

**PUBLIC UTILITIES COMMISSION**

**In the matter of the Public Utilities Commission reviewing the Guyana Power and Light Inc. (GPL) Operating Standards and Performance Targets for 2020**

ORDER NO 1/2021

**Representatives of the Public Utilities Commission:**

Commissioners

Ms. Dela Britton	-	Chairman
Mr. Rajendra Bisessar	-	Commissioner
Dr. Leyland M. Lucas	-	Commissioner
Ms. Verlyn Klass	-	Commissioner (absent)

Staff

Mr. Vidihaar Persaud	-	Secretary/Legal Officer
Mrs. Yogwattie Sookram	-	Financial Analyst II
Mr. Nikita Somwaru	-	Engineer
Ms. Destra Bourne	-	Complaints Manager

**Representatives of the Guyana Power and Light Inc.:**

Mr. Bharat Dindyal	-	Chief Executive Officer
Mr. Renford Homer	-	Deputy Chief Executive Officer, Support Services
Mr. Loris Nathoo	-	Divisional Director of Finance
Mr. Samaroo Ramtahal	-	Deputy Chief Executive Officer, Strategic Operations
Ms. Rhonda La Fargue	-	Divisional Director, Customer Services.

**Representative - Consumers**

Mr. Patrick Dial	-	Guyana Consumers' Association
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The licence granted to the Guyana Power and Light Inc. (GPL) was amended on the 4<sup>th</sup> of October 2010, to provide for Operating Standards and Performance Targets (OSPT) for the company.

The OSPT are targets which are set out in the company's Development and Expansion Program encompasses all projects and programs for a five-year period.

The OSPT serves as the benchmark for the company in the improvement of its quality of service as offered to consumers.

GPL's license stipulates that PUC is mandated to review its performance on or before the 30<sup>th</sup> of March and this review takes the form of a Public Hearing.

Should the Commission find that the Licensee has failed to meet its Operating Standards and/or Performance Targets as provided for, the Commission may impose a monetary penalty on the Company in the amount not exceeding 25% of the total value of the dividends payable to the company's shareholder(s) in the calendar year. The Commission had in the previous reporting year for 2017 imposed a fine on GPL for 5% of the total value of dividends.

There are eight (8) standards and targets, 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 Public Hearing into the review of 2020 Operating Standards and/or Performance Targets was conducted on March 30, 2021, via Commission's Zoom platform.

**Hereafter we set out the standards and targets with explanations by GPL as it relates to the Standards not achieved.**

#### **1. CUSTOMER INTERRUPTIONS:**

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

The intent of this standard is to limit the average number of outages which consumers received during the year 2020 to no more than 65. As per GPL during its presentation, the average number of outages experienced by a consumer was 99. This standard was not met. The explanations as proffered by GPL for its inability to achieve this standard were primarily that the Demerara Berbice Interconnected System (DBIS) that connects areas from Moleson Creek to Sophia, Timehri to Garden of Eden, Garden of Eden to Sophia, Wales to Vreed en Hoop,

Parika to Vreed en Hoop and Sophia to Vreed en Hoop had experienced three shutdowns during the year in review. The shutdown severely impacted the Company's ability to provide redundancy during maintenance of the transmission system. Redundancy of the transmission network is a parallel network to the existing network, any planned maintenance or fault on the existing network, the parallel or redundant network will be automatically connected or activated to transmit power.

The other main contributor to GPL's inability to meet this standard involved the feeder trips. If in the event the transmission line has either an over current or a short circuit created by high winds, the link will burn effecting a feeder trip.

The company indicated during its presentation that it intends to construct four feeders which will serve to bolster the redundancy of its network.

During the year 2020 the company had installed 90 auto reclosers, 10 of those reclosers were commissioned in an effort to reduce outage time. Auto reclosers are devices which are installed to detect momentary faults in a section of the network which will serve to prevent a total shutdown. Auto reclosures are components employed during routine maintenance in order to isolate a specific area which may require rehabilitation.

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

The intent of this standard is to limit the duration of outages received during the year 2020 under review to no more than 75 hours.

The average duration experienced by consumers during the year was 81. This standard was not met. The company explained during its presentation that like the SAIFI standard the installation of auto reclosers within the transmission network will reduce the duration of planned maintenance by isolating areas under maintenance instead of the entire network.

**2. VOLTAGE REGULATIONS:**

Since 2011, the company has maintained that this standard is based on the consumers' complaints and not a scientific monitoring of individual voltage. The representatives of GPL informed the Commission that the AMI metering installation and the fast tracking of software infrastructure to

retrieve data from AMI meters will place the company in a better position to properly report on this standard.

The company is currently upgrading the Supervisory Control and Data Acquisition (SCADA) to have live monitoring of the voltage level on the network by installing compensators on the Demerara Berbice Interconnected System (DBIS) and the upgrade of conductors with the appropriate size of transformers.

Once these technologies for the AMI meters and upgrading of the SACDA are installed the company will be better positioned to monitor voltage levels at network distribution transformers and also to report on the voltage quality received by individual consumers.

### **3. METER READING:**

The maximum demand meter measures the high voltage, 3-phase power utilized by consumers in the category such as manufacturing, whereas the non-maximum demand consumers are low voltage, single phase consumers such as residential and small businesses.

The target for 2020 reporting year GPL was required to read 97% of maximum demand consumers and 90% of non-maximum demand consumers. However, GPL reported that for non-maximum demand consumers, only 88% of the meters were read; and for maximum demand consumers, 90% of the meters were read. The target was not achieved.

The company indicated that the COVID-19 pandemic had negatively impacted the meter reading exercises across all of their billing cycles as meter reading stalled for a brief period (approximately 3-months). The company's meter reading program was further impacted by the COVID-19 pandemic as a result the meter replacement program for existing defective meters.

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

GPL is required to issue maximum demand bills within 7 (seven) days, and non-maximum demand bills within 10 (ten) days, after the reading of meters.

GPL reported that on average, maximum demand bills were issued within 5 (five) days, and non-maximum demand bills within 8 (eight) days after the meters were read. The targets set for both categories of consumers were therefore met.

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

This standard commits GPL to satisfy its indebtedness to its creditors within 26 days. GPL reported that an average of 20 days was the duration to settle its indebtedness with its creditors for this reporting year. The standard was therefore achieved.

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

This standard commits GPL to a 30-day cash collection cycle. GPL reported that its actual cash collection cycle for the year under review was 109 days. The standard was therefore not met.

At the Public Hearing, officials of the Company had explained that late payments by key Government entities namely Ministries, National Democratic Councils (NDC) and the Guyana Water Inc (GWI), were contributing factors which impeded the achievement of the Accounts Receivable standard.

It was noted during the hearing that in the last quarter of 2020 and for the month of January 2021, the Government of Guyana had made substantial payments to the company for outstanding electricity charges as incurred by these entities. This created a reduction in the Accounts Receivable days to 42 days.

The company further noted that there remains outstanding arrears from GWI and had the Company satisfied its indebtedness to GPL, the accounts receivable days would have been reduced to 29 days and the target of 30 days would have been achieved.

#### **7. SYSTEM LOSSES:**

This standard sets out the system losses which include technical and non-technical losses at 23.89% of dispatched power for year 2020. For the reporting period system losses were 25.86 % of dispatched power. The standard was therefore not met.

In its presentation the company stated that notwithstanding its inability to meet the target in 2020, it was successful in reducing its 2019 losses by implementing the following measures:

- Replacement of 17,383 meters to aid in the reduction on the commercial losses.
- Upgrade of approximately 228 km of the transmission voltage lines.
- Installation of 100 new transformers and relocation of 82 transformers.

#### **8. AVERAGE AVAILABILITY:**

For the year 2020, GPL was required to achieve an average generation availability of 80%. The company reported that average generation availability was 87%. The standard was therefore met.

#### **REVIEW OF STANDARDS BY PUC**

##### **(1) Customer Interruption:**

The company has shown marked improvements in relation to the reduction of outages on its Demerara Berbice Interconnected System (DBIS) link. The installation of auto reclosers on the network assisted in the isolation of the transmission circuit during planned maintenance program and the timely repowering of the circuit at the time of unplanned feeder trips were contributory factors which led to improvement.

The Commission commends the company's plans to construct redundancy in the network at critical points between Sophia and Onverwagt also Sophia and Garden of Eden which will lend to further bolstering of its service.

##### **(2) Voltage Regulation:**

The Advance Metering Infrastructure (AMI) which is executed through the Public Utility Upgrade Program (PUUP) is treated as the ideal technology to access data from its registry which would serve to aid in voltage measurement. The Commission appreciates that it is difficult during this reporting year for the company to present a report on the voltage information since the infrastructure platform for the AMI meters is yet to be configured.

**(3) Meter Reading:**

The achievement of this standard was hampered by the COVID-19 pandemic. Meter reading retrieval is vital to the company for its billing and collection of payments for electricity consumed.

The company in an effort to remedy the retrieval of consumer usage has recommenced its meter reading and replacement of defective meter with the AMI meters which will only serve to assist in the achievement of its target for the next reporting year.

**(6) Accounts Receivable**

The Commission noted the company's explanation that the non-achievement of this standard was primarily due to the Guyana Water Inc., Government Ministries and other State Operated entities not meeting their billing obligations in a timely manner and as such, accepted that the circumstances were beyond the company's control. The commendable effort by the Government of Guyana in seeking to reduce its outstanding balances to the company will auger well for its future reporting periods.

**(7) System Losses**

The Commission has for approximately ten (10) years been critical of the system losses within the reported OSPT performance. The company continues its inability to achieve its set target for losses.

The Commission, however, took into account the efforts made by the company in reducing losses in general. This is evident where system losses show a decline from 2019 by 1.74%.

## DECISION

During its deliberations, the Commission took into account the impact which the global impact of the COVID-19 pandemic and the resources of GPL had on the Company's ability to achieve its targets.

Further, the Commission noted the efforts by the Company to achieve the targets for the following standards:

1. Issuing of Bills
2. Accounts Payable
3. Average Availability


The numerical differential of the respective targets is in the opinion of the Commission not overwhelming. It is for this reason and the stellar efforts of GPL during the challenging period that the Commission determined that the Company's failure to achieve its targets did not warrant the imposition of a monetary penalty.

However, the Commission will urge the Company to redouble its efforts in the areas of Quality of Service and improve in the areas where targets are to be met.

Dated this the 30<sup>th</sup> day of April 2021.

  
Dela Britton  
CHAIRMAN

  
Rajendra Bisessar  
COMMISSIONER

  
Dr. Leyland M. Lucas  
COMMISSIONER

