

ST HELENA UTILITIES REGULATORY AUTHORITY



2016/17

4TH ANNUAL REPORT ON THE QUALITY OF SERVICES
PROVIDED BY CONNECT SAINT HELENA LTD

EXECUTIVE SUMMARY

The Utilities Regulatory Authority has completed its review of the quality of services provided by Connect for the year to 1st April 2017. **The Authority acts entirely independently and is not subject to the direction or control of the Governor, the Executive Council, Legislative Council or any other person or authority.** This review has been completed less than 12 months since the date of the last Annual Report which is dated 7th December 2016 in order that it will be more closely aligned to the production of the Annual Report to the Utilities Regulatory Authority by Connect themselves. Therefore, the conclusions drawn are based on a significantly reduced period of time to that which has already been considered in the 2015/16 document.

The Authority found that since utilities were divested to Connect, overall reliability of the electricity network has improved by 37%. Overall reliability of the water network has increased by 29%. The appearance of water has improved by 1% (which represents 100% quality). The microbiological integrity of treated water has improved by 3.6% (which represents 100% quality). The time taken to perform electricity connections has improved by 66%. The time taken to perform a water connection has improved by 88%. Renewable energy sources represent 26% of total electricity production.

The Authority considered the severe water shortage that befell the island over the relevant period. It was accepted that there was shortage which was triggered when the winter rains failed to materialise. The Authority concluded that the shortage was a catalyst to consider the failings of a water system that has suffered through decades of inadequate maintenance and asset improvement prior to the divestment of utilities to Connect. The actions to remedy these difficulties over recent months has been commendable. A number of projects have been pursued which have proved to be effective. In particular, improvements of the catchment of water to the reservoirs and the reservoirs themselves, installation of additional transfer systems to pump water across the island and a successful borehole drilling programme which will yield a significant quantity of water resource when required. The Authority remains impressed by the massive improvements in the management of water resources and the management of the shortage by the use of a comprehensive Drought Management Plan with the collaboration of all relevant agencies.

The Authority notes that there has been a decrease in the overall reliability of the water network which represented an increase in water interruptions from 850 to 1,122 (14%). This is, of course, concerning to the Authority. However, it must be re-iterated that the overall reliability has increased by 29% pre-divestment. The Authority understands the suggestion that this is due to factors such as increased customer awareness of water issues during a severe drought and the underlying issue of a water network that is in an extremely poor state and will take many years to make significant improvements. The Authority is satisfied that Connect are acting to their best ability to ensure that improvements and investment in the infrastructure is being pursued.

The Authority visited a number of the sites including Hutt's Gate and Harpers Reservoir. The Power Station at Ruperts, Solar Farm at Half Tree Hollow, Water Treatment Plant at Redhill and a number of other works that have been completed and improved and other sites that may be utilised in the future.

PART 1 – OVERVIEW

1.1 UTILITY SERVICES ORDINANCE 2013

On 1st April 2013 the Utility Services Ordinance 2013 came into force. This Ordinance established the Utilities Regulatory Authority and created a legal framework to facilitate the private sector provision of licensed public utility services.

These services are —

- (a) The generation, distribution and supply of electricity;
- (b) The collection, storage, treatment and distribution of water; and
- (c) The disposal of waste water.

1.2 UTILITIES REGULATORY AUTHORITY

The members of the Authority are Chief Magistrate Aldridge (as Chairman), Mrs Elizabeth March and Mr Paul Hickling. The Judicial Services Manager* is Secretary to the Authority, to whom any communication should be made. The Authority, and any person acting under its authority, act entirely independently and are not subject to the direction or control of the Governor, the Executive Council, Legislative Council or any other person or authority. *(yvonne.williams@sainthelena.gov.sh)

1.3 OBJECTIVE OF AUTHORITY

The objective of the Authority is to regulate the development and provision of public utility services in a manner which—

- (a) Ensures that users of such services are protected from both unreasonable prices and unreasonably low levels of service;
- (b) Ensures (so far as is consistent with paragraphs (d) and (e)) that the prices charged for such services do not create unreasonable hardships for households or unreasonable hindrance to commercial and economic development in St Helena;
- (c) Motivates Utilities Providers to improve the quality of the services they provide;**
- (d) Ensures stability and predictability in the public utilities industry in the medium and long terms;
- (e) Supports a progressive reduction in levels of subsidy from public funds; and
- (f) has regard to such other regulatory objectives (if any) as may be prescribed.

1.4 DUTIES OF AUTHORITY

It is the duty of the Authority, **having regard to its objectives**, to carry out its functions and to ensure that Utilities Providers comply with—

- (a) Ordinances, regulations and directives issued thereunder, regulating public utility services; and
- (b) The conditions of their licence.

1.5 POWERS OF THE AUTHORITY

The Authority may, for the purpose of performing its duties, issue Directives to a Utilities Provider in connection with the provision of any public utility service; and, without prejudice to that generality, such Directives may impose requirements concerning;

- (a) The quality or standard of service which the Utilities Provider must deliver to its customers;
- (b) Payments of compensation (or abatement of charges) to compensate customers when the service provided does not meet the standards so set;
- (c) The maximum charges or fees to be levied by a Utilities Provider for providing the public utility service;
- (d) The terms and conditions on which public utility services are to be provided; and
- (e) Such other matters (if any) as may be prescribed.

1.6 PENALTIES BY THE AUTHORITY

If the Authority is satisfied that a Utilities Provider has failed to comply with a Directive, or with a condition of its licence, the Authority **may** order the Utilities Provider to pay a penalty not exceeding the sum of £100,000.

A licence may be revoked by the Governor in Council upon recommendation of the Authority, where the Utilities Provider is in substantial and continuing breach of—

- (a) Any of the provisions of the licence;
- (b) Any Directives issued by the Authority; or
- (c) Any other obligations under the Ordinance.

1.7 UTILITIES PROVIDER- CONNECT SAINT HELENA LTD

With effect from 1st April 2013 Connect Saint Helena Ltd (“Connect”) were licenced by the Governor in Council to provide all said public utility services in St Helena. The Authority was instrumental in the drafting of such a licence. The licence contains a considerable number of conditions relative to the quality of the services to be provided by Connect.

Connect is a private limited company which is wholly owned by the St Helena Government (“SHG”). The Board of Directors consist of a non-executive Chair, three further non-executive directors and two executive directors. The executive directors are the CEO and Operations Director of Connect.

1.9 CAPITAL EXPENDITURE

In total just over £2.3 million was invested in the utilities infrastructure from the capital program.

This related to:

Equipment & Vehicles	£372,865
Electricity Infrastructure	£25,366
Water Infrastructure	£1,924,546
<hr/> £2,322,776 <hr/>	

1.10 EXERCISE OF POWERS BY AUTHORITY

It is important to note that, in performing said duties and in exercising said powers the Authority must have regard to ensuring the stability and predictability of the provision of public utility services. At this early stage in the development of such private sector provision, any penalty imposed on Connect by the Authority would require to be reintroduced to Connect by way of increased subsidy or alternatively tariff increases to customers, as Connect are not profit making. The use of such penalty powers by the Authority would in reality only become practical were the utilities provider to commence making a financial profit and, while doing so, not meet the targets and expectations which could reasonably be expected of such a Utilities Provider.

1.11 PURPOSE OF REPORT

This report is therefore principally concerned with motivating the sole Utilities Provider to improve the quality of the services they provide, where possible. The Authority has a duty to adopt a reasonable

approach in setting targets and expectations in these early stages of its regulation. Progressive targets and expectations have therefore been set, as it would be unreasonable to expect an instantaneous improvement to the levels which the Authority will ultimately endeavour to motivate the Utilities Provider to achieve.

This report has been prepared for the purpose of assessing performance against the targets established by the authority for the period of the review year.

The additional purpose of this report is to inform the public on the level of services being delivered by Connect. In doing so it is hoped to motivate Connect to improve the quality of the services they provide, if that is possible. Connect are aware that such services are being monitored, scrutinised and will be publically reported upon by the Authority. It should be emphasised that this report relates to the period from 1st April 2016 to 31 March 2017 being the review year.

1.10 Key Developments

Electricity

26% of the islands current electricity has been generated by solar farms and wind. There has been no further investment in renewable energy over the last 12 months. This a cause for concern when there has been commitment to improving the percentage of renewable energy resource on island. However, the Authority is aware that both Connect and SHG are actively working together to source potential investment into the renewable energy network. It is envisaged that such investment will enable new and improved technology through private business to provide more extensive renewable energy in a cost effective manner that will, ultimately, benefit both the customer financially and the environment through a reduction in the use of diesel powered electricity source. The Authority will closely monitor the progress regarding this matter.

Considerable investment has been made in improving the 11kV electricity feeder infrastructure. Improving links between the sources of power and providing alternative switch facilities intended to reduce powers outages and minimise the inconvenience to customers. In particular, the HV link between the main Feeder 2 and Blue Hill.

The Authority also notes that with the development of an improved infrastructure there is a necessity for environmental inspections to consider the impact upon the island of these works. It is imperative to the continuous and efficient progress of these projects that such environmental inspections are conducted with minimal delay.

Water

The enlargement of Harpers 3 reservoir to increase capacity from 8,000 cubic metres to 20,000 cubic metres was completed. The linings of Longwood 1, Longwood 2 and Millfield had expired. They have now been replaced and are reported to be fully watertight and serviceable for the foreseeable future.

Harpers 2 Earth Dam was constructed in 1980's. However, there were no silt traps installed and the build-up of this silt causing significant difficulties including the clouding of water. Silt traps have now been installed and eliminated further build-up. Connect now face a large challenge to remove over 30 years of silt. The Authority is hopeful that this nutrient rich substance can be put to good use to the benefit of the island.

Surveying work remains ongoing to quantify the work required for all the assets. It is accepted that this is an enormous task and will take a considerable amount of time. Once completed then Connect will have valuable data to support investment decisions.

The severe drought felt by the island required urgent action which was managed through reference to the contingency plan that was drawn up in 2013 after the previous water shortage. During the drought a total of 29,038 bowser trips were conducted delivering a total of 126,962 cubic metres of water around the island. The supply of water to commercial agricultural users was dictated by ANRD to ensure that all were supplied with water quantities. The use of exemption notices was employed to control all non-essential water use. This contingency plan was complimented by a tactical implementation plan which clarified the performance objective down to individuals so that everyone understood their roles and responsibilities. There was considerable and regular use of the media to keep the public aware of the crisis and to provide information as to what use of water was permitted and that which was not. Information leaflets were circulated highlighting the need for water and were also given to all arrivals to the island at passport control. It is also noteworthy that SHG supported the crisis well by providing capital grants to enable the additional transfer systems and the exploratory drilling programme. The transfer system is now in place to pump water from Jamestown to Scotts Mill reservoir. Also a second and third transfer system from Prosperous Bay Plain and Sharks Valley respectively. These systems remain idle in times of plentiful water but can be used, expensively, in times of impending crisis.

PART 2 – PUBLIC UTILITIES DEVELOPMENT PLAN

2.1 PUDP

The Public Utilities Development Plan (“PUDP”) was agreed, after extensive discussions, between Connect and the Authority. This provides for a planned improvement to the reliability and quality of public utility services over the three year period from 2013-2017. The plan requires the collation of performance indicators to assist in determining if such improvements are being achieved by Connect. Such performance indicators are measured against the “benchmark year” of 2012/13, namely the year prior to the commencement of the Connect operation as a private limited company.

2.2 RELIABILITY OF ELECTRICITY DISTRIBUTION NETWORK

Disruptions to the Electricity Distribution Network (“EDN”) may be High Voltage “HV” affecting a large number of consumers or Low Voltage “LV” generally affecting a small number of consumers. In the benchmark year the EDN had in total 146 disruptions. Connect has reduced the number of total disruptions from said benchmark year of 146, to 92, namely a 37% improvement and an improvement from the previous year of 17%. This is 13 disruptions ahead of the authority target. The Authority are impressed by this improvement and consider it is therefore acceptable. See Appendix 1.

2.3 ANALYSIS OF REASONS FOR DISRUPTIONS

The Authority has considered the recent history of faults and it would appear that in recent years the proportion of high voltage and low voltage faults remains about equal. In the past high voltage faults were more regular. High voltage faults are a source of greater concern as they are more disruptive to a wider range of users, low voltage issues tend to be more localised and, therefore, less disruptive. It is noteworthy that over the past year in review that there have been no power station faults. The Authority is aware that unplanned outages and their reduction are key to the perception of Connect. Connect report that they are continuing to improve their management of these issues by addressing working methods to ensure that teams working in the field are supported and backed up with job requirements rather than delay caused by missing parts. Connect also have begun a programme to ensure that newly purchased HV insulators are fitted with silicone rather than ceramic which is of a higher quality and standard to improve reliability See Appendix 2.

2.4 RELIABILITY OF THE WATER DISTRIBUTION NETWORK

In the benchmark year the Water Distribution Network (“WDN”) had in total 1,582 leakages. The Authority set a target of reducing the total interruptions to 850 for the review year. Connect report an increase in the number of total leakages to 1,122. This represents a 14% decrease in reliability from last year and an overall reduction of leakages by 29% from the Benchmark year.

It is of concern that the figures have risen over the last 12 months. By way of explanation Connect suggest that this increase in callouts is due to the water crisis that the island suffered. The lack of water would have concentrated the minds of those that were having water supply issues and, indeed, may represent a more responsible attitude of the consumer during times of difficulty.

The WDN infrastructure is dated and for some decades prior to 2008 was not maintained to the levels now presently required. As previously mentioned in this report there is ongoing survey work to provide essential data to focus on the areas of network that need to be replaced. Connect have a specific team dedicated to this work. As stated there has been and is planned to be, significant capital investment in

such infrastructure as stated in paragraph 1.9 of the 1st Annual Report and 1.9 above. The authority has set a further reduced target of no more than 850 leakages in the next review year. See Appendix 1.

2.5 APPEARANCE OF TREATED WATER IN CONNECT NETWORK

In the Benchmark year, treated water tested at treatment works appeared clear in 100% of the samples taken. A target was set of 99.5% for the review year. In the review year 100% of water appeared clear.

The method used for the measurement of water appearance has developed this year from a subjective visual measurement to a testing against the internationally recognised NTU scale. There have been difficulties with the calibration of the newly installed sensors and some valve failures on the clarification plants. Also during the drought backwashing was reduced to a minimum to preserve water stocks. The Authority note that it is accepted that there have been difficulties with obtaining accurate NTU data and optimising filtration plants. Nevertheless, the visual appearance of the water remains fully compliant.

The Authority also note that discolouration had been caused by excessive silt build up in the Harpers 2 reservoir (Earth Dam) during its life. It is noteworthy that the improvements by the installation of silt traps will assist in improving the appearance of the water. A major dredging exercise will be required to remove the silt from the reservoir. See Appendices 1 & 3.

2.6 APPEARANCE OF TREATED WATER AT CONSUMER PREMISES

In the benchmark year treated water tested at consumer premises appeared clear in 98% of the samples taken. The Authority set a target of 99.5% this for the review year. In the review year the water samples appeared clear in 100% of samples taken. The authority has set a revised target of 99.5% of water appearing to be clear at consumer premises, for the next review year. See Appendices 1 & 3.

2.7 MICROBIOLOGICAL INTEGRITY OF TREATED WATER IN CONNECT NETWORK

Samples of water are taken by Connect and analysed by the Public Health Laboratory, which is UKAS accredited. The laboratory test for the presence of bacteria as this may be an indicator of contamination. Very early on in the analysis, there are indicators that the sample is likely to fail, at which point the Public Health Laboratory request an immediate re-sample which is provided and analysed with the results of that test being used. In the benchmark year, treated water tested at treatment works, showed indications of bacteria in 3.5% of samples taken. The Authority had set a target of decreasing this to 0.5%. In the previous review year, Connect exceeded such a target by producing results at 100%. In this review year Connect again exceeded such a target in that the same remained at 100%. The Environmental Health Department provide independent verification of results with the sampling and testing regime now working and well supported by annual training from the

Senior Microbiologist on correct sampling methodology. The authority has set a revised target of 0.5% of water in the Connect network failing the relevant test. See Appendices 1 & 3.

2.8 MICROBIOLOGICAL INTEGRITY OF TREATED WATER AT CONSUMER PREMISES

At customer's premises all samples of water were taken by Public Health. Sampling points have however now been fitted immediately prior to the water entering the customers premises to exclude bacteria which may arise from the premises themselves. Connect have no control over such and the same is the responsibility of the customer (e.g. domestic taps). In the benchmark year and previous review year treated water tested at consumer premises failed such stringent microbiological testing in 13% of the samples taken. The Authority set a target of decreasing this to approximately 0.5% for the review year. The same decreased to 0%. The authority has set a revised target of no more than 0.5% of water at consumer premises failing microbiological testing for the next review year. See Appendices 1 & 3.

2.9 DATA CHECKS

The Authority visited the premises of Connect and performed samples checks on all data provided by Connect and found the same to be reliable. The Authority also cross referenced such data with the laboratory data from Public Health and found the same to be reliable.

2.10 TIME TAKEN TO PERFORM ELECTRICITY CONNECTION

In the benchmark year the time taken to perform an electricity connection was on average 50 days. This measure is the number of days Connect contributes to the process and for ease of measurement non-working days are included. The previous review year showed an average of 19 days. The Authority set a target of reducing to 18 days for the review year. Connect reduced this period to 17 days which is a 66% improvement in performance from the benchmark year. See Appendix 1.

2.12 TIME TAKEN TO PERFORM WATER CONNECTION

In the benchmark year the time taken to perform a water connection was on average 90 days. The Authority set a target of reducing this to 15 days for the review year. Connect in fact decreased the number of days to an impressive 11 days, namely a total decrease of days that represented a 21% improvement from the previous year. Which is an 88% improvement in performance from the benchmark year. See Appendix 1.

2.13 TIME TAKEN TO DEAL WITH FORMAL COMPLAINTS

There was no "Benchmark" for the benchmark year as Connect were not in operation as such. The complaints handling system now has 100% compliance.

PART 3 – CODES OF PRACTICE (“CoPs”)

3.1 TARGETS

CoPs were agreed, after extensive discussions, between Connect and the Authority. These make provision for compliance with the undernoted Conditions 23 to 30 of the Utilities Provider Licence, drafted by the Authority and issued by the Governor in Council to Connect. The Authority set targets of 100% compliance in respect of all of such CoP all as more particularly detailed in Appendix 2.

3.2 ACCESS TO PREMISES - CONDITION 23

This condition requires that all employees (a) possess the skills necessary to perform their required duties, (b) are readily identifiable by the public, (c) are appropriate people to visit and enter a customer’s premises and (d) in a position to advise customers of a contact point for help and advice if required. The majority of customer contact is by the meter reader which is currently a 3rd party contracted to Connect. The requirements of the CoP have been included in this contract so that the meter reader is contractually bound by the requirements stated in the CoP. Both the meter reader staff and Connect staff have new ID badges to readily identify themselves to members of the public. Training material has been provided and information is now printed on the reverse side of the bills, directing customers in relation to advice. The Authority found no evidence of non-compliance.

3.3 PAYMENT OF BILLS – CONDITION 24

The code of practice was introduced and included in our process with input from the Social Services Manager in respect of those having difficulty in paying their bills. They have a member of our finance staff dedicated to managing customer debt which includes agreeing alternative payment arrangements and liaising with Social Services to ensure the vulnerable are not unduly penalised. Although Connect does not publicise the fact, they do work with the charity ‘Making Ends Meet’ (MEM) and through the charity provide funding to those that MEM consider are vulnerable and unable to pay their bills once they are happy that measures have been put in place to ensure the debt cannot build again..

With increased focus on Safeguarding following the Wass enquiry, Connect and SHG have collaborated to produce a document proceduralising disconnections where potentially vulnerable people are involved. The report details the steps to be taken and actions required to establish and deal with the most vulnerable in society. The Authority found no evidence of non-compliance

3.4 CUSTOMERS IN DEFAULT – CONDITION 25

This condition requires that customers in default are identified and that reasonable payment arrangements are then timeously monitored and reviewed. See paragraph 3.3. The Authority found no evidence of non-compliance.

3.5 CONNECTIONS & DISCONNECTIONS – CONDITION 26

The Code of Practice requires a site visit within five working days. Electricity was 97% compliant and so was water until the onset of the drought. At that time resource was directed to maintaining existing water supplies and Connect were reluctant to connect new customers unless absolutely necessary so during the drought there was not compliance in this area with an average of ten days taken to perform surveys for sixteen proposed new water supplies. Thus, compliance was achieved at a rate of 70%. The Authority accept that the resources of Connect were stretched during this period. Despite this area of non-compliance the overall time taken for the end to end connection process was favourable against the KPI target by four days, was an improvement of three days on last year and seventy nine days compared to the pre-divestment benchmark.

This condition requires specific connection and disconnection procedures to be followed within various time limits. The Authority found no evidence of non-compliance with advising, visiting to assess work required reconnection and disconnection. Delays in issuing quotes within 5 days occurred due to failure to provide 2 quotes in relation to water and 1 quote in relation to electricity. The Authority clarifies to Connect that it requires to measure the efficiency and effectiveness of Connect. Accordingly, any period solely attributable to a third party can be deducted from such timings for the purposes of the Authority assessing compliance with the CoP.

3.6 DISABLED, CHRONICALLY SICK AND PENSIONABLE AGE CUSTOMERS – CONDITION 27

Through close liaison with the Social Services Manager, Connect have undertaken to visit consumers at their request to provide advice on the use of electricity and water. Additionally, Connect have provided Social Services with a stock of high efficiency luminaires to distribute and have further committed to provide monitoring equipment in order that vulnerable consumers can, with assistance understand more of their usage profile. Authorised officers can be readily identified by their identity card. The Authority found no evidence of non-compliance.

3.7 FORMAL COMPLAINTS – CONDITION 28

This condition requires that such complaints are reviewed, resolved or referred within various time limits. The Authority found that there were, in total, 19 complaints. Complaints are reviewed by the management team on a weekly basis. 18 complaints were resolved at the first level. In relation to the single complaint at the second level, this was also resolved. There were no complaints at the third (most serious) level. This represents a reduction from the 37 complaints last review year but is, nevertheless, an increase from pre-divestment figures. It is the view of the Authority that this represents an improvement in the awareness and accessibility of the complaints procedure rather than a degradation in the service provided by Connect since divestment. People are now more willing to come forward if they have a complaint and have confidence that their complaint will be recognised and acted upon. The Authority found no evidence of non-compliance.

The Authority randomly contacted a number of those that have made complaints to Connect to consider how they, as customers, felt they were dealt with by Connect in the resolution of their complaint. To date there has only been one reply from a customer who stated that they were dealt with in a professional and courteous manner and could not find fault with the way that their electrical fault was dealt with.

3.8 READING OF METERS - CONDITION 29

This condition requires that meters are read by persons with appropriate expertise and that such readings are efficiently processed thereafter. The meter reading contractor is contractually obliged to comply with the essential elements of all relevant CoPs. Reliably obtaining accurate meter readings is an essential business function and the service provided has achieved this. The meter readers have been trained in identifying potentially dangerous meter installations. During the review year, Connect have begun a new meter reading contact and also taken the opportunity to enter into a contract to inspect all (100%) of electricity meters and produce photographs as evidence to use as a baseline for meter replacement and re-sealing. The Authority found no evidence of non-compliance.

3.9 EFFICIENT USE OF ELECTRICITY – CONDITION 30

This condition requires that there is provided to customers generally, (with home visits to those disabled, chronically sick or of pensionable age that are in default), with information on the efficient use of electricity. A number of advertisements had been designed to inform the public. Customers are advised on the reverse side of their bills that information leaflets are available. Home visits are offered to disabled and chronically ill customers via Social Services. Two advertisements are placed each week in the local papers, which is significantly greater than the six monthly requirements in the CoP; the scope of such information has been expanded to provide water consumers with information on the

efficient use of water. Connect also publish, on an ad-hoc basis, articles which they feel will be of interest to the general public. The Authority found no evidence of non-compliance.

Due to the drought Connect undertook a significant public relations exercise supported by the Warning & Informing Committee of the Resilience Forum. In total, there were eighty nine articles, tips and interviews designed to engage with the public, inform and change consumption behaviour.

PART 4 – CONCLUSIONS

4.1 PUBLIC UTILITIES DEVELOPMENT PLAN COMPLIANCE

Whilst there have been some very significant improvements in the provision of Utility Services, Connect will principally be measured by the customer in terms of their ability to (i) reduce disruptions to the electricity supply and (ii) supply clear and uncontaminated water. The reliability of the EDN is ahead of the reducing targets set by the Authority.

The reliability of the WDN is an area where failing occurred. It is accepted by the Authority that the drought caused significant disruption and pressure. It is accepted that the shortage of water was so acute that it tested the physical, financial and human resource of the company. These targets will continue to reduce to a level which the Authority considers to be acceptable, after providing the opportunity to Connect to identify systematic failings and remedy the same. The appearance and integrity of water supplies remains a concern and the Authority has continued to set demanding targets in this respect, while appreciating the infrastructure difficulties which Connect faced in the review year. Customer Service has improved in terms of the time taken for electricity and water connections.

4.2 CODES OF PRACTICE COMPLIANCE

Whilst evidence of some relatively minor non-compliance with the conditions of the licence was found, the Authority was generally impressed by the operation of the strategic structures in place to implement and monitor best practice with regard to such compliance.

4.3 GENERAL CONCLUSIONS

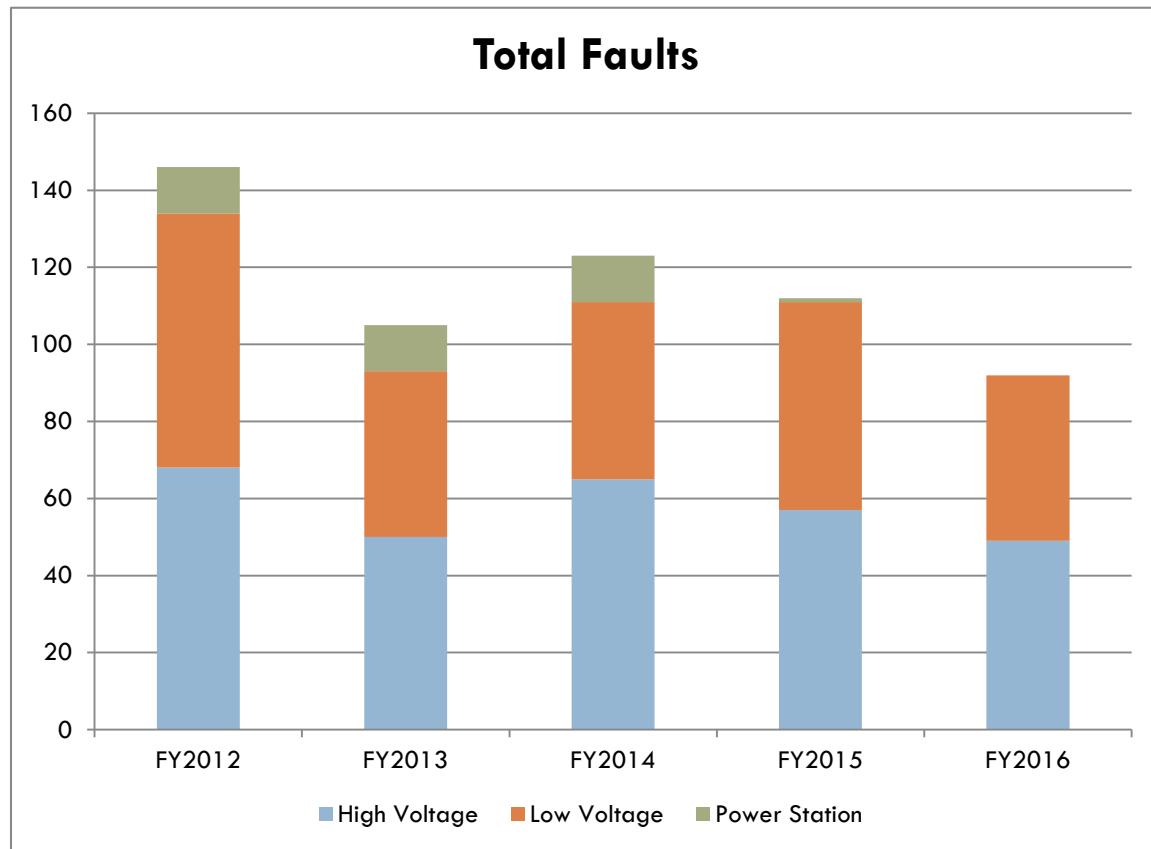
There is little doubt that the drought during this review year was a significant factor regarding the performance of Connect. There is also significant evidence to suggest that the infrastructure of the water network has become inadequate through lack of proper maintenance over many years. The island proved to be susceptible to the drought and many emergency measures had to be engaged to ensure that the island did not fall into further crisis due to the lack of water. The Authority has no hesitation to commend that Connect did everything in their power, along with the Resilience Forum, to manage this crisis. The Authority further has renewed confidence in the water management on the island should further droughts occur. This confidence comes from improved and increased water transfer systems, borehole programmes that have yielded significant resources of water, improved

reservoir systems through proper maintenance and renewal. Proper modernisation and maintenance of catchment facilities to ensure that the rainfall is collected rather than simply flowing away. Connect is confident that should another severe drought affect St Helena then the systems in place will ensure that it will be considerably better prepared and able to maintain the water resources on island.

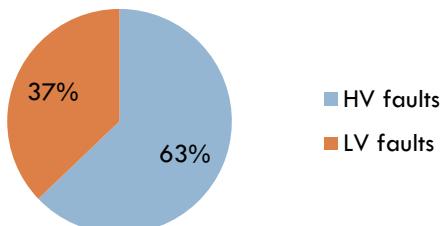
All agreed actions from previous reports have been implemented. Overall reliability of electricity has improved. Overall reliability of the water network has decreased but this accepted as being due to the severe water drought and acute awareness of issues surrounding the supply of water. The appearance and microbiological integrity of water has improved and the Authority is pleased to note that it is at 100%. The time taken to perform an electrical and water connection has improved significantly.

The Authority is concerned that renewable energy percentages have remained stagnant over the review year period. Further investment is required and new strategy considered. The Authority is anxious that plans to develop partnerships with private industry is progressed whilst funding for investment internally for Connect remains limited.

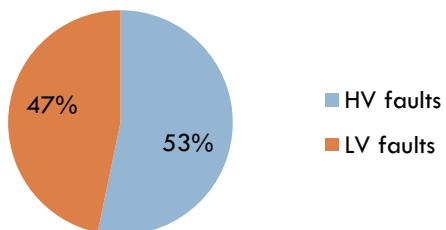
Nicholas Aldridge
Chairman Utilities Regulatory Authority



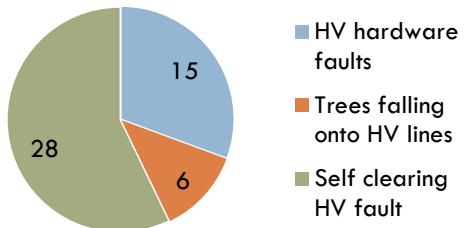
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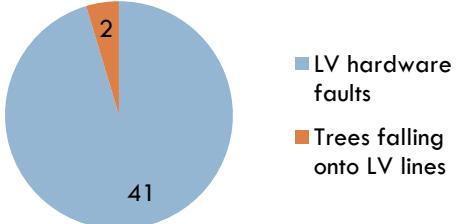
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HV Faults 2016/17



LV Faults 2016/17



Public Utilities Development Plan

2016/17	WHERE ARE WE NOW?	WHERE DO WE WANT TO BE?		HOW DO WE GET THERE?	HOW DO WE KNOW WHEN WE ARE THERE?	
Performance Measure	Benchmark 2012/13	Target 2016/17	YTD	Internal Review & Performance Improvement Plan	Method of Monitoring	Collection & Analysis Process
1. Reliability						
Overall Reliability of Electricity Network	146	105	92	Proactive maintenance program with regular review of priorities and targeted interventions based on performance data	Weekly review by Management Team, monthly review by Board of Directors	Collation of data from callout contractor and staff callouts.
Overall Reliability of Water Network	1,582	850		Implementation of 20 year water resources plan supplemented with a proactive maintenance program and a regular review of priorities and targeted interventions based on performance data	Weekly review by Management Team, monthly review by Board of Directors	Collation of data from callout contractor and staff callouts.
2. Quality						
Appearance of Treated Water in CSH Network Redhill (NTU)	4 - 5	2.50	2.98	Implementation of 20 year water resources plan supplemented with a proactive maintenance program and a regular review of priorities and targeted interventions based on performance data within 24 hours of reports being received	Weekly review by Management Team, monthly review by Board of Directors	Samples taken and analysed at water treatment works.
Appearance of Treated Water in CSH Network Hutt's Gate (NTU)	4 - 5	2.50	2.48			
Appearance of Treated Water in CSH Network Levelwood (NTU)	4 - 5	2.50	2.38			
Appearance of Treated Water in CSH Network Jamestown (NTU)	4 - 5	2.50	2.80		Macroscopic Appearance Reported 'Clear', management review weekly, monthly WM002 E.coli & Coliforms Reported 'Not Detected', management review weekly, monthly review by Board of Directors	Samples Collected by Environmental Health and analysed by UKAS accredited laboratory Samples Collected by CSH and analysed by UKAS accredited laboratory Samples Collected by Environmental Health and analysed by UKAS accredited laboratory
Appearance of Treated Water at Consumer Premises (Clear)	98%	99.5%	100.0%			
Microbiological Integrity of Treated Water in CSH Network	96.5%	99.5%	100.0%			
Microbiological Integrity of Treated Water at Consumer Meter	87%	99.5%	100.0%			
3. Customer Service						
Time taken to perform Electricity Connection	50 days	18 Days	17 days	Adherence to agreed procedures, adequate levels of stock available	Weekly review by Management Team, monthly review by Board of Directors	Number of CSH 'process days' in the overall connection
Time taken to perform Water Connection	90 days	15 Days	11 days			Number of CSH 'process days' in the overall connection
Total Customer Complaints handled within COP parameters	No Benchmark	100%	100%			Received complaints and resolution analysis

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<u>CODE OF PRACTICE COMPLIANCE MONITORING</u>				
PERIOD 2016 / 17				
LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	RESULT
23. Procedures with respect to access to premises – principles and procedures in respect of any person acting on its behalf who requires access to customers premises				
a. Possess the skills necessary to perform the required duties	Trainees or those new to a job will be accompanied by a fully trained person until such time as they are deemed competent to visit independently	New employees being accompanied?	100%	Contractor confirmed that one meter reader resigned and one meter reader returned who was on unpaid leave.
b. Readily identifiable to members of the public	Employees/contractors visiting premises will carry an ID card showing Company name, their name and a photograph All contractors visiting customers premises to be required to carry ID	a) number of new employees issued with ID b) employees advised to request new ID if theirs is lost/damaged number of new contracts with this clause	100%	Contractor confirmed all meter reader have ID badges. Connect staff ID badges re-issued April 16 Meter reading contractor contractually obliged
c. Appropriate person to visit & enter customers premises	When recruiting new employees, appropriate checks and references will be made as part of the recruitment process When available, Connect Saint Helena will subscribe to the SHG vetting service for employees/contractors	References and any other checks taken up and recorded on employee file.	100%	Police check is standard procedure for all new hires Connect have advised SHG they will use the system once available
d. Inform customers on request, a contact point for help & advice	All employees required to visit customers premises have office contact details printed on the reverse side of their ID badges Contractors required to visit premises to be made aware of office contact details	Instructions provided on reverse side of ID badges Letter to contractor on file	100%	Instructions are on ID Meter reading contractor is aware of CSH contact details
24. Payment of Bills – payment of bills and appropriate guidance for the assistance of such tariff customers who may have difficulty in paying such bills.				
a. Methods of payment	Customers advised on how to pay bills	Details on bill	100%	Comprehensive information on reverse of bill
b. Guidance to customers in difficulty	Information given to customers on what to do/who to contact if they are in difficulty	Details on bill	100%	Comprehensive information on reverse of bill, customers are referred to the appropriate person in CSH who gives specific advice
25. Dealing with Tariff Customers in default – methods for dealing with tariff customers who, through misfortune or inability to cope...find difficulty in discharging obligations to pay for utilities supplied				
a. Distinguish such customers	Billing Co-ordinator to identify such customers from customer discussions or referral from Social Services. Cases to be highlighted on the computerised billing system	All known cases to be highlighted on debtors spreadsheet	100%	New formal procedures agreed with SS to help identify customers with genuine hardship prior to disconnection. Comprehensive spreadsheet of debtors maintained and reported on monthly.
b. Detect failures by such customers to comply with arrangements made for paying by instalments	Use the computerised billing system monthly debtors monitoring report to check	1. Monitoring report to be run within 5 working days of month end to check the previous months payments. 2. Where payments have not been made, customer to be contacted within 10 working days of month end	100%	Monthly reconciliations conducted Billing coordinator manages the process of debt recovery and works with customers in debt to agree affordable repayment plans.
c. Arrangements to take into account the customers ability to comply with arrangements in b)	Individual review of case & circumstances by Billing Co-ordinator and customer - looking at income/expenditure	Details of the individual circumstances are recorded by Billing Co-ordinator	100%	Billing coordinator maintains records as a core part of the role
d. Ascertain with assistance of other persons/organisations the ability of such customers to comply with arrangements in b)	Review of case and agreement made by Billing Co-ordinator and Finance Manager. Social Services input considered where available	Details of the review recorded by Billing Coordinator	100%	Check with social services is standard procedure and process agreed for dealing with genuine hardship cases identified. In all cases, there is a requirement for a final check prior to authorisation to disconnect
26. Connections & Disconnections				
a. Procedure for connections & disconnections	Customers advised of procedure when a new connection, reconnection or disconnection is requested	Advice given either in person or by letter	100%	Customers phone or call in and are provided with application form. Letters at each stage quote timescales. Procedure also on website
	Visit to assess work required for a new connection within 5 working days of customer confirming property is ready	Number of visits within 5 working days	100%	Water 37/53 - 70%. Of those missed, 1 application awaited customer to determine location, 15 were applications made during the drought. Electricity 63/65 - 97%. Of those missed, 1 x 8 days and 1 x 9 days.
	Quotation issued within 5 working days of site visit	Number of quotations issued within 5 working days	100%	Water 51/53 - 96% Electricity 64/65 = 98%
	Reconnection will be made within 5 working days of customer providing proof of payment of any outstanding charges	Number of reconnections made within 5 working days	100%	Reconnection made same day if possible. Always within 5 days
	Disconnection will be made within 5 working days of request from property owner	Number of disconnections made within 5 working days	100%	All done within 5 days
27. Provision of services for tariff customers who are disabled, chronically sick or of pensionable age				
a. Special means of identifying officers	Passwords to be made available where customer requests	Information on bills	100%	No password requested
b. Giving advice on the use of utilities	Information leaflet on saving utilities to be made available	Annual press advert	100%	"Tip of the Week" been running since Jan 15 with alternating water/electricity savings tips. During the Drought the saving tips was focussed on water saving tips mainly. Sheet is on website and available from office
	Where such customers are in default, a home visit to offer advice on savings to be offered	Percentage of customers who requested a home visit receive such a visit	100%	No home visits requested
28. Formal complaint handling procedure				
a. Level 1 Complaints	L1 - Review/resolution or referral within 5 working day	Number of formal complaints reviewed/resolved/referred on target	100%	18/18 = 100% lower number of complaints compared to 2015/16. Better employee understanding and improved recording procedures has increased capture rate. Four complaints result from a single incident.
b. Level 2 Complaints	L2 - Review/resolution or referral within 10 working days	Number of formal complaints reviewed/resolved/referred on target	100%	1/1 = 100%
c. Level 3 Complaints	L3 - Review/resolution within 5 working days	Number of formal complaints reviewed/resolved/referred on target	100%	0/0 = 100%
29. Reading of customers meters				

2. QUALITY							
Water Appearance				Water Microbiology			
% Works	Running Total	% Network	Running Total	% Works	Running Total	% Network	Running Total
100%		100%		100%		100%	
100%		100%		100%		100%	
100%		100%		100%		100%	
100%	100%	100%	100%	100%	100%	100%	100%
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100%		100%		100%		100%	
100%		100%		100%		100%	
100%	100%	100%	100%	100%	100%	100%	100%
No Testing		No Testing		No Testing		No Testing	
100%	100%	100%	100%	100%	100%	100%	100%
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100%		100%		100%		100%	
100%		100%		100%		100%	
100%	100%	100%	100%	100%	100%	100%	100%

Performance Against Pre-Divestment Benchmarks						
	WHERE WERE WE THEN?	Our Progress Year 1	Our Progress Year 2	Our Progress Year 3	WHERE ARE WE NOW	IMPROVEMENT
Performance Measure	Benchmark 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	%
1. Reliability						
Overall Reliability of Electricity Network	146	105	123	112	92	37%
Overall Reliability of Water Network	1,582	689	897	996	1122	29%
2. Quality						
Appearance of Treated Water in Network & Premesis (Average)	99.0%	97.7%	96.8%	99.6%	100.0%	1.0%
Microbiological Integrity of Treated Water Network & Premesis (Average)	96.5%	89.0%	91.8%	100.0%	100.0%	3.6%
3. Customer Service						
Time taken to preform Electricity Connection	50 days	44 days	13 days	19 days	17 days	66%
Time taken to preform Water Connection	90 days	91 days	16 days	14 days	11 days	88%