

**PUBLIC UTILITIES COMMISSION**

**Order No. 1 of 2023**

**In the matter of the Public Utilities Commission reviewing the Guyana Power and Light Inc. (GPL) Operating Standards and Performance Targets for 2022**

**CORAM**

Ms. Dela Britton	-	Chairman
Ms. Verlyn Klass	-	Commissioner
Dr. Nanda Gopaul	-	Commissioner
Mr. Maurice Solomon	-	Commissioner
Mr. Rajendra Bissesar	-	Commissioner (Absent)

**IN ATTENDANCE**

Mr. Vidiahar Persaud	-	Secretary/Legal Officer
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**APPEARANCES**

**Guyana Power and Light Inc:**

Mr. Renford Homer	-	Chief Executive Officer (ag)
Mr. Loris Nathoo	-	Deputy Chief Executive Officer - Support Services (ag)
Mr. Bharat Harjohn	-	Divisional Director - Power Producers and Distribution
Mr. Parsram Persaud	-	Divisional Director - Loss Reduction.
Ms. Rhonda LaFargue	-	Divisional Director - Customer Services

On the 29<sup>th</sup> day of March 2023 the Commission entered into its Annual Public Hearing to review the 2022 Operating Standards and Performance Targets of the Guyana Power and Light Inc. (GPL). This hearing is in keeping with the amendments dated the 4<sup>th</sup> day of October 2010 to GPL's Licence, granted for the Supply of Electricity for Public Purposes which mandates GPL to report on its achievements of its Operating Standards and Performance Targets for the previous calendar year to the Commission at a Public Hearing. It is enshrined in the Licence that the Hearing must be held by the 30<sup>th</sup> day of March of each year.

The Operating Standards and Performance Targets have been determined by GPL and same is included in its Development and Expansion Programme which outlines the standards and quality of service indicators which GPL is required to provide in accordance with section 25 (2) of the Public Utilities Commission Act No. 19 of 2016. There are eight (8) standards and targets which are subject to review by the Commission, and these 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 empowered to levy a monetary penalty on the Company in the event of the failure by the Company to achieve any of the Operating Standards and Performance Targets in an amount to not 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 consideration of any penalty to be levied on the power Company, the Commission must take into consideration the impact which such failure by the Company in meeting its Operating Standards and Performance Targets will have on its customers.

Hereafter, the standards and targets, with explanations by GPL as they relate to the standards and targets not achieved, are set out.

## **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 reporting year. For the year 2022, the target was set at 90 outages. GPL during its presentation indicated that the average number of outages experienced by consumers in the year 2022 was 94.

**This standard was therefore not met.**

The Company collects data on the causes of all outages and in their presentation noted that feeder and transmission line trips and increased planned maintenance were the main reasons for the high number of customer interruptions during the year under review.

**(b) System Average Interruption Duration Index (SAIDI)**

The intent of this standard is to limit the duration of outages experienced by consumers during the year. For the year 2022, the target set was 95 hours, however, the average duration of outages experienced by consumers during the year was 96 hours.

**This standard was not achieved.**

GPL indicated that the reasons for the non-attainment of this standard were the same as for the previous standard such as transmission lines and feeders' trips which can be attributed to fallen branches that make contact with power lines resulting in electrical short circuits. GPL also explained that the frequency of motor vehicles hitting poles are a cause for concern and as such the company is exploring the possibility of the use of concrete poles in the future to mitigate this frequent occurrence.

## **2. VOLTAGE REGULATION**

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 is difficult to monitor and report on the voltage supplied to each customer. As a temporary resolution GPL has sought to employ an alternative mode of reporting on this standard as obtained in previous OSPT reviews. This alternative measures the percentage of received voltage complaints which the Company resolves within a 30-day period and uses this data as a gauge of this standard's achievement. In 2022 the Company had set a target of 98% of complaints to be resolved within 25-days. However, the Company reported that it resolved 96% of voltage complaints within the 25-day period for the year 2022.

**The target set by the Company was not achieved.**

## **3. METER READING**

The target set for the 2022 reporting year required GPL to read 97% of the meters of maximum demand consumers and 90% of the meters of the non-maximum demand consumers. Maximum demand consumers are primarily industrial consumers which are billed for both demand (kVA)

and energy (kWh) usage. Non-maximum demand consumers, on the other hand, refer to residences and small businesses which are only billed for their energy (kWh) usage.

GPL reported that for the year 2022, 92% of the maximum demand meters and 88% of non-maximum demand meters were read.

**The target set for both categories of consumers was not achieved.**

GPL's explanations for its failure to meet this operating standard with respect to maximum demand consumers include the failure of handheld devices used to read data from the AMI meters. This failure is typically attributed to faulty meters or signal interruptions between both the meters and handheld devices which prevent the meter readers from recording the readings on the customer's meters.

In a similar vein for the non-maximum demand consumers, GPL's explanation for failing to achieve the standard included the delay in the transmission of consumers' information from the old meters to the new AMI meters. This delay led to meter readers failing to distinguish between AMI and common electromechanical meters which resulted in the inordinate delays and ultimately the non-achievement of the standard.

#### **4. ISSUING OF BILLS**

For the 2022 review, GPL was required to issue their maximum demand bills within 7 days and their non-maximum demand bills within 10 days upon completion of its meter reading exercises.

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 met.**

#### **5. ACCOUNTS PAYABLE**

GPL commits to satisfying its indebtedness to its creditors within 26 days. GPL reported that an average of 21 days was the number of days taken by the Company to settle its indebtedness with its creditors.

**The standard was achieved.**

#### **6. ACCOUNTS RECEIVABLE**

GPL commits to a 30-day cash collection cycle. GPL reported that its actual cash collection cycle for the year under review was 14 days.

**This standard was achieved.**

The Company indicated that in the year 2022, the Government of Guyana and the Guyana Water Inc. had settled all indebtedness to the Company thereby resulting in the decline in the number of accounts receivable days for the reporting year.

## **7. SYSTEM LOSSES**

This standard sets system losses which include technical and non-technical losses at 25% of dispatched power for the year 2022. For the reporting period, system losses were 24.92% of dispatched power.

**This standard was achieved by the Company.**

In their presentation GPL reported that the following initiatives underpinned the achievement of this target.

- Upgrade to approximately 6 kilometers of low and medium voltage lines on the transmission network.
- The installation of 67,684 smart meters capable of safeguarding against electricity diversion.
- Replacement of approximately 10,849 meters on the distribution network.
- Maintenance of approximately 1,566 transformers on the network.
- Servicing of 10,287 distribution switches.

## **8. AVERAGE AVAILABILITY:**

For the year 2022, GPL was required to achieve an average generation availability of 85%. The Company reported that the average generation availability was 84%.

**This standard was therefore not met.**

GPL reported that the unavailability of generators plagued with both electrical faults and preventative maintenance such as oil changes, engine filters replacements at different power plants negatively impacted their availability target.

## **REVIEW OF STANDARDS AND TARGETS NOT ACHIEVED**

### **(1) Customer Interruptions:**

In reviewing the performance of this standard, the Commission notes with grave concern the inability of the Company to achieve these targets which have been set way below the

recommended industry standards. The Commission implores the Company to make better efforts to reduce these levels as this will continue to negatively impact the economic development of the country.

**(2) Voltage regulation:**

From the inception of reporting on the OSPT, the Company has maintained its inability to measure the voltage supplied to each consumer. As a result of this the Company has utilized the resolution of reported voltage complaints within a 25-day period as its gauge to measure this standard.

The Commission believes that this critical parameter should be measured by GPL and whilst the Company may be unable to report on every customers' voltage, it is of the view that feeders voltage profiles may be measured and if required, capacitors and voltage regulators can be installed to improve the voltage levels. It is recommended that GPL devise quantitative measures on customer voltage levels as opposed to qualitative analyses such as responses to voltage complaints. The Commission will seek to engage GPL on this matter.

**(3) Meter Reading**

Notwithstanding a relatively small population of maximum demand consumers, GPL continues to report its failure as it relates to the attainment of this standard. Defective handheld devices which are used to remotely read meters have been the constant reason for failure of achieving this standard. The Commission has taken serious note of this occurrence and wishes to emphasize that the Company should utilize all the available resources at its disposal to achieve this target. It is, however, commendable that the Company has taken the initiative to procure new handheld devices which will no doubt bode well in the future attainment of this standard.

Furthermore, the Company indicated that it will continue its meter replacement programme with AMI compatible meters with the capacity to capture meter recordings. This coupled with the continuous promotion by the Company for consumers to submit their meter readings via WhatsApp and the Company's Customer Web Portal will aid in the retrieval of non-maximum demand customers meter readings amongst other data.

## DECISION

GPL continually fails to attain the majority of its operating standards and performance targets as prescribed within the Company's approved Development and Expansion programme even though many of these targets are way below the industry norms. However, notwithstanding its statutory failings, the Company continues to implement and explore innovative measures to bolster its commitment to its consumers. The Commission, however, notes with grave concern that the Company insists on using the failure of handheld devices as a shield in the achievement of meter readings for maximum demand consumers. The prospect of improvements as the Company continues to procure and deploy new handheld devices is noted and the Commission is hopeful that this target can be met in the current year.

Additionally, the high percentage of system losses continues to be a bane on the financial stability of the Company and it is another cause for continued concern. GPL needs to make a greater effort to reduce these losses as it will continue to hamper efforts to reduce the price of electricity to consumers.

It is however noted that many of the targets were 'nearly met' and in light of the foregoing the Commission after careful deliberation has determined that the imposition of penalty on GPL for its non-achievements of the consumer interruptions, voltage regulation, meter reading and average availability standards and targets is not warranted at this time although the non-attainment negatively impacts on GPL's operations, especially in its drive to provide reliable, affordable and quality energy services to all its customers. The Commission however wishes to emphasize in this decision that it will continue to vigorously monitor the electricity sector so that GPL would be properly positioned to reach its contractual obligations and legal mandate to the consumers of Guyana.

  
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Ms. Dela Britton  
CHAIRMAN

  
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Ms. Verlyn Klass  
COMMISSIONER

  
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Dr. Nanda Gopaul  
COMMISSIONER

  
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Mr. Maurice Solomon  
COMMISSIONER

Dated this the 26<sup>th</sup> day of April 2022.