



## GPL slapped with fines by PUC over poor service

May 5, 2018

– service efficiency to remain under evaluation

The Guyana Power and Light’s (GPL) inefficiency in service delivery has earned it a fine from the Public Utilities Commission (PUC), with a threat of more evaluations hanging over the company’s head like a proverbial sword of Damocles.

According to the order, dated April 25, 2018, GPL will have to forfeit five per cent of its total dividend payments for 2017. It noted that despite cautioning the power company in a previous order, certain expectations for service quality were not met.

It was found that one area GPL underperformed was in reaching its service interruption target.



While they were supposed to limit their system Average Interruption Frequency during the year to 75, their average was actually 128. They also performed below par in the System Average Interruption Duration Index (SAIDI).

“The intent of this standard is to limit the duration of outages that a consumer would have experienced during the year to no more than 85 hours. The average duration experienced by consumers during the year 2017 was 133.18 hours,” the Commission stated.

“The company’s explanation in not meeting this target was similar to that for not attaining SAIDI; namely that the shortfall in generation together with the instability of the transmissions system resulted in longer than intended outages.”

While GPL’s explanations for not measuring its voltage regulation were accepted, the PUC did not buy its explanation for customer interruptions. Therefore, the Commission noted, adequate measures to mitigate their generation shortfall should have been taken.

The Commission also issued a warning to the company; that its performance would continue to be monitored. It therefore urged GPL to implement incremental changes that the customers

would actually feel.

“The Commission recognises that the operating standards are set within the framework of the company’s existing infrastructure and cash flow limitations. However, some of the standards fall far short of what constitutes an efficient utility.”

It noted that in fulfilment of its obligations and having considered the extent to which GPL has failed to meet the Operating Standards and Performance Targets (OSPT), “together with the impact on the Licensees’ consumers, hereby fines the company in the amount of five per cent of the total value of the dividend payable to the company’s shareholder. It is the Commission’s fervent hope that there will be incremental improvement in the quality of service to consumers in 2018 and beyond.”

In a bid to revamp its operations, GPL recently appointed Albert Gordon, a Jamaican, as its new Chief Executive Officer (CEO). The appointment of this former Vice President of the Jamaican Water Commission took effect on February 1.

Gordon has replaced the former GPL acting CEO Renford Homer. His appointment came at a time when GPL is touting the use of renewable energy, such as wind, to power its national grid. For his part, he has said that GPL would need US\$110 million to fix its cascade of problems.

Back in March, GPL had attributed persistent service interruptions experienced in the Demerara-Berbice Interconnected System (DBIS) to a short circuit within a 13.8 kV breaker at Sophia, Greater Georgetown.

According to GPL, service restoration efforts began immediately and all the areas were subsequently re-powered, with the exception of Kitty, Subbryanville, Alberttown, Newtown, Queenstown and Bel Air. These areas were re-powered following the completion of remedial work to resolve a localised fault on Vlissengen Road.

Additionally, customers from Number 54 Village to Skeldon, Berbice who experienced similar outages as a result of burst conductors on the L23 transmission line were re-powered, said GPL.

GPL has traditionally been the source of multiple complaints before the PUC. Just three months into last year, there was already over a hundred complaints to the Public Utilities Commission for at least two utility companies; Guyana Telephone and Telegraph (GT&T) Company and Guyana Power and Light (GPL). According to the PUC, as of March 2017, there were 29 complaints from GPL customers, while for GT&T that number was 94.