




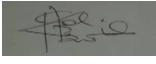


**REPORT ON THE PERFORMANCE OF UMEME LIMITED IN
RESPECT TO QUALITY OF SERVICE AND SUPPLY
STANDARDS**



FIRST QUARTER 2018 TO FIRST QUARTER 2019

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Document Control

Reference No.	REP/55-110/019/003		
Document Title	Report on the Performance of Umeme Limited with Respect to Quality of Service and Supply Standards		
Document Author	Grace Kijja Musinguzi	Signature	
Reviewed by	Peter Kakeeto	Signature	
Reviewed by	Stellah Nakibuuka	Signature	
Approved By	Eng. Ziria Tibalwa Waako Chief Executive Officer	Signature	
Document Version	1.0	Document Status	APPROVED
Date Released	2019-07-17		
File Name	20190717REP_ERAPerformanceUmemeQOSSStandards.pdf		

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1 INTRODUCTION

Electricity Regulatory Authority (ERA), developed the Quality of Service and Supply Standards to protect the interests of consumers concerning the Quality and Reliability of Electricity Supply in Uganda.

All Licensees are required to report to ERA every quarter, regarding their performance on the Quality of Service and Supply Standards. For the period under review (First Quarter 2018 to First Quarter 2019), Umeme Limited submitted data and information regarding its performance on the Quality of Service and Supply (QOS) Standard.

This Report presents the analysis of Umeme Limited's submitted data and the reported performance on Quality of Service and Supply Standards for the period under review as follows:-

- a) Access to electricity supply compliance performance;
- b) Customer service: Billing; Metering; Disconnections and reconnections; Call centre, and Complaints handling;
- c) Network operations: Communication of outages and management of planned outages.

1.1 Background

Under Section 10 (i) of the Electricity Act, 1999, Electricity Regulatory Authority is mandated to develop and enforce Performance Standards for the Generation, Transmission and Distribution of Electricity to protect the

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interests of consumers in respect to the Quality and Reliability of the Electricity Supply Services.

ERA developed Standards for QoS related to Access to Supply (new connection), Customer Service (metering, billing, disconnections, reconnections, call centre, complaints handling) and network operations. The Standards became effective on 1st March 2015.

The Authority communicated the effectiveness of the QOS Standards and also provided that punitive measures on the Guaranteed Quality of Service and Supply Standards be effective 1st July 2015, after the pre-testing period of Four months.

This Report presents both the review of the Compliance Performance of Umeme Limited as per the QoS Standards in Q1 2019 and the observed trend in Performance of each QoS Standard from the second quarter of 2016 (Q2 2016) to the First Quarter of 2019 (Q1 2019).

2 ACCESS TO SUPPLY (NEW CONNECTION)

The Licensees are required by the QoS Standard to report on four areas which include:

- a) The period taken to connect a Single – Phase customer (no pole service) from the time of payment for a service connection.
- b) The period taken to connect a Single–Phase customer (1 or more pole service) from the time of payment for a service connection.

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c) The period taken to connect a Three-Phase (LIGHT) customer from the time of payment for a service connection.

d) The period taken to connect a Three-Phase (HEAVY) customer from the time of payment for a service connection and after all obligations of the customer have been fulfilled (i.e. wayleaves and other clearances).

2.1 Performance on Access of Supply Standards

Umeme Limited performance on the Standards on Access to Supply was reviewed by the Authority and is presented in **Table 1 and Figure 1**.

Table 1: ACCESS TO SUPPLY- COMPLIANCE PERFORMANCE

Standard	Description	(days)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
QOS1	The period taken to connect a single-phase customer (no pole service) from the time of payment for a service connection	10	29%	24%	24%	11%	4%

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QOS2	The period taken to connect a single-phase customer (1 or more pole service) from the time of payment for a service connection	15	26%	28%	21%	15%	4%
QOS3	The period taken to connect a three-phase (LIGHT) customer from the time of payment for a service connection	15	67%	62%	88%	73%	78%
QOS4	The period taken to connect a three-phase (HEAVY) customer from the time of payment for a service connection AND after all obligations of the customer	30	76%	70%	98%	89%	87%

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	have been fulfilled (i.e. wayleaves and other clearances)						
QOS5	The period taken to process customer applications from the time of paying inspection fees to invoicing for service connection or notification of failure of the inspection	10	97%	87%	95%	81%	70%

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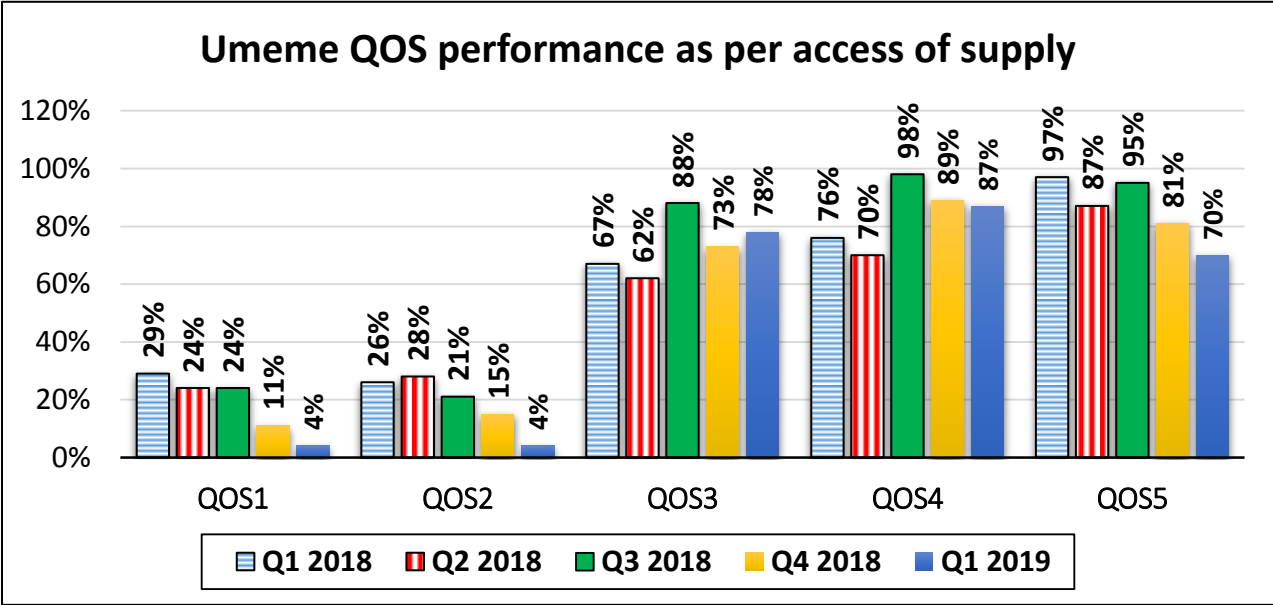


Figure 1: Showing Umeme Limited’s performance on Access of Supply in Q1 2018 to Q1 2019.

2.2 Reviewed data on Access to Supply

The consolidated and analyzed data for the performance of the Access to Supply Standards are presented in **Table 2**.

Table 2: ACCESS TO SUPPLY-SUBMITTED DATA

Quarter 1 of 2019_Umeme Limited			
Standard	Total Number of Customer applications	Total Number of Customers connected as per standard (Within the connection period)	Total Number of Customers connected outside the connection period allowed by the standard
QOS1	32,727	1,192	31,535
QOS2	2,829	117	2,712
QOS3	231	180	51
QOS4	62	54	8
QOS5	81,651	56,844	24,807

2.3 Observations as per the Compliance Performance on Access of Supply Standards

Except for QOS3 Standard, we observed a decline in performance in all the Access to Supply Standard; QOS1 (decline 7%), QOS2 (11% decline), QOS4 (2% decline) and QOS5 (11% decline). Performance in QOS3 improved by 5% points between Q4 2018 to Q1 2019 period.

3 CUSTOMER SERVICE STANDARDS

Regarding Customer Service, the Licensees are required to report on the following areas: Billing, Metering, Disconnections, Reconnections, Call centre and Complaints handling.

The detailed areas of reporting under this category include the following:

- a) Number of times the meter was read in three consecutive months;
- b) The period taken to reconnect a customer after payment for reconnection;
- c) Calls answered within 30 seconds;
- d) Number of emergency calls attended to within 30 minutes;
- e) Number of technical complaints/queries investigated within 5 to 7 working days;
- f) Number of non-technical complaints/queries investigated within 30 working days;
- g) Number of Investigations involving a 3rd party completed within 60 working days;
- h) The period taken to replace a faulty meter (no tampering).

3.1 Compliance Performance on Customer Service Standards

Umeme Limited's performance regarding the Customer Service Standard is detailed in **Table 4 and Figure 2**.

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Table 4: CUSTOMER SERVICE–COMPLIANCE PERFORMANCE

S/N	Indicator	Standard	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
QOS6	Number of times the meter was read in three consecutive months	100% of meters should be read at least once in a quarter	100%	100%	100%	100%	100%
QOS7	Period taken to reconnect customer after payment for reconnection	Within 48 hours (GCC requirement)	100%	100%	100%	100%	100%
QOS8	Calls answered within 30 seconds	70% of calls should be answered within 30 seconds	85%	79%	73%	75%	85%
QOS9	Number of emergency calls attended to within 30 minutes	100% response of all emergency calls within 30 minutes	100%	100%	100%	100%	100%

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S/N	Indicator	Standard	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
QOS10	Number of technical complaints/queries investigated within 5 to 7 working days	100% of technical complaints/queries resolved within 7 working days.	99%	99%	100%	100%	99.5%
QOS11	Number of non-technical complaints/queries investigated within 30 working days	100% of non-technical queries and complaints resolved within 30 working days.	100%	100%	100%	100%	100%
QOS13	Period taken to replace a faulty meter (no tampering)	Within 5 working days	89%	98%	100%	99%	100%

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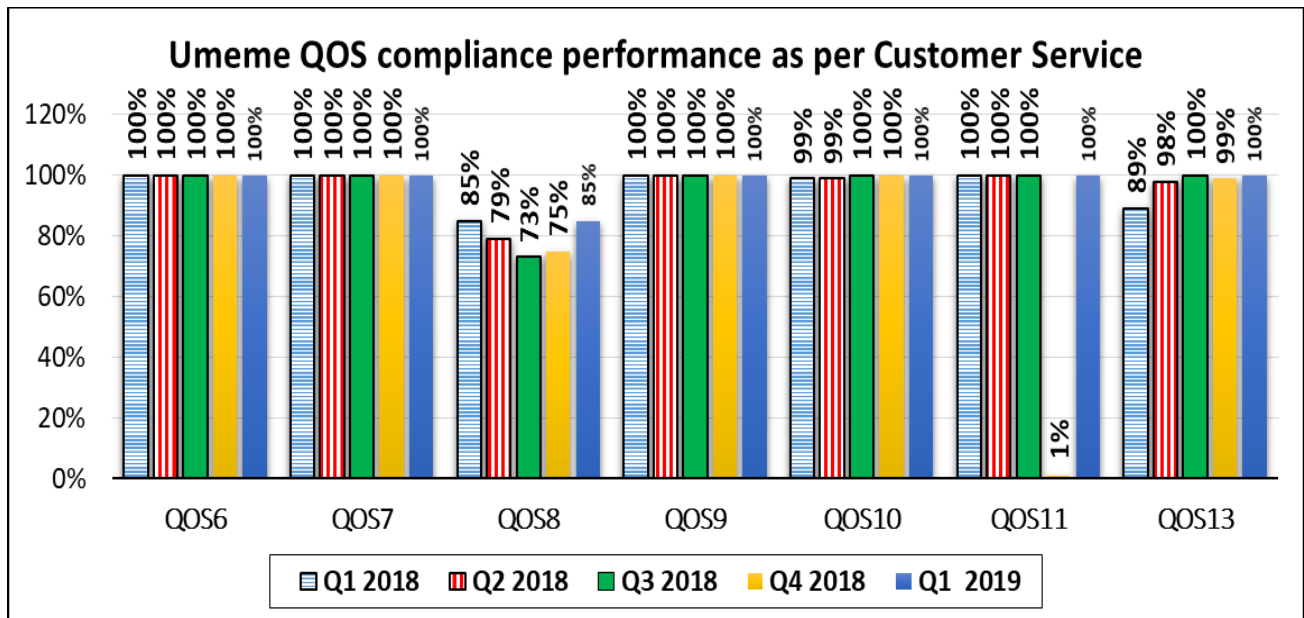


Figure 2: Showing Umeme Limited's performance in Customer Service in Q1 2018 to Q1 2019.

3.2 Reviewed data on Customer Service Standards

The consolidated and analyzed data for the performance of the Customer Service Standards are presented in **Table 5**.

Table 5: REVIEWED DATA ON CUSTOMER SERVICE STANDARDS

S/N	TOTAL NUMBER OF METERS READ IN REPORTING QUARTER	NUMBER OF METERS READ ATLEAST ONCE IN THE REPORTING QUARTER	NUMBER OF METERS NOT READ
QOS6	698,464	698,464	0
	TOTAL NUMBER OF RECONNECTIONS	NUMBER OF RECONNECTIONS MADE	NUMBER OF RECONNECTIONS MADE

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		WITHIN THE STANDARD	OUTSIDE THE STANDARD
QOS7	61,907	61,907	0
	TOTAL NUMBER OF CALLS RECEIVED IN REPORTING QUARTER	NUMBER OF CALLS ANSWERED AS PER REQUIREMENT OF STANDARD	NUMBER OF CALLS RECEIVED OUTSIDE THE STANDARD REQUIREMENT
QOS8	682,070	577,120	104,950
	TOTAL NUMBER OF COMPLAINTS RECEIVED PER REPORTING QUARTER	NUMBER OF COMPLAINTS RESOLVED WITHIN STANDARD	NUMBER OF COMPLAINTS RESOLVED OUTSIDE STANDARD
QOS9	5238	5238	0
	TOTAL NUMBER OF COMPLAINTS RECEIVED PER REPORTING QUARTER	NUMBER OF COMPLAINTS RESOLVED WITHIN STANDARD	NUMBER OF COMPLAINTS RESOLVED OUTSIDE STANDARD
QOS10	133743	133131	612
QOS11	16081	16081	0
	TOTAL NUMBER OF FAULTY METERS RECEIVED IN REPORTING QUARTER	NUMBER OF METERS REPLACED PER STANDARD REQUIREMENT	NUMBER OF METERS REPLACED OUTSIDE THE STANDARD
QOS13	4572	4568	4

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3.3 Observations as per the Compliance performance on Customer Service Standards

ERA observed that there was 100% compliance with all the requirements of the Customer Service Standards except for QOS 13.

4 RELIABILITY OF ELECTRICITY SUPPLY

Regarding the reliability of Electricity Supply, Licensees are required to report on outages (planned and unplanned) and reliability indices (SAIDI and SAIFI).

The detailed areas of reporting under this category include:

- a) Notice of planned outages within 48 hours;
- b) Duration of planned outages not to exceed 9 hours for all voltage levels and network types;
- c) Notice of unplanned outage within 2 hours of occurrence;
- d) Duration of interruptions in service on the distribution system (SAIDI);
- e) Frequency of interruptions in service on the distribution system (SAIFI);

4.1 Compliance Performance on Reliability of Supply Standards

Umeme's performance regarding network operations was noted as detailed in **Table 6 below and Figure 3.**

Table 6: NETWORK RELIABILITY–COMPLIANCE PERFORMANCE

S/N	Indicator	Standard	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
QOS14	Notice of planned outages within 48 hours	100% of planned outages to have 48 hours' notice provided	100%	100%	100%	100%	100%

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S/N	Indicator	Standard	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
QOS15	Duration of planned outages not to exceed 9 hours for all voltage levels and network types	90% of planned outages should be within 9 hours for all voltages and network types	82%	81%	84%	81%	90%
QOS16	Notice of unplanned outage within 2 hours of the occurrence	100% of unplanned outages to have notification provided within 2 hours of the occurrence	100%	100%	100%	100%	100%

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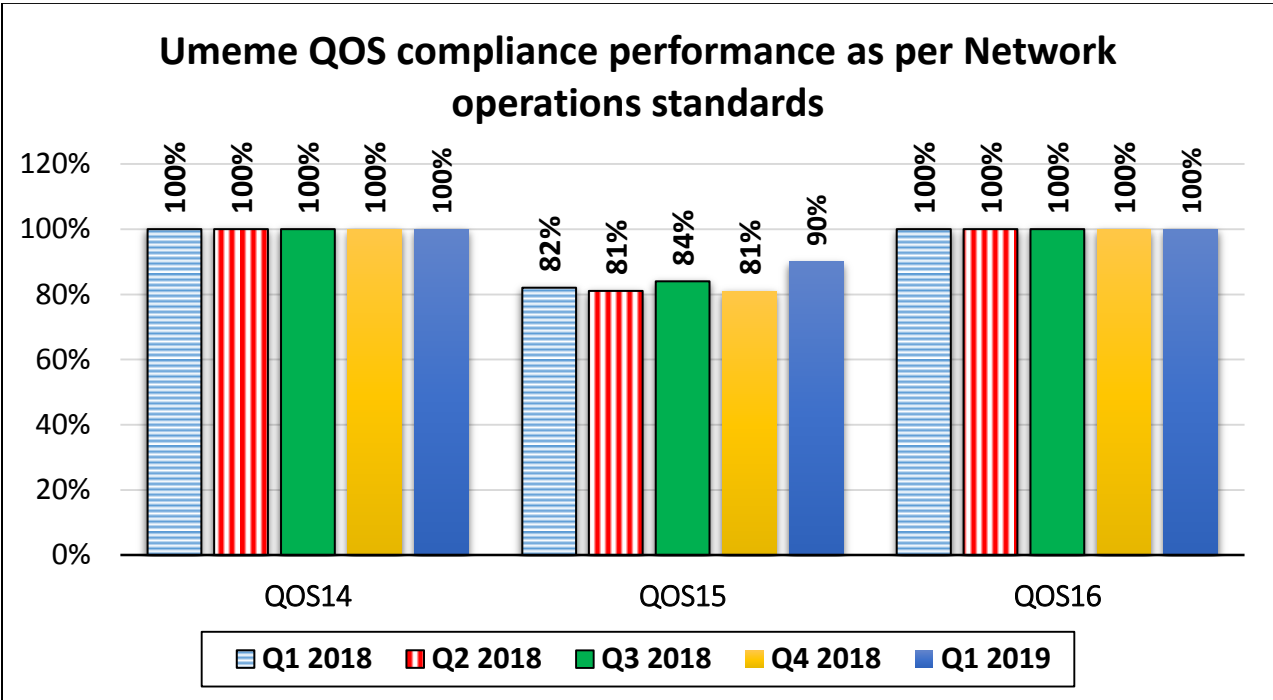


Figure 3: Showing Umeme Limited’s performance on the Reliability of Supply for Q1 2018 to Q1 2019.

4.2 Reviewed data on Reliability of Supply Standards

The consolidated and analyzed data for the performance of the Reliability of Supply Standards are presented in **Table 7**.

Table 7: RELIABILITY OF SUPPLY-SUBMITTED DATA

S/N	TOTAL NUMBER OF PLANNED OUTAGES SCHEDULED	NUMBER OF PLANNED OUTAGES EXECUTED AS PER STANDARD REQUIREMENT	NUMBER OF PLANNED OUTAGES EXECUTED OUTSIDE STANDARD REQUIREMENT
QOS15	266	240	26

4.3 Observations as per the Compliance performance on Reliability of Service Standards

ERA observed a 100% compliance performance in the reporting of outages (QOS14 and QOS 16) and full compliance in the management of planned outages as per QOS15 standard.

5 OVERALL COMPLIANCE OF UMEME FOR THE PERIOD Q2 2016 TO Q3 2018

The overall Compliance Performance of Umeme Limited for the period Q2 2016 to Q1 2019 was trended as shown in Figure 4.

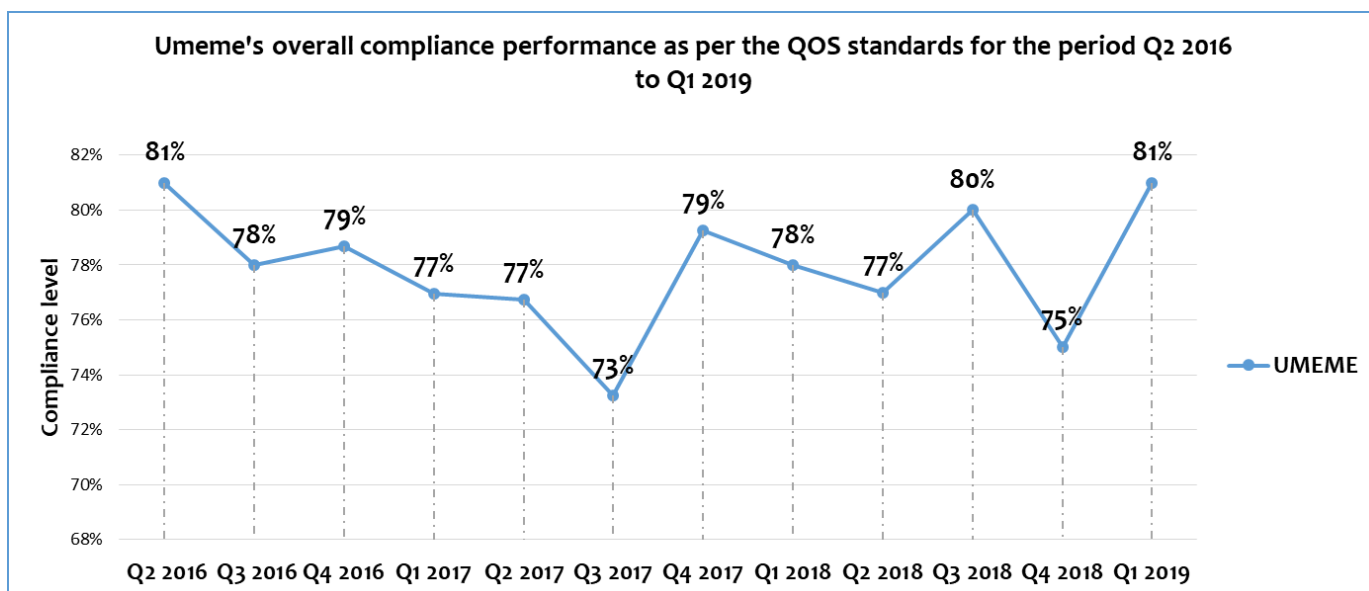


Figure 4: Showing Umeme's overall compliance performance on all QoS standards for the period Q2 2016 to Q1 2019.

5.1 Observations as per the overall QOS Compliance Performance

ERA observed an improvement in performance by 6 points from the Fourth Quarter of 2018 to First Quarter 1 of 2019.

6 AUTHORITY ACTIONS

For the period under review (Q1 2018 to Q1 2019), the Authority undertook several actions to enable Umeme Limited to improve its QOS Compliance Performance. The actions undertaken were:

- 1) Conducted an audit on the new connections process and procedure;
- 2) Held a meeting with the Umeme Limited to discuss their QOS Compliance Performance and the audit findings;
- 3) Issued a **NOTICE OF DEFAULT LETTER** for non-compliance in respect to the QOS on Access to Supply Standards.

The detailed account of the above Authority actions are given below;

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6.1 NOTICE OF DEFAULT /NON- COMPLIANCE LETTER

The Authority issued a **NOTICE OF DEFAULT LETTER** to Umeme Limited for non-compliance to the requirement of QoS Standards for the Access to Supply (QOS1 and QOS2). In the Authority's letter, referenced TEC/9/110/1, dated 7th November 2018, ERA tasked Umeme Limited to provide reasons for the poor performance as per QOS1 and QOS2 Standards and besides cautioned the Umeme Limited against the continuous failure to execute the committed action plan.

For the subsequent reporting period (Q1 2019), Umeme Limited's performance improved as per customer service and network operations, hence the observed 100% compliance performance.

6.2 AUDIT OF NEW CONNECTIONS PROCESSES AND PROCEDURES

The Authority conducted an audit on the new connection process and procedures and the following was found out:

- a) Inadequate planning concerning the acquisition of connection materials. However, Umeme Limited attributed this to lead time variability and shipping delays;
- b) The number of the new installation inspectors is not sufficient to meet the new connection applications;

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- c) At the time of the audit, Umeme did not have new connection targets hence the poor performance exhibited for the Access to Supply Standards;
- d) The internal process of material issuance at the main stores in Lugogo was based on the number of pending connection application at a district and not on the requirements of the QoS access to Supply Standards.

ERA communicated the findings to Umeme Limited in a letter referenced TEC/9/110/1/019/001, dated 6th March 2019 and invited Umeme Limited for a meeting to further discuss both the audit findings and the undesirable performance as per QOS Access to Supply Standards.

7 CONCLUSION ON THE DATA SUBMISSION BY UMEME LIMITED ON THE QUALITY OF SERVICE INDICATORS

The following observations and conclusions were made by ERA from the review of the QoS data submitted by Umeme Limited for the period Q1 2018 to Q1 2019:

- a) There was a decline in performance concerning QoS 1 and QoS 2, in particular, time taken to connect customers. This was attributed to Umeme Limited's challenges regarding the new connections supply chain and the change in the source of funding for new connections to

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the ECP arrangement, where the funds are provided by Government through REA.

- b) There was an improvement in the performance as per the customer service and network operations standards.
- c) Overall, there was an improvement in performance from 78% in First Quarter of 2018 to 81% in First Quarter of 2019.
- d) ERA also observed the current poor performance as per Access to supply Standards (QOS1 to QOS 2) was attributed to material shortages and the increased influx of applications through ECP.
- e) ERA held Strategic meetings with the stakeholders (MEMD, REA and Licensees) involved in the implementation of ECP. Areas covered:
 - a) Financial reimbursements for the Electricity Connection Policy Program;
 - b) Verification and reimbursement cycle;
 - c) Timely provision of materials to licensees;
 - d) Connection costs; approved by the Authority in February 2019;
 - e) Formulation of the ECP coordinators committee with full representation of all distribution licensees.