will receive electricity supply consistent with the tenets of the Licence to Supply Electricity for Public Purposes granted to the Guyana Power and Light Inc.


Dela Britton
CHAIRMAN


Verlyn Klass
COMMISSIONER


Dr. Leyland Lucas
COMMISSIONER


Dr. Nanda Gopaul
COMMISSIONER



Dated this the ^{29th} ... day of April 2022.