

Issues in Service Quality: Performance Standards and their Implementation

Mission Statement

The WUTC protects consumers by ensuring that utility and transportation services are fairly priced, available, reliable, and safe.

WUTC – Kyrgyz Republic Partnership

Nicolas Garcia, Policy Advisor

July, 2006

Service Quality – Company Incentives



- Service quality closely tied to reliability
 - Poor quality = unreliable service → reduced throughput → reduced income
- Service quality closely tied to perceptions of customer obligations
 - Customers more likely to withhold payment if service is unreliable
- Service quality an issue when setting rates

Service Quality – WUTC Approach



- Focus on the consumer
 - Work with consumer specialists in regulated companies to resolve problems
 - Help citizens understand their rights and responsibilities
- Every company different so no uniform standards
 - Companies must annually report on their service quality: commission staff works with companies on the content of that report
 - Company specific standards set in response to specific circumstances

Service Quality – WUTC Approach



- Commission service quality assessments based on data
 - Determine whether service improves over time
- Financial penalties applied for failing to meet performance benchmarks

Common Service Quality Measures



- Time to activate service
- Time to restore service
- Whether scheduled appointments are kept
 - Companies pay customers \$50 if fail to keep appointment
- Time to respond to bill inquiry
- Whether customers are given adequate notice (e.g., 2 days) for planned interruptions

Examples of Service Quality Measures



Avista Customer Service Quality Goals

	Target	2004	2005	2006*
Grade of Service	80%	77.8	82.2	81.9
Quality Assurance	92%	95.8	95.7	--
Adherence	90%	93.7	94.6	94.5
Average Handle Time	5:50	5:08	4:57	5:00
Talk or Wait	57%	66.0	67.1	70.5
Customer Satisfaction	90%	92.0	93.0	93.0

* Through April 2006

Electric Service Reliability Rules



- Require annual reports to allow the Commission to track reliability trends
 - Baseline reliability statistics
 - Data for past 7 years
 - Number of customer complaints about reliability and power quality
 - Geographic areas of greatest reliability concern
 - Time of year of greatest reliability concern

Baseline Reliability Statistics



System Average Interruption Frequency Index
(SAIFI) = average number of sustained interruptions per customer

System Average Interruption Duration Index
(SAIDI) = average sustained outage time per customer

Momentary Average Interruption Frequency Index
(MAIFI) = average number of momentary interruption per customer

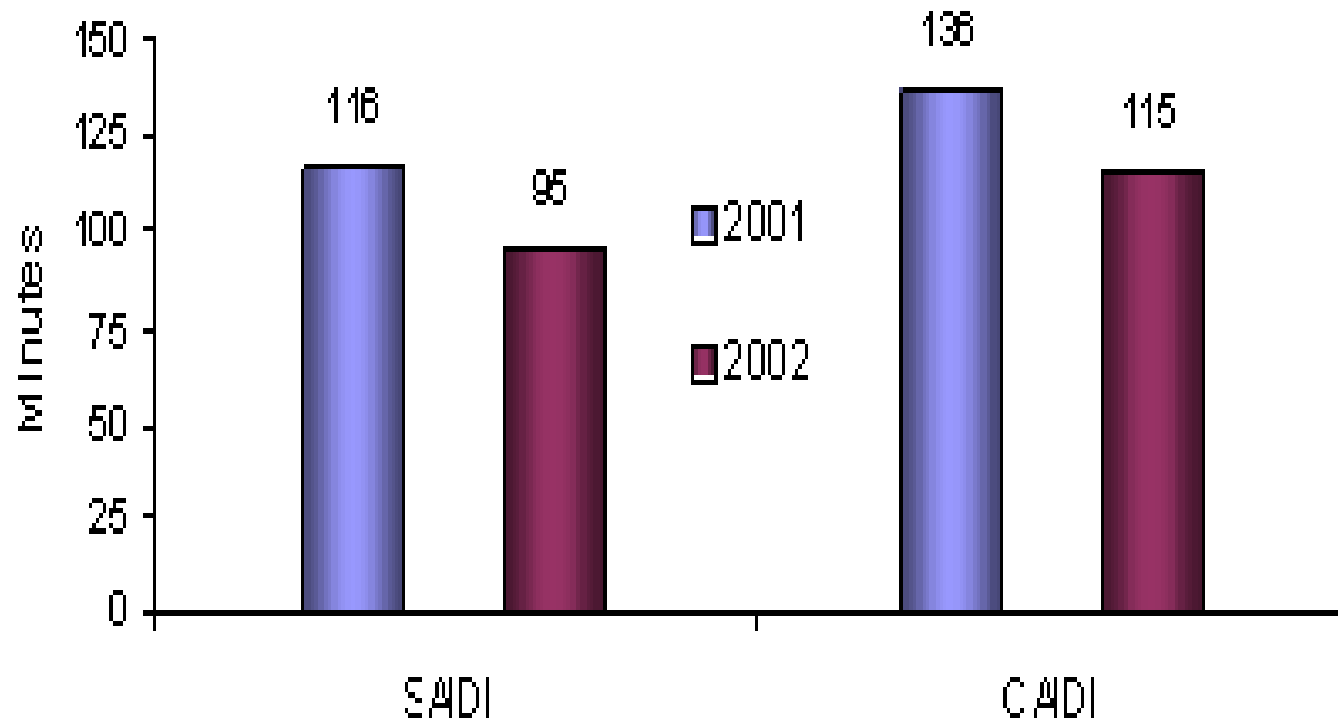
Customer Average Interruption Duration Index
(CAIDI) = average restoration time

Examples of Reliability Standards - PSE

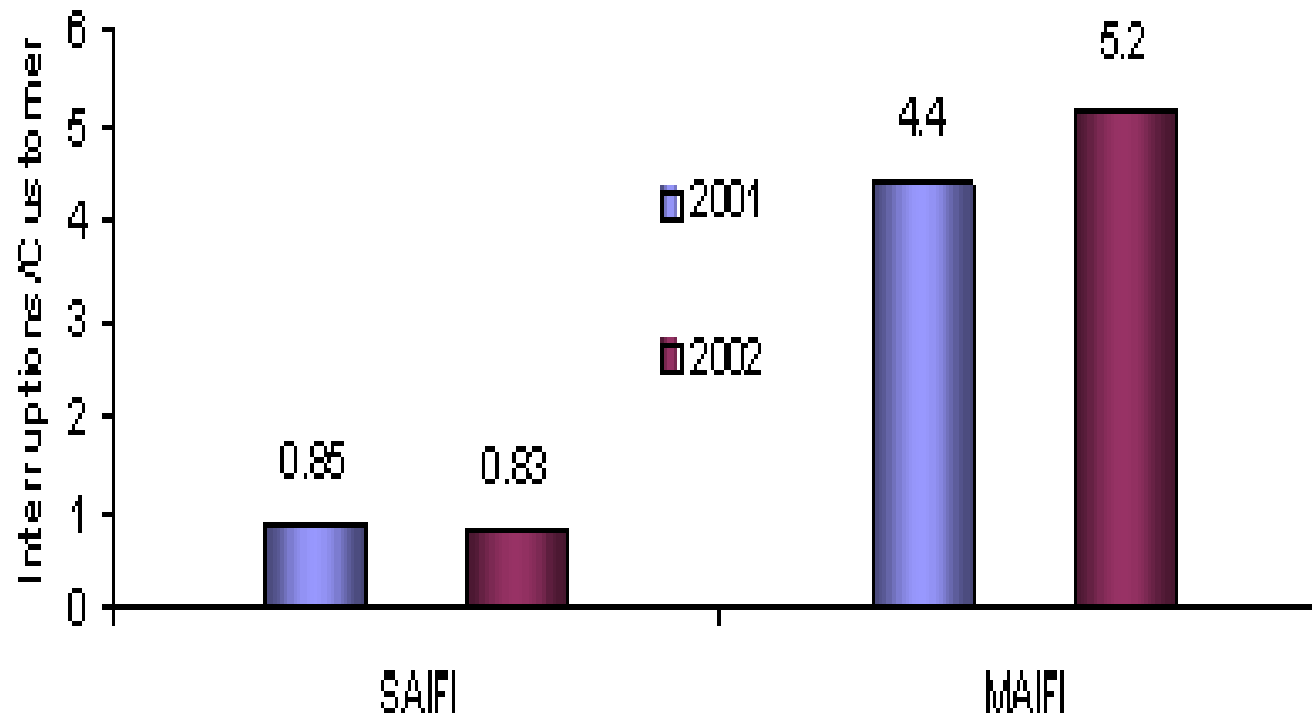


Index	Benchmark
SAIDI	136 Minutes/customer
SAIFI	1.30 Interruptions/customer

Example - Avista

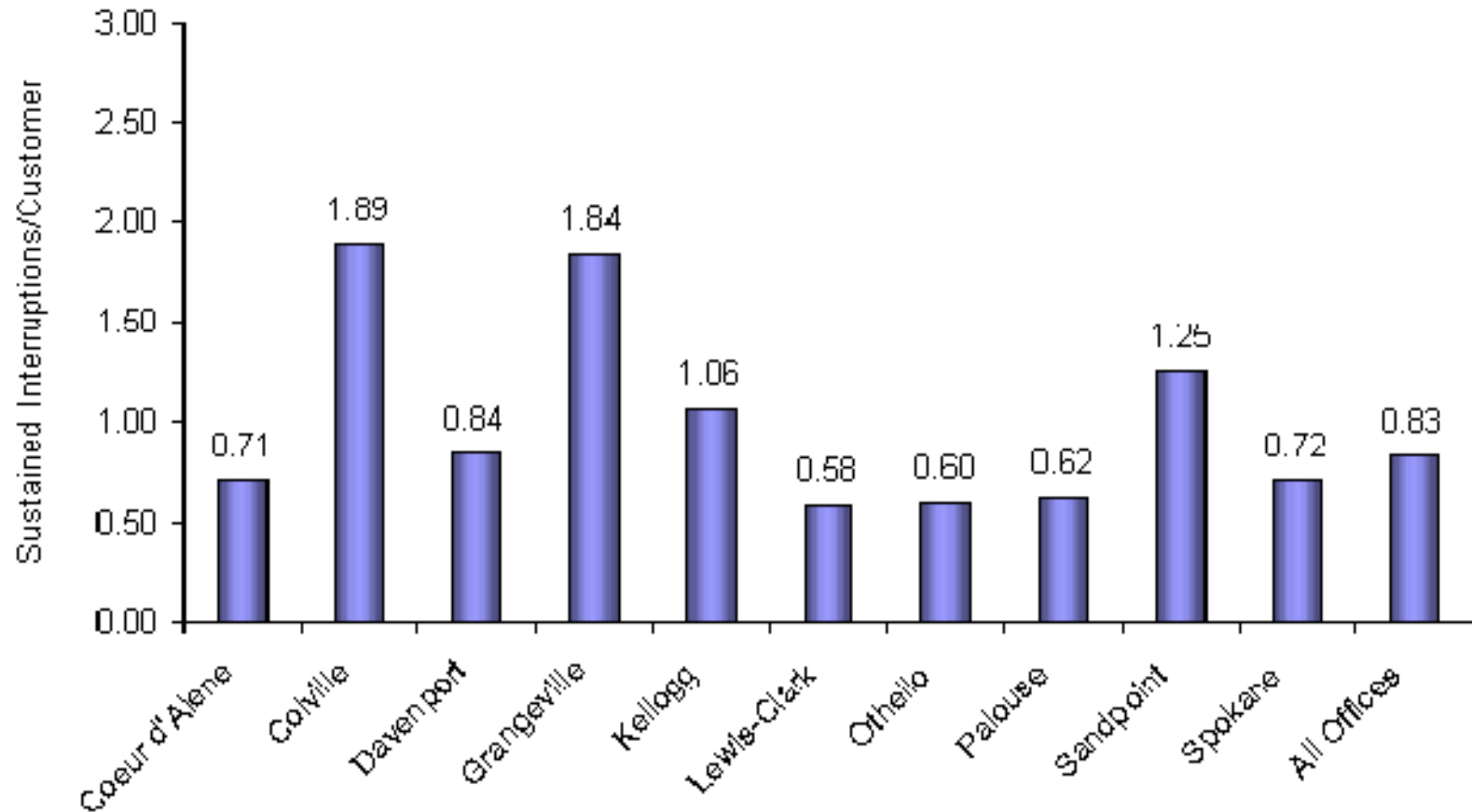


Example - Avista



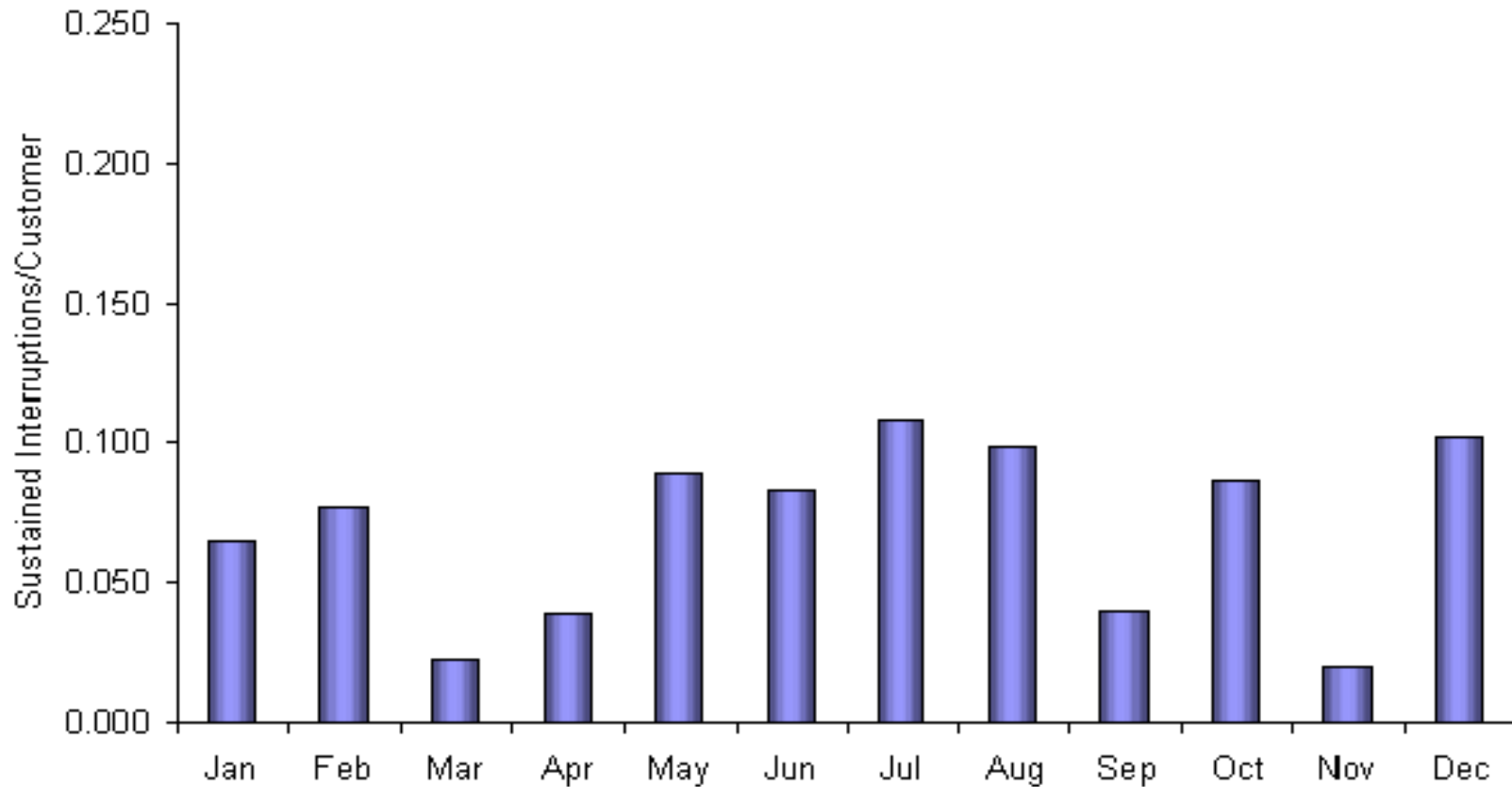
Example

Avista SAIFI by Area



Example

Avista SAIFI by Month



Thank You



I am available for any questions