

BEFORE THE PUBLIC UTILITIES COMMISSION

No. 4 of 2017

In the matter of a review of Order 2 of 2017 on an application by the Guyana Telephone & Telegraph Co. Ltd.

BEFORE:	Ms. Dela A. Britton	Chairman
	Mr. Maurice Solomon	Commissioner
	Mr. Rajendra Bisessar	Commissioner
WITH:	Mr. Vidiahar I. Persaud	Secretary/Legal Officer
REPRESENTATION:		
<u>Guyana Telephone & Telegraph Co. Ltd</u>		
	Mr. Justin Nedd	Chief Executive Officer
	Mr. Mark Reynolds	Director, Legal and Regulatory Affairs
	Mr. Delreo Newman (via telephone)	Director, International Regulatory, Government and Legal affairs
<u>The Guyana Consumers' Association</u>		
	Mr. Patrick Dial	Chairman

In July 2014, the Guyana Telephone & Telegraph Co. Ltd (GT&T) submitted an application for new rates and a variation of rates. This application was heard and by Order Number 1 of 2015 was dismissed on the 13th of March, 2015. GT&T filed an application for the review of this Order and the Commission granted specific new rates, increased and decreased other categories of rates with consequential conditions.

The new rates took effect on August 1, 2017 and is detailed in Order 2 of 2017.

By way of letter which was dated August 22, 2017 GT&T made a further application under section 77 of the Public Utilities Commission Act, Act 10 of 1999 to review two of the conditions set by the Commission in its Order number 2 of 2017, namely:

1. The requirement for the company to roll out not less than 1000 land lines per quarter; was unattainable
2. The response time for fault reporting for the landline service be reviewed.

The Commission after considering GT&T's application fixed a public Hearing on GT&T's application on September 7, 2017.

NUMBER OF LINES TO BE ROLLED OUT

At the Hearing, GT&T argued that the information previously provided by the company that there are over 19,000 applicants for landline services lines, was flawed. They posited that the numbers that were generated had been derived from a defunct system which was used to capture records of landline applications and it included aged applications.

The following tables/ statements show the figures as stated by GT&T in its presentation:

- For the period 1992 to 2012

Erroneous number of Applications	Actual Number of aged Applications
In excess of 19,000	13,565

- Number of applications for period 2013 to 2016 :
6,125 applications
- Outstanding applications as at 2016 up to and including September 2017

Number of outstanding applications	Percentage of applications in un-engineered areas	Number of serviceable applications
16,000	48%	8,813

According to GT&T, it faced a number of issues which would have resulted in the quantum of the serviceable applications from the outstanding applications namely a) duplication b) relocation of applicants c) inadequate documentation d) migration e) death.

- Applications which met criteria and applications for service to activated

Number of Applications which satisfied criteria	Number of Applications to be activated
1,170 (these applicants are required to effect payment)	1,770 (applicants who have already paid and awaiting service)

During the Hearing the Company committed that the applications in the foregoing table are to be serviced within two (2) quarters and the Commission expects to be apprised of the progress in this regard.

The company further stated that it is developing a system which would allow consumers to pay on-line.

The Company has impressed upon the Commission that a reasonable and attainable figure for the company is 250 lines per quarter.

FAULT REPORTING

GT&T informed the Commission that it has established a task force which is seized with the singular responsibility of addressing fault reporting. According to the data submitted by GT&T to date the task force has successfully resolved or remedied faults in expeditious timelines.

The company advises that the number and timeframe pertaining to the network faults addressed as at September 9, 2017 are as follows:

Geographical Areas	0-3 DAYS	4-7 DAYS	8-10 DAYS	11-14 DAYS	15-30 DAYS	31-60 DAYS	61-90 DAYS	> 90 DAYS	Totals
Berbice (Abarry River WCB to Moleson Creek)	248	429	266	345	1883	1630	101	74	4976
East Bank Demerara (Eccles to Timehri)	96	180	133	189	844	977	50	17	2486
East Coast Demerara (Lilliendaal to Abarry River)	95	330	241	220	1421	2760	156	147	5370
Georgetown	926	1268	735	699	1971	1236	59	66	6960
Linden	123	197	127	133	482	445	12	18	1537
West Demerara (Wales to Lookabu EBE)	91	202	202	208	881	619	49	31	2283
Kwakwani	5	2	0	1	3	14	3	3	31
Ituni	1	0	0	0	1	1	1	0	4
Bartica	4	9	14	8	88	57	16	3	199
Essequibo	7	6	1	2	11	18	24	54	123
Totals	1596	2623	1719	1805	7585	7757	471	413	23,969

Moving forward the Company has requested that the Commission considers the following proposed zones and timelines as it relates to addressing faults namely;

Zone 1 – Georgetown, Greater Georgetown, West Demerara, East Demerara

Zone 2 – Linden and Berbice Townships

Zone 3 – Bartica, East Canje, Kwakwani, Matthew's Ridge, Rupununi Savannah, West Bank Berbice, West Canje

Zone 1 - 7 to 10 working days

Zone 2 - 10 to 15 working days

Zone 3 – 15 to 30 working days

GT&T indicated that it intends to employ new technology which would allow it to remedy faults remotely.

The Guyana Consumers' Association in its presentation stated that in its opinion GT&T's timeframe for rectifying faults has deteriorated considerably. The GCA stated that the timeframe for Georgetown and the coastal areas should be approximately 3-4 working days. The Association was of the view that the timeframe review should take into consideration the compensatory credit that the company is required to provide to consumers for their failure to address the faults within a stipulated timeframe. They posited that GT&T has provided inaccurate information in its implementation of the Order without those conditions and should be requested to return to consumers the increased rates.

The Commission after a brief adjournment requested that GT&T submit the following additional information on the work of its task force:

- a) date of the commencement of their work,
- b) the number of consumers and
- c) the time period(s) in which remedial work was rectified, together with the geographic areas served.

The Commission adjourned the Hearing to September 13, 2017 and on the said date considered GT&T's further submissions. It noted with concern that GTT has not provided consumers in the Essequibo region with a voice service and that the company has currently 700 internet subscribers with no outstanding applicants to be served. The Commission was of the view that apart from the minimum plan for persons in Essequibo being expensive the company cannot abdicate its responsibility to serve the Essequibo region with a voice service.

The Commission in reviewing GT&T's application wishes to reiterate that in the granting of rates as contained in Order 2 of 2017, that any increase in the land line rates must lead to an expanded and improved quality of service with respect to the landline service and further the Commission expects that adequate resources will be allocated for this purpose.

Fundamentally the seminal issue to be determined is whether there is a high demand for the landline service. In the context of the submissions offered by the company and the consumers at the public hearings, there appears to be such a need for this service. It is noted that in the Commission's view that GT&T has been sporadic in its roll out of the landline service around the country, particularly in the rural areas, this is by no means an indication that the applicants for the service is a nominal amount. Notwithstanding that GT&T has demonstrated that the figure of the 19,000 + applicants may have been inaccurate, the Company is still required to 'do more' to market its landline service. The Commission is of the view that this demand has not reached its saturation point.

DECISION

After considering the presentations made by GT&T and the Guyana Consumers' Association and taking on board the submissions made by members of the public who were present on the 7th day of September 2017 and other factors, it is hereby ordered that with effect from the date of this Order 2 of 2017 stands varied to read as follows:

1. GT&T must submit to the Commission on a quarterly basis, an appraisal of the progress showing the number of new services rolled out, inclusive of rural areas. This should be no less than 350 lines per quarter, which may include up to 25% re-issued lines.
2. Save and except force majeure factors, fault repairs are to be remedied in the following time frames and zones:
 - a. Urban Areas (townships) : 5 working days

- b. Suburban/rural Areas: 8 working days
- c. Hinterland Areas: 20 working days

As per Order 2 of 2017, the Commission requests a quarterly report from the date the rates take effect showing details of the average time taken to resolve consumers' complaints-residential and business. And for the company to determine a daily compensatory credit for consumers which will be contingent on its failure to comply.

This Order is to be read in conjunction with Order 2 of 2017 to the extent that same has been varied by this Order and remains effective August 1, 2017.

Dated this 13th day of September, 2017

-sgd-

.....
Ms. Dela Britton – Chairman

-sgd-

.....
Mr. Maurice Solomon –Commissioner

-sgd-

.....
Mr. Rajendra Bisessar-Commissioner