

**PUBLIC UTILITIES
REGULATORY COMMISSION**



REGULATORY BRIEF

ISSUE 5

Utility Service Complaints and
Dispute Resolution: An Exposition
of the Public Utilities Regulatory
Commission (Consumer Service)
Regulations (2020) L.I. 2413.

JUNE 2023

KEY HIGHLIGHTS

- L.I. 2413 provides for an enforcement framework that would ensure efficient and transparent quality of services to consumers of water and electricity services.
- L.I. 2413 allows both utilities and consumers to lodge complaints of dissatisfied services with the Commission for resolution.
- There are three main stages of complaint management as stipulated by L.I. 2413: Negotiated Settlement, Mediation and Formal Hearing.
- A complaint by a consumer for a claim of death or bodily injury suffered or arising from the use of a service does not fall within the mandate of the Commission.
- Although not explicitly stated in L.I. 2413, the Commission advises consumers to lodge complaints first with the regulated utilities.
- Utility Companies have not yet published their complaint management procedures as required by L.I. 2413.

1. Introduction

Delivery of services is more complicated in the public sector because it involves more than just fulfilling expressed needs; it also involves identifying unmet needs, setting priorities, allocating resources, and publicly justifying and apologizing for what has been done (Gowan, Seymour, & Ibarreche, 2001). Since it controls a large portion of the economic resources, the public sector plays a substantial role in the provision of services in the majority of developing nations. According to (Andadari & Mulder, 2014), the well-being of households is positively impacted by access to contemporary utility services and the provision of quality service is strategic for success, and survival in today's globalizing and competitive environment (Reichheld & Sasser, 1990,); (Zeithaml, Parasuraman, Berry, & Berry, 1990).

The primary goal of the public sector is to act as a catalyst for citizens to receive inexpensive, high-quality services. To live a decent and productive life, one must have access to basic necessities including energy and water services, but most importantly, peace and security. The opportunity cost of quality services stimulates a financial

weight that can drive households to forgo alternative consumption choices in order to meet their utility needs (Alkon, 2016). Subsequently, government through regulatory institutions have been empowered to ensure quality of service delivery to the general public.

In order for the PURC to be in sync with modern day service regulation, the Commission in 2020, designed a mechanism under the PURC (Consumer Service) Regulation, L.I. 2413, which is to help provide a transparent regulatory framework to ensure safe, adequate, efficient and quality utility services to consumers. The L.I. 2413 outlines the first point of report of an issue, the necessary actions to take thereafter, how to withdraw a complaint, who to complain against and remedies sought among others.

This regulatory brief seeks to explain complaints and dispute resolution under L.I. 2413, while making comparative analysis with complaint and dispute resolution procedures within the utility sector space globally. The paper has its focus on the procedures available to all categories of customers under the regulation of PURC. The paper takes its perspective from consumers' rights in the market but also considers specificities within the sector.

2. Methodology of Study

The study adopted a desktop evaluation framework to assess complaints and dispute resolution provisions of L.I. 2413. The paper is an exposition on the provisions, while juxtaposing them against some globally accepted characteristics of complaints handling. All data required and used for analysis was gathered from the various websites of institutions concerned.

2.1 Characteristics of Good Complaints Handling

As part of examination of best practice in complaints handling, the question of what constitutes a complaint is deemed essential. Numerous definitions have been associated with

complaints by various regulatory institutions across the globe. However, a key expression that cuts across all sectors to describe complaint is: 'any expression of dissatisfaction'. This expression suggests that a complaint can go both ways; consumer against service provider and vice versa.

According to Henthorne, Williams & George (2018), there is considerable consensus in empirical literature on the key tenets of handling complaints. The study notes that, for a complaints procedure to meet globally accepted standards, there are a number of fundamental principles including being



The above characteristics are not exhaustive and include a review of good practice in complaints handling in other regulated sectors. They, however, form the basic right of consumers to redress and are at the centre of modern consumer protection policy. In implementing the above principles, it is necessary to understand and measure the needs and expectations of the complainants when they lodge complaints. This is because, a "one-size-fits-all" approach is challenging since every consumer will have

distinct opinions and expectations about how their specific complaint should be handled. Comparing these best practices with what is being practised at PURC, it suggests that, the Commission's procedures are largely in sync with these global best practices. However, as with all organisational procedures, there are often certain gaps that require improvement including; the flexibility and timely response to queries, simplicity and general understanding of procedures, etc.

3.0 Complaint Lodging According to L.I. 2413

3.1 Complaint to the Service Provider

Although not explicitly stated in L.I. 2413, the Commission encourages customers aggrieved with services delivered to them by a service provider to initially lodge their complaint with the service provider, if possible. This is to give the utility provider first-hand opportunity to resolve the challenge.

Regulation 8 of L.I. 2413 stipulates that, a service provider must develop procedure for dealing with complaints relating to its service and make it public in accordance with prescriptions of the Commission. These procedures are expected to be made available on the website of the public utility and the service provider must not

modify such procedures without reasonably engaging with its customer base. Whenever the Commission deems it fit, the Commission will direct a service provider to review a complaint procedure or the manner in which it operates.

3.2 Complaint with the Commission

A service provider or consumer can make a complaint to the Commission on any service issue deemed unsatisfactory or not commensurate with value for money. Also, where initial complaints lodged with the service provider have not been addressed satisfactorily, the complainant can continue to make a complaint with the Commission.

Regulation 9 of L.I. 2413 lists the types of complaints that can be lodged with the Commission in respect of services provided by a public utility.

A complaint by public utility against a consumer

A complaint by a public utility against another public utility

A complaint by a consumer against another consumer

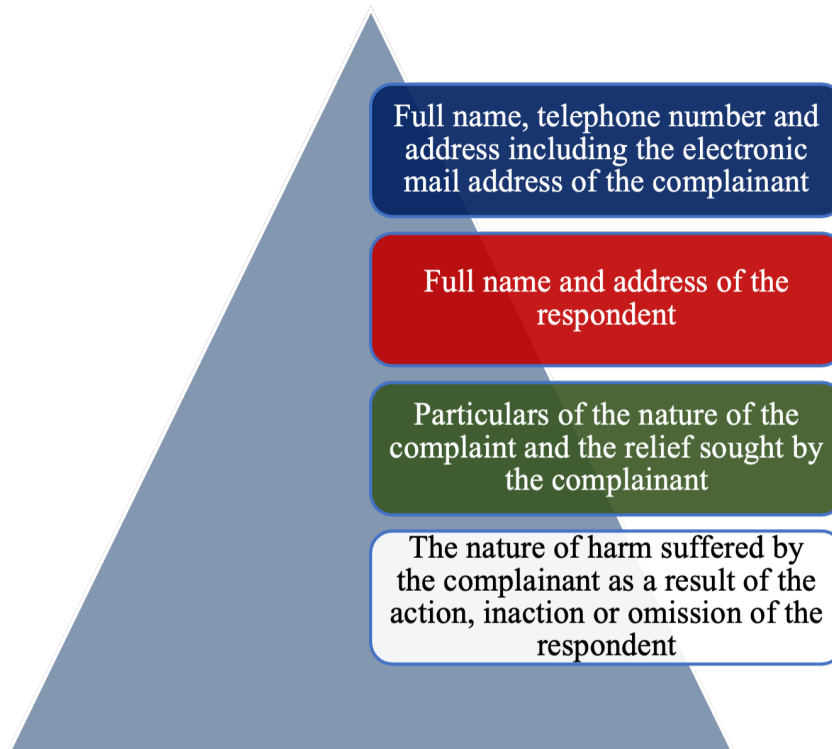
A complaint by a consumer against a public utility

3.2.1 Limitation on Complaints Lodged at Commission

The Commission is limited in the type or nature of complaint that it can accept for resolution. Per L.I. 2413, a complaint involving a claim of death or bodily injury suffered or arising from the use of a service does not fall within the mandate of the Commission. The Commission does not have the capacity to make such an assessment to conclude on what kind of compensation would be commensurate with the injury suffered.

3.2.2 Format of Complaint Lodged with the Commission

Regulation 10 of L.I. 2413 prescribes the form in which a complainant can lodge a complaint with the Commission. Complaints can be made either orally or in writing in the form required by the Commission. Where a complaint has been made orally with the Commission, an officer is made to record it in writing. Key information required from a complainant is as follows:



3.3 Complaint and Dispute Resolution Process According to L.I. 2413

The Commission's complaints and dispute resolution procedures include Negotiated Settlement and Mediation (Informal Procedures) and Formal Hearing (Formal Procedure).

3.3.1 Preliminary Investigation of Complaint

Complaints lodged with the Commission are entered into the Commission's Database Management System (DBMS)

together with all attachments (proofs or evidence submitted). When a complaint is lodged, a Designated Officer (DO) of the Commission reviews and explains the Commission's complaint procedures to the complainant. After reviewing the complaint, the Designated Officer, with regards to law, and applicable procedure, will conclude whether the complaint is within the remit of the Commission or not and advise the complainant accordingly. Where necessary an appointment can be scheduled between the complainant and a superior officer. On the other hand, the complaint is considered resolved if the issue is explained by the DO and the complainant is satisfied.

When a complaint is received, the Commission undertakes what is referred to as Preliminary Investigations, which include site visits, request for further information from all parties concerned in the complaint, and meetings with parties to clarify issues within the complaint. On completion of the preliminary investigations, the parties may be advised to engage in amicable settlement and report in writing to the Commission or the parties would be assisted by the Commission through settlement.

3.3.2 Negotiated Settlement

This aspect of the procedure serves as a cost-effective substitute for mediation and formal hearing. As a result, the Commission has designated officers who receive complaints, identify and isolate any areas of agreement between the parties, separating the substantive issues of contention from the "people issues" (namely miscommunication, emotion and perception). Where it becomes necessary for the Commission to be involved in facilitating a Negotiated Settlement, the officer engages either of the parties separately to facilitate expeditious negotiated settlement. The DO steers the negotiation in a manner that focuses on resolving the substantive issues, while having regard for the "people issues". Accordingly, the officer does not force parties to settle nor compel a party to accept proposed settlement terms. The parties sign a Negotiated Settlement Agreement where they agree on a mutually binding settlement, otherwise, the complaint is forwarded for mediation with the consent of both parties. Negotiated Settlement can be carried out via either telephone calls, meetings or any other platform appropriate and where there is the need for physical negotiated settlement meeting, it is done in the region where the complaint originates. The process is not expected to go beyond 3 meetings or two months.

3.3.2.1 Circumstances Under which the Commission Facilitates Negotiated Settlement

The Commission facilitates Negotiated Settlement under the following circumstances:

- There is delay by the Respondent in responding to the complaint; or
- There is a lack of clarity in response(s) of the Respondent; or
- The Complainant is dissatisfied with the response(s) of the Respondent; and
- Either party requests the Commission's assistance with a negotiated settlement of the complaint.

3.3.3 Mediation of Complaints

Through mediation, the Commission aims at reaching a mutually satisfactory agreement, which would resolve either all or part of a dispute brought before it. The Commission conducts mediation if the issue could not be resolved by any of the prior methods, or if the issue has been referred to the Commission by a Court of competent jurisdiction. The Commission maintains a list of mediators comprising both officers of the Commission and external experts. A DO of the Commission who participated in a previous settlement negotiation of the case in question, is barred from participating in the mediation.

Parties to a mediation are usually invited in writing to a mediation meeting at least 5 days prior to the date set for the mediation, except in urgent situations where they could be invited via telephone call or any other appropriate means. The mediations are often conducted in the region of the dispute, unless otherwise agreed. The mediator together with the parties to the dispute agree on a schedule of meetings, which are not expected to go beyond four meetings and, in any case, not more than three months. Disputants are at liberty to be represented by a lawyer or any other person knowledgeable in the area of the dispute.

3.3.3.1 Mediation Process

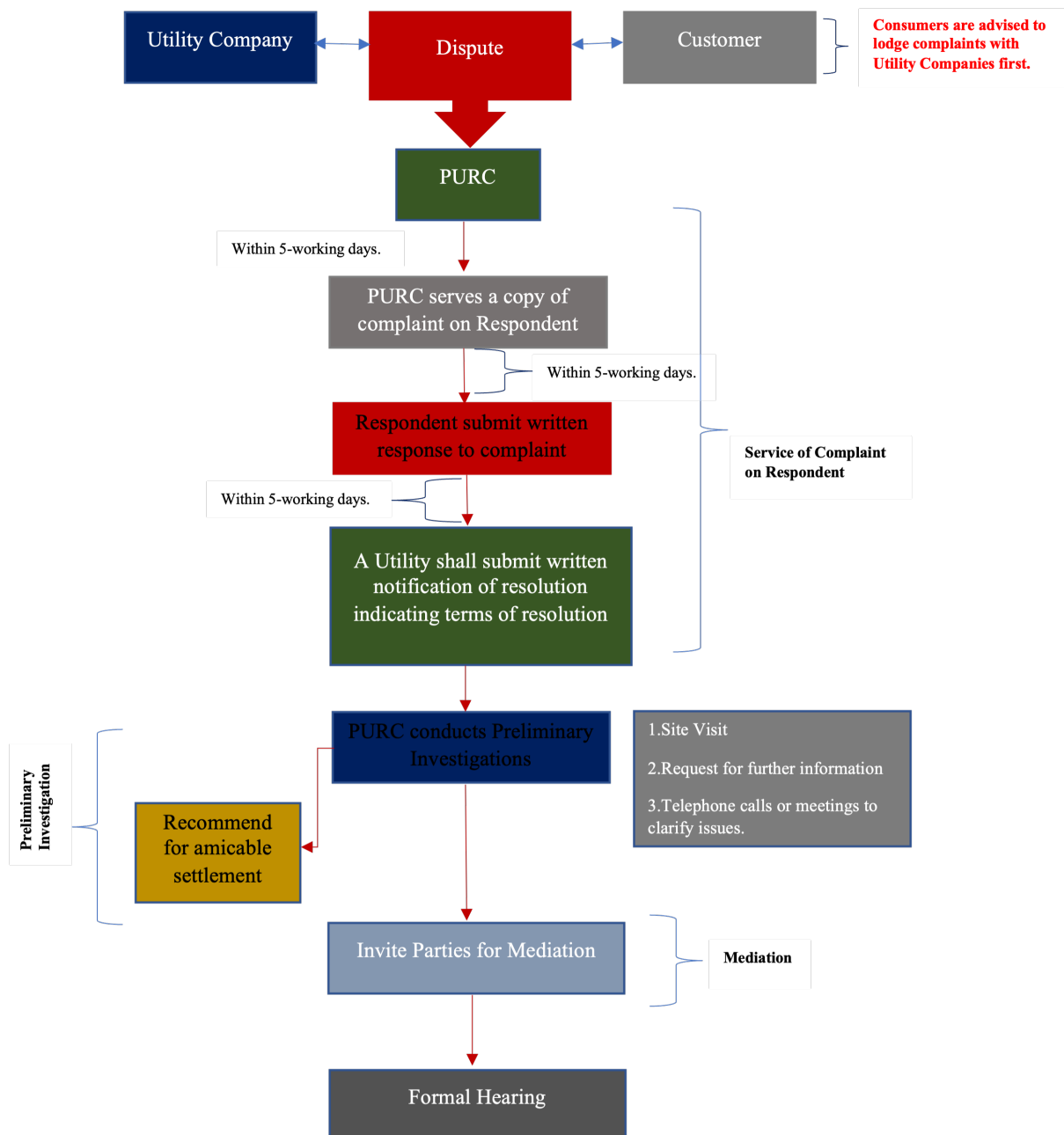
The mediation of a complaint commences with explanation of the Commission's complaint and dispute resolution procedure, the respective roles of all persons involved in the mediation process and the guiding rules for the mediation process. The parties to the

dispute are then made to present their cases and any clarification required. Where there is any independent investigation, analysis report or document to back the case, the mediator presents it to the parties and would urge parties to discuss proposals put forward by the parties for the resolution of the complaint or dispute.

When the parties reach a settlement agreement, the mediator draws up terms for a settlement proposal for the consideration of the parties. With the input of the parties, the mediator puts together a Settlement Agreement for their signature, which is binding on them and persons claiming

under them. When no agreement is reached at the end of the procedure, the mediator is required to refer the dispute or complaint to the Executive Secretary for advice on the next level of the Commission’s complaint process.

The infographic below presents a summary of PURC’s complaint and dispute resolution process as prescribed by L.I 2413. This process applies when a dispute between a utility and a customer is not resolved at their level and is escalated to the Commission as the neutral arbiter of the dispute.



4. Analysis of Application/ Compliance of L.I 2413

This section presents an analysis of the application and compliance of the L.I 2413.

4.1 Complaint to a Public Utility (Section 8)

Regulation 8 as explained above, requires public utilities to establish procedures in handling complaints relating to the service they provide and make such procedures available to the general public on request and also on their website and various platforms.

A search on the website of all the regulated distribution utilities (ECG, GWCL and NEDCO) indicates that though these utilities have submitted complaint and dispute charters to the Commission for approval in relation to establishing their procedures for dealing with complaints, not all of these institutions have followed through to publish their complaint procedures on their respective website as required by L.I 2413. Aside

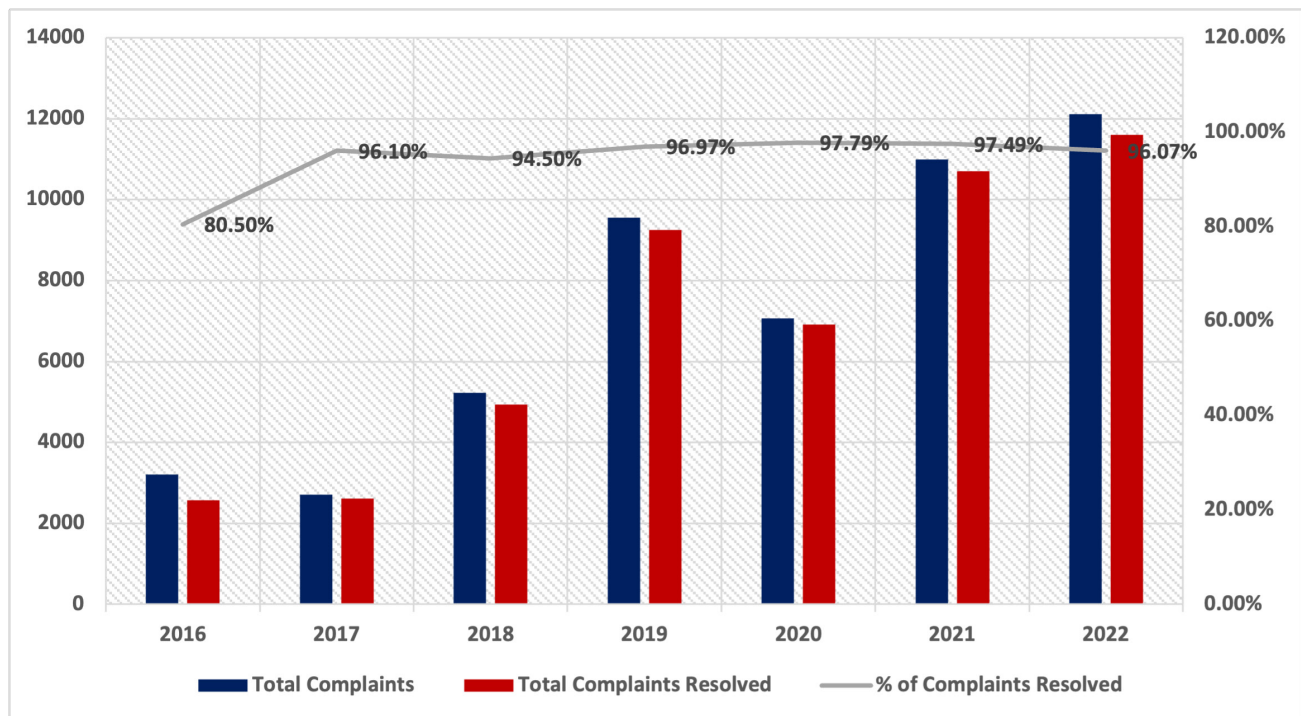
from GWCL whose customer charter is available online and can be accessed via https://gwcl.com.gh/customer_charter.pdf that of ECG and NEDCO cannot be found online. However, the ECG Enquiry and Complaint Form which meets the standard complaint form is online.

4.2 Complaints Lodged with the Commission

Regulation 9 of L.I 2413, offers aggrieved stakeholders the opportunity to lodge their challenges with the Commission for resolution. Accordingly, the Commission receives complaints on various issues, which can broadly be classified into Damaged Property, Unlawful Disconnection, Payments not reflecting, Quality of Service, Metering and Billing. In 2016, the Commission received about 3202 complaints in total and resolved 2577. The number of complaints continued to rise through 2019 with 9550 complaints, dropping to 7067 in 2020 before increasing again in 2021. As the number of complaints increased over the years, the Commission equally improved on its complaint resolution rate from 80.5% in 2016 to about 96% in 2022.

Trend Analysis of Complaints Lodged with Commission

Figure 1: Trend Analysis of Complaints Lodged with PURC



The Commission, in 2022, received a total of twelve thousand one hundred and six (12,106) complaints and resolved a total of eleven thousand six hundred and thirty (11,630) representing 96.07%. A total of six thousand one hundred and ninety (6,190) of the complaints were lodged against ECG who responded to six thousand and thirty-two (6,032) representing 97.45 %. The Commission in 2022, received three thousand seven hundred and thirty-two (3,732) complaints, which were lodged against NEDCo. Three thousand five hundred and twenty-three (3,523) representing 94.40% were resolved. In the case of GWCL, one thousand six hundred and eighty-five (1,685)

complaints were lodged against the utility, with one thousand six hundred and thirty-four (1,634) resolved, representing 96.97%. The regulated utilities also lodged four hundred and ninety-nine (499) complaints against utility consumers and four hundred and forty-one (441) were resolved representing 88.38%.

Table 1 below shows that, most of the complaints lodged were against ECG followed by NEDCO, GWCL and the Consumers. Complaints by utilities against consumers has gradually been on the increase.

Table 1: Complaints Lodged vs. Complaints Resolved

Year	COMPLAINTS AGAINST ECG		COMPLAINTS AGAINST NEDCO		COMPLAINTS AGAINST GWCL		COMPLAINTS AGAINST CONSUMERS	
	Lodged	Resolved	Lodged	Resolved	Lodged	Resolved	Lodged	Resolved
2022	6190	6032	3732	3523	1685	1634	499	441
2021	6470	6343	2995	2854	1398	1380	147	147
2020	4421	4315	1211	1181	1339	1319	96	96
2019	7233	7062	1058	957	1259	1232	0	0
2018	3572	3353	902	853	751	732	0	0
2017	2167	2073	138	134	408	401	0	0

Policy Recommendations

The study carried out a simple review of the complaint management procedures of the Commission with an exposition of L.I. 2413. Descriptions of sections of the L.I. 2413 were largely based on the explanations provided by the Legal Directorate of the Commission. The following is recommended:

L.I. 2413 requires that, complaint procedures of the regulated distribution utilities should be made available to customers, including online versions on the Utilities' websites. In line with principles of transparency and accountability, and in order to build trust in the process, the complaint handling

procedures should be publicised. The way it is publicised should take into consideration cultural characteristics and accessibility needs of the respective location or country. According to Transparency International, the following information should be published:

- Who qualifies to submit a complaint.
- Where, how and when can a complaint be submitted.
- Limitations to the scope of the mechanism (what can be complained about, any limitations to the process etc.) if applicable.
- What outcomes can be expected from

the handling of the complaint, and what not.

- Which Department and Senior Management function is accountable for the proper handling of the complaint.
- What are the timelines and steps for the handling of the complaint.
- What rights and protection are guaranteed, including confidentiality and anonymity.
- Where and how can the complainant follow up (including appeal process).
- How the organisation handles disclosure of information and reporting on complaints.
- What other bodies can receive a complaint (e.g. supreme audit institution).
- Statistics on complaint submissions and resolution: number of complaints received, handled or rejected; potentially issues that are most frequently complained about.
- Contact details

The Commission should endeavour to improve on its consumer section of the website by engaging the utilities and consumers in real time. In the era of Artificial Intelligence (AI) and high-level technology,

the Commission should be looking to ensuring some quick and real-time responses to enquiries by stakeholders and consumers.

Complaint Resolution is an essential mandate of the Commission. In order to be effectively implemented, objectives, responsibilities, timelines and oversight of complaint procedures should be clearly spelt out for all stakeholders. Additionally, a specific budget allocation for regular monitoring and reporting must be prioritised.

There is the need to schedule timelines for the assessment and review of complaint management procedures. Periodic assessments would give the Commission an up-to-date information on effectiveness or weakness of the complaint procedure while also identifying new best practices for the sector.

The Commission must carry out a comprehensive compliance assessment on existing complaints procedures of the regulated distribution utilities. This will inform the Commission as to whether the utility is in compliance with L.I. 2413 and identify areas that require enforcement.

There is the need for the Commission to conduct a wider study to evaluate the complaint and dispute procedure for the various utilities, which will inform the Commission of the effectiveness or otherwise of existing complaint charters.

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