

**AMENDMENT TO THE LICENCE**

**TO SUPPLY ELECTRICITY FOR PUBLIC PURPOSES**

**GRANTED TO**

**GUYANA POWER & LIGHT INC.**

**UNDER**

**SECTIONS 4 AND 42 (3) (c) OF THE ELECTRICITY**

**SECTOR REFORM ACT 1999 (NO. 11 OF 1999)**

**ISSUED EFFECTIVE**

**October 4, 2010**

Amendment  
of Paragraph  
16.

1. Paragraph 16. of the Licence is amended by substituting for it the following Paragraph as Paragraph 16 -

"16. Customer Service Standards and Operating Standards and Performance Targets.

(a) Customer Service Standards

(i) The Licensee's Customer Service Standards in effect for the period 2009, and constituting a part of the Second Schedule to this Licence as of December 31, 2009, are extended to December 31, 2010.

(ii) By September 30, 2010, the Licensee shall submit to the Minister proposed revised Customer Service Standards for the period 2011-2012, for the Minister's consideration and approval prior to December 31, 2010. The revised Customer Service Standards shall include the standards for the time within which the Licensee must provide the following services to its Customers -

- (A) connection of new service;
- (B) reconnection of service after a Customer has rectified the reasons for which the service was disconnected;
- (C) response to repair calls;
- (D) response to billing and service complaints and inquiries;
- (E) response to a written notice from a Customer that a meter may be improperly registering;
- (F) replacement of an improperly registering meter after the improper registration has been confirmed; and
- (G) any other service that the Minister shall direct be included in the Customer Service Standards.

- (iii) The revised Customer Service Standards shall -
  - (A) be consistent with the Licensee's Standard Terms and Conditions and, to the extent such Standard Terms and Conditions do not vary, any applicable provision of the Public Electricity Supply Regulations (Third Schedule to the ESRA), as amended, with such Regulations;
  - (B) for each standard, state a flat fee penalty that shall be credited by the Licensee to Customer accounts in any instance in which the Licensee fails to meet the standard within the time specified in it, such credit to be applied by the Licensee to the relevant Customer's account within the thirty days following the failure to meet the standard within the specified time; and
  - (C) form the Second Schedule to this Licence in its entirety, once they are approved by the Minister.
- (iv) The revised Customer Service Standards shall come into force and effect on January 1, 2011, and after that date, as to each failure by the Licensee to meet a standard within the time specified in such standard, the Licensee shall credit the relevant Customer's account with the flat fee penalty provided for in the revised Customer Service Standards within the thirty days provided for in subparagraph (iii) (B).
- (v) Upon a complaint by a Customer that the Licensee has failed to credit his account as required under subparagraph (iv), the Commission shall investigate the matter and, if it finds that the Licensee has failed to make a required credit to the Customer's account, shall order the Licensee to apply the required credit to the Customer's account within ten days of the date of issuance of such order.
- (vi) On September 30, 2012, and on each September 30 in every two-year period thereafter (i.e., September

30, 2014; September 30, 2016, etc), the Licensee shall submit revised Customer Service Standards to the Minister for his review and approval by December 31 of the year in which such revised Standards are submitted. Each iteration of revised Standards shall contain the standards for the same services provided for in subparagraph (ii), including the time within which the Licensee must provide those services to its Customers and a flat-fee penalty to be credited to Customer accounts in instances in which the Licensee fails to meet such standards within the time required. Such revised Customer Service Standards shall be enforceable by the Commission in the manner provided for in subparagraph (v).

(b) Operating Standards and Performance Targets.

- (i) The Licensee's Operating Standards and Performance Targets in effect for the period -2009, and constituting a part of the Second Schedule to this Licence as of December 31, 2009, are extended to December 31, 2010.
- (ii) (A) Beginning with calendar year 2011 and for all subsequent years, the Licensee's Operating Standards and Performance Targets, on a one- and a five-year basis, shall be included in the Licensee's Development and Expansion Programme submitted to the Minister for approval as provided for in Paragraph 17.
- (B) The revised Operating Standards and Performance Targets submitted by the Licensee in any year shall address the areas included in the Operating Standards and Performance Targets in effect through December 31, 2010; all other major areas of its generation, transmission and distribution of electricity, including technical and non-technical loss reduction; and such other areas as the Minister may determine.
- (iii) The Operating Standards and Performance Targets for each one-year period included in every approved

Development and Expansion Programme shall constitute the standard and quality of service that the Licensee shall provide, in accordance with section 25(2) of the PUC Act; shall thereby be binding upon the Licensee; and shall be enforceable by the Commission as provided for in subparagraph (iv).

- (iv) (A) By March 30 in each calendar year, beginning with calendar year 2012, the Commission shall review the Licensee's performance for the previous calendar year in comparison with the Operating Standards and Performance Targets in effect for such calendar year, and shall determine whether the Licensee has failed to meet such Operating Standards or Performance Targets in any material respect.
- (B) If the Commission finds that the Licensee has failed to meet its Operating Standards and/or Performance Targets as provided for in subparagraph (A), it may impose monetary penalties upon the Licensee in an amount not to exceed 25% of the total value of the dividends payable to the Licensee's shareholder(s) for such calendar year in accordance with this Licence and applicable law.
- (C) In determining the amount of any monetary penalty to be imposed within the parameters set forth in subparagraph (B), the Commission shall take into account the extent to which the Licensee has failed to meet its Operating Standards or Performance Targets during the previous calendar year and the impact of any such failure(s) upon the Licensee's Customers.
- (D) The Commission shall impose penalties determined under subparagraphs (B) and (C) by way of order directed to the Licensee and issued by April 30<sup>th</sup> of any year in which such penalties are imposed.

- (E) Any penalties imposed upon the Licensee in an order issued under subparagraph (D) shall be allocated among and credited by the Licensee to Customer accounts, under a plan to be determined by the Commission, after consultation with the Licensee by June 30 in any year in which penalties are imposed. In determining such plan, the Commission, in its discretion, may also consult with consumer groups, the private sector, and other members of the public to whom the Licensee supplies electricity.”

2. Paragraph 17 of the Licence is amended –

- (a) For the heading substitute the following heading –

“17. Development and Expansion Programmes and Reporting Requirements.”

- (b) In subparagraph (b) –

- (i) For the first sentence substitute the following sentence –

“The Licensee shall, no later than sixty days prior to the end of each financial year, submit three copies of its annual Development and Expansion Programme, a current version of its five-year Development and Expansion Programme and its fifteen-year rolling demand forecast (including a summary of its long-term plans to address it) in accordance with section 38 (1) of the Act, approved by the Licensee’s Board of Directors and containing the information required by section 38(2) of the Act and Paragraph 16 (b) of this Licence, to the Minister for approval.”;

- (ii) For the words beginning with the words “and may seek the views” and ending with the words “days after the approval” substitute the following words –

“and within ten days after receiving the proposed programmes from the Licensee, shall seek the views of the Commission and may seek the views of the Guyana Energy Agency (the “Agency”) on the proposed programmes provided that such views are submitted to the Minister by

Amendment  
of paragraph  
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the Commission and the Agency in sufficient time for the Minister to take them, into account in making his determination within the sixty days provided above. The failure of the Commission or the Agency to submit its views to the Minister in sufficient time for such views to be so taken into account shall not delay the Minister's determination within such sixty day period. The Licensee shall submit seven copies of each Development and Expansion Programme approved by the Minister to the Commission within ten business days after approval.”;

- (c) For subparagraph (c) substitute the following subparagraph as subparagraph (c) –

“(c) During the course of its implementation of approved development and expansion programmes, the Licensee may make amendments to the programmes as provided for in section 38 (5) of the Act and, prior to making any such amendment, shall provide the Minister with an explanation of, and relevant information and data on, such amendment. Except in the case of an amendment under section 38 (5) (a) of the Act, the Minister shall, within the five days of receiving a request for an amendment from the Licensee, seek the views of the Commission on the amendment, provided that such views are submitted to the Minister by the Commission in sufficient time for the Minister to take them into account in making his determination within a reasonable time after the Licensee's submission of the requested amendment. The Minister's approval of any such amendment shall not be unreasonably withheld and, in the case of an amendment under section 38 (5) (a) of the Act, shall be granted or denied within twenty-four hours of such notification, and shall be deemed to be granted if no response is received within that time. The Licensee shall provide the Commission with seven copies of any amendment to its development and expansion programmes as approved by the Minister within ten business days after approval, but permission of the Commission shall not be needed for any such amendment.”;

- (d) Insert after subparagraph (c) the following subparagraphs as subparagraphs (d) and (e) –

“(d) In addition to, and without limitation of, any reporting or other informational requirements to which the Licensee is subject under the Act and the PUC Act, the Licensee shall provide the Minister, the Guyana Energy Agency and the Commission with reports on the following matters on a quarterly basis (that is, by March 31, June 30, September 30, and December 31 of each year) -

- (i) ✓ Sales: Energy sales by tariff group in physical units (MWh), energy sales by tariff group in dollar value, and monthly summaries of debit and credit memoranda used to adjust Consumers' accounts.
- (ii) ✓ File maintenance - New services added to system funded by (A) international donor agencies and (B) internally generated funds, and number of active and inactive Customers on database.
- (iii) ✓ Peak demand and installed capacity - Graph showing peak demand for each of the two interconnected systems, and information on installed capacity for each of the two systems.
- (iv) ✓ Power purchases- Monthly power/energy purchased from independent power producers and from any other person, specifying the amount of power purchased and total billings by independent power producers and other persons.
- (v) ✓ Negotiations with independent power producers- Information on the status of any ongoing negotiations with independent power producers for the purchase of power.
- (vi) ✓ Rental of generating sets- Monthly charges incurred for generating sets under lease.
- (vii) ✓ Monthly financial reports- Unaudited financial statements, balance sheets, and cash flow statements, and an analysis of employment costs.
- (viii) ✓ System losses per month- Total losses in MWh together with estimates of its components and technical and commercial losses (combined and separated); and the estimated dollar value of the losses.
- (ix) ✓ Monthly outsourcing- Disbursements made to transmission and distribution ("T&D") contractors involved in capital projects; disbursements made to T&D contractors for hired transportation; disbursements made to contractors for meter reading; and compensation payments made for equipment, property damage, personal injuries etc.

- (x) ✓ Monthly generation of power stations showing- Fuel usage, generation, fuel cost (with freight shown as separate cost), fuel efficiency, and variable and fixed cost.
- (xi) ✓ Power outages- Table showing average duration of power outages and nature of the failures in summary form; table showing planned and forced outages; and table showing System Average Interruption Duration Index, if available.
- (xii) ✓ Operating Standards and Performance Targets- Detailed report on whether the Licensee's current Operating Standards and Performance Targets have been met, including explanations of any failures to meet any Operating Standard or Performance Target.
- (xiii) ✓ Customer Service Standards- Detailed report on any failure to meet a Customer Service Standard, including each credit to Consumer accounts for each failure to meet such Standards.
- (xiv) ✓ Disconnection and Reconnection- Number of disconnections and reconnections effected each calendar month.
- (xv) ✓ Major Incidents- A summary of Major Incidents, on a monthly basis. For purposes of this requirement, "Major Incident" means an incident associated with the supply of electricity by the Licensee that results, or would likely have resulted, in a significant interruption of service, substantial damage to the Licensee's equipment, or loss of life or significant injury to a person, and shall also include any other incident that the Minister declares to be a Major Incident. The reports shall include full details of the facts within the knowledge of the Licensee regarding the Major Incident and its cause and specify the measures the Licensee will take to avoid reoccurrence of the same type of Major Incident.
- (xvi) ✓ Criminal prosecutions- A summary of prosecutions for offenses under the Act and regulations made

