



# PUC

PUBLIC UTILITIES  
COMMISSION

ANNUAL REPORT  
2018



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COMMISSION  
**ANNUAL REPORT**  
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## Introduction

The Public Utilities Commission (PUC) is pleased to present its twenty-eighth Annual Report.

### Overview

The PUC is a body corporate, which was established by the Public Utilities Commission Act No 26 of 1990. This Act was subsequently repealed and replaced with Act No 10 of 1999 and amended at varying periods to make provision for the evolving issues which impact upon the Commission and the utilities under our purview.

The PUC Act allows for the appointments of a Chairman and four Commissioners. The following members comprised the Commission in 2018: -

- Ms. Dela Britton - Chairman
- Mr. Maurice Solomon - Member
- Mr. Rajendra Bisessar - Member

### Mission

To ensure that regulated utilities offer efficient service to consumers at a reasonable cost without compromising their financial and operational integrity.

### Vision

To assist in the creation of universal access in the sectors of Electricity, Telecommunications and Water with quality of service offerings which are cost effective and beneficial to all stakeholders.

### Objectives

- To establish and enforce rules and procedures for the regulation of public utilities, commensurate with internationally accepted standards.
- To provide an environment for the provision of safe and adequate service for consumers at a reasonable cost and to ensure the financial integrity of the providers.
- To investigate and resolve complaints filed against any public utility.

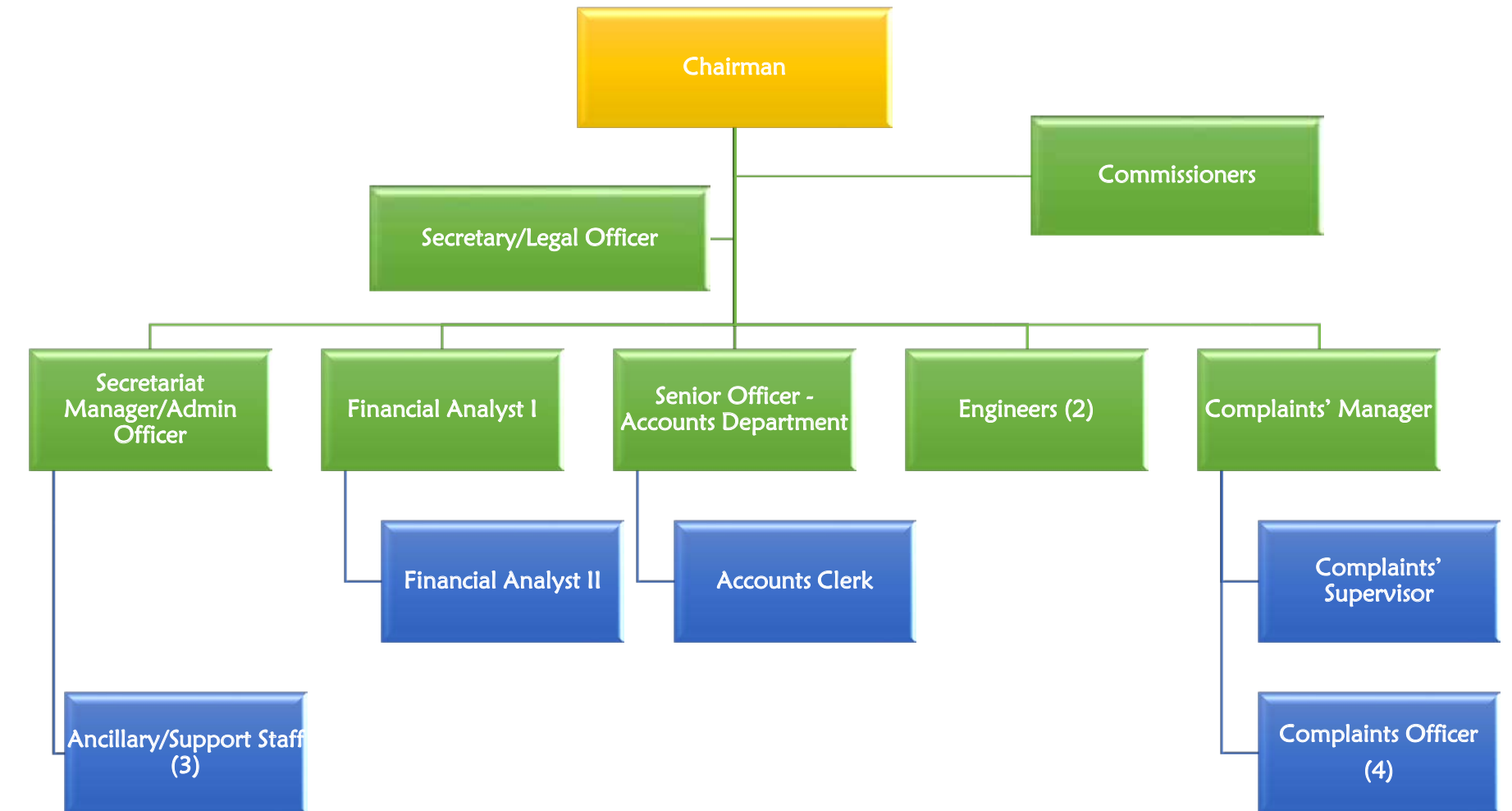
### Functions

- The functions of the Commission are regulatory, investigatory, advisory, enforcement and such other functions as conferred on it by the Act.
- Review and approve Development and Expansion plans.
- Monitor and set rates.
- Conduct investigations into the standards of service.
- Facilitate interconnection and access.

### Editorial Board

- |                             |   |                         |
|-----------------------------|---|-------------------------|
| • Mr. Vidiahar Persaud      | - | Secretary/Legal Officer |
| • Mr. Moorsalene Sankar     | - | Financial Analyst I     |
| • Ms. Yogwattie Sookram     | - | Financial Analyst II    |
| • Ms. Destra Bourne         | - | Complaints Manager      |
| • Ms. Sindamanie Veerasammy | - | Complaints Officer      |

## Organisation Chart 2018





*Team of the Public Utilities Commission*



*Accounts Division*



*Complaints Division*



*Engineering Division*



*Finance Division*



*Secretariat*



*Ms. Dela Britton  
Chairperson PUC*

## *From The Desk of the Chairman*

The year 2018 proved to be transformative for the Public Utilities Commission, Guyana (PUC).

Liberalization of the Telecoms Sector continued as a central focus for us in 2018 and in an effort to prepare for this new digital environment, PUC held internal workshops under the theme: Liberalization of the Telecoms Sector and other Regulatory Matters. A handbook of PUC’s obligations under the 2016 Telecommunications Act was internally compiled and it will serve as a guide to both the Commissioners and Staff as we navigate this new technological dynamic.

We fulfilled requests for Applications for Hearings sought by 3 of the 4 Utilities under our purview. These fora provided the platform for us to broaden the conversation at the Public Hearings by including officials from the Public and Private Sector, whose input proved beneficial to our deliberations. In-depth analysis on the various applications can be found in the Financial Division’s portion of this report.

In the first quarter of 2018, the Commission as required by law reviewed the Guyana Power and Light Inc. (GPL) 2017 Operating Standards and Performance Targets (OSPT) and determined that the company had failed to improve its service as against its 2016 standards. As a consequence, the Commission imposed a fine of 5% of the total value of dividends payable to the Company’s shareholders. This stance by the Commission sent a strong message to the Utility company which should in turn motivate it to strive to achieve optimum standards.

GPL however must be commended for its implementation of the programme of Advanced Metering Infrastructure (AMI) type meters. At present, the meters are read manually, the company has assured the Commission that in the near future it plans to implement the remote retrieval of meter readings for accurate and efficient billings.

In June 2018, an application by Guyana Water Incorporated (GWI) for inter-alia rate increases received a favorable response from the Commission. PUC took a phased approach in its decision as no rates were issued to the company since 2005. It was necessary for us to adopt this stance in order to cushion consumers from rate shock by dictating that further increases be awarded to the Company in October 2019.

GWI should be applauded for its effective 2018 public relations campaign. In addition, the company developed a smartphone app, which provides consumers with the options of checking balances, reporting faults and meter readings

from the convenience of a mobile device. This app could serve as both a performance indicator and to truncate fault response time for the Company if it is effectively monitored.

In the last quarter of 2018, the Commission made an order in favor of Guyana Telephone and Telegraph Company (GTT) as it relates to the subscribers activated call blocking feature.

Notably, GTT had applied to the Commission to cease the use of public phone boxes. However, entreaties from residents to retain the public phone boxes caused the Company on its own motion and adhering to its campaign to “do more”, to withdraw its application prior to the commencement of the Hearing.

In November 2018, GTT’s application for the approval of a tariff regime for access and landline metered charges was denied, as the Commission was not convinced that the case for price increases for its landline services was made. This application is now subject of an Appeal and as such the Commission is constrained from further commenting on this application. Fiber to the Home (FTTH) service continues to generate positive response and excitement amongst consumers in Guyana, as at December 2018 the company has added 18,888 subscribers to this service.

GTT has exceeded the stipulation of our Order 4/2017 which mandates that the company install 350 landline services per quarter, to date the Company has installed 2,728 landline services.

Effective collaboration with GTT’s officials in an effort to reduce the procedural bottlenecks to the Complaints procedure has resulted in a significant decrease in the backlog of complaints received by the Commission from the Company.

GTT remains at the forefront in its drive to prepare Guyana for its part in the fourth Industrial Revolution. This was evident by the Company’s tremendous display at its March 2018 Innov 8 Conference. PUC was invited to participate and the experience provided us with the opportunity to witness the fact that the future of regulation will not and cannot remain stagnant.

Throughout 2018, PUC has strengthened its relationships with our

International Partners - Organisation of Caribbean Utility Regulators (OOCUR); Federal Communications Commission (FCC) and Caribbean Association of National Telecommunication Organisations (CANTO) which saw our active participation at various Regulatory Fora, where we engaged in fruitful collaboration and capacity building discussions.

December 2018 marked the end of the tenure of Commissioner Maurice Solomon who had served the Commission with distinction for 15 years. Mr. Solomon brought a wealth of financial and business knowledge both behind the scenes and during our public hearings and we continue to be inspired by his contribution.

To meet the growing demands of the Utilities and Consumers, PUC had embarked on a series of capacity building exercises. Detailed information could be found in the Training Section of this report.

The Commission has accepted the study of a Consultant on the establishment of the Office of Economic Research and it is hoped that this Office will become a reality in 2019. We are in the process of developing a cache of rules and procedures, with the assistance of the same Consultant, which should lend for greater synergy in our engagement with all of our stakeholders.

Lessons learnt from our public awareness activities have caused us to reboot our approach and to that end we will embark on an aggressive public relations campaign throughout 2019.

The production of this report would not be a reality without the tireless work of our Editorial Board.

As we strive for excellence PUC is contemplating avenues to provide 24-hour service to utilities and customers whilst creating an innovative monitoring system.

PUC is cognizant that its ever-evolving role will be placed under the microscope, we however remain committed to prospect of facing every challenge as we forge new frontiers in 2019 and beyond.

**February 2019**

## Finance Division

of the Order and \$50 thereafter, in intervals of six months for three six month periods.

- **Metered charges**

The company requested that peak intra exchange rates be increased from 0.80 cents per minute to \$1.25 per minute and that off-peak intra exchange rates be increased from 0.40 cents to 0.75 cents per minute.

- **Introduction of bundled services**

GTT sought the Commission’s approval for the introduction of five bundled services that the company was desirous of offering to its customers. According to GTT, the bundled services were developed from consumers’ usage patterns and this would provide consumers with a financially advantageous choice to subscribe to a bundle.

The public hearings were held on 24th October 2018 and 19th November 2018. The Commission denied GTT’s application in its entirety as it was of the opinion that:

- 1) a) The expenses used in the Cost Allocation Methodology (CAM) did not accurately reflect a cost-efficient utility taking into consideration the size and the scope of the operation of the Company; and  
b) A concern for the Commission was whether the values of the non-current assets stated in the Company’s financial statement were acquired at market value.
- 2) The company did not adequately adhere to the tenets of the license which make provisions for universal service, especially as it relates to rural areas.
- 3) The company had purported to have invested heavily in non-current assets for more than a decade, but same was not reflected in expected profit progression nor in the quality of the company’s services to its customers.
- 4) The concept of rate re-balancing is triggered when there has been the dismantling of a monopoly on telecoms services.

This application is now the subject of an Appeal and as such the Finance Division is constrained from offering any further analysis.

### Office of Economic Research

In accordance with Section 22, Part V of the PUC Act 1999, the Commission approved the establishment of an Office of Economic Research. The establishment, staffing and possible content of this office was undertaken by a Consultant with vast relevant expertise. The Commission anticipates that the Office will become functional in the latter half of 2019.

### Telecommunication Sector

The Telecommunications Act 2016 which was passed and assented to by the President of Guyana on August 5th, 2016. No effective date for its implementation has been announced. The Order of the Minister will trigger the end of GTT’s monopoly on its landline and international operations and open the market to other potential Telecoms Operators.

### Guyana Telephone & Telegraph’s Tariff Applications

Order No. 3 of 2018

On the 26th of September 2018, GTT had applied to the Commission for an introduction of tariffs for its subscriber activated call blocking feature.

The company in its presentation noted that the subscriber activated call blocking feature is a value-added service which had been a feature available to any consumer free of charge. The company viewed this feature as a service of convenience to the consumer landline service akin to other value-added services and for which the PUC had approved rates. The Public Hearing was held on the 3rd of October 2018 and by Order No. 3 of 2018 the Commission approved with effect from the 1st February 2019 a fixed residential monthly rate of \$30 and a fixed monthly commercial rate of \$70. The Commission determined that these were reasonable amounts for any of the features accessible on the subscriber activated call blocking service. Order No. 4 of 2018

On the 1st October of 2018 GTT applied to the Commission for increases in landline rates in the following categories:

1. **Access charges**

For residential consumers with 1-2 lines who currently pay \$750 per month, GTT requested that line rental be increased to \$950 within an eighteen-month time period, in increments of \$50, beginning with \$50 from the date

## GTT's Cost Allocation Methodology (CAM)

In 2018, the Commission received details regarding the CAM from GTT. The CAM sets out the profit/losses on each revenue center by matching relevant expenses against each service. It ultimately shows the net position earned by the company on its capital dedicated to public use.

After an analysis of the contents, it showed that GTT sought to calculate the rate of return earned by the company based on its 2017 audited financial statement which is below the company's allowable rate of return, as provided for in its license.

The Commission is tasked with the responsibility of determining whether the expenses as stated in the 2017 financial statement represent that of an efficient utility based on its size and scope. The cost of the non-current assets as detailed in the financial statement must be fairly stated.

It is worthy to note that the 2017 CAM is a vital tool used to form the basis for the setting of prices in the new telecoms space and as such the Commission must, therefore, be satisfied that the profit/loss for each service is fairly presented in all material respects. To date, the Commission has not approved the CAM.

## Overview of The Telecommunication Market

### Voice

Overall voice minutes of use continue to decline from year to year, and as a consequence the advent of fiber has resulted in a marked shift from voice to data services.

### Mobile

When compared to the year 2017, the number of active mobile handsets for both GTT and Digicel increased by 5,821 at the end of 2018. However, despite the increase of mobile handsets in 2018, paid mobile minutes of use fell by approximately 17 million minutes year on year. Contributing factors to this decrease may be attributable to the increase usage of over the top applications (OTT) and the high cost for cellular minutes.

### Landline Services

The number of active landline services continue to decline year on year. There was also a decline in minutes of use of approximately 163 million over the previous year. From 2005 to 2017 the company's capital expenditure

was substantial, yet there appears to have been no significant expansion of landline services. Quality of service matrix for GTT continues to be troubling for the Commission. It may be of interest to note that notwithstanding the fact that landline rates are cheaper than mobile rates in 2018, mobile minutes which include promotional minutes are greater than landline's minutes of use.

We are unable to definitively determine the reason for this drop. Migration and affordability may have been the factors. When a consumer is unable to pay for both a landline and mobile service, they may opt to retain the mobile service at the expense of the landline.

## International Calls:

Both inbound (calls originating from an international destination to Guyana) and outbound (calls originating from Guyana to an international destinations) minutes have declined from year to year. Over the years, GTT outbound operations have been challenged by calls made through Voice Over Internet Protocol such as WhatsApp and Skype services. In 2018, inbound minutes declined by 39.42% when compared to 2017 and outbound minutes fell by 30.14% when compared to 2017.

## Internet Services

### Digital Subscriber Line (DSL)

The number of DSL services dropped in 2018 when compared to 2017. It appears that several subscribers may have surrendered their DSL service in favour of the Passive Optical Network (see below for detailed explanation) which the company had launched in the latter half of 2017.

GTT had written to the Commission on 30th November 2018 giving notice that it intends to increase DSL rates by \$300 per month per service. The Commission had informed GTT that their request may be subject to a hearing; and wrote to the company requesting information pertaining to the financial cost of the operation of the DSL service.

### Giga-Byte Passive Optical Network (GPON)

GPON is a Passive Optical Network that utilizes fiber optic cable as well as optical frequencies. It has a speed of approximately 1.25 gigabits per second in the upstream direction and a downstream rate of 2.48 gigabits per second.

In 2018, GTT set prices for several of its Passive Optical Network (PON)

services. The Commission recognizes that this is a new service and that these initial prices would be subject to review when the new Telecoms Act becomes effective and the demand for the PON services becomes normalized.

GTT had written to the Commission giving notice of its intention to increase the PON installation charges from its current \$12,000 to \$15,000. The Commission had informed GTT that their request may be subject to a hearing and wrote to the company requesting information pertaining to the financial cost of the operation of the PON service.

## Conclusion

The Telecoms Sector is poised to enter an era of new possibilities. The liberalization of the Sector, which the Commission believes is imminent, would usher in increased competition, improved and extended services and possibly lower prices. The migration of a pricing regime from capital dedicated to public use to a price cap regime will force the company to provide greater efficiency on the Sector, whilst offering greater values to consumers.





## Guyana Power and Light Inc.

### Operating Standards And Performance Targets (OSPT):

On the 4th October 2010 GPL's license was expanded to include Operating Standards and Performance Targets (OSPT)

There are eight service standards with pre-determined targets which GPL is expected to achieve. These standards are:

1. Customer Interruption (System Average Interruption Frequency Index (SAIFI) & System Average interruption Duration Index (SAIDI))
2. Voltage Regulation
3. Meter Readings
4. Issuing of Bills
5. Accounts Receivable
6. Accounts Payable
7. System Losses
8. Average Availability

If the Commission finds that the company has failed to meet its OSPT as provided for in its Development and Expansion Plan, it may impose monetary penalties upon the company in an amount which should not exceed 25% of the total value of the dividends payable to the company's shareholder(s) for such calendar year. The Commission is mandated to publicly report on GPL'S performance not later than April 30th in each calendar year as it relates to the previous year performance.

In March of 2018 the Commission held a public hearing and the company reported on its performance for 2017. As a result, standards reported on by

the company, the Commission in its Order stated:

"In our previous Order we cautioned that it was not appropriate to make any award of a monetary penalty on the company. We, however, expected GPL to make a concerted effort to fulfill its mandate in providing a safe service at reasonable prices to consumers. Unfortunately, our expectations of an improved service did not materialize. The Commission, in fulfillment of its obligations and having considered the extent to which the company has failed to meet the OSPT, together with the impact on the Licensees' consumers, hereby fines the company in the amount of 5% of the total value of the dividend payable to the company's shareholders in the just concluded calendar year".

### System Losses

On a positive note GPL's on-going program to install approximately 85,000 Advance Meter Infrastructure (AMI) meters which commenced in 2014 under the Power Utility Upgrade Program (PUUP) has gained momentum. AMI meters are state of the art meters, which are not easily susceptible to tampering. In the company's five-year Development and Expansion Plan 2018-2022 the company had projected that in 2018, under the PUUP program, 21,696 AMI meters will be installed nationwide. The projection fell short as only 14,695 AMI meters were installed. At the end of the current Development and Expansion program, the company anticipates that commercial losses, which are losses associated with consumers theft of electricity, would be reduced from its current 14.7% at the end of 2017 to 8.22% at the end of 2022. This reduction will be mainly attributable to the installation of the AMI meters.

On the downside, technical losses, which are losses suffered by the company in the distribution of electricity through its transmission systems are anticipated to remain at much the same level in 2022 as it was in 2018. We have noted in the company's five year plan the company is budgeted to spend approximately \$30 million USD in capital works to its transmission and distribution system and during this period technical losses are anticipated to be reduced from 15.24% in 2018 to 14.81% in 2022.

The Commission had in its previous annual reports reported on the negative impact, which the financial cost has had, on all stakeholders. The company is urged to review its current technical loss reduction program to determine whether more financial resources could be allotted into the program to fast track the reduction of these losses.

### Final Return Certificate: (FRC)

In accordance with the provisions of the license and the Electricity Reform Sector Act (ESRA), which were both issued in October 1999, the Commission in April 2018 had received from the Guyana Power and Light its Final Return Certificate (FRC). The FRC sets out the results of the company's financial operation for the year 2017. It states the profits that the company is entitled to earn, based on the formulae as prescribed in the license. The company's allowable rate of return is guaranteed, and if in the course of any financial year, the rate of return is not met, the company is entitled to increase rates. The Final Return Certificate is prepared and audited by an independent accounting firm and submitted to the Commission for approval.

For the year 2017, the Final Return Certificate showed a deficit in earnings of approximately \$1.226 billion. To recover this deficit, an increase in tariffs of approximately 6.34% from April 2018 is required.

It is worthy of note that it has been the policy of GPL not to increase tariffs to which it is entitled, rather, the company absorbs the loss, and transfers the deficit to a Revenue Foregone Account (RFA). This is provided for in the Electricity Sector Reform Act and the Commission's approval is necessary should the Company decide on this course.

The foregoing is rarely employed as the RFA is a debtor's account, which is a significant quantum and represents the amount GPL's consumers collectively owe the company, as a result of tariff deferrals over the years. The Company has the option to increase its tariffs over and above the rate of return to which it is entitled to in its license, by crediting the RFA any amount

it requires and include same as a notional expense in its financial statement. The consequence of the foregoing policy is that the customers may enjoy a measure of respite in the short term, however, the practice of deferring increased rates to a later period, effectively denies the company immediate cash flows, which are vital to improve services. In the longer term, therefore, this policy could impact negatively on consumers through the delivery of deteriorating services.

### Development and Expansion Program 2018 - 2022

GPL's Development and Expansion Five - Year Program 2018 - 2022, was submitted to the Commission in November 2018. The program sets out a one year and five-year projection of the company's anticipated operations together with an execution plan detailing its intention to meet the projected demand for power over the next fifteen years. The Commission has reviewed the company's financial projections over the life of the program.

For the period 2018-2022 the company is projecting an accumulated operating loss of approximately \$21 billion.

GPL's anticipated capital expansion program is pegged at \$253 million United States dollars of which \$200 million would be financed through equity. A disquieting feature of the program is GPL's purported reliance on debt capital to fund its operations during this period. This will trigger a significant increase in GPL's liabilities at the end of the program and there are reservations by the Commission that this debt may prove unsustainable for the company.

### Conclusion

The seemingly inability of the company to earn a profit as contained in the license, ultimately limits the company's liquidity and creates un-certainty in planning. This is evidenced by repeated failures of the company to achieve its planned deliverables in its successive five-year rolling Development and Expansion programs. The significance of cheap energy to the wellbeing of a nation cannot be over emphasized and the Commission urges that there should be meaningful dialogue amongst all stakeholders to bring an end to this impasse and create a new dawn for the company.





## Guyana Water Inc.

### Order No. 2 of 2018

On 9th January 2018 GWI submitted to the Commission an application in which it sought approval for:

1. Adjustments to existing tariff bands
2. Introduction of new tariff bands
3. Introduction of a fixed charge
4. Reduced tariffs for pensioners over the age of 65 years
5. Increases in existing ancillary charges and the introduction of new ancillary charges.

The Commission approved the rates sought but ordered that same to be implemented in two phases. The first increase was effective from 1st of October 2018 and the final increase effective from 1st October 2019. This graduated increase and approach is an attempt to alleviate the financial burden which will likely be placed on consumers especially those in the lower financial bracket.

As a condition to the granting of the increased rates for the various categories, GWI is mandated in the Order to meet the following targets

and to report its performance thereon to the Commission bi-annually, commencing from the 1st January 2019.

Non – Revenue Water to be reduced as follows:

2018	2019	2020	2021 onwards
1.5%	2.5%	3%	4% onwards until non-revenue water accounts for less than 15% of total production

GWI will be required to meter un-metered consumers as detailed below:

2018 commencing from 1st October 2018 to 31st December 2018	1st January 2019 to 31st December 2019	2020 and onwards
5,000 consumers	12,000 consumers	20,000 consumers each year thereafter until 100% of all services are metered

1. It was further ordered that its consumer database is to be sanitized in order to reflect legitimate debtors. This should be accomplished no later than 30th June 2019.
2. Collection on annual billings should increase incrementally each year to

a level of 96% by the end of December 2020.

3. GWI is required to revisit its database regarding all disconnected consumers who have not enjoyed reconnection within 60 (sixty) days, in order to ensure that these consumers are not illegally reconnected.
4. Collections of outstanding balances should be vigorously pursued.

### GWI's Water & Sanitation Sector Strategic Plan 2017 - 2021

GWI, in compliance with Section 28 of the PUC Act submitted their Water and Sanitation Sector Strategic Plan 2017 - 2021 to the Public Utilities Commission. The plan was approved by the Commission on the 10th April 2018.

### GWI's Operating Performance 2018:

#### Collections

Collections continue to improve, and it is to be hoped that the company strives to meet the collection rates as set by the Commission in Order 2 of 2018.

#### Metering

There has been some improvement in the rate of metering in 2018. We

expect that the company will make every effort, to achieve the minimum metering targets as set by the Commission in its Order of 2 of 2018.

#### Operating results

The tariffs as approved by the Commission for 2018 and 2019 will not immediately return the company to profitability. However, should there be sustained acceleration of its metering and non-revenue water programs there will be improvement in the company's revenues, and in time reach a stage in its development where there will be no need for Government's subventions.

#### Conclusion

From its inception, GWI has been the recipient of significant funding both from International Donor Agencies and the Government of Guyana. The company's capitalization programs have benefitted significantly by extending services to un-served areas which is a prerequisite in achieving universal service. Commendable as this is, aggressive metering of un-metered services and sustained reduction of non-revenue water, are the twin pillars which will ensure the company's long-term viability. The Commission believes that GWI is now properly poised to realize its objectives.



# Engineering Division

The Engineering Division is tasked with the responsibility of responding to technical challenges faced by consumers in all three utilities and to study technological trends in the sectors under the purview of the Commission.

## The Electricity Sector Operating Standards & Performance Targets

The operations of Guyana Power & Light Inc. (GPL) is examined annually against set of Operating Standards & Performance Targets (OSPTs). The Commission is under a statutory obligation to conduct an annual review in the form of a public hearing, not later than the 30th of March for the preceding year.

The eight (8) operating standards and performance targets are Customer Interruptions, Voltage Regulation, Meter Readings, Issuing of Bills, Accounts Receivable, Accounts Payable, Losses and Average Availability. The four OSPTs, which are reported on by the Engineering Division, are briefly discussed below. The 2018 targets, which formed the basis of the Commission's analysis, were obtained from GPL's 2018-2022 five-year Development & Expansion (D&E) Programme. This assessment is based on GPL's first, second and third quarters performance reports.

OSPT	2018 Target			2018 Achievements			
	Units	Annual	Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	Actual for 3 Qtrs.
<b>1 Customer Interruptions</b>							
SAIFI	No.	70	18	27.0	26.0	30.0	83.0
SAIDI	Hrs.	80	20.0	28.0	27.7	31.2	86.9
<b>2 Voltage Regulation</b>							
% of Nominal Voltage (stable)	%	± 5	± 5				
% Variance after Syst. Disturb.	%	± 10	± 10				
<b>3 Losses</b>							
Technical	%	27.9	27.9	29.1	28.7	28.3	28.7
Non-Technical	%	15.2	15.2	14.5	14.5	14.4	14.5
Average Availability	%	12.7	12.7	14.6	14.3	13.9	14.2
<b>4 Average Availability</b>							
	%	80.0	80.0	85.4	85.8	87.4	86.2

Table: GPL's 2018 OSPT and Third Quarter Achievements.

### Customer Interruptions

The indices used for monitoring customer interruptions are the System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI).

#### (i) System Average Interruption Frequency Index (SAIFI)

SAIFI is calculated as a ratio of the total number of customer interruptions to the total number of customers who are served by GPL.

$$SAIFI = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Customers Served}}$$

The target projected for 2018 was 70; meaning that on average a consumer should expect no more than 70 outages for 2018. At the end of September 2018, the average number of outages per customer was 83.

#### (ii) System Average Interruption Duration Index (SAIDI)

SAIDI is calculated derived from the ratio of the total hours of customer interruptions to the total number of customers who are served by GPL.

$$SAIDI = \frac{\text{Total Customer Hours of Interruptions}}{\text{Total Customers Served}}$$

The target projected for 2018 was 80 hours; meaning that on average a consumer should expect no more than 80 hours of outages for 2018. At the end of September 2018, the average duration of outages per customer was 86.9 hours. The indices for both the frequency and duration were therefore not met.

An improvement in the supply of electricity from GPL can be realised when outages and their durations are reduced.

### Voltage Regulation

This standard requires GPL to maintain ± 5 % of nominal voltage in stable conditions and ± 10 % of nominal voltage after system disturbances.

GPL has maintained that it is difficult to monitor the voltage delivered to each customer. As an alternative to voltage regulation, GPL has introduced

its own standard, it has given itself a maximum of 30 days to address all voltage complaints received by the company.

It is difficult to accept that the intention of this standard was to monitor the voltage delivered to each customer. Voltage Regulation is usually expressed as a ratio of the difference between no-load and full-load voltages over full-load voltage. In Electrical Engineering, voltage regulation is the measure of change in the voltage magnitude between the sending and receiving end, through transmission lines. This common application of voltage regulation measurement does not require the measurement of voltage delivered to each customer as GPL is claiming.

The proxy standard of reporting on voltage complaints resolved within 30 days, which includes vegetation management and networking reconfiguration, appears to be a maintenance activity that would not attain the maximum accomplishment in maintaining stable voltages across the network. Notwithstanding that GPL has reported that these complaints were addressed within 30 days, there has been no effort to improve on the target by reducing it to less than 30 days.

At GPL's 2017 OSPT Review, which was held in March 2018, GPL explained that smart meter installations will allow the Company to detect low voltages and ultimately the voltage profile across the feeders, which transfer electrical power from the substation to the distribution transformer. It appears unlikely that all customers can expect their supply voltage to fall within the percentage tolerance of nominal voltage until GPL properly examines this standard. Unless there is a proactive stance by consumers in monitoring their individual supply voltages and aggressive reporting on anomalies to GPL, there may be no effort to ensure that customers are not affected by voltage variations outside of the acceptable tolerance ranges. GPL, in its 2018 – 2022 Development and Expansion Plan, stated that it intends to install 82,032 Advanced Metering Infrastructure (AMI) meters which should not only aid in reducing commercial losses, but also assist in identifying voltage levels within distribution networks where the AMI meters are installed. The company has reported that approximately 14,695 AMI meters were installed at the end of December 2018.

### System Losses

The losses projected for 2018 was 27.9 % (15.2% technical and 12.7% non-technical). However, at the end of September 2018, the total combined

losses were 28.7%. Technical losses were 14.5% and non-technical losses 14.2%. It now appears that GPL will not meet its 2018 system losses targets.

In 2017, the overall target was 27.6%, with 29.5% achieved in 2017, GPL did not meet that target.

Non-technical losses are targeted for a gradual decrease from 12.6% in 2018 to 8.2 % in 2022, while technical losses are expected to be marginally reduced from 15.24% in 2018 to 14.81% in 2022.

### Average Availability

The average availability is based on the ratio of declared capacity and available hours to installed capacity and hours in the period. The 80% target in 2017 remained the same in 2018. The reported average availability for the first three quarters in 2018 was about 86.2%. GPL was ahead of target by 6.2% at the end of the third quarter in 2018.



# The Telecommunications Sector

## Wireline Services

### Land Line Installation

The Guyana Telephone and Telegraph Company was issued a license in 1990 to provide telecommunication systems. Under section 7 of the Telecommunications Act 1990. Schedule 1, Part 2 (1) of the license stated that:

“Universal Provision of Telecommunication Service states inter alia that GTT shall provide voice telephone services to every person who requests the provision of telephone service in any place in Guyana - such services include voice, telegram and other services that facilitates the conveyance of messages.”

In July 2014, Guyana Telephone and Telegraph Company (GTT) applied for new rates and a variation of rates for their land line offerings. Consequently, Orders 2 of 2017 and 4 of 2017 were issued and rate changes were approved with the condition that from the effective date of the Order no less than 350 new land line services be installed for every consecutive three months period onwards.

The table below represents the number of installed land lines for the period August 2017 to January 2019.

Total Applications Received from Aug. 2017 -Jan. 2019	14,927
Total Services Installed from Aug. 2017 – Jan. 2019	3,313
Number of Outstanding Services to be Installed from Aug. 2017 – Jan. 2019	11,614

Table: Shows the Total Applications Received and Installed Land Line Service. As the company continues to install the targeted amount of land lines, the demand for land line services continues to increase.

At the same time, the demand for internet access has grown rapidly. The company has seized on this opportunity to introduce the Fibre to the Home (FTTH) using the Gigabit Passive Optical Network (GPON) technology. This type of internet service is accessed by the consumer via fibre connected to

the premises. The areas served with this FTTH service are the new housing schemes such as La Parfaite Harmonie and Eccles new scheme which were never served with land line service, other areas such as Alberttown, Bel Air, East Ruimveldt, Houston, Lodge, Covent Garden, D’Aguilar’s Park, Mon Repos, Ogle, Plaisance have the existing copper network and are now upgraded with the FTTH service.

### Land Line Fault Repair

As prescribed in Order 4 of 2017, the Commission ordered that GTT submit quarterly reports on the average time required to resolve residential and business consumers faults on their land lines.

Most of the faults are in the category of consumers having no dial tone to their instrument. For the period January 2018 to December 2018 there was a total of 68,597 reported faults and 67,276 were remedied which amount represents 98% of cleared faults reported.

The following Table below represents the number of reported and cleared faults for land lines for the period January 2018 to December 2018:

Period	Reported Faults	Cleared Faults
Jan 2018	5,693	5,336
Feb 2018 to Apr 2018	17,158	16,847
May 2018 to Jul 2018	18,928	18,728
Aug 2018 to Oct 2018	16,455	16,044
Nov 2018 to Dec 2018	10,363	10,321
<b>Total</b>	<b>68,597</b>	<b>67,276</b>

Table: Shows the Reported and Cleared Faults in 2018



### Categories of Land Line Faults

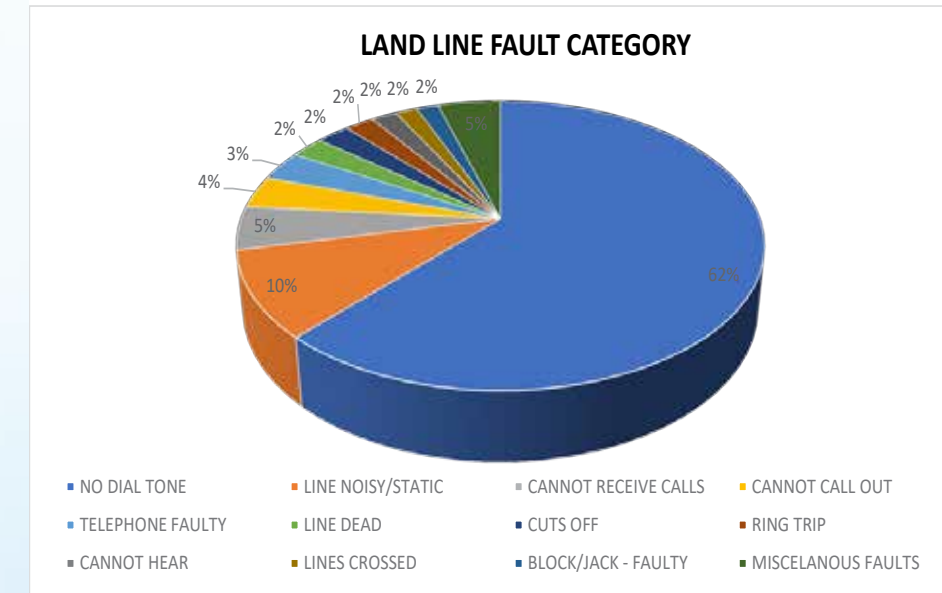


Chart showing the Categories of Land Line Faults

As seen in the chart above, 62% of the land line faults fall within the category of the consumers having ‘no dial tone’ on their telephone instrument. Dial tone is usually an indicator that a call can be made by a consumer. No dial tone usually signals that there may be a number of issues including faulty lines or faulty cable and pair. The other fault categories on the chart such as ‘lines crossed’, ‘cannot break dial tone’ are minor faults which can be remedied within one day. The category ‘line noisy/static’ which represents 10% of reported faults also falls within the category of faulty line or faulty cable and pair. The miscellaneous faults account for 5% of the faults, and these faults include the following: - hand set cord damage, loose wire, cannot break dial tone, extension faulty.

### Time Frame in Remediating Land Line Faults

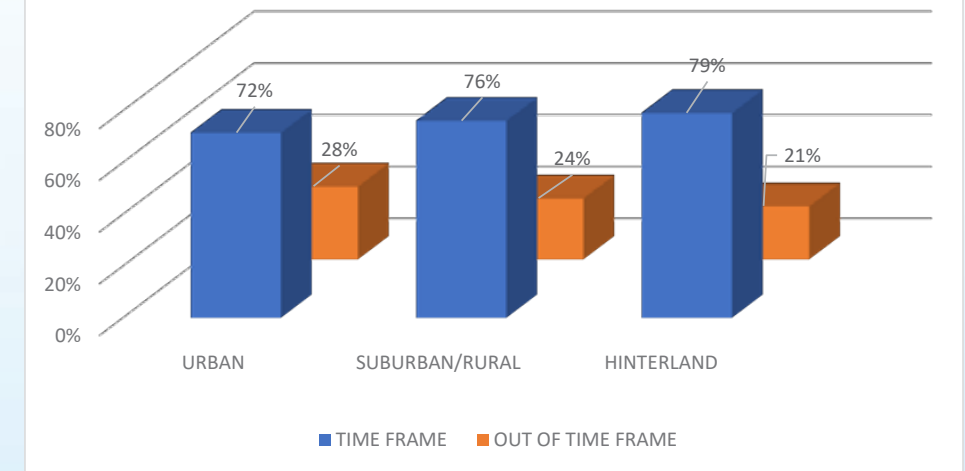
According to Order 4 of 2017 fault repairs to land lines are to be remedied in the following time frames:

**Urban Areas (townships):** 5 working days

**Suburban/Rural Areas:** 8 working days

**Hinterland Areas:** 20 working days

### RESOLUTION OF FAULTS 2018



Bar Graph showing the Time Frame in Remediating Land Line Faults

The bar-graph above represents the time frame for resolving and remediating reported land line faults. As shown for the suburban, rural and hinterland areas GTT response time in clearing and closing faults in those areas is inconsistent with the dictate of the Orders 2 & 4 of 2017.

As noted from the graph above, with respect to the urban areas, 72% of the faults are remedied within the prescribed time frame as compared to the 28% of the faults which were remedied outside of the time frame. The resolution of faults in the rural areas indicate that 76% of the faults were resolved in the prescribed time frame. The company has 20 working days to remedy faults in hinterland areas. The graph indicates that 21% of the reported faults could not be remedied in the prescribed time frame. GTT should seek to improve these time frames.



# The Water Sector

## Water Quality Standards

By virtue of Section 90 of the Water and Sewage Act 2002 the Guyana Water Inc. was issued with a licence. In accordance with the licence, standards and specific targets were set which the company was expected to achieve. One of the standards was water quality. The company was given a timeframe to improve the quality of water to World Health Organisation (WHO) standards.

In applying WHO's guidelines for drinking water and in conjunction with service standards of GWI's Licence, treated water which is supplied for the Coastland and Georgetown, is produced by the water utility and is expected to meet the following targets:

Parameter	Target
pH	6.5 – 8.5
Turbidity	≤ 5 NTU
Iron	≤ 0.5 mg/l
Aluminium	≤ 0.2 mg/l
Colour	≤ 15 Hazens
Chlorine	≤ 0.5 mg/l

A pH of less than 8 and turbidity below 5 will usually be required for there to be effective disinfection with chlorine.

## Region 2 & 3

	pH	Turbidity (NTU)	Iron (mg/l)	Chlorine (mg/l)
<b>Target</b>	<b>6.5 - 8.5</b>	<b>≤ 5.0</b>	<b>≤ 0.5</b>	
<b>GWI Treatment Facility</b>	GWI Results			
<b>Lima Plant</b>	7.3	2.7	0.2	0.7
<b>Pouderoyen Plant</b>	6.9	0.9	0.1	
<b>Fellowship Plant</b>	6.8	0.8	0.1	0.3
<b>Vergenoegen Plant</b>	7.4	1.7	0.4	0

As per the table above, the Regions 2 and 3 treatment facilities for Guyana Water Inc. (GWI) at Lima, Pouderoyen, Fellowship and Vergenoegen produced water which met the targets as set for pH, turbidity and iron. The

water from Lima and Fellowship plants each contained a chlorine residual, which is the amount of free chlorine which remains in the water after the initial application of chlorine from the treatment. Whilst the limit for chlorine in drinking water was set at 0.5 mg/l, the free chlorine which is present in the water after disinfection should be less than 1.0 mg/l.

## Region 4

	pH	Turbidity (NTU)	Iron (mg/l)	Chlorine (mg/l)
<b>Target</b>	<b>6.5 - 8.5</b>	<b>≤ 5.0</b>	<b>≤ 0.5</b>	
<b>GWI Treatment Facility</b>	GWI Results			
<b>Better Hope Plant</b>	8.3	0.2	0	0
<b>Mon Repos Plant</b>	8.3	0.4	0	0
<b>Friendship Plant</b>	6.4	25.6	1.3	0

At Better Hope and Mon Repos - pH, turbidity and iron were within limits.

		pH	Turbidity (NTU)	Iron (mg/l)
<b>Target</b>	<b>Target</b>	<b>6.5 - 8.5</b>	<b>≤ 5.0</b>	<b>≤ 0.5</b>
<b>GWI Treatment Facility</b>	<b>Date of Tests</b>			
<b>Eccles Plant</b>	29-Mar-2018	6.3	18.1	2.0
	27-Jun-2018	6.3	2.8	2.1
	26-Sep-2018	6.3	13.7	2.0
	27-Dec-2018	6.3	16.7	2.0
<b>Covent Garden</b>	29-Mar-2018	6.6	5.2	0.6
	27-Jun-2018	6.2	1.6	2.3
	26-Sep-2018	6.0	27.3	2.2
	27-Dec-2018	6.7	1.0	0.2
<b>Grove Plant</b>	29-Mar-2018	6.4	10.7	1.9
	27-Jun-2018	6.6	7.0	1.0
	26-Sep-2018	6.4	2.0	0.7
	27-Dec-2018	6.7	5.6	0.8

The facilities at Eccles, Covent Garden and Golden Grove on the East Bank of Demerara struggle to keep turbidity within the 5.0 NTU limit. However, in one of each of the quarters reported for these facilities, the turbidity dropped to impressively low values, i.e. 2.8, 1.0 and 2.0 NTU respectively. This illustrates that the turbidity target is achievable. Covent Garden

produced its best quality of water in the last quarter of 2018, whilst for the Golden Grove and Eccles facilities it was in third and second quarters respectively. Although most of the iron content did not meet the 0.5 mg/l target, the values were still within a WHO 3.0 mg/l guideline value.

	pH	Turbidity (NTU)	Iron (mg/l)	Colour (TCU)
<b>Target</b>	<b>6.5 - 8.5</b>	<b>≤ 5.0</b>	<b>≤ 0.5</b>	<b>≤ 15</b>
<b>GWI Treatment Facility</b>	GWI Results			
<b>Shelter Belt Plant</b>	5.4	6.8	0.3	4
<b>Sophia Plant</b>	7.3	1.3	0.6	
<b>Central R/Veldt Plant</b>	7.6	1.2	1.0	

At the Shelter Belt plant in Georgetown, a noticeable improvement in pH was observed in the third quarter. From 4.2 and 6.5 respectively in the first and second quarters, it came within target at 6.7. Turbidity, iron and colour were also within limits of ≤ 5 NTU, ≤ 0.5 mg/l, and ≤ 15 Hazens respectively. However, pH dropped to 5.4 while the turbidity went from 2.1 in the third quarter to 6.8 in the final quarter. At Sophia and Central Ruimveldt the pH, turbidity and iron were within acceptable limits.

## Regions 5 & 6

	pH	Turbidity (NTU)	Iron (mg/l)	Chlorine (mg/l)
<b>Target</b>	<b>6.5 - 8.5</b>	<b>≤ 5.0</b>	<b>≤ 0.5</b>	
<b>GWI Treatment Facility</b>	GWI Results			
<b>Cotton Tree Plant</b>	6.6	1.2	0.2	0.4
<b>New Amsterdam Plant</b>	6.4	0.8	0.1	0.2
<b>Port Mourant Plant</b>	6.8		0.0	
<b>No. 56 Plant</b>	6.8		0.6	
<b>Queenstown Plant</b>	6.9		0.0	0

At Cotton Tree, New Amsterdam, Port Mourant, No.56 and Queenstown - pH, turbidity, iron and chlorine (residual) were within limits, except for New Amsterdam, where the pH was marginally below the 6.5 limit.

## Regions 7 & 10

	pH	Turbidity (NTU)	Iron (mg/l)	Colour (TCU)	Chlorine (mg/l)
<b>Targets</b>	<b>6.5 - 8.0</b>	<b>≤ 5.0</b>	<b>&lt; 0.5</b>	<b>&lt; 15</b>	
<b>GWI Treatment Facility</b>	GWI Results				
<b>Bartica Plant</b>	4.4	1.5	0.1	6	0.3
<b>Mackenzie Plant</b>	4.4	1.9	0.2	1	1.7
<b>West Watooka Plant</b>	4.5	6.3	0.2	1	0.2

<b>Wisroc Plant (Old)</b>	4.3	2.1	0.3	7	0.3
<b>Wisroc Plant (New)</b>	4.3	1.3	0.2	8	0.2

Bartica, Mackenzie and the Wisroc facilities also produced water within limits for turbidity, iron, colour and residual chlorine. Even though the turbidity went over the limit at West Watooka in the final quarter, it was 2.0 in the previous quarter. pH, however, continues to be a challenge for these surface water treatment facilities.

In the Commission's Order 2/2018, where GWI applied for a review of tariffs in 2018, targets were set by the Commission as a condition for the rate increases. The targets which GWI will report on from 2019 include the following for 2018:

- A reduction in Non-revenue water by 1.5 %. This was estimated to be in excess of 50 % of the water produced.
- 5,000 un-metered customers to be metered in the last quarter of 2018. It was estimated that about half of the consumers remain unmetered.



## Complaints' Division

### Overview

The Complaints' Division is integral to the operations of the PUC. Its staff members interface directly with utility consumers and the relevant utility officials. Its thrust lies in its obligation to receive complaints and advocate on behalf of consumers and liaise with utility service providers.

The Division is also tasked with the responsibility of conducting Public Relations campaigns which is primarily used to educate consumers on their rights and responsibilities and giving consumers the opportunity to seek redress by utilizing the free services offered by the Commission.

In 2018, the Division embarked on an aggressive Public Relations drive by testing different modes of reaching the populace. It is hoped that in 2019 the Division could extend its reach to all ten (10) administrative regions of Guyana.

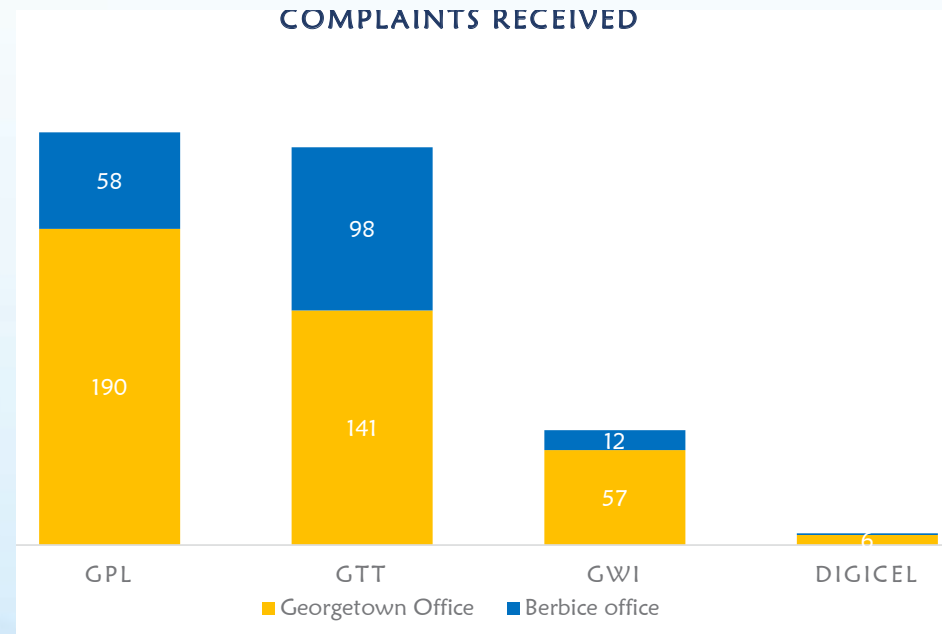
### COMPLAINTS RECEIVED

At December 31, 2018, 563 complaints were received and processed by the Commission. The complaints received for all utility service providers, except for GTT, increased during the period under review (2018) as compared to the previous reporting period (2017).

The total number of complaints received (563) decreased by 32% as compared to the 825 complaints received in 2017. This may have been attributed to the fact that GTT has improved in its ability to resolve consumers' issues within the stipulated timeframes as per Order 4/2017.

Complaints received from consumers of GTT have reduced by 56% from 543 complaints in 2017 to 239 in 2018.

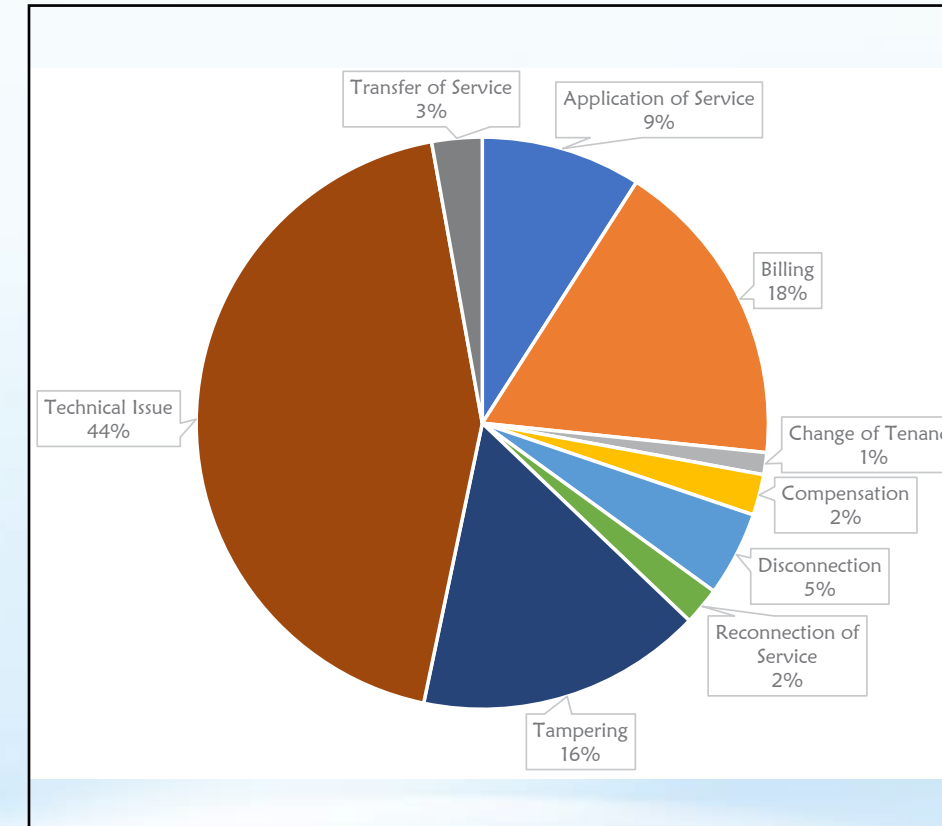
The graph below shows the complaints received for each of the utilities for the year 2018.



### ISSUES REPORTED

ISSUES	UTILITY								TOTAL
	GPL		GTT		GWI		DIGICEL		
	G/Town	B/ce	G/Town	B/ce	G/Town	B/ce	G/Town	B/ce	
Application of Service	26	1	14	8	2				51
Billing	31	4	30	1	29	1	2	1	99
Change of Tenancy	6				1				7
Compensation	12	1							13
Disconnection	7		4	1	13	2			27
Reconnection of Service	5	1		5		1			12
Tampering	46	44				1			91
Technical Issue	57	7	86	74	12	7	4		247
Transfer of Service			7	9					16
<b>Total</b>	<b>190</b>	<b>58</b>	<b>141</b>	<b>98</b>	<b>57</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>563</b>

## Types of Complaints



Technical issues represented 44% of complaints filed with the Commission and proved to be the major component of complaints received for 2018. Billing issues represented 18%; tampering represented 16%; applications for service 9%; claims of wrongful disconnection represented 5%; transfer of service 3%; compensation for damages to equipment 2%; issues with the reconnection of service 2% and issues as it relates to change of tenancy represented 1%.

An analysis of the complaints shows that 28% of all complaints received were for complaints filed against GTT for technical issues regarding the landline service, whilst 16% represents tampering issues with GPL's service and 11% were against GPL for technical issues with their infrastructure and meters. These three categories represent more than half (55%) of all complaints received.

### Complaints by Regions

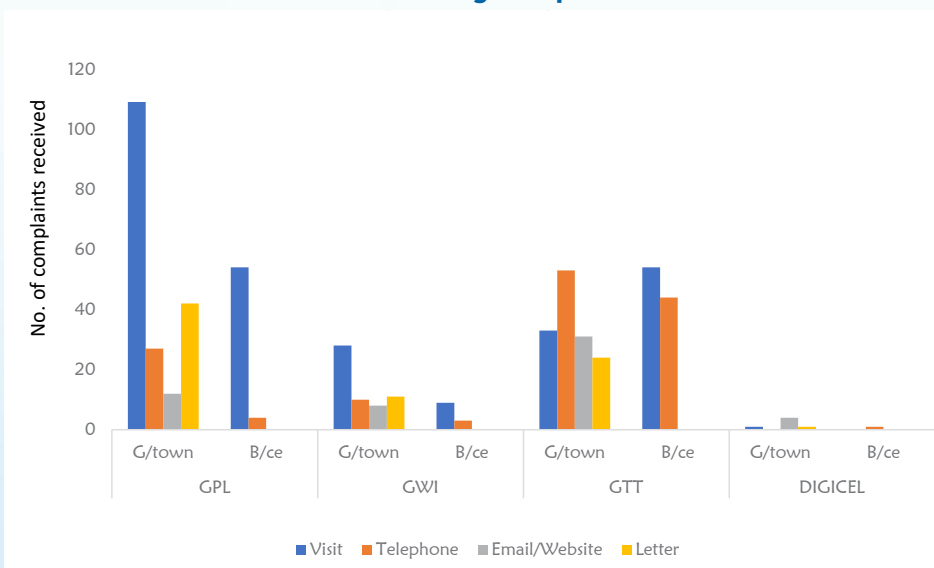
ISSUE	UTILITY	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6	Reg. 7	Reg. 10	TOTAL
Application for New Service	GPL	-	2	23	1	1	-	-	27
	GTT	-	2	10	-	9	-	1	22
	GWI	-	1	1	-	-	-	-	2
<b>Sub total</b>		<b>0</b>	<b>5</b>	<b>34</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>51</b>
Billing Issues	GPL	1	2	25	1	6	-	-	35
	GTT	-	2	26	1	2	-	-	31
	GWI	-	-	28	-	2	-	-	30
	Digicel	-	-	2	-	1	-	-	3
<b>Sub total</b>		<b>1</b>	<b>4</b>	<b>81</b>	<b>2</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>99</b>
Change of Tenancy	GPL	-	-	6	-	-	-	-	6
	GWI	-	-	1	-	-	-	-	1
<b>Sub Total</b>		<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
Claims of Compensation	GPL	0	3	9	0	1	0	0	13
Claims of Wrongful Disconnection	GPL	-	2	5	-	-	-	-	7
	GTT	-	1	3	-	1	-	-	5
<b>Sub total</b>		<b>0</b>	<b>5</b>	<b>19</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>27</b>
Allegation of Tampering	GPL	-	19	26	3	42	-	-	90
	GWI	-	-	-	-	1	-	-	1
<b>Sub total</b>		<b>0</b>	<b>19</b>	<b>26</b>	<b>3</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>91</b>
Reconnection of Service	GPL	-	1	4	-	1	-	-	6
	GTT	-	-	1	1	3	-	-	5
	GWI	-	-	-	-	1	-	-	1
<b>Sub total</b>		<b>0</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>12</b>
Technical Issues	GPL	-	15	42	-	7	-	-	64
	GTT	1	6	72	5	71	2	3	160
	GWI	-	4	7	-	7	-	1	19
	Digicel	-	-	4	-	-	-	-	4
<b>Sub total</b>		<b>1</b>	<b>25</b>	<b>125</b>	<b>5</b>	<b>85</b>	<b>2</b>	<b>4</b>	<b>247</b>
Transfer of Service	GTT	0	3	4	0	9	0	0	16
<b>Total</b>		<b>2</b>	<b>65</b>	<b>310</b>	<b>12</b>	<b>167</b>	<b>2</b>	<b>5</b>	<b>563</b>

The Commission has noted that approximately 85% of all complaints received emanated from the Regions (4 & 6) where the Commission's operating centres are located. The Commission continues to examine effective and creative ways to extend its reach to other Regions.

### Methods Of Filing Complaints

- Post or hand delivered letter of complaint to the Commission
- Via E-mail
- Visit to our offices
- Telephone

### Means of Filing Complaints



In 2018, visits to our offices in order to file complaints against the utility companies appears to be the most popular method of filing a complaint - 51% of all complaints were filed via this method. 25% were filed via telephone; 14% via post and 10% electronically (website/electronic filing).

### Resolution of Matters

	GPL		GTT		GWI		DIGICEL		Total
	G/Town	B/ce	G/town	B/ce	G/town	B/ce	G/town	B/ce	
In favour of consumer	49	3	38	27	10	4	4	1	136
In favour of utility	25	11	6	0	2	1	2	0	47
Complaints rejected/No action taken	3	0	2	0	1	0	0	0	6
Complaints withdraw	3	0	0	1	0	0	0	0	4
Enquiries	4	3	1	6	2	7		0	23
<b>Total resolved 2018</b>	<b>84</b>	<b>17</b>	<b>47</b>	<b>34</b>	<b>15</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>216</b>
Received in 2018 and are unresolved	106	41	94	64	42	0	0	0	347
Unresolved from Prior years	31	11	65	49	3	0	0	0	159
<b>Total unresolved as at December 31, 2018</b>	<b>137</b>	<b>52</b>	<b>159</b>	<b>113</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>506</b>

In 2018, two hundred and sixteen (216) matters, representing 38% of the 563 matters received were resolved.

Of the 216 resolved matters, 63% were resolved in the complainants'

favour whilst 37% were resolved in the utilities' favour. 1% of all complaints received were rejected or no action was taken on the matters since these were not within the ambit of the Commission's mandate or the Commission was satisfied with the action taken by the utilities.

The following is a snapshot of the aforementioned matters.

i. No action was taken on one (1) complaint received against GWI as the complainant was not aware of the minimum charge for metered residential consumers prior to October 1, 2018.

ii. No action was taken for two (2) matters filed against GPL as the complainants' accounts were adjusted based on readings taken from the meter after the accounts were under estimated.

iii. One (1) complaint filed against GPL was rejected as the matter regarding the application for Grid-tie was outside of the purview and scope of the provisions of the Public Utilities Commission Act.

There were 23 enquiries made at the Commission by consumers who failed to meet with the utility to pursue their issues to resolution. Those consumers were encouraged to file their complaints with the respective utility companies and to contact the Commission if they are not satisfied with the resolution process. Utility companies in turn are mandated to rectify consumers' issues within required timeframes.

Fruitful discussions were held with the utility companies to have the unresolved complaints expedited in the new reporting period.

The Commission's meeting with GTT regarding the number of backlogged matters proved effective as the Commission saw an increase in the number of responses being received from the company. For reporting and data purposes, it is important that the Commission receives a formal response for each complaint sent to the utility company, as the Commission is required to make impartial decisions after reviewing both the consumer and the utility company's submissions on the complaints.

Similarly, the Division and Commission's Engineers met with GPL to resolve complicated issues and that meeting garnered positive resolution and feedback.

### Credits Awarded

Credits are applied to consumers' accounts as a result of the rectification of an incorrect billing (overbilling) of the account, rebates of payment made for periods without service or compensation for the utility's breach of its Customer Service Standards.

On behalf of consumers the value of \$3,444,511 in the form of credits and rebates were received during the reporting year 2018.

Below represents the credits and rebates received from respective utilities.

Utilities	Georgetown Office	Berbice office	Total
DIGICEL	\$2,882		\$2,882
GPL	\$2,638,246	\$270,393	\$2,908,639
GTT	\$333,829	\$122,370	\$456,199
GWI	\$37,963	\$38,828	\$76,791
<b>TOTAL</b>	<b>\$3,012,920</b>	<b>\$431,591</b>	<b>\$3,444, 511</b>

The Division is pleased to report that a total of \$11,086,086 in credits were received by consumers during the year which included settlements which were pending from previous years.

### Training and Development

Throughout the year there were a number of capacity building exercises to familiarise the Commission on the tenets of the draft Telecommunications Regulations and Telecommunication Act 2016.

On August 23, 2018, a training programme entitled Liberalization of the Telecoms Sector and other regulatory matters was conducted. Presentations were made by our Regulatory Consultant on the new role of the Regulator;

the National Frequency Management Unit on spectrum issues; our internal Finance Division on pricing, Engineering on interconnection and Complaints Division on consumer protection; and at Commission level insight on our roadmap and expectations towards liberalization were discussed.

The staff of the Complaints Division took part in fifteen weeks of training to improve their Oral and Written communication skills.

In addition, Customer Service training was conducted to improve the level of interaction between the Commission's staff and its customers.

Two staff members were trained and are now officers within the Complaints Division whilst three other staff members from both Berbice and Georgetown offices were trained to assist the Division in the event of staff shortage or on high traffic days.

### Conclusion

We are looking to the future with a more robust public awareness campaign to ensure that all Guyanese are aware of this free platform of redress against the regulated utility companies.

Public Awareness campaigns are scheduled to be held in Linden, Corentyne, New Amsterdam, Mahaica, Vreed-en-Hoop and Georgetown. The Commission will continue to inform consumers of their rights and responsibilities and the work of the Commission through the media of selected television and radio programmes.

The year 2018 was an exceptional year for the Commission. 37.6% of complaints were resolved and the files deemed closed. A further 24% of complaints were resolved at the Consumer end, but there are outstanding responses to be received. Greater collaboration with utility companies saw a spike in responses. In 2019, the Division and indeed the Commission are ambitiously committed to pursuing all complaints to resolution.

## Public Awareness

The Commission's awareness programme aims to engage and educate Utility consumers about the role of the Public Utilities Commission and the rights and responsibility of utility consumers.

The Commission has considered a list of new activities to ensure that the consumer is informed of the role of the PUC and the opportunity for protection and fair representation.

The following is a snapshot of our activities which took place in 2018.

### INNOV8

In March 2018, the Public Utilities Commission participated in GTT's innov8. The goal of the event was to showcase the diversity of technology and its impact in Guyana. There were displays of gadgets, online gaming, smart homes, smart gadgets and animation. The PUC was invited to exhibit at the event which gave us the opportunity to engage with patrons and provide information regarding the Commission's role. Five (5) on the spot complaints were received from consumers of the regulated utilities. These matters were sent to the respective utility company for their comments. Responses were subsequently received, the matters were reviewed and subsequently resolved.

The Commission also participated in panel discussion with industry leaders on 'Regulatory and Policy Framework'.

### Open House

On September 14, 2018, the Commission held its first open house. The main aim was to provide an opportunity for consumers to visit us in order to voice their concerns; file complaints against the regulated utilities and seek clarification on the work of the Commission.

As a lead up to the event, the Commission staff members made appearances on Television - NCN – Guyana Today, Radio – 88.5FM, 89.1FM, 90.1FM, 93.1FM and 98.1FM. On the day of the event, brochures were distributed, and interviews were conducted by Stabroek News, NCN and News Source. An article reporting the event was posted on Facebook by News Source

and aired during the evening on NCN news. The Commission used the opportunity during the interviews to highlight the PUC and our expectations for the open day.

During the event ten (10) complaints were filed with the Commission, five enquiries were made and eight consumers who had previously filed their complaint contacted the Commission for information and made further queries on their matters. These complaints were sent to the utility companies for their comments and the Commission contacted the respective utility companies for information regarding the queries made. Responses were received and the Commission reviewed each matter and decisions were subsequently made.

The Commission noted that the period of three (3) days of Public Relations activities did not prove as impactful as we had projected, however, as we coordinate our activities for 2019, our goal is to reach as many consumers as possible.

### Berbice Expo

The Commission took part in the 14th Annual Berbice Expo and Trade Fair which was held during the period October 5-8, 2018 at the Albion Sports Complex. The theme of the Expo was "Advancing Economic Progress through Professional Standards and Entrepreneurship". The Commission's staff interacted with patrons of the event sharing information about the Commission, addressing immediate concerns of utility consumers. Sixteen consumers used the opportunity to file enquires about the issues they were experiencing with their service providers. Thirteen of these matters were resolved during the following week and of the remaining three matters the Commission wrote the respective utility company for their comments. Two of these matters were subsequently resolved whilst one matter was not resolved as GPL informed that pre-paid meters in 110 Volts are not available.

Leading up to the event, staff members of the Commission were interviewed by the media television - NCN – Guyana Today, Radio – 88.5FM, 90.1FM, 93.1FM and 98.1FM. During each interview consumers were informed of the role of the PUC and the opportunity to seek redress against the regulated utility companies at the Expo.

# Public Relations 2018

## Public Relations 2018



Innov8



Berbice Expo



Open House



Open House

## Training

During the year 2018 staff of the Commission were exposed to capacity building training facilitated by senior staff members together with external professionals. Emphasis was placed on training and capacity building for the anticipated liberalisation of the telecommunications sector in 2019.

### Internal Trainings

April 18 – May 24

Remedial English, Mr. Seymon Fung (Facilitator)

August

Liberalization of the Telecommunication Sector

September - October

Oral Communication, Mr. Seymon Fung (Facilitator)

November 28

Price Cap Regime and GTT Cost Allocation Methodology, Mr. Moorsalene Sankar (Facilitator)

November-December

Use of Microsoft Words, Mr. Nikita Somwaru (Facilitator)

### External Training

March 01

GEI 5th Annual Electrical Contractors Conference

April 25

ZOYWINS 23rd Annual Administrative Professional Seminar

May

OOCUR/USAID's Regulatory Communication

June 29 – July 20

Global Technology, Computer Fundamental

July 22 – July 25

CANTO

July

EDX Business Communication (On Line)

September 2018

Occupational Safety & Health Administration OSHA

October 10 – October 12

OOCUR

November

Caribbean Renewable Energy Forum 2017, JW Marriott, Miami, Florida, USA.



## Accounts Division

### Financial Operation

The Commission recorded another successful financial year, whereby it effectively managed its financial resources and executed its mandate.

The Commission received funding totaling one hundred and fifty million dollars (\$150,000,000) through assessment fees levied on Utilities under its purview. The Accounts' Division is tasked with the responsibility of ensuring that all monies are expended in a proper manner in keeping with established Accounting principles.

The Accounts' Division was exposed to various training sessions throughout the year both external and internal; the training sessions covered a wide ambit of areas, which ranged from governance to the development of staff members and the Commission as a whole. During the year a long-standing staff member from the Complaints Division was added to the Accounts Division and she has proven to be an asset.

The following is the Unaudited Financial Statements for the year ending 31 December 2018.



# PUC Financial Report for 2018

PUBLIC UTILITIES COMMISSION  
Statement of Financial Position  
As at 31 December 2018

	2018 G\$	2017 G\$
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property/Plant/Equipment	111,636,137	120,104,110
<b>Total Non-Current Assets</b>	<u>111,636,137</u>	<u>120,104,110</u>
<b>Current Assets</b>		
Receivables	729,143	278,233
Prepayments	273,754	576,858
Cash and Cash Equivalents	349,925,871	359,188,204
<b>Total Current Assets</b>	<u>350,928,768</u>	<u>360,043,295</u>
<b>TOTAL ASSETS</b>	<u>462,564,905</u>	<u>480,147,405</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Retained Earnings	460,376,324	477,023,199
Revaluation Reserves	286,320	286,320
<b>Total Equity</b>	<u>460,662,644</u>	<u>477,309,519</u>
<b>Current Liabilities</b>		
Payables	-	1,578,931
Accruals	1,902,261	1,258,955
<b>Total Current Liabilities</b>	<u>1,902,261</u>	<u>2,837,886</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>462,564,905</u>	<u>480,147,405</u>

PUBLIC UTILITIES COMMISSION  
Statement of Comprehensive Income  
For the year ended 31 December, 2018

	2018 G\$	2017 G\$
<b>Income</b>		
Assessment Fees	150,000,000	150,000,000
Other Income	265,193	8,000
Interest Earned	9,369,061	9,979,306
<b>Total Income</b>	<u>159,634,254</u>	<u>159,987,306</u>
<b>Expenses</b>		
Employment Cost	127,396,142	119,094,116
Training Conference and Official Visits	5,574,044	6,757,695
Administration Expenses	19,185,517	20,201,265
Utility Charges	4,879,500	2,486,925
Legal Fees	750,000	-
Security Charges	4,595,625	4,247,586
Rent Charges	1,409,720	958,320
Repairs and Maintenance	1,560,717	2,351,476
Bank Charges	216,000	194,349
Depreciation	10,470,777	9,622,257
Rate and Taxes	243,086	210,624
<b>Total Expenses</b>	<u>176,281,128</u>	<u>166,124,613</u>
<b>Net Deficit</b>	<u>(16,646,874)</u>	<u>(6,137,307)</u>

**PUBLIC UTILITIES COMMISSION**  
Statement of Changes in Equity  
For the year ended 31 December, 2018

	Retained Earnings	Revaluation Surplus	Total Accumulated Fund
	G\$	G\$	G\$
Balance as at 1 January, 2017	483,160,506	286,320	483,446,826
Net Deficit for the period	(6,137,307)	-	(6,137,307)
Transfer to Retained Earnings	-	-	-
<b>Balance as of 31 December, 2017</b>	<b><u>477,023,199</u></b>	<b><u>286,320</u></b>	<b><u>477,309,519</u></b>
	G\$	G\$	G\$
Balance as at 1 January, 2018	477,023,199	286,320	477,309,519
Net Deficit for the period	(16,646,874)	-	(16,646,874)
Transfer to Retained Earnings	-	-	-
<b>Balance as of 31 December, 2018</b>	<b><u>460,376,325</u></b>	<b><u>286,320</u></b>	<b><u>460,662,644</u></b>

**PUBLIC UTILITIES COMMISSION**  
Statement of Cash Flows  
For the year ended 31 December, 2018

	2018 G\$	2017 G\$
<b>Cash Flow from Operating Activities</b>		
Net Deficit	(16,646,874)	(6,137,307)
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	10,470,777	9,622,257
(Increase)/decrease in accounts receivable	(450,910)	(278,233)
Increase/(decrease) in accounts payables	(1,578,931)	1,516,828
(Increase)/decrease prepayments	303,104	(18,545)
Increase/(decrease) in accruals	658,306	159,702
<b>Net cash and cash equivalents from operating activities</b>	<b><u>(7,244,528)</u></b>	<b><u>4,864,702</u></b>
<b>Cash flows from investing activities</b>		
Sale of fixed asset	-	11,180
Purchase of equipment	(1,535,304)	(5,205,125)
Purchase of furniture	(467,500)	(1,350,457)
<b>Net cash used in investing activities</b>	<b><u>(2,002,804)</u></b>	<b><u>(6,544,402)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,247,332)</b>	<b>(1,679,700)</b>
Cash and cash equivalents at beginning of period	<u>359,188,204</u>	<u>360,867,904</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>349,940,871</u></b>	<b><u>359,188,204</u></b>

# The Commission

## Public Utilities

The PUC Act of 1999 defined 'public utility' as any person who or which owns facilities used to provide, or provides the following services: -

1. the production, generation, storage, transmission, sale, delivery, furnishing or supplying, directly or indirectly, to or for the public, of electricity;
2. the conveyance or transmission of oral, written, digital or any other form of messages or communications by telephone, wireless telephony, telegraphy, or wireless telegraphy, satellites, cable television, telecom service providers, pay telephone service providers, telecom resellers, internet and other telecom network service providers, radio, common carriers, or cellular mobile providers or any other method of transmission, currently offered to the public or offered as a common carriage in the in the future;
3. any other service specified by the Minister by order, being any of the following services: -
  - carriage of passengers, in motor buses or hire cars;
  - airport and airline services;
  - carriage of goods for hire or reward by goods vehicles;
  - lighterage or cargo handling;
  - dockage, wharfage or related cargo services; and
  - water supply services, except retail deliveries.

The public utilities currently under the purview of the Commission are:

- Guyana Telephone & Telegraph Co. Ltd. (GTT) - From 1990.
- Guyana Power & Light Inc (GPL). - From 1999
- Guyana Water Inc (GWI). - From 2003
- U-Mobile (Cellular) Inc. (Digicel) – From 2007

## Filing a Complaint

Any consumer who has a complaint against any utility company should engage with the service provider prior to approaching the Commission. If not satisfied, that consumer may file a complaint with the Commission who will advocate on the consumers' behalf, with the particular utility.

Complainants are required to provide all relevant information/ documentation in support of their complaints, including any response from the utility company when filing a complaint with the PUC.

**HELP DESK** - Monday – Thursday: 8:00 – 16:30 hrs.  
Friday: 8:00 – 15:30 hrs.

### GEORGETOWN OFFICE:

Lot 106, New Garden Street,  
Queenstown, Georgetown

**TELEPHONE** - 592-226-7042 or 592-227- 2182

**FAX** - 592-227-3534

**WEBSITE** - [www.puc.org.gy](http://www.puc.org.gy)

### BERBICE OFFICE:

Lot AV, Free Yard, Port Mourant,  
Corentyne, Berbice

**Tel/Fax:** 592- 336-6077 or 592-336-6192

### PUC Website

The PUC's website which was launched in 2009 is continuously updated. It could be navigated to obtain information regarding:

- (a) The Complaints' Procedure;
- (b) Rules for Determining Consumers' Complaints;
- (c) Presentations;
- (d) Publications;
- (e) Notices, presentations, publications, notices and documents pertaining to Public Hearings;
- (f) Complaints' monthly reports from January 2011 to December 2018;
- (g) Annual Reports from 1991 to 2017;
- (h) PUC Orders as delivered.

# NOTES

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**PUC**  
PUBLIC UTILITIES  
COMMISSION

**GEORGETOWN (Region 4, County of Demerara)**

Lot 106 New Garden Street, Queenstown, Georgetown, Guyana

**Tel:** (592) 226-7042 **Fax:** (592) 227-3534

**PORT MOURANT (Region 6, County of Berbice)**

Freeyard, Port Mourant, East Berbice-Corentyne, Guyana

**Tel/Fax:** (592) 336-6077