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JOINT SELECT COMMITTEE ON

LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES *(INCLUDING THE THA)*

11th Report

on an

Inquiry into the Efficiency and Effectiveness of the Regulated Industries Commission (RIC)

Fourth Session (2018/2019), 11th Parliament

Eleventh Report

Of the

Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including the THA)

on an

Inquiry into the Efficiency and Effectiveness of the Regulated Industries Commission (RIC)

Fourth Session (2018/2019), Eleventh Parliament

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ACRONYMS AND ABBREVIATIONS

ABBREVIATION	MEANING
KPI	Key Performance Indicators
MPU	Ministry of Public Utilities
RIC	Regulated Industries Commission
WASA	Water and Sewage Authority
T&TEC	Trinidad and Tobago Electricity Commission

TABLE OF CONTENTS

LIST OF TABLES 7

LIST OF APPENDICES 7

Summary of Evidence together with Findings and Recommendations 15

Objective 1: To assess the efficiency of the operations of the RIC. 15

Mandate 15

Staffing 16

Treating with Public Complaints 18

Funding the Commission's operations 20

Annual Reports 20

Benchmarks and Regulatory Frameworks used by the RIC 20

Issuing of Licences 21

Recommendations 23

Objective 2: Assessing the Effectiveness of the RIC in Promoting Greater Efficiency of Services in Public Utilities 25

Rate Review 25

The Process Used for the Rate Reviews 25

Reason(s) Previous proposed Rate Increases were not implemented 27

The role of the utility service providers in the Rate Review Exercise 27

Table 1 shows the number of complaints recorded against WASA and T&TEC for the period 2015 to 2017. 33

Table 2 shows the status of complaints for the period 2008 to 2017 34

Table 3: Status of Complaints Filed With the RIC 35

Objective 3: To determine the adequacy of the current legislative framework governing the operations of the RIC. 41

Legislative Review 41

Appendices 45

Appendix I 47

Organisational Chart of the RIC 47

Appendix II 49

Complaints Process 49

Appendix III 52

List of Officials 52

Appendix IV 54

Training undertaken by RIC Staff 54

Appendix V 57

Minutes 57

Appendix VI 68

Verbatim Notes 68

Appendix VII 174

Quality of Service Standards for WASA 174

Appendix VIII 188

RIC's Proposed Amendments Matrix 188

Appendix IX 247

Summary of finalised Quality Service Standards for WASA 247

Appendix X 253

Summary of finalised Quality Service Standards for T&TEC 253

LIST OF TABLES

TABLE NO.	DETAILS	PAGE NO.
1	Number of complaints recorded against WASA and T&TEC for the period 2015 to 2017.	33
2	Status of complaints for the period 2008 to 2017	34
3	Status of Complaints Filed With the RIC	35

LIST OF APPENDICES

APPENDIX NO.	DETAILS	PAGE NO.
Appendix I	Organisational Chart	47
Appendix II	Complaints Process	49
Appendix III	List of Officials	52
Appendix IV	Training Undertaken by RIC Staff	54
Appendix V	Minutes	57
Appendix VI	Verbatim Notes	68
Appendix VII	Quality Service Standards for WASA	174
Appendix VIII	RIC's Proposed Amendments Matrix	188
Appendix IX	Summary of Quality Service Standards for WASA	247
Appendix X	Summary of Quality Service Standards for T&TEC	253

EXECUTIVE SUMMARY

1.1 At its eighteenth meeting held on Wednesday 22nd November 2017, the Committee resolved to inquire into the Efficiency and Effectiveness of the Regulated Industries Commission (RIC) and agreed that the following three (3) objectives would guide the inquiry:

- **To assess the efficiency of the operations of the RIC at this time.**
- **To assess the effectiveness of the RIC in promoting greater efficiency of services in public utilities.**
- **To determine the adequacy of the current legislative framework governing the operations of the RIC**

1.2 To this end, the Committee obtained oral and written evidence from the RIC, the line Ministry and the two public utilities that are regulated by the RIC, namely WASA and TTEC. Some of the major issues which were highlighted/identified during the course of the inquiry included:

1. **The status of the Rate Review that was being undertaken by the RIC in relation to WASA and T&TEC;**
2. **The contribution of the RIC to the development and improvement of public utilities;**
3. **The performance of the RIC with respect to treating with complaints filed against the public utilities;**
4. **The line Ministry's plans to "modernize" the Public Utilities Sector;**
5. **Arrangements in place to finance the RIC's operations;**
6. **Regulatory Framework used by the RIC;**
7. **The relationship between the RIC and the utility corporations service providers;**

Based on the evidence received and the conclusion derived from such evidence, the Committee has proffered recommendations which it believes will

appropriately address the issues highlighted. A summary of these recommendations follow this Executive Summary.

1.3 We anticipate that the Parliament, RIC, MPU, WASA and T&TEC would give due consideration to the findings and recommendations contained in this Report with a view to making the RIC a more efficient and effective regulator which will invariably result in a more progressive and efficient public utilities sector. The Committee looks forward to reviewing the Commission's and the MPU's response to this Report, which becomes due, sixty (60) days after it is presented to the Houses of Parliament.

SUMMARY OF RECOMMENDATIONS

The following is a consolidated list of recommendations proposed by the Committee:

The Committee recommended that the following be implemented in the short-term (3-6 months):

1. **an increased need for regulatory certainty, where clarity over the respective roles of Government and the regulator, as well as the independence of the regulator from political influence, are important components which must be specifically defined in the Act.**
2. **the MPU must play a more proactive role in facilitating the implementation of pending rate adjustments.**
3. **that the RIC institute the necessary arrangements to ensure the timely preparation of its Annual Financial Statements and Administrative Reports.**
4. **that the RIC continues to engage in digital communication.**

The Committee recommended that the following be implemented in the medium term (7-12 months):

1. **a centralized and shared database be created for the documentation of complaints.**
2. **that the Ministry of Public Utilities mandate WASA and T&TEC to ensure that their strategic and or corporate plans include objectives which are directly connected to achieving Service standards and Performance Benchmarks.**
3. **the MPU must act with alacrity to ensure that the Quality Service Standards for WASA are implemented within fiscal 2018/2019.**
4. **a Standing Inter-Agency committee comprising representatives of the RIC, the Ministry and each public utility be created to monitor the implementation of policies.**
5. **modifying the RIC's legislation framework should coincide with the proposed rate adjustments as we anticipate that an upward movement in utility rates will result in a greater public demand for accountability from both service providers and the RIC.**

INTRODUCTION

Background[4]

Regulatory Framework

2.1 The Regulated Industries Commission is a statutory body established under the Regulated Industries Commission Act Chapter 54:73 ("The RIC Act")[5]. The RIC replaced the Public Utilities Commission (PUC) which was established under the Public Utilities Commission Act Chap 54:01. Section 6 of the Act outlines the powers and functions of the RIC which arguably are wide ranging.

2.2 The RIC is mandated to *inter alia*:

a. **"advise the Minister on matters relating to the operation of the [..] Act including the granting of licenses;**
b. **administer such matters as are required consequent upon the granting of licenses;**
c. **ensure, as far as is reasonably practicable, that the service provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment;**
d. **carry out studies of efficiency and economy of operation and of performance by service providers and publish the results thereof;**
e. **prescribe and publish in the *Gazette* and in at least one daily newspaper circulating in Trinidad and Tobago, standards for services;**
f. **monitor service providers and conduct checks to determine their compliance with the standards referred to in paragraph (e);**
g. **impose such sanctions as it may prescribe for non-compliance with the standards referred to in paragraph (e) and any conditions attaching to a licence;**
h. **establish the principles and methodologies by which service providers determine rates for services;**

[4] http://mbtt.org/index.htm
[5] Act No. 26 of 1998

i. Monitor rates charged by service providers to ensure compliance with the principles established under paragraph (h)…"

'The RIC Act prescribes that the Commission is responsible for regulating the following service providers as stated in the *First Schedule*:

1. **The Water and Sewerage Authority (WASA)**

   Responsible for:

   - maintaining and developing the waterworks and other property relating thereto transferred to it;
   - administering the water supply thereby established;
   - promoting the conservation and proper use of water resources; and
   - the provision of water supplies in Trinidad and Tobago[6].

2. **The Trinidad and Tobago Electricity Commission (T&TEC)**;

   Responsible for the transmission, distribution and administration of electrical power to the national electrical grid of Trinidad and Tobago[7].

3. **The Power Generation Company of Trinidad and Tobago (POWERGEN)**

   Responsible for the generation of electrical power to the national electrical grid of Trinidad and Tobago[8].

4. **Trinity Power Limited (TRINITY)** (formerly InnCogen Limited[9]):

   Responsible for the generation of electrical power to the national electrical grid of Trinidad and Tobago[10].

[6] http://www.ric.org.tt/about-us/service-providers/wasa/
[7] http://www.ric.org.tt/about-us/service-providers/ttec/
[8] http://www.ric.org.tt/about-us/service-providers/powergen/
[9] http://www.ric.org.tt/faqs/
[10] http://www.ric.org.tt/about-us/service-providers/trinity-power/

Composition of the Commission

2.3 Section 5 of the RIC Act prescribes that "the Commission shall consist of not less than five nor more than seven members designated Commissioners who shall be appointed by the President from among persons appearing to him to be qualified by reason of training and extensive experience in economics, finance, engineering, law, business, human resource.

2.5 The current Commission was established on February 26, 2016, and comprise the following members:

- Dr. Hyacinth Guy - Chairman
- Mr. Clayton Blackman – Commissioner
- Mr. Dexter Joseph – Commissioner
- Dr. Arielle John – Commissioner
- Mr. Vinodatt Lutchman – Commissioner
- Ms. Shalini Campbell – Commissioner

2.6 The Organisational structure of the RIC can be found in Appendix I.

Objectives of the Inquiry

2.7 The Committee agreed that the objectives of the inquiry will be as follows:

a. **Assess the efficiency of the operations of the RIC at this time;**
b. **Assess the effectiveness of the RIC in promoting greater efficiency of services in public utilities;**
c. **To determine the adequacy of the current legislative framework governing the operations of the RIC.**

Conduct of the Inquiry

2.8 Oral evidence was captured through the convening of two public hearings. The first public hearing was held with representatives of RIC and the Ministry of Public Utilities (MPU) on Friday February 02, 2018. The persons who appeared on behalf of the entities were as follows:

Regulated Industries Commission (RIC)

i.	Dr. Hyacinth Guy	Chairman
ii.	Ms. Nadia J.A. John	Legal/Corporate Secretary
iii.	Dr. James Lee Young	Executive Director
iv.	Ms. Carol Balkaran	Deputy Executive Director
v.	Mr. Vinodatt Lutchman	Commissioner
vi.	Mr. Dexter Joseph	Commissioner

Ministry of Public Utilities

i.	Mr. Gary Joseph	Permanent Secretary (Ag.)
ii.	Miss Anika Sarah Farmer	Director, Legal Services
iii.	Ms. Camille Quamina	Senior Planning Specialist

2.9 Subsequent to this, a second hearing was conducted with officials of RIC, WASA and T&TEC who appeared simultaneously on Wednesday March 28, 2018. A list comprising the names of the officials who appeared is at Appendix II.

2.10 The Minutes and Verbatim Notes are attached as Appendix II and Appendix III respectively.

Summary of Evidence together with Findings and Recommendations

Objective 1: To assess the efficiency of the operations of the RIC.

Mandate

3.1.1. The Committee attempted to evaluate the operational efficiency of the RIC given its resources, operation systems and procedures. Making such a determination was essential as it would inform the Commission's ability to execute its mandate. As was stated previously, the responsibilities of the RIC (outlined in Section 6 of the Act) are relatively broad and complex. In its written submission to the Committee, the RIC highlighted the following as its main responsibilities:

i. Establishing the principles and methodologies by which service providers determine rates for services;
ii. Carrying out periodic reviews of the rating regimes;
iii. Prescribing standards for services (as defined in the said Act), monitoring the said services;
iv. Carrying of studies of efficiency and economy of operation and of performance by service providers and publishing the results thereof;
v. Ensuring that the service provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment;
vi. Advising the Minister on the grant of licenses and administering matters pertaining to same;
vii. Investigating complaints by consumers of their failure to obtain redress from service providers in respect of rates, billings and unsatisfactory service and to facilitate relief where necessary.

3.1.2. As the regulator of two essential services, that is water and electricity, it is imperative that the RIC's internal resources be effectively streamlined in order to effectively treat with the myriad of external demands from the public and the service providers themselves. It stands that a strong regulator would naturally

have positive impacts on the operations of the service providers under its purview

RIC's Strategic Plan

3.1.3. A key approach for ensuring operational efficiency is strategic planning. During the public hearing held on February 02, 2018, the RIC informed the Committee that its Strategic Plan covers the period 2016 to 2019. As at February 02, 2018, this plan had been completed and implemented, however, the RIC did encounter some challenges in completing its strategic planning process which appeared to have commenced under the previous Commission. One of the key strategy objectives of the Commission was to improve its internal capacity. The Commission reported that it has the human and financial resources required to execute its mandate.

Staffing

Vacancies

3.1.4. During the Public Hearing held on February 02, 2018, the RIC cited the filling of the posts of Executive Director and Deputy Executive Director as an important achievement in its efforts to strengthen its internal capacity. Notwithstanding, the organisation was still experiencing staff deficiencies due to the existence of seven additional vacancies. The Commission is hoping to fill these vacancies internally through staff development.

3.1.5. The following vacancies are to be filled:

i. Senior Tariff Analyst (Economics and Research) vacant since July 01, 2017;
ii. Senior Utility Analyst (Accounts Department) vacant since June 01, 2015;
iii. Accounting Officer (Accounts Department) vacant since October 01, 2015;
iv. Librarian (Library) June 01 2006;

v. Administrative Assistant (Economics & Research and Technical Operations) vacant since May 01, 2011;

vi. **Administrative Assistant vacant (Deputy Executive Director's Office) April 30, 2016;

vii. **Clerical Assistant (HR& Administration) position has always been vacant.

3.1.6. Paradoxically, the Chairman of the RIC underscored that at this time the RIC did possess the necessary human and financial responses to "do its work". As such it may be gleaned that the existence of these vacancies is not expected to significantly impact the operational efficiency of the RIC.

Oversight of Service Providers

3.1.7. The Committee also examined the RIC's effectiveness in holding service providers accountable for the standard of service they provide to their clients. The Committee noted that the oversight mechanisms used to monitor service providers include:

- the periodic collection of data from service providers utilizing standardized reporting formats;
- site visits to service providers' facilities; and
- feedback through its customer complaints system.

3.1.8. All data/information submitted to the RIC is interrogated by the relevant department within the RIC. Additionally, the RIC has stated that service providers generally achieve compliance with Section 57 of the RIC Act.

Treating with Public Complaints

3.1.9. Pursuant to section 6 (1) (l) of the Act, the RIC is obligated to "investigate complaints by consumers, of their failure to obtain redress from service providers in respect of rates, billings and unsatisfactory service and facilitate relief where necessary".

3.1.10. Additionally, **Section 53(1) empowers the RIC to**:

"on its own motion or in consequence of a complaint made by any person in respect of-

a) the rate charged for a service;

b) a disputed billing for a service; and

c) the standard or condition of a supply of a service,

review such complaint or any other matter related to its powers, duties or functions under this Act and where it thinks fit, consult with the parties concerned."

3.1.11. However, prior to engaging the RIC, "consumers" or "complainants" are first required to refer their complaint to the Service Provider so that the Service Provider could have the opportunity to resolve the issue.

3.1.12. The Committee was informed by the Executive Director, RIC, that its conflict resolution rate is approximately 85%, where the Commission would receive approximately 400 to 500 complaints per month. The response to these complaints are almost immediate, however, the resolution period is prolonged due to the need to liaise with the respective public utility. In 2017, approximately 200 to 300 complaints were carried over to 2018. The Ministry of Public Utilities has commended the complaint system within the RIC citing it as an effective system.

Customer Satisfaction

3.1.13. During the public hearing convened on February 02, 2018, the Committee was informed that complaints are submitted to the Customer Service Department

where they are lodged and investigated by the RIC. Additionally, the RIC collaborated with WASA and TTEC to develop Quality of Service Standards (QSs). QSSs are documented minimum standards of service that each public utility is expected to provide to customers. Defaulting on these standards creates an opportunity for customers to seek redress firstly through the service providers. Should there be room for further action, the matter may be referred to the RIC.

3.1.14. The Committee noted with concern that although QSs were developed and implemented for TTEC, there have been significant delays in the implementation of QSS for WASA. The RIC published *Quality of Service Scheme for Electricity Generating Entities in Trinidad and Tobago*[11] for public consideration and comments in August 2018.

Training

3.1.15. In relation to the human resource development initiatives of the RIC, the Committee was advised that the Commission's Customer Services Officers (CSO) are adequately trained in Effective Customer Service and are equipped to attend to customers from various backgrounds.

3.1.16. The Committee was also informed that the RIC's Technical Operations Department is equipped with electrical and civil engineers who have the competencies to investigate and provide advice on technical issues pertaining to the resolution of complaints. The RIC also reported favourably on the competencies/capacity of its Economics and Research Department and its Legal/Corporate Secretary.

3.1.17. **Appendix V** contained details on the areas of training, staff of the RIC were exposed to during the period 2015 to 2017.

[11] http://www.ric.org.tt/wp-content/uploads/2018/08/Summary-of-Quality-of-Service-Scheme-for-Electricity-Generating-Entities-2018-08-10.pdf

Funding the Commission's operations

3.1.18. Section 30 (1) of the RIC Act prescribes that the Commission may impose upon service providers a CESS on rates and charges collected by the service providers. In this regard, the operations of the RIC are funded by this CESS. During the first public hearing held on February 02, 2018, the RIC stated that the Commission received approximately $17 M annually from the service providers under its remit. The RIC submitted that these funds adequately meet its expenditure obligations.

Annual Reports

3.1.19. One criteria used by this Committee to gauge the efficiency of a statutory bodyis its ability to fulfil its statutory obligations. This Committee is particularly interested in gauging the level of priority such bodies place on accounting for their use of public funds. Section 34 of the RIC Act, imposes an obligation on the RIC to ensure that proper records are kept in respect of transactions and affairs. Additionally, financial statements should be prepared after each financial year. The Chairman of the RIC admitted to having challenges in completing the necessary reports within the statutory timeframes. The Committee was informed that the financial statements for 2014 were completed and as at February 02, 2018 an audit was being conducted in preparation for the 2015 financial statements.

Benchmarks and Regulatory Frameworks used by the RIC

3.1.20. The Commission reported that some aspects of its operations are benchmarked against its counterparts in developed countries such as United Kingdom and Australia. Within the Caribbean Region the RIC is a member of the Organisation of Caribbean Utility Regulators (OCUR). The RIC's involvement in this regional body has resulted in the establishment of working relationships with counterparts in Barbados, Jamaica and Guyana.

Issuing of Licences

3.1.21. The Minister of Public Utilities is responsible for issuing licenses to any utility company that came into existence after the establishment of the Act. However, the formulation of a Licensing Framework is a collaborative effort between the Ministry and the RIC and it is set to commence in February 2018. During the public hearing, the Committee was informed that no entity has approached the RIC for a license to produce renewable energy.

Findings and Recommendations

Based on the evidence set out in this section, the Committee concluded the following:

i. The completion of a strategic plan for the period 2016-2019 has provided the RIC with a useful framework to align its internal resources with the demands of its environment. Thus far, the Commission appears to be making reasonable strides to achieve some of its key strategic objectives. The Committee will continue to monitor the Commission's implementation efforts as well as its initiatives aimed at achieving transformational changes within the utilities sector;

ii. There was sufficient evidence to confirm that the filling of vacancies in key positions has resulted in some improvements in the Commission's operational efficiency. The Committee also considered the potential advantages of the RIC's plan to fill the existing vacancies internally through staff development interventions. However, the lag time for developing the skills and competencies of junior staff to occupy higher positions may be lengthy;

iii. Based on some of the comments made during the public hearings, the MPU appears to have confidence in this current Commission and its staff to successfully execute its mandate;

iv. Arguably the RIC's "complaints resolution rate" is comparatively satisfactory. The Committee is cognisant that there are external factors which are hindering the Commission's ability to improve its performance in this area. Further enhancement of its performance in this area would most likely require multiple conditions to be satisfied including:

   a. More strategic cooperation between the Commission and service providers especially in relation to information sharing and problem solving ; and

   b. More efficient internal operations on the part of service providers to

ensure that customer complaints are properly recorded via electronic databases and are translated into corrective action within reasonable timeframes.

v. Unlike the majority of state bodies who are experiencing significantly shortfalls in funding, the CESS model has allowed the RIC to have sufficient funds to meet its expenditure obligations. Given that its operations are being sufficiently financed, the Committee expects that the Commission will sustain its institutional strengthening efforts;

vi. The RIC's delinquency in fulfilling its statutory obligations to account for its operations was a major concern for the Committee. The Committee concluded that as a Regulator, the RIC ought to be setting an appropriate example for other public bodies inclusive of those under its remit. The Commission needs to allocate resources and implement permanent systems and procedures to facilitate the production of the necessary administrative and financial reports within the required timeframes;

vii. The RIC's efforts to refer to the experiences and practices of other public utility regulators in the international and regional community is a commendable practice.

Recommendations

i. **In the interest of transparency and accountability, the Committee recommends that the RIC institute the necessary arrangements to ensure the timely preparation of its Annual Financial Statements and Administrative Reports. The Committee expects that the RIC will pursue this recommendation with immediate effect.**

ii. **The Committee recommends that a centralized and shared database be created for the documentation of complaints. This database will be accessible to both the**

RIC and the service providers. If managed effectively, this technology driven arrangement may improve the quality of the interface between these entities.

iii. The MPU must mandate WASA and T&TEC to ensure that their strategic and or corporate plans include objectives which are directly connected to achieving:

a) Service Standards as stipulated in collaboration with the RIC; and

b) Performance Benchmarks/targets based on the Section 6(1)(d) of the RIC Act.

Objective 2: Assessing the Effectiveness of the RIC in Promoting Greater Efficiency of Services in Public Utilities

Rate Review

3.2.1 The Committee noted the direct correlation between the operational efficiency of utility service providers and their financial sustainability. Without adequate financial resources it would be unreasonable to expect the service providers to achieve the desired level of efficiency in the disbursement of the essential services that they provide. In this regard, the RIC has been pursuing its mandate to conduct periodic reviews of electricity and water rates as is prescribed by Section 6 (1)(j) of the RIC Act.

3.2.2 Typically such reviews aim to reconcile the gap between operational costs involved in producing the services rendered to customers and the value of the services provided to customers. Section 6(1) (C) prescribes that the RIC is also responsible for:

> *Ensuring that […], as far as is reasonably practicable, that the service provided by a service provider operating under prudent and efficient management* ***will allow the service provider to earn sufficient return to finance necessary investment;***

3.2.3. The review of electricity and water rates which commenced in 2017 generated a significant amount of public discourse. The Committee took note of the public discourse in making its decision to undertake this inquiry.

3.2.4. The RIC advised the Committee that the rate reviews for WASA and TTEC commenced in September 2017. The target completion dates were June 2018 for T&TEC and August or September 2018 for WASA.

The Process Used for the Rate Reviews

3.2.5. The RIC informed the Committee that a rate review for a utility company is a rigorous and structured process. The RIC's Rate Review process involves the following:

- Business plans for the next five years were requested from the public utility;
- Based on the plans submitted, the officials of the respective utility company were interrogated. There is constant exchanges of communication until a document is produced that is agreed to by the RIC and the utility;
- These plans are then applied to the RIC's financial models –
    - First Model is the ***Revenue Model*** which is based on the revenue requirements of the utility. The model is able to prescribe the annual revenue the utility needs to support its operations over a five year period.
    - The second model that is applied is a ***Cost of Service Study*** – the annual revenue is applied to the requisite class of consumer which is converted to a percentage of operating cost per annum to which a specific class of tariff is assigned.

- When the rate adjustments have been finalized and approved internally by the Board, a draft would be published and there will be public consultations throughout T&T in April and May 2018 where the RIC will further engage the public.

3.2.6. The Committee probed the RIC on the rationale for the rate increase given the prevailing economic constraints confronting the country and given that some citizens receive poor service from the public utilities. For example, the unreliable supply of water to customers by WASA. In response, the RIC submitted that an increase in rates is justifiable because at present, the utilities cannot finance their activities. For example, T&T's electricity rates are the second lowest measured in US dollars, 'per kilowatt hour'.

3.2.7. In addition, in the case of WASA, an adjustment in its rates has not be implemented in 24 years. During its appearance before the Committee, WASA submitted that its operational costs have increased constantly since the last rate review and rate increase in 1993. WASA's management submitted that "tariffs

should cover the cost of service, including operation costs, and costs associated with capital investments".

3.2.8. In the execution of its mandate the RIC is required to ensure that the operations of the existing service providers are prudent and are governed by efficient and effective management. This should allow the service providers to gain significant returns to finance any required investments as stated in Section 6 (1) (c) of the Act.

Reason(s) Previous proposed Rate Increases were not implemented

3.2.9. The Committee sought an explanation from the RIC for the significant gap in the last rate review for WASA and the review which commenced in 2017. The Commission was unable to provide the reason(s) a rate increase was not implemented in the case of WASA since 1993. It was noted that in 2012 the RIC completed rate reviews for both WASA and T&TEC. The commensurate recommendations were forwarded to the Board of WASA but was not sent to the Ministry for approval.

3.2.10. The RIC reiterated that the implementation of rate adjustments was not its responsibility. The application of the RIC's recommended rate adjustments is within the remit of the Ministry of Public Utilities, the Utility provider and the Executive.

The role of the utility service providers in the Rate Review Exercise

Water and Sewage Authority

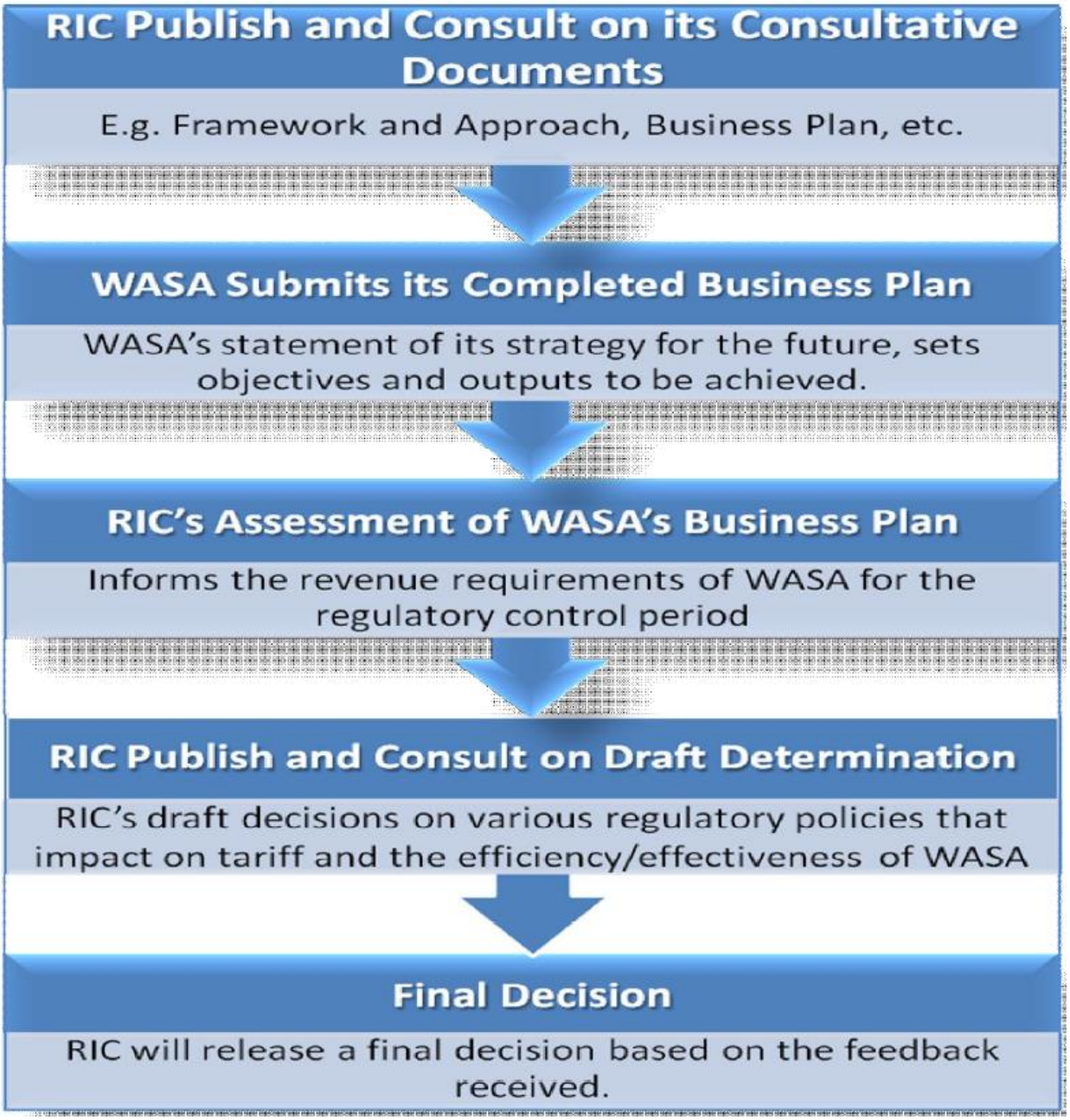
3.2.11. During the second public hearing which was convened on March 28th, 2018, WASA stated that it had procured the services of foreign consultants to assist with the ongoing rate review exercise. Through the assistance of the Inter-American Development Bank, Mr. Albert Gordon, was recruited to work for one year at a cost of $70,000 US. The consultant's period of services is set to expire in December 2018.

3.2.12. The Committee enquired whether a 'human resource rich' entity such as WASA lacked the skills and competencies to prepare a Business Plan and other documents required

for the rate review. The Authority's management submitted that the required skill sets were not internally available and therefore the services of the consultants were necessary.

3.2.13. The RIC reported that it experienced some delays in receiving the required information from WASA. WASA submitted a draft Business Plan to the RIC, however as at the date of the public hearing (March 28 2018) a final document had not been submitted to the Commission.

Figure 1 Summary of the RIC's Rate Review Process



Trinidad and Tobago Electricity Commission

3.2.14. In contrast with WASA, T&TEC possesses the internal capacity to prepare business plans and has submitted same for the consideration of the RIC. Arguably, TTEC was in a better position to deliver on this requirement having participated in a rate review within the last 10 years, whereas WASA's last rate review was approximately 24 years ago.

3.2.15. The Committee also learned that TTEC has created a Regulatory Department whose function is to (inter alia) provide the RIC with the information as the need arises. When asked about TTEC's plans for utilising the additional revenue it is expected to gain from a rate increase, the GM informed the Committee that firstly it would be used to pay its $900 M annual debt that T&TEC has incurred over the years. This money is owed to NGC for the cost of natural gas, resulting in $1.5B debt to NGC.

Imposing Sanctions on service providers

3.2.16. An essential prerequisite for operating effectively as a regulator is possessing the power to impose sanctions against service providers under your purview based on deviations from established rules or standards. Section 6(1) of the Regulated Industries Commission (RIC) Act No. 26 of 1998, empowers the RIC to prescribe standards for services for the entities under its purview, monitor these service providers to determine their compliance with the standards and impose sanctions for non-compliance.

3.2.17. Based on the written submission of the RIC, T&TEC has been subject to sanctions which have been conducted through a reimbursement system. This re-imbursement system penalty prescribed for T&TEC's non-compliance with the Quality of Service Standards pursuant to section 6 (1) (g) of the RIC Act, provides customers of the service providers with rebates on their bills. A similar regime will applied to WASA when its quality of service standards are published in the *Gazette*. Quality of Service Standards for the Supply and Distribution of Water and Wastewater Services – (Final Decision) were published by the RIC in December 2017 and the Codes of

Practice for Trinidad and Tobago Electricity Commission (T&TEC) (April 2018 – Final Decision)[12] were published by the RIC in July 2018.

Guaranteed and Overall Standards

3.2.18. According to the RIC QSS report "**Guaranteed standards** establish performance levels that the service provider must meet in serving individual customers. These standards attract compensatory payments if the service provider fails to meet the prescribed performance level. The **Overall Standards** cover areas of service where it is not appropriate or feasible to give individual guarantees, but where the expectation is that the utility will provide pre-determined, minimum levels of service."

Details of finalized QSS

3.2.19. The Committee noted that the RIC and WASA have finalized **guaranteed** service standards for the following aspects of WASA's service:

a. Implementation of Water Schedules (includes minimum periods of water supply and water pressure);
b. Restoration of Supply after Service Interruption;
c. Provision of Truck borne supply if mains supply is interrupted;
d. Time to repair to Water Service Connections (WSC);
e. Installation of new Water Service Connections (WSC);
f. Reconnection of supply after settling outstanding accounts or disconnection due to error;
g. Response to complaints;
h. Response to Poor Water Quality;
i. Compensatory payments for guaranteed standards.[13]

[12] http://www.ric.org.tt/codes-of-practice-for-trinidad-and-tobago-electricity-commission-ttec-april-2018-final-decision/

[13] Quality of Service Standards for the Supply and Distribution of Water and Wastewater Services – (Final Decision) 12/2017

3.2.20. The Committee noted that the RIC and WASA have finalized **overall service standards** for the following aspects of WASA's service:

a. Notification with respect to planned supply interruptions;
b. Metering;
c. Water Pressure;
d. Sewage effluent quality;
e. Repair to sewers;
f. Road restoration after pipeline works;
g. Claims for damage;
h. Making and Keeping appointments.[14]

3.2.21. Please see Appendix VII for a more detailed summary of the Quality of Service Standards for the Supply and Distribution of Water and Wastewater Services.

3.2.22. The Committee noted that the RIC and TTEC have agreed to **guaranteed service standards** for the following aspects of TTEC's services:

a. Restoration of supply after unplanned outage on the distribution system;
b. Billing punctuality. Time for first bill to be dispatched after service connection;
c. Reconnection of service after settling of overdue amounts of agreement on a payment schedule;
d. Making and keeping appointments;
e. Investigation of Voltage Complaints;
f. Execution of capital works and new connection of supply;
g. Payments owed under guaranteed standards.

[14] Ibid

3.2.23. The Committee noted that the RIC and TTEC have finalized **overall service standards** for the following aspects of TTEC's services:

i. Network Reliability;
ii. Responding to Meter Problems;
iii. Prior Notice of Planned Interruptions;
iv. Street Light Maintenance;
v. Response to Customer's Complaints/Requests (Written);
vi. Acknowledgement of receipt of claim under the Guaranteed Standards;

3.2.24. It should be noted that the RIC has proposed the removal of two of the existing Overall Electricity Standards (OES):

- **OES1-Frequency of Meter Reading; and**
- **OES2 - Billing Punctuality. Mailing of bills after Meter Reading,**

3.2.25. The RIC's rationale provided for the removal was the wide installation of Automatic Metering Infrastructure (AMI) (90% of T&TEC's network) and the high level of performance that TTEC has achieved in both standards over the duration of the QSS Scheme.

3.2.26. The Committee also noted that the QSS regime allows a utility to apply for an exemption (from honouring the Service Standards) for a specified period.

Enforcing of Service Standards

3.2.27. In terms of the enforceability of these standards, the Committee observed that each QSS report contains commensurate compensatory/reimbursement options for customers. These compensatory options become applicable when the actions or omissions of a utility deviated from the established standards. For example, should TTEC fail to restore a supply of electricity within 10 hours following an unplanned disruption in service, a customer is entitled to apply for a $60 reimbursement.

The RIC's performance in attending to Customer Complaints

Table 1 shows the number of complaints recorded against WASA and T&TEC for the period 2015 to 2017.

WASA

Complaint Category	**No. & % of Unresolved Complaints as at Dec 31, '17**	
Billing Query	25	8%
Inadequate Supply	24	8%
Interruption in Pipe Borne Supply	87	29%
Leaks	57	19%
Request for Service	28	9%
Request for Truck Borne Supply	14	5%
Road Restoration	32	11%
Other	32	11%
Total	299	

T&TEC

Complaint Category	**No. & % of Unresolved Complaints as at Dec 31, '17**	
Billing Query	5	3%
Damaged Appliances	10	7%
High / Low Voltage	13	8%
Lines - Removal/relocation/repair	13	8%
Poles - Removal & Relocation	8	5%
Power Outages	8	5%
Request for Service	8	5%
Street Lights - Repair & Installation	80	52%
Other	10	7%
Total	**155**	

Table 2 shows the status of complaints for the period 2008 to 2017

Service Provider	**Complaint Status**	**Total # Of Complaints**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
T&TEC	Total Complaints Received	5758	388	344	415	317	481	449	597	832	1025	910
	Total Complaints Resolved	4636	248	273	322	268	362	348	424	766	872	753
WASA	Total Complaints Received	24928	3501	3998	4150	1994	2776	2016	1789	1399	1394	1911
	Total Complaints Resolved	**21841**	**2887**	**3285**	**3784**	**1827**	**2414**	**1837**	**1631**	**1269**	**1261**	**1646**
	Total Complaints Received	**30686**	**3889**	**4342**	**4565**	**2314**	**3267**	**2469**	**2386**	**2231**	**2419**	**2821**
	Total Complaints Investigated and Resolved	**26477**	**3135**	**3558**	**4106**	**2095**	**2776**	**2185**	**2055**	**2035**	**2133**	**2399**
	Resolution Rate	86%	81%	82%	90%	91%	85%	89%	86%	91%	88%	85%

3.2.28. The Committee enquired about the arrangements in place for settling differences in opinions between the RIC and a Service Provider based on a customer complaint. The Committee noted that Section 53(1) of the RIC Act provides that the RIC:

"*on its own motion or in consequence of a complaint made by any person in respect of-*

a) the rate charged for a service;

b) a disputed billing for a service; and

c) the standard or condition of a supply of a service,

review such complaint or any other matter related to its powers, duties or functions under this Act and where it thinks fit, consult with the parties concerned."

3.2.29. "Consumers" or "complainants" are first required to refer their complaint to the Service Provider so that the Service Provider may have the opportunity to resolve the issue. If at the end of the Service Provider's complaint process the consumer or complainant has failed to receive redress, the said consumer or complainant may lodge a written complaint with the RIC regarding the particular issue.

3.2.30. The RIC advised that it would investigate and give its views and opinions, that is "a ruling" on the issue, and will convey its decision to the utility. However**, the utility is not obligated to follow the RIC's guidelines.** The Committee considers this as a gap in the RIC's regulatory powers which should be rectified

Table 3: Status of Complaints Filed With the RIC

Status (as at end of 2017)	
Number of complaints received	3170
Number of complaints withdrawn	2
Number of complaints resolved	2714
Resolution rate	85%
Total number of complaints outstanding	454

Implementation of New Technologies

3.2.31. Another means by which the quality of services rendered by the public utility companies can be improved is through the application/incorporation of new and advanced technology into their operations. The Committee briefly examined the extent to which the RIC has encouraged or facilitated the transformation of the public utilities sector by promoting an expansion in the use of technology. In this regard, the Committee noted that the Commission has exercised limited influence in this area.

3.2.32. In relation to having TTEC generate electricity via renewable sources, the Committee heard from TTEC that given that its production model involves the use of low priced and readily available natural gas, investing in renewable energy sources is not economically feasible at this time. TTEC explained that the economies of scale or savings which may accrue from wind or solar energy would be minimal in comparison with the current cost of generating electricity with natural gas. Additionally the cost of expanding into renewable energy, which would include significant capital investments, will outweigh the expected benefits. The disincentive to invest is renewables is further accentuated by the fact that TTEC is currently producing 400 megawatts of surplus electricity.

3.2.33. Notwithstanding these unfavourable prospects, T&TEC informed the Committee that it is working with the Ministry of Energy and Energy Industries to developed renewable energy policies.

Promoting operational efficiencies within public utilities

3.2.34. Of serious concern to the Committee was the cost of production incurred by both utilities. It was evident that high production costs which were inflated partly by labour and administrative costs have rendered both WASA and TTEC as financially unsustainable. In the case of TTEC, the Committee was informed that the cost of generating one unit of electricity is approximately 45 cents, whereas a unit was being sold for an average of .26 cents, .32 cents and .37 cents to residential, business and industrial customers respectively. It was axiomatic to the committee, that the existing situation whereby TTEC has a comparatively high cost of production and one of the lowest electricity rates in the world was untenable and must be urgently addressed.

3.2.35. The situation at WASA is similar and arguably more challenging. During the public hearing held on March 28 2018, the management of WASA advised the committee that the authority has plateaued due to a combination of issues including: water wastage, low water rates, high operational costs and little to no investment in the maintenance of existing infrastructure.

3.2.36. The committee contemplated the extent to which the RIC could be held wholly or partially responsible for the inefficiencies in the operations of WASA and TTEC. Further to the evidence received and a review of the records of the RIC, the committee found that it was reasonable to conclude that the RIC has been executing the majority of its functions as prescribed by Section 6 of the RIC Act. The Committee noted that the RIC has conducted performance reviews for each utility on an Annual basis along with other sector specific assessments. It would therefore be unreasonable to suggest that the operational challenges confronting the two major utility companies is as a result of the dereliction of duty by the RIC.

3.2.37. With reference to Section 24 of the RIC Act, the committee noted that the Ministry of Public Utilities is required to facilitate the implementation of a Consumer Service Committee (CSC), however the Committee . However, the Committee was informed by the Permanent Secretary that a CSC has not been established. However in its stead, a Monitoring and Evaluation Unit within the Ministry has been ensuring that the deliverables of line agencies are being completed. Notwithstanding, the need for the CSCs, the Ministry did not give an undertaking to ensure the implementation of same.

Findings and Recommendations

Based on the evidence set out in this section the Committee concluded as follows:

i. The RIC and the utility providers presented a strong argument which suggested that an increase in customer rates was an imperative and an essential prerequisite for improving the operations of the public utilities and by extension the standard of service rendered to their customers/clients.

ii. The RIC has demonstrated that it is adequately equipped to successful conduct rate reviews. However, the Committee noted that progress in that regard was also dependent on the input of the public utilities. The Committee was seriously concerned with the delays on the part of WASA in submitting its Business Plan

and other related documents to the RIC. We trust that given the lapse in time since the Committee met with WASA, the necessary information/material would have been supplied to the RIC;

iii. It is unacceptable that *Quality of Service Standards for the Supply and Distribution of Water and Wastewater Services* have not been implemented in this country. Urgent action ought to be taken by WASA and its line Ministry to facilitate the application of these standards and avoid the unfortunate delays of the past;

iv. Although the RIC has a significant role to play in the transformation and modernization of the public utility services in this country, it may be unreasonable to chastise the RIC for the prevailing inefficiencies in the operations of WASA and TTEC, since in most part, the RIC has executed or is in the process of executing its key responsibilities as prescribed by the Act. The management of WASA and TTEC, along with the Ministry of Public Utilities must also make significant strides to achieve the operational transformations that are required to modernize and optimize the delivery of utility services in Trinidad and Tobago.

v. Over a ten year period (2008-2018) the RIC has achieved an 80% complaints resolution rate as it relates to complaints made against TTEC and an 88% resolution rate in the case of complaints pertaining to WASA. The Committee also noted that in comparison with TTEC, WASA had 19,000 more complaints regarding the quality or standard of its services. Although the commodities produced by the two utilities vary, the significant number of complaints made to the regulator against WASA cannot be ignored and should be considered a clear indicator of significant shortcomings in WASA's ability/capacity to provide an adequate response to customer needs.

vi. With respect to the RIC's authority to impose sanctions on service providers, the Committee considers this to be an area for further examination and development. It appears that at present, utility service providers have discretion to accept or

reject the "rulings" and or opinions of the RIC in relation to the resolution of customer complaints.

vii. The RIC's communication strategy contains some commendable elements. These include the Commission's:

a) website which we observed in populated with a variety of relevant and useful publications; and

b) Social Media activities, which include the reposting or publishing of content relating to the operations of the service providers under its purview.

Recommendations

i. The MPU must play a more proactive role in facilitating the implementation of pending rate adjustments.

ii. The MPU must act with alacrity to ensure that the QSSs for WASA are implemented within fiscal 2018/2019. Ideally these standards should take effect before the implementation of any proposed rate adjustments so that the population may understand the benchmarks that WASA's performance will be held against relative to a possible rate increase.

iii. A Standing inter-agency committee comprising representatives of the RIC, Ministry and the public utilities should also be created. The mandate of this committee should include *inter alia:*

a. The monitoring of the implementation of policies related to the development/improvement of the public utilities sector;

b. Consideration and proposal of legislative amendments relevant to the public utilities sector;

iv. **The Committee recommends that WASA and T&TEC publish information on their operational costs. Disclosing this information may assist the utilities' clients to better understand the significant costs and resources associated with providing these subsidized services.**

v. **Given the myriad of operational challenges which are confronting WASA, we recommend that performance benchmarks for WASA be moderated taking into consideration the "Authority's" operational shortcomings. Clear and concise KPIs together with commensurate timeframes for the attainment of performance standards must be formulated for WASA with the RIC's assistance.**

vi. **The Committee strongly recommends that the RIC continues to engage in digital communication. In the age of social media, the RIC should seek to promote online feedback and create a system that can facilitate the electronic submissions of complaints and suggestions.**

Objective 3: To determine the adequacy of the current legislative framework governing the operations of the RIC.

Legislative Review

3.3.1 During the public hearing and within its written submission, the RIC underscored the importance of strengthening its powers under the Act. As such, the RIC produced a document highlighting suggested amendments to strengthen its regulatory ability. Details of these recommended amendments are stated at Appendix VII.

3.3.2 The broad areas for legislative strengthening which were proposed by the RIC are as follows:

- strengthening and broadening the complaints redress process and to provide for a customer complaints resolution process;
- improving regulatory oversight to ensure that rate setting mechanisms are well defined;
- providing more effective compliance and enforcement provisions of the RIC Act which can range from administrative action to statutory sanctions;
- expanding the provisions concerning the issuing of licenses. At present, the MPU is responsible for issuing licenses for entities that would have been established after the Act;
- providing for matters pertaining to competition, the Fair Trading Act and appeals;
- amending the First Schedule of the Act to include other Service Providers;
- amending the Second Schedule of the Act to include other Services.

3.3.3 In relation to the strengthening of the RIC's complaints system, the following recommendations were submitted to the Ministry:

- Revision of the RIC Act;
- Broadening the scope of complaints;
- Issuance of regulatory instruments; and
- Discretion to investigate matters, enforce decisions and mechanisms for appeals.

Findings and Recommendations

Based on the evidence set out in this section the Committee concluded as follows:

i. There is significant merit in the amendments proposed by the RIC to be made to the Act. We expect that the line Ministry, in collaboration with the Ministry of the Attorney General and Legal Affairs, will take prompt action to facilitate the necessary modifications to the Act.

ii. The Committee took particular note of the following gaps in the statutory framework:

   a. service providers have a discretion as it concerns the implementation of recommendations of the RIC arising out of customer complaints. We suggest that the RIC's recommendations in relation to action to be taken by service providers should be compulsory. However, this power should be qualified by certain justifiable caveats;

   b. the absence of sanctions to provoke or encourage a higher level compliance among service providers;

iii. A licensing framework has not been established to inform the processes and procedures in treating with the licensing of service providers. It was noted that this was one of the deliverables of the RIC for the last fiscal year. However at the

public hearing held on February 02 2018, the MPU reported that limited progress was made by the RIC on this matter.

iv. Fostering greater public confidence in the complaints resolution procedures of the RIC must be a major priority for the RIC during fiscal 2018/2019. Should an increase in utility rates be approved by the Executive, it is anticipated that customers will demand a higher level of service from the utilities. This in turn may translate into a higher volume of public complaints being lodged with service providers and the RIC. .

Recommendations

i. Modifying the RIC's legislation framework should coincide with the proposed rate adjustments as we anticipate that an upward movement in utility rates will result in a greater public demand for accountability from both service providers and the RIC. In this regard, we recommend that in the Ministerial Response to this report, the MPU provide the Parliament with a clear and concise plan of action for facilitating the necessary legislative adjustments to the RIC Act.

ii. Additionally, supporting policies and procedures must be formulated to assist with the effective implementation of the proposed legislative modifications. These would include:

- **a. Guidelines on the licensing process;**
- **b. Revised guidelines on the complaints resolution process; and**
- **c. Policies to encourage greater community involvement in monitoring the services provided by service providers.**

iii. The Committee strongly suggests that the issuing of licenses become a collaborative effort between the RIC and the MPU in order to facilitate communication and boost the effective regulation of newly licensed entities.

iv. **There is an increased need for regulatory certainty, where clarity over the respective roles of Government and the regulator, as well as the independence of the regulator from political influence, are important components which must be specifically defined in the Act[15].**

The Committee respectfully submits the foregoing for the consideration of the Parliament.

Ms. Ramona Ramdial, MP
Vice-Chairman

Dr. Lovell Francis, MP
Member

Mr. Esmond Forde, MP
Member

Mr. Darryl Smith, MP
Member

Ms. Khadijah Ameen
Member

Mrs. Jennifer Baptiste-Primus
Member

Mr. Nigel De Freitas
Member

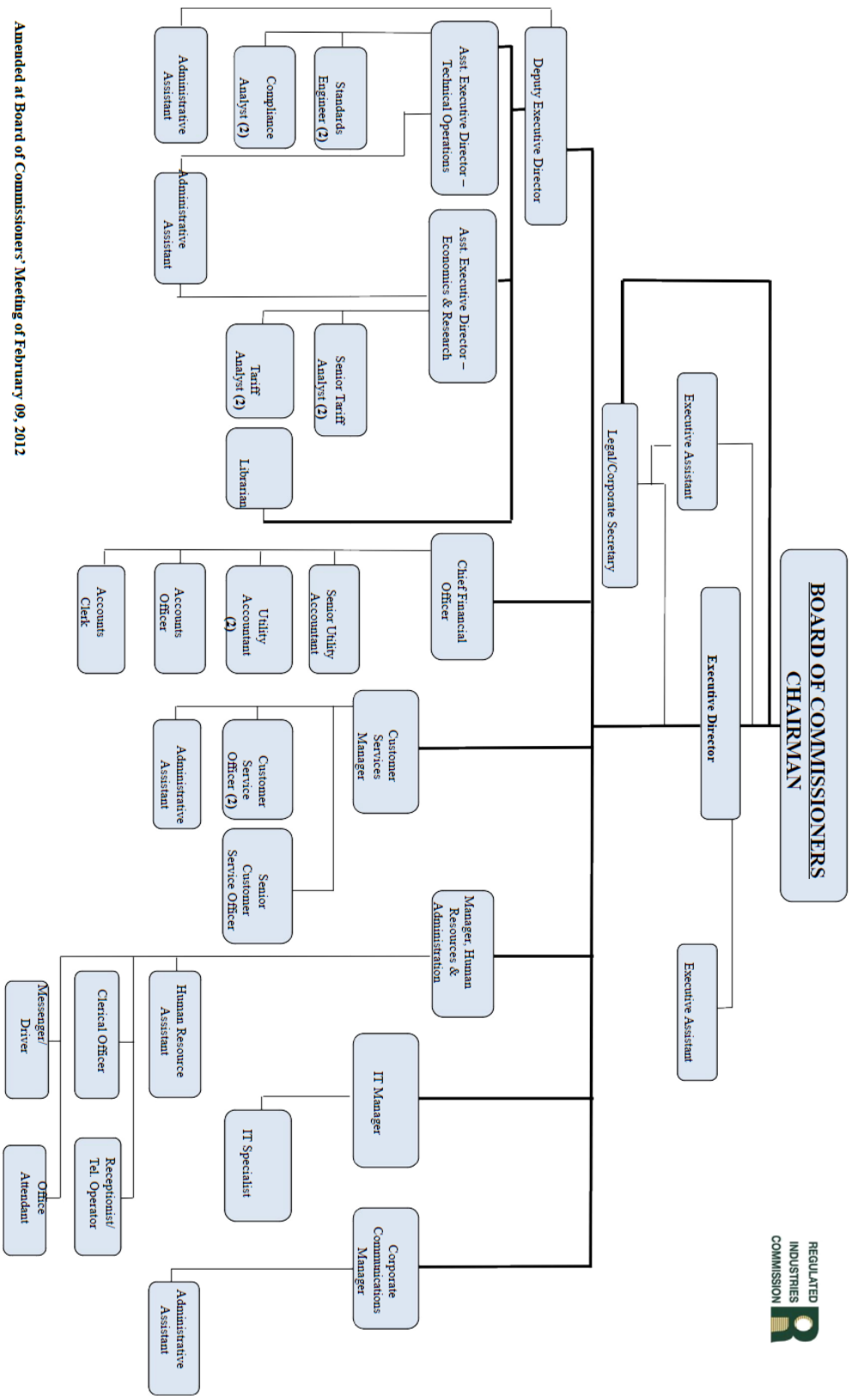
October 30, 2018

[15] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/48134/2151-ofgem-review-final-report.pdf

Appendices

Appendix I

Organisational Chart of the RIC



Amended at Board of Commissioners' Meeting of February 09, 2012

Appendix II

Complaints Process

Based on the submission of the RIC the processing of submitted complaints as follows:

- A preliminary assessment of the information is conducted to determine if the matter is within the purview of the RIC and there is sufficient information to process the complaint. The information is recorded on the RIC's Complaints Management Database.
- The information provided is thoroughly reviewed by the RIC. If necessary, additional information may be requested from the Service Provider to clarify the issue.
- If so, an onsite investigation (to the complaint location) or visit to the Service Provider's office to interview officials or review records may be necessary. If the complaint is complex and or technical in nature, the Customer Service Officers will seek the assistance of other departments within the RIC to obtain the necessary technical advice or opinion for consideration.
- Based on the information collected from the investigation and or the review, the Customer Service Officer will prepare an appropriate letter to the Service Provider which will be forwarded to the Service Provider for action and feedback.
- The Customer Service Officer will keep the complainant informed of all steps taken by the RIC in facilitating redress.
- Based on the Service Provider's response/feedback the Customer Service Officer will objectively assess each response and forward to the appropriate department within the RIC for consideration.
- The RIC may accept the decision taken by the service provider to resolve the complaint and a response will be forwarded to the complainant indicating the reason(s) for the position taken.
- Where the RIC is of the view the Service Provider's decision is unjustified, the RIC would provide cogent arguments to substantiate its position and request that the Service Provider take appropriate action to resolve the complaint.
- In some instances, the RIC may facilitate mediation as an option to achieve an amicable resolution between both parties. However, mediation would only be facilitated by the RIC upon mutual agreement of both the complainant and Service

provider and in keeping with the Mediation Act.

- If a complainant is dissatisfied with the outcome or quality of service obtained from the Customer Services Department (CSD), he/she is entitled to have the matter escalated to RIC's Executive Director for resolution of the complaint.
- If a complainant is dissatisfied with the outcome obtained from the Executive Director, he/she is entitled to have the matter escalated to the RIC's Board of Commissioners for resolution of the complaint.
- In the event that the RIC is unable to resolve the complaint by facilitating relief, the RIC will in those circumstances, advise the complainant of his/her right to refer the complaint to any other competent body in the circumstances, such as the High Court.

Appendix III

List of Officials

The following officials appeared before the Committee:

Ministry of Public Utilities (MPU)

- Ms. Beverly Khan — Deputy Permanent Secretary
- Ms. Anika Sarah Farmer — Director, Legal Services
- Ms. Gale Dulal — Electrification Sector Specialist
- Mrs. Sarah-Jade Govia — Water Sector Specialist

Regulated Industries Commission (RIC)

- Dr. Hyacinth Guy — Chairman
- Dr. James Lee Young — Executive Director
- Ms. Carol Balkaran — Deputy Executive Director
- Ms. Nadia J.A. John — Legal/Corporate Secretary

Trinidad and Tobago Electricity Commission (T&TEC)

- Mr. Keith Sirju — Chairman
- Mr. Kelvin Ramsook — General Manager
- Mr. Cortenay Mark — Asst. General Manager-Engineering
- Mr. Neil Balgobin — Chief Financial Officer
- Mr. Gerard E. Rodriguez — Head Corporate Services, (Ag.)
- Ms. Annabelle Bransnell — Corporate Communications Manager

Water and Sewage Authority (WASA)

- Mr. Romney Thomas — Chairman, Board of Commissioners
- Dr. Ellis Borris — Chief Executive Officer
- Mr. Dion Abdool — General Counsel & Corporate Secretary
- Mrs. Denise Lee-Sing Pereira — Director, Programmers & Change Management
- Mr. Sherland Sheppard — Director, Operations
- Mr. Alan Poon-King — Director Customer Care
- Ms. Rachelle Wilkie — Director Finance

Appendix IV

Training undertaken by RIC Staff

Training Programmes undertaken by Staff and Commissioners are as follows:

2015

Legal Department:

Professionally Accredited Corporate Secretary Workshop

Economics & Research Department:

Good Regulatory Practice
Renewable Energy - -Net Metering and Value of Solar
Pricing for Sustainability
Energy Assessment
Advanced Excel

Technical Operations Department:

Regulatory Impact Analysis
Supervisory Skills
Conducting Performance Appraisals

Finance Department:

Forensics of Cybercrime
Advanced Excel

Corporate Communications Department:

Business Protocol

Human Resources and Administration:

Electronic Records Management

2016

Economics & Research Department:

Competition Law – Levels 1 & 2
Regulatory Impact Analysis
Energy Loss in Electric Power Systems
Sustainable Energy Designs/Policies
Macroeconomic Forecasting

Technical Operations Department:

Renewable Energy
Water Supply and Sanitation Utility reform
Evaluation of Energy Loss in Electric Power Systems
Regulation of the Electricity Sector

Finance Department:

Regulation of the Electricity Sector

Technical Report Writing and Presentation Skill

2017

Legal Department:

International Regulatory Affairs

Economics & Research Department:

Regulatory Impact Analysis
Advanced Rate Setting
Utility Tariffs – Determining Revenue/Structuring Rates
Regulation of the Electric Sector
Competition Law - Level 3

Technical Operations Department:

Business Process Mapping

Finance Department:

Regulatory Impact Analysis
Advanced Rate Setting
Utility Tariffs – Determining Revenue/Structuring Rates
Regulation of the Electric Sector
Business Process Mapping

HR and Administration Department:

Effective Business Writing

Corporate Communications Department:

Strategic Corporate Communications

Commissioners:

Regulatory Impact Analysis

Appendix V

Minutes

MINUTES OF THE 20TH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS, STATUTORY AUTHORITIES (INCLUDING THE THA) HELD IN THE ARNOLD THOMASOS ROOM (WEST) LEVEL 6 AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF THE PARLIAMENT, TOWER D, 1A WRIGHTSON ROAD, PORT OF SPAIN ON FRIDAY FEBRUARY 02, 2018

PRESENT

Members

Mr. H. R. Ian Roach	Chairman
Ms. Ramona Ramdial, MP	Vice-Chairman
Dr. Lovell Francis, MP	Member
Mr. Esmond Forde, MP	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Ms. Simone Yallery	Legal Officer
Ms. Terriann Baker	Graduate Research Assistant

ABSENT/ EXCUSED

Mr. Darryl Smith, MP	Member (Excused)

Those who appeared in public are as follows:

The Officials of the Regulated Industries Commission (RIC)

Dr. Hyacinth Guy	Chairman
Ms. Nadine John	Legal Corporate Secretary
Dr. James Lee Young	Executive Director
Ms. Carol Balkaran	Deputy Executive Director
Mr. Ricardo Borde	Deputy Director
Mr. Vinodatt Lutchman	Commissioner
Mr. Dexter Joseph	Commissioner

The Officials of the Ministry of Public Utilities

Mr. Gary Joseph	Permanent Secretary (Ag.)
Ms. Anika Farmer	Director, Legal Services
Ms. Camille Quamina	Senior Planning Specialist

CALL TO ORDER

1. The Chairman called the meeting to order *(in camera)* at 9:46 a.m.

2. The Chairman informed Members that Mr. Smith, asked to be excused from the meeting.

CONSIDERATION OF THE MINUTES OF THE 19th MEETING HELD ON JANUARY 19, 2018

2.1 The Chairman asked Members to examine, page-by-page, the Minutes of the Meeting held on January 19, 2018.

2.2 There being no corrections or omissions, the Minutes were confirmed on a motion moved by Mr. N. De Freitas and seconded by Mrs. J. Baptiste-Primus.

MATTERS ARISING FROM THE MINUTES

3.1 There being no matters, the Chairman moved on to next item of business.

PRE-HEARING DISCUSSIONS ON THE INQUIRY INTO THE EFFICIENCY AND EFFECTIVENESS OF THE REGULATED INDUSTRIES COMMISSION (RIC)

4.1 The Chairman advised Members that officials from the Regulated Industries Commission and the Ministry of Public Utilities will be appearing before the Committee today.

4.2 The Chairman informed Members that copies of the pre-hearing submissions from both entities were forwarded to members via email and hard copies of the Issues Papers and all documents received were packaged and circulated to Members.

OTHER BUSINESS

The Date and Agenda of the Next Meeting

5.1 The Committee agreed that the next meeting will be an in-camera meeting on Wednesday February 28, 2018 and the next public hearing will be further to an inquiry into certain aspects of the operations of the Water and Sewerage Authority (WASA).

The meeting was suspended at 9:55 a.m.

PUBLIC HEARING WITH OFFICIALS OF THE REGULATED INDUSTRIES COMMISSION (RIC) AND THE MINISTRY OF PUBLIC UTILITIES

6.1 The Chairman reconvened the meeting *(in public)* at 10:15 a.m.

6.2 Introductions were made.

6.3 The Chairman then invited the officials to make an opening statement:

a) The PS highlighted the following issues:-

- the RIC is an independent regulatory agency;
- it is the economic regulator for the utilities sector;
- its core functions and responsibilities;
- its fundamental role in ensuring that all of its consumers (i.e. residential, business and industrial) have access to a reliable supply of water, electricity and wastewater services;
- the Ministry's role, which is to ensure that the RIC meets its statutory obligation;
- the Ministry's reporting and monitoring framework; and
- the improvements that the RIC should make in terms of its standards of service delivery.

b) The Chairman of the RIC highlighted the following:

- that the current Board was established on February 26, 2016;
- the Commission's main responsibilities are to review rates for service providers and to monitor and investigate the service standards of public utilities;
- the RIC protects the interests of utility consumers through prudent regulatory decisions; and
- The Commission ensured a smooth transition from the former Board to the current by continuing the implementation of the strategic plan and resolving staffing issues.

6.4 The following issues arose from the discussions held with the officials:

i. **Rate Reviews for WASA and TTEC**

The Chairman of the RIC advised the Committee that the rate reviews for WASA and TTEC commenced in September 2017. The target completion dates are June 2018 for T&TEC and August or September 2018 for WASA.

The Process Used for the Rate Reviews

The RIC informed the Committee that the rate review exercise is a very rigorous and structured process. The Executive Director advised that all documents submitted by the utilities are made published via social media and the placed on the RIC's website. The RIC's Rate Review process is as follows:

- Business plans for the next five years were requested from the public utility;
- Based on the plans submitted, the officials were interrogated based on the submission made, there is constant communication until a document is produced that is agreed to by the RIC and the utility;
- These plans are then applied to the RIC's financial models –
    - First Model is the Revenue Model which is based on the revenue requirements of the utility. The model is able to prescribe the annual revenue the utility needs to support its operations over a five year period.

    - Cost of Service Study – the annual revenue is applied to the requisite class of consumer which is converted to a percentage of operating cost per annum to which a specific class of tariff is assigned.

- When the rate increase have been finalized and approved internally by the Board, a draft would be published and there will be public consultations throughout T&T in April and May 2018 where the RIC will further engage the public.

ii. **Reasons for a Rate Increase**

a) The Chairman sought to ascertain the reason(s) for a rate increase although some citizen receive poor service from the public utility services, for example the Water and Sewerage Authority. In response, the RIC submitted that one of the main reasons is that the Authority cannot finance its activities. The Executive Director recognized that there was an issue with poor customer service by WASA but there has not been a rate review in 25 years. WASA's operational costs have increased constantly since the last rate review and rate increase in 1993. WASA's current customer base cannot be supported by its current revenue.

b) Reason(s) Previous Rate Increase was not Done

The Chairman informed the Committee that a rate increase was done for T&TEC in 2006 that covered the period 2006 to 2011. However, the current Commission is unable to provide the reason(s) a rate increase was not done for WASA since 1993. It was noted that in 2012 the RIC completed rate reviews for both WASA and T&TEC that were forwarded to the Board but not sent to the Ministry for approval.

iii. **Integration of New Technology**

a) The Committee enquired whether the public utilities have sought to capitalize on existing technology to assist in the reduction operational costs, for example the use of solar power by T&TEC. The PS advised that new technology would be incorporated into the system going forward but cautioned that it was a costly undertaking. He also advised that T&TEC has used solar power and has considered other forms of renewable energy. The PS also informed the Committee that renewable energy is on the legislative agenda for consideration. It was noted that to date no entity has approached the RIC for a licence to produce renewable energy.

b) Incentives in the Renewable Energy Sector

The Executive Director informed the Committee that the Ministry of Energy and Energy Industries is spearheading the Renewable energy initiative. Currently there are two incentives:

- Feed In Tariff – this allows the customer to install solar panels and the surplus is 'fed back' on the grid.
  The RIC is working in collaboration with the MEEI on this incentive.
- The second initiative is by the MEEI to fulfill the terms of the Paris Accord which requires each signatory nation to have 10% of its generating capacity from renewables by 2021.

c) Legislation to Support the Renewable Energy Sector

The Executive Director advised the Committee that the proposed amendments to the RIC Act were forwarded the line Ministry in November 2016. The Legal Advisor to the Ministry stated that the review was completed in July 2017 and the reason for the delay was the Ministry had to streamline its strategic plan and its legislative objectives. However, priority was given to certain areas of legislative agenda including renewable energy.

iv. **The RICS's Strategic Plan**

a) The Strategic Plan covers the period 2016 to 2019, the Chairman of the board informed the Committee that the plan was completed and was being implemented. The Commission reviews its targets annually to ensure they were met. The strategic goals and objectives were assigned to management and staff for operationalization.

b) Staffing at the RIC

The RIC stated that through the implementation of its strategic plan the Commission was able to hire the requisite staff including the Executive Director and a Deputy Executive Director. Currently there are seven vacancies that exist and they are expected to be filled soon. There are plans to fill these positions internally through staff development once the persons attain the required level of competency.

v. **The Global Rate Average**

The Committee enquired whether the RIC conducted a comparative research study to ascertain whether the rates currently charged are above or below the global average. The Chairman, RIC advised that the research was completed and published, she further indicated that T&T's electricity rates are the second lowest measured in US dollars, *'per kilowatt hour'*.

vi. **How is Customer Satisfaction Evaluated?**

a) The Chairman of the RIC stated that quality of service standards are monitored through its Customer Service Department where complaints are lodged and then investigated by the RIC but not through customer surveys. There is a service standard for T&TEC which was developed by both

organisations whereby customers have a form of redress if T&TEC fails to meet certain standards. A similar framework was developed for WASA to be implemented soon. It is currently under review at the line Ministry.

b) Legislative Requirements of the RIC

When questioned further by the Chairman as to whether the RIC needs more statutory powers to be more effective in executing its mandate. The Chairman, RIC advised that the Commission was desirous of strengthening its legislative framework in order to enforce its service standards and thereby issue sanctions to public utilities for shortcomings in service.

vii. **Modernization of the Public Utilities Sector**

The PS indicated that there are plans to modernize the sector and was advocated by the Minister since he took office. He indicated that the Ministry has embarked on consultations with respective agencies to have a plan done. The plan will also be aligned to the National Strategic Plan 2030.

The Committee questioned whether there were immediate plans or whether any work is being done to alleviate the challenges persons encountered in certain communities to receive water. The PS stated that WASA has taken certain initiatives to encourage customers to make reports so that issues can be addressed in a timelier manner. These include new digital app which facilities the reporting of leaks and water shortages and there is a Rapid Response Team to treat with repairs.

viii. **Time Period for a Complaint to be Addressed by RIC**

The Executive Director informed the Committee that the RIC has a resolution rate of approximately 85%, there are 400 to 500 complaints per month. These complaints are addressed immediately. Most of the time is spent liaising with the utility to get the necessary information. In 2017, there were 200 to 300 complaints that were carried over into 2018.

ix. **The Possibility of a Metering Programme for WASA's Customers**

The Executive Director advised that the metering of customers is currently under consideration, however it is a very expensive process to implement. The Committee was also informed that most of WASA's industrial customers were already metred to ensure accuracy, as they utilize larger quantities of water. Whereas with residential customers the wastage is not as much.

x. **Difference between the Consumer Service Committee, MPU and the Customer Service Department of the RIC**

The PS that to date the Ministry has not established any Consumer Service Committees.

The PS indicated that although the Committee is not established there is a fully staffed Monitoring and Evaluation Unit at the line Ministry responsible for ensuring the deliverables of the Work Programmes of the line agencies are met. He stated further that the complaint system used by the RIC was very effective.

xi. **Status of RIC Recommendations to the Ministry**

Some of the recommendations made by the RIC to the Ministry are: Revision of the Act to give the RIC more authority to enforce its recommendations; broadening the scope of its investigations and greater discretion in the conduct of its investigations.

xii. **Funding of the Regulated Industries Commission**

The RIC is fully funded by the CESS Programme, i.e. its service providers are required to ascribe a portion of its revenue to the RIC. The total is between $16M to $17M annually and it is satisfactory as the Commission is able to meet all its needs with its funding.

xiii. **Submission of Annual Reports**

The Chairman pointed out that the RIC was in breach of Section 34 of the Act which prescribes that its annual Reports and financial statements must be submitted within the stipulated period. In reply, the informed the Committee that it has recently completed the 2013 Annual Report and is in the process of

completing the year 2014. With regard to its financial statements, 2014 was completed and the audit for 2015 is being done. The Commission indicated that by the end of the year all outstanding reports will be completed.

xiv. **The RIC 's ability to Promote Competition within the Sector**

The only competition that exists is in the power generation sector. The entities involved in power generation include: T&TEC with Cove, Tobago; PowerGen plants in Pt. Lisas and Penal. There are also two private businesses that are not licensed as such they cannot be regulated by the RIC - Trinity Power and Trinidad Generation Unlimited. There is no legal framework to address this lacuna. The officials were unable to clearly state who was at fault for not addressing this critical error sooner. The Legal Advisor to the Ministry indicated that the issue was referred to the Ministry by the RIC last year. The Committee was informed that both the RIC and the Ministry will meet in mid–February 2018 to determine the framework required.

xv. **Who Determines when the Revised Rates will be Implemented?**

The implementation of proposed rate adjustments are determined by the utility and its shareholders, the RIC's mandate is to set the rates. The Committee sought to ascertain whether the Ministry thought it would be prudent during these economic times to implement a public utility rate increase. The PS advised that the Ministry would not circumvent the work of an independent body such as the RIC and when the process is completed further discussions will be held.

xvi. **Benchmarks and Regulatory Frameworks used by the RIC**

The RIC refers to both internal and regional regulatory frameworks and Standards to guide its operations. The international regulatory frameworks used were from the UK and Australia whilst within the Caribbean region the RIC is a member of the Caribbean Utility Regulators (OCUR) as such relationships were formed with the Barbadian, Jamaican and Guyanese regulators.

6.5 The Chairman thanked the officials for their attendance and invited the officials from the RIC and the Ministry of Public Utilities to make closing statements.

ADJOURNMENT

7.1 The Chairman thanked all present for attending.

7.2 The meeting was adjourned at 12:09 p.m.

I certify that the Minutes are true and correct.

Chairman

Secretary

February 27, 2018

Appendix VI

Verbatim Notes

VERBATIM NOTES OF THE 20TH MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA), HELD IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR (IN PUBLIC), TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON FRIDAY, FEBRUARY 02, 2018 AT 10:15 PM.

PRESENT

Mr. H.R. Ian Roach	Chairman
Miss Ramona Ramdial	Vice-Chairman
Dr. Lovell Francis	Member
Mr. Esmond Forde	Member
Mr. Nigel De Freitas	Member
Mrs. Jennifer Baptiste-Primus	Member
Miss Khadijah Ameen	Member
Mr. Julien Ogilvie	Secretary
Miss Simone Yallery	Legal Officer
Miss Terriann Baker	Graduate Research Assistant

ABSENT

Mr. Darryl Smith	Member [*Excused*]

OFFICIALS OF THE REGULATED INDUSTRIES COMMISSION

Dr. Hyacinth Guy	Chairman
Ms. Nadia J.A. John	Legal/Corporate Secretary
Dr. James Lee Young	Executive Director
Ms. Carol Balkaran	Deputy Executive Director
Mr. Vinodatt Lutchman	Commissioner
Mr. Dexter Joseph	Commissioner

OFFICIALS OF THE MINISTRY OF PUBLIC UTILITIES

Mr. Gary Joseph	Permanent Secretary (Ag.)
Miss Anika Sarah Farmer	Director, Legal Services
Ms. Camille Quamina	Senior Planning Specialist

Mr. Chairman: Good morning, ladies and gentlemen. Good morning to the viewing public of Trinidad and Tobago. I would like to welcome you the viewing public and listening audience to the 20th meeting of the Joint Select Committee on Local Authorities, Service Commissions & Statutory Authorities (including the THA).

This morning the Committee would meet officials of the Regulated Industries Commission, otherwise known as RIC, and the Ministry of Public Utilities, which is the line Ministry to the regulated body.

Members of the listening public and viewing audience are invited to post or send their comments, via the Parliament's various social media platforms, that is Facebook, YouTube and Twitter.

My name is H.R. Ian Roach. I am the Chairman of this Committee and I would invite members, starting on my right, to introduce themselves to you.

[*Introductions made*]

Mr. Chairman: Thank you very much, members. I will now ask members of the Regulated Industries Commission to introduce themselves, starting with the Chairman.

[*Introductions made*]

Mr. Chairman: Thank you very much. Would the Ministry of Public Utilities, starting with the Permanent Secretary, introduce themselves please.

[*Introductions made*]

Mr. Chairman: Thank you very much all. At this point in time, I would like to invite the Acting Permanent Secretary to make a brief opening statement followed by Dr. Hyacinth Guy, Chairman of the Regulated Industries Commission.

Mr. G. Joseph: Good morning, Chair and members of the Committee. Thank you

for the opportunity to give brief opening remarks.

As you are aware, the Regulated Industries Commission is the economic regulator for the utilities sector. Through its governing legislation, the Regulated Industries Commission Act, Chap. 54:73, the RIC is responsible for the regulation of: one, the supply and distribution of electricity, supply and distribution of water; and the provision of sewerage and wastewater services.

By virtue of section 6(1) of the Regulated Industries Commission Act, its core function and responsibilities include: the prescription and publication of service standards for the utilities sector and the monitoring of compliance for the standards by regulated utilities service providers; the establishment of the principles and methodologies by which service providers determine rate for services and the monitoring of the rates charged by service providers to consumers to ensure compliance with the principles that it sets for the determination of rates; the conduct of periodic reviews of rating regimes for regulated utilities; the investigation of complaints by consumers of their failure to obtain redress from service providers in respect of rates, billings and unsatisfactory service; and the facilitation of relief where necessary.

Having regard to these important functions, the RIC plays a fundamental role in ensuring that the citizens of our twin-island Republic and the businesses that drive our commercial and industrial sectors have access to a reliable supply of water, electricity and wastewater services.

The RIC can therefore be said to be at the forefront of facilitating the citizens and our nation's business sector with essential utility services to create enjoyable, prosperous and safe places to live, work and do business.

From inception, the RIC has been aligned to the portfolio of the Minister of Public Utilities. In fact, in 1998, the Minister of Public Utilities at the time was responsible for laying the Regulated Industries Commission Bill in Parliament.

Unlike the utility providers, which are also aligned to the Ministry of Public Utilities, the RIC is an independent regulatory agency. This therefore means that

while accountable to the Government for the exercise of its powers, under its governing legislation, the Government, through its line Ministry, does not exercise any control over the exercise of those powers by the RIC.

The role of the Ministry, in respect of the Commission is, therefore, to ensure the RIC meets its statutory obligations, relative to its accountability to the Government and the performance of its mandate.

To this end, the Ministry has implemented a robust reporting and monitoring framework and in compliance with this framework, the commission submits its annual budget and planned activities for laying in Parliament, quarterly monitoring and evaluation reports on the conduct of its activities as outlined in its annual budget and planned activities; quarterly income and expenditure statements; annual audited financial statements; annual administrative reports on its activities.

In addition to the above, the Ministry facilitates regular meetings of the Chief Executive Officers of the agencies under its purview. These meetings are used as a platform to strengthen the reporting and monitoring framework just described.

The scope of this enquiry is to examine the efficiency and effectiveness of the Regulated Industries Commission in the performance of its duties as the regulator for the utility sector. While the RIC has performed well in some areas, for example the resolution of customer complaints, there is room for improvement in other areas such as the regularity of the conduct of its mandate in respect of the prescription of quality of service standards and the conduct of rate reviews.

The Ministry and the commission have shared an excellent working relationship over the years of its existence as the regulator for the utilities sector. In charting the way forward, the utilities sector is a key lever in the development of our twin-island Republic. In this regard, the RIC is a critical stakeholder in the realization of government policy for the growth of the utilities sector.

I look forward to continuing to forge a strong working relationship with the RIC for the improvement of the utilities sector. Mr. Chairman, I thank you.

Mr. Chairman: Thank you very much, Permanent Secretary. Dr. Guy.

Dr. Guy: Good morning, Chairman and members of the Committee, again. The RIC, the present commission, was installed in February 2016. So we have had almost two years of having to operate. And as we know, the RIC receives its mandate from the RIC Act of 1998, and its primary remit is outlined at section 6(1), which the Acting PS has outlined in detail. But to summarize, our prime responsibility and accountability are in the areas of the review of rates for the service providers, establishing service standards, and we see those as going together, monitoring those standards and reviewing and investigating complaints from customers.

So overall, the RIC sees itself as protecting the interests of utility consumers. We do that through prudent regulatory decisions that ensure reliable, efficient utility services at rates that provide financial viability and sustainability of the regulated sectors.

As I indicated, this commission was appointed in February 2016, and when we took up our positions we had an opportunity to review the organization and how it was functioning and get to an understanding of how we can take the organization forward. At that time, the organization was in the midst of a strategic planning process, and we continued with that process. It had stalled somewhat. We continued with that process and we got to the point of stabilizing the organization and putting in place a strategic plan that was agreed to by all of the stakeholders involved.

We set ourselves in alignment with our remit under the Act, some goals which say that over the period of the short, medium and long-term periods—and we had different goals for different periods—that we would undertake a rate review. That rate review had not been done as the PS indicated for some time; that we will establish a framework for customer protection. Of course, we have to work within the legislative and regulatory framework. There are some deficiencies in that and we have been working with the Ministry, in terms of identifying where we see some changes could be made and, of course, strengthening the organization itself so that we could have operational excellence.

We did have some staffing issues, which we resolved and we hired an executive director and a deputy executive director. So we do have the resources internally to do the work that we have to do, and towards the end of last year, around September, we started the rate review process for the electricity industry and for the water and wastewater sectors. Those reviews are on target, for the most part and we expect that we will fulfil the mandate that we have within the time frame that we have set of ourselves and we will continue to work with our stakeholders to ensure that the work that we have to do is in the interest of all of the stakeholders.

Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Dr. Guy. Thank you very much. Now, you know the procedure. Shortly, members would be invited to ask questions of yourselves and you would be expected to assist as best as you can, the questions that are put to you. I would like to remind members, everybody here now, to check to make sure your various cell phone devices are switched off or put on vibrate.

Now, we have a lot of material to cover this morning. So I am hoping that, you know, we can try to keep the questions that are asked, your answers would be direct and relevant and not long and winding. Otherwise, we will find ourselves having to continue this on another occasion but it is quite a bit of material. It being such an important regulated industry and I think this is the first time you all are coming here again in the last two years or three years. The last time you all came before a joint select committee was when? Anybody with institutional memory?

Miss Ramdial: I think it was three years ago.

Mr. Chairman: About three years ago. You were here three years ago, and I am sure a lot has happened in the last three years.

So, actually the first question I would like to ask, section 5 of the Regulated Industries Commission Act, Chap. 54:73, section 5(1) states that:

> "The Commission shall consist of not less than five nor more than seven members designated Commissioners…"

Can you tell us how many commissioners are there at this point in time? Is it five,

seven or less?

Dr. Guy: Chairman, we have six members at this point in time.

Mr. Chairman: Six members. And how often—

Dr. Guy: We have two members that are not here this morning. We meet monthly.

Mr. Chairman: Monthly, okay.

Dr. Guy: Yes, we do, and we have sub-committees that, you know, are responsible for various other functions such as human resources, and finance, tenders and so on.

Mr. Chairman: Okay, thank you. Ramona.

Miss Ramdial: Good morning. Dr. Guy, based on the powers of the RIC and what you mentioned earlier about a rate review, has the RIC recommended a price increase in water and electricity rates for the not-too-distant future?

Dr. Guy: Vice-Chairman, we are in the process of undertaking rate reviews for both WASA and T&TEC. We started that process in September. It is a process that is very structured. We have milestones and deadlines to meet and we have a target date for rate determination for T&TEC and another one for WASA and we are on target with those reviews.

Miss Ramdial: What is the target date for those reviews?

Dr. Guy: For T&TEC, it is June and for WASA it is a couple of months later, perhaps by August/September.

Dr. Francis: Good morning again, Dr. Guy. Could you summarize the process? We do not want the public feeling that this is something arbitrary.

Dr. Guy: Okay, thank you. We do have, as I said, a very rigorous process, it is a transparent process. We lay all our documents out in public and it is there for members of the public and other stakeholders to comment on. I would ask the ED to go into some details on that process.

Dr. Lee Young: Good morning. The process, as Dr. Guy has mentioned, is a structured process. It begins by requesting of the utilities their business plans for the next five years and those business plans will cover investments necessary to support the services they provide, cover their operating cost, et cetera.

We take that information and we have our own financial models. But the information that the utilities provide to us is questioned. So we look at their plans, their capital expenditure plans. We interrogate them. We make sure that they are prudent, efficient, et cetera. And this is a back-and-forth process with the utility to land on something that is acceptable to both parties.

We then take that information and that information is input into our first model, which is called our revenue model and that generates, based on the requirements of the utility, its operating costs, its capital requirements, et cetera. It generates for the next five years, for each period, each year, the revenue that that utility needs in order to support its operations and make the necessary investments to provide the services. That gives you revenue requirement for each of those years.

The next part of the model then takes those revenue requirements for each year and then assigns it to the relevant or the requisite class of consumer. And we do that assignment based on what is called a cost of service study. So we look at the utility and we say: "Right, what does it take to provide the cost of that service to, say, the residential customers, the commercial, the industrial?" And we get percentages so we can say, right—for the sake of example—WASA, 60 per cent of their cost is required to provide water to residential and the other classes proportionately.

We then take that revenue requirement and we break it down. We say, right, 50 per cent of that revenue requirement, of that revenue that we have determined for year one, is to be assigned to that class of customer, in this case residential. We know that you have, for sake of argument, 400,000-odd residential customers. We know the average consumption of those customers, because they are not metered, and we assign, simple math, et cetera, we assign tariffs. And obviously there are classes of tariffs. So if you do not use that much water, there is certain tariff for that and then there are bands for increasing consumption, et cetera. So there are two models: there is a revenue model and then there is a tariff model. And that is, in a nutshell, the mechanics behind the process but—[*Interruption*]—sorry, Chair.

10.35 a.m.

Mr. Chairman: When Dr. Guy said and you were saying that it is laid; this information is laid before the public, in what format is this laid?

Dr. Lee Young: In support of this process that I have just described, we generate a lot of technical papers that outline basically what I have just described. We look at the capital requirements, the opex, the methodology that I have just described. And all of those papers are published—social media, our website, in the newspapers, et cetera. So the public has full view of the entire process and the considerations, the issues that we are taking on board.

Mr. Chairman: Good morning again, Sen. De Freitas. I just want to find out, if in the rate review, if the premise is that the revenue generated by these public utilities now, is causing the quality of service that they are giving and therefore a justification can be made for a rate interest in that context. Because I could tell you that there are people in the country that would say that quality of service is poor from these public utilities, and therefore, why should I pay more as a member of the entire pool, if it is I am not getting water regularly? Just to use an example.

Dr. Lee Young: Yes, that is clearly a big issue. If I can back up, the last rate review for WASA, the last rate increase was in 1993. They have had 24 years with no rate increases. Since that time obviously inflation, et cetera, their customer base has expanded, but their revenue is insufficient to support their operations. So, to a large extent the problems that we see today with some of the utilities, arise out of their inability to finance their activities.

And 23 years without a rate review, to be honest, is unacceptable. Yeah, we should be doing rate reviews every five years in order to keep current and that has not happened, so we are now in the process of playing catch-up and doing the two rate reviews simultaneously.

Mr. De Freitas: In the same context what—and this may not be under the purview of the RIC, it might actually under the purview of the Ministry. How easy it is for the Ministry to integrate new technologies to increase the efficiency and the quality

of service by which these public utilities are distributed? If I am to use an example, and I do not what to actually go with T&TEC, but that is the best example. Are you looking at solar power, for example?

I know in other countries they allow households to integrate into their electrical system, solar panels and the extra electricity is actually bought back by the State. So as much as you are looking at justifying rate reviews because it has been 20 plus years since you have done so, we are at a point now globally, where there are technologies that allow you to more efficiently distribute these public utilities, both for water and for electricity, that would help that model that you are talking about, in relation to revenue. So, you might not need to actually increase the rate, but you can bring down the cost of distributing the actual utility, and therefore you end up with a larger profit in that regard. Is the Ministry looking at anything by way of technology to help in that regard?

Mr. G. Joseph: Thank you, Member. I would just like to say that certainly technology would play a part in going forward. But as one would appreciate too, it comes with the initial outlay, it comes with a sufficient cost. So that is the opening shot, I would take at it.

With respect to T&TEC, there has been some usage of, for example, the solar lights, they are looking at that, and we are also exploring the whole area of renewable energies. So it is a direction we looking at and it is a lot of exploratory work being undertaken and the renewable energy is also on our legislative agenda in going forward. So we are looking at ways of utilizing the technology as we go forward.

Mr. Forde: I just wanted to follow up on one of the initial remarks made by Dr. Lee Young. In light of 23 years since you would have had the last set of rate reviews—[*Interruption*]—roughly around that, right– we are now in 2018, and what would have been—well I know, you are probably a new board in terms of two years, what would have been some of the reasons why there would not have been any rate reviews within the last 23 years? That is one, and a follow up to that would be, based on the present economic climate, could we then assume that the possibility exists

that we may probably go to 24 years, 25 years of not having another rate review?

Dr. Lee Young: Thank you. WASA has not had a rate review for 23 years, T&TEC on the other hand had a rate review in 2006 and that covered the period 2006 to 2011. The T&TEC rate review put them in a good position over that period of time and today T&TEC as a utility, we consider is in a relatively good place in terms of its ability to finance its activities and pay its way.

WASA on the other hand, obviously with 23 years of failing revenues or revenue shortfalls has not been able to do it. So that is just background. In terms of how many rate reviews. In 2012, we attempted to—the RIC attempted to put forward a rate review and did the technical work in-house for both WASA and T&TEC. That proposal was put to the board at the time and was not carried forward; as to the reasons I cannot say. I have only been with the RIC since August of last year.

Mr. Forde: Subject to the board, after it goes to the board, it then comes to Cabinet and then Parliament.

Dr. Lee Young: Via the MPU, yes.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman. Just wanted to clarify before I ask my question. Dr. Lee Young you did say the last rate increase was in 1993, yes, for WASA, so that is not 23 years, it is more like going in 25 years, just wanted to get the math correct, yes. Having established that, Dr. Guy you spoke about a strategic plan. What period does this strategic plan cover?

Dr. Guy: The plan covers 2016 to 2019.

Mrs. Baptiste-Primus: And has the plan been completed?

Dr. Guy: Yes, it is has been completed.

Mrs. Baptiste-Primus: And has it been implemented?

Dr. Guy: It has been implemented and, of course, you know, every year you do a review and a rolling plan and those targets have been disseminated to the management and staff of the RIC. Yes, the plan is for the period 2016 to 2019 and it has been implemented and goals and objectives have been assigned to persons

within the RIC so that we can operationalize that plan.

Mrs. Baptiste-Primus: Now, in order for the RIC to effectively carry out its mandate, the necessary resources are required whether the resources are human resources or financial resources. May I enquire, has the staff complement of the commission been adequate to function at optimal capacity?

Dr. Guy: At this point yes. It was not always like that. As I said, when we got in in 2016 we did have some operational issues and we had to deal with those issues, and we did so. We had some shortage in terms of talent in the organization and we had to move speedily to address that. That was done as part of the whole strategic planning process and can say today that we have the human and financial resources to do the work that we have to do and to take the organization forward.

We do have some vacancies on the system, but if we look into those vacancies we see that we have persons that we are developing from inside of the organization to move into some of those positions. And because we did not have some of the, you know, high level and intensive work that we would have normally done had we been doing rate review over the period up to 2015—2016, then we would have moved to fill those positions. But we are kind of doubled up internally until we thought that we can fill the positions which is what we are moving to do now.

Mrs. Baptiste-Primus: So in that context, how many positions have been established within the RIC and how many of those positions have been filled?

Dr. Guy: We have an approved establishment of 39 positions, 39 people. And we have at this point, seven vacancies in the organization. As I indicated, two of those vacancies will be filled from persons within the organization once they get to the required level of competence. You know there are specialized field and if persons are in the organization and developing themselves then they will move into those positions.

Mrs. Baptiste-Primus: Two more questions, Mr. Chairman, if you will permit me. Dr. Guy, has RIC conducted comparative research to determine whether the rates charged by WASA and T&TEC are below or above the global averages?

Dr. Guy: We do have information on that. We have published that information and we know that our rates are really, you know, the lowest, it is second from the bottom of the table that we have here. The one that is lower than our rates, and this is electricity, it is 0.04 cents and that is for—

Dr. Lee Young: Per kilowatt hour.

Dr. Guy: Per kilowatt hour, US dollars.

Dr. Lee Young: US cents.

Dr. Guy: And then we have the next lowest is Trinidad and Tobago and after that we have Belize at 19 cents going all the way up to Turks and Caicos at 37 cents, US cents per kilowatt hour.

Mrs. Baptiste-Primus: And my final question for the time being. Has any entity approached the RIC for a licence for the purpose of producing renewable energy for public consumption?

Dr. Guy: I will ask the ED to answer that, I am not sure.

Dr. Lee Young: The answer is no. Not yet.

Mrs. Baptiste-Primus: Thank you kindly.

Miss Ramdial: Thank you. Dr. Guy, in your work with respect to rate reviews, is it for all consumers or just residential consumers?

Dr. Guy: No, it is all.

Miss Ramdial: All consumers across the board.

Dr. Guy: All classes of consumers, yes.

Miss Ramdial: Okay, thanks.

Dr. Francis: Morning again. A question to both the RIC and the Ministry. One of the mandates of the RIC is standards compliance, overarching concerns with customer satisfaction. Does the RIC or the Ministry or both, do you gauge customer satisfaction and if so, how do you do that? That is one, which leads to the next question, which is, in an objective sense, how effective are our public utilities? However, you choose to answer that comparatively, centered on them as entities, any answer will be fine.

And, I want to know whether the Ministry Public Utilities has any kind of a master plan or strategic plan to truly modernize our utilities.

Dr. Guy: Can I take the question on the customers? Side by side with setting appropriate rates, we do quality of service standards, which means that customers must feel that they are getting value for what they are paying. So whenever we review rates, we also look at the standards. And we have a very robust quality of service standards regime for T&TEC, and T&TEC has for the most part complied with that and they have worked with us to develop it. So, you know, customers have redress in the event T&TEC falls short in certain areas of providing the service.

We have recently developed the same kind of framework for WASA and we expect that that will be implemented soon. It has to go through the Ministry of Public Utilities and be gazetted before it can be implemented and it is presently at the Ministry of Public Utilities.

So, we do look at the service standards. I am not of the view that we have gauged customer standards by way of surveys, and perhaps that is something we can look at, but we have not done that. We do respond to, you know, issues that are raised on social media and in other media and we have a very robust customer complaint and a customer service department within the RIC that deals with customer complaints and ensuring that those standards are in place.

I suppose the other part of the question can be taken by the Ministry.

Mr. G. Joseph: Thank you member, for the question. You had asked how effective the public utilities are and if there was in fact a master plan to modernize the whole utilities sector.

What I would say is, there have been a lot of changes taking place at the Ministry and there is a relatively new executive team as it were; a recent Minister, a recent PS, recent Deputy PS and so on. But certainly what has been advocated by the Minister is that there needs to be a transformation as it were with these utilities. And we have been engaging in significant dialogue with the agencies, in an effort to have a transformation plan done and to move these agencies forward. We have also

engaged in discussions with various agencies and, in fact, up to yesterday there was a workshop on adaptive planning with some of those external consultants and so as it relates to WASA in moving forward some projects.

So, there is a plan for transformation and that is in fact linked to our strategic direction going to be 2030. So there is that alignment and like I said, it is a pretty new team and we are looking to put the building blocks in place to take us in that direction. So there is a plan.

Dr. Francis: PS, if I could provide some more specific context. I have been alive for 43 years. I am from a very rural community called Moruga. Every year of my life, during the period January to August, my community suffers immensely for water. It has not changed.

So there is one thing to have something that exists on paper that might seem coherent; it is quite another to have something implemented that impacts on the lives of people. So, I am talking about something that can be implemented, can be operationalized, not something that might be a good idea on paper that really goes nowhere. Because at the end of the day, this is 2018 and I am pretty sure that between January and August, the people within my constituency and my community in particular will have severe water problems, for example.

Mr. G. Joseph: I would just like to respond in the sense like I said, in the case of WASA, certain initiatives are being undertaken. In terms of engaging the customers to make reports and so, we have been using the technology. We launched some apps quite recently, so customers could get on those apps and report where there may be issues with shortages or leaks and so. We have also engaged WASA and they have put in place a rapid response team to treat with those repairs, so we are on a very aggressive drive to treat with the leaks in the system.

There are also steps in terms of looking at the supplies, increasing the supplies and so. So whilst I am hearing your concern Member, what I can say is we are aware of those concerns and we are working with the agencies to see how we can improve service to the people of Trinidad and Tobago. At the end of the day, especially

water, I think the point has to be made that water is critical to life, and it should not be that our citizens do not get that supply of water. And I share your sentiments and like I said, we are working with the agencies to improve our supplies to our citizens.

Miss Ameen: Mr. Chairman, I just want to go back to RIC. I was happy to hear the chairman indicate that there is no significant HR shortage or challenge. What then, do you think accounts for the length of time it takes, the delays? I know you indicated in your report to the Parliament, to this Committee, some of the reasons for the delays in completing investigations.

How long does it take for the Commission to begin an investigation into a legitimate complaint, and thereafter in terms of feedback from the public utility themselves to have this rectified? And do you take that into consideration when contemplating an increase in rate in terms of value for money for the public and the customers, in terms of the response time and the quality of the service that they get?

Dr. Guy: Member, what I am understanding in what you are asking is the investigations into complaints by members of the public, the time frame that it takes and whether we take that into consideration in – is it in establishing the quality standards or the rate reviews? Both?

Miss Ameen: Both.

Dr. Guy: All right, I will ask the ED to address that issue.

Dr. Lee Young: Thank you. At the moment, we have a resolution rate of approximately 85 per cent of the complaints that we receive. We will deal with the complaints once they have escalated beyond the utilities. So a customer makes a complaint to the utility, if they feel that they are not getting redress in a timely manner, they come to us. We deal with those complaints immediately.

On average, every month we get roughly 400—500 complaints, and 85 per cent of those are solved; some drop by the wayside, they are withdrawn, et cetera. Much of the time is taken in accessing information from the utility with respect to that particular complaint. But this is not something that we let up on, yeah. So the carry-over of complaints from 2017, if memory serves me, is probably of the order

of 200—300 complaints and these complaints that almost by definition are fairly complex in their nature and require a lot of back and forth to the utility.

Mr. Chairman: Thank you. Dr. Lee Young, is it correct to say that under the present arrangement with RIC, with your industry, that in dealing with the rate increases you all do not entertain public hearing anymore?

Dr. Lee Young: Thank you, Chairman.

Mr. Chairman: Because under the PSU that you replaced, it used to be Public Utilities Commission, there used to be public hearings for rate increases. Is that something that is in disuse at this point in time?

Dr. Lee Young: Thank you. The answer is most definitely not. The process that we follow, building on what the Chair said earlier, we publish all of these technical papers which informed some of the decisions that go into how we come up with these rate increases. Those papers are published in the papers, social media et cetera. So the public has an opportunity to comment on those and we also send them out to special interest groups as well; the chambers, et cetera.

Once we develop our draft or make our draft determination to establish—look this is what we think we are proposing on a rate increase that is approved internally by our board of commissioners. It is then published as a draft determination and in the case of T&TEC and WASA, they will both have two months in which to review those.

We carry out a number of consultations, so in April/ May of this year we will be carrying out public consultations throughout both islands, informing the public and answering their questions. So there is an opportunity for the public to engage with the RIC, ask questions, et cetera.

Mr. Chairman: So Dr. Lee Young, is that more effective than having public hearings as it existed before?

Dr. Lee Young: Chair, all I can say is, it is a process we have adopted and that we are following. I cannot comment on the effectiveness of what existed before; I was not around.

Mr. De Freitas: Good morning again. I just wanted to continue the conversation in relation to the complaints Dr. Francis would have identified. It seems as though when you are speaking about the complaints and the response to complaints that you are indicating that that is being dealt with in that manner. But what he actually said, was that for the 43 years he has been alive, there has been a persistent problem in his community over and over again, and the question that I want to ask is, as much as you are receiving complaints, his problem is not being solved. Because for 43 years, they are guaranteed to have water problems between January and August.

What I want to ask, especially of the Ministry, is that it tells me there seems to be an over-confidence in the infrastructure, especially with WASA, as a public utility. Has there been an assessment done recently of the infrastructure that WASA has to use to distribute water in Trinidad and Tobago? Because it is funny to me and highly ironic, that every year we deal with floods, but then there are people clamoring for water. That makes no sense. It means that the abundance of water is not the problem, but the distribution of it is. So something is wrong with the infrastructure of getting the water from point A to point B after the necessary cleanup of the water and what not has been done.

When last has there been as assessment of that infrastructure? And let me just ask more specifically, how old is that infrastructure?

Dr. Francis: Mr. PS, before you answer, just to add some context. Moruga receives its water from an old Petrotrin site that was taken over by WASA, I think somewhere in the 90s. I visited the station. There is literally one pump. There is a mass of water, sufficient water to supply the community, perhaps five days a week, but there is one pump. And when that pump breaks down for an hour, it means an entire community does not receive water for a week. If the pump breaks down for a day, it means the entire area might not receive water for a week. One pump.

There are two storage tanks, one is in use, one is not in use. So they use the same tank for storage, clarification, distribution, which is absurd. An entire community relies on this threadbare infrastructure to receive water and I have been

trying to receive help from the Ministry, still awaiting a meaningful intervention. And at the end of the day, the cycle that I have described before will continue.

Mr. G. Joseph: Member, in terms of the question you would have asked, in terms of that inventory of the infrastructure, and the age and so, I do not have that information before me, but I will certainly seek to obtain that information and provide it to you in writing.

Mr. Chairman: Dr. Guy, before we go further into this enquiry. What is coming out from the questions coming from members, it seems quite pertinent and thought provoking, but it seems a lot is being requested of you all in terms of monitoring what needs to be done. But to me, the basic question seems to ask at this point in time, is do you have the legislative power to do what needs to be done in order to achieve all that is being asked here? Is it that the regulatory framework empowers you sufficiently or is it woefully—you are a bulldog without teeth? Is that what is happening here?

11.05 a.m.

Dr. Guy: Well, Chairman, the Act does prescribe what the RIC can do in terms of establishing the rates, and as the ED indicated, there is a process for that. We get the capital costs requirements; the operational costs requirements and we work with the utilities. So they would say well we need this in order to be able to provide a particular kind of service.

We have to ensure that what they want it will make for prudent management, it will make for operational efficiency. So there are certain things that we will kind of push back on, for example, if they come and say, well, you know, our operational costs are X, and we look at those operational costs and we think that there is no rationale or the benchmarks are off, you know, for example, in overtime or something, then we will—

Mr. Chairman: Dr. Guy, what I am asking is—well, you are explaining what you all can do. I am asking, is this sufficiently potent enough for you to really be effective in your mandate?

Dr. Guy: For the rate review, yes I think it is. For the quality of service, I think that the RIC could have more power in terms of being able to have the utilities provide a better service because when we do a rate review, we factor in the quality of service standards. We want you to provide service at a particular standard. In order to provide service at a particular standard that will have a cost to it, but if there is no enforcement in terms of providing that standard, then there is the tendency of the utility to fall back on old practices. So, yes there could be more in the framework, the legislative framework, for the RIC to enforce better standards of service from the utilities to the public.

Mr. Chairman: With sanctions and penalties, of course?

Dr. Guy: Sanctions, penalties, fines, et cetera.

Mr. Chairman: And right now you all do not have any of those? Sorry.

Dr. Guy: The ED would like to add something.

Dr. Lee Young: Yes, if I could just elaborate. We mentioned earlier the quality of service standards that exist. At the moment, there is only one in effective, and that is for T&TEC and that provides redress for its customers. So brownouts, so much time without power, late billing, late connections, et cetera, you have redress. The amounts involved, the compensatory payments are not significant for you as a consumer, but for the utility, on the other hand, it is a great incentive to lift your game.

Unfortunately, at this point in time, we do not have quality of service standards in place for WASA. Those have been on the drawing board or drawing table for many years. At the moment, we have gone through the process again. We had, again, a public consultation and discussions with all the interested stakeholders, and we have developed the quality of service standards for WASA. They were approved by us. They are currently on our website and Facebook page, and they are currently with the MPU for gazetting. Once those are gazetted, they come into effect, and for the first time Joe public will have the ability to seek redress from or hold WASA accountable.

Miss Ramdial: Thank you, Dr. Lee Young. So, Dr. Lee Young, would you recommend—as WASA is here also and the PS—that similar to T&TEC, they introduce a metering programme within WASA so that rates and quantities could be precise and it would be applicable to all and as efficient as T&TEC?

Dr. Lee Young: Thank you. The installation of metering is under considering. It is an extremely expensive process to roll out. WASA, most of its industrial customers are metered, because they are the large users—so it is imperative that the amount of water they consume is measured accurately—and that percentage of metering drops off dramatically, once you get into the residential customers. I think residential customers, the amount of meters installed is probably in single digits, percentage wise. So, I would agree with you, yes from a long-term perspective metering is desirable. However, we have to be cognizant of the cost involved, et cetera, and it is a long roll-out process. It is something that as part of the rate review process that we are undertaking, we are actively looking at.

Mr. Forde: Dr. Guy, the main mandate of the RIC is basically rate reviews. Is it? Your number one mandate. What would you consider your number one mandate in terms of this?

Dr. Guy: I really would be hesitant to separate rate review from the quality of service.

Mr. Forde: Quality of service?

Dr. Guy: Yes.

Mr. Forde: But from where I sit, I think most instances when we hear of the RIC, it is based on rate reviews. Right? Would it be the success of your body, the RIC, would it be based on rate reviews? If not, what other achievements are you looking at with regard to continuity of your term?

Dr. Guy: Again, member, I would reiterate that we have to look at a review in conjunction with the standards of service provided by that particular utility. So that is why QSS, a quality service standard is always a precursor to our rate review. So in terms of how we would measure our performance over the period, we would want

to see both objectives achieved, that we have a current rate review for both utilities and we would have established standards so that the public can know that when they are paying for a service, they get a sense that I am paying for something that I am 100 per cent sure that I will get and I will get it to a particular standard.

We would also like to highlight and work with the utilities, in particular, the electricity industry to highlight, you know, that people should conserve energy and there are ways that energy can be conserved. We do not have an incentive for the people to conserve, I suppose because it is four cents per kilowatt per hour and, perhaps, as we review the rates and as rates are probably likely to escalate over a period of time, that we will be more minded to consider, take off the lights and use the energy that we have in a way that is more prudent, more responsible, and we would like to create that awareness in the minds of the people of Trinidad and Tobago.

Mr. Chairman: Mrs. Baptiste-Primus, you said you would like to ask a question?

Mrs. Baptiste-Primus: Chairman, if my colleague Khadijah wanted to ask, I will give way since I have asked earlier.

Miss Ameen: Go ahead

Mrs. Baptiste-Primus: I can go ahead? Chairman, may I?

Mr. Chairman: Sure.

Mrs. Baptiste-Primus: Thank you kindly. This question is directed to Mr. Joseph, Acting Permanent Secretary. One of the responsibilities of the Ministry is to ensure the establishment of Consumer Service Committee. Am I correct? Is that a responsibility of the Ministry or the RIC?

Mr. G. Joseph: The Minister, yes.

Mrs. Baptiste-Primus: But what are the distinguishing roles of the Consumer Service Committee as against the Customer Services Department of the RIC?

Mr. G. Joseph: I am not too sure about the distinction between both, member.

Mrs. Baptiste-Primus: Well then, you can focus on the responsibility of the Consumer Services Committee. What is the responsibility of that committee?

Mr. G. Joseph: As far as I am aware, it is really to engage the various consumer groups. At this point in time, I am not aware that any move has been made to the Minister to establish any of those groups but, certainly, in terms of there being a mechanism in place to treat with some of the concerns coming out from the consumers, the RIC certainly has a Consumer Services Department that treats with that, but that mechanism that is within the legislation—

What I have just been shown, member, is that in the legislation it speaks of:

"The functions of a Consumer Service Committees shall consist of, but not limited to—

(a) advising the Commission on matters relating to the type, level and quality of service provided by service providers;

(b) assisting in ensuring that service providers implement adequate complaint procedures for the speedy and appropriate resolution of complaints made by consumers;

(c) participating, on request, in proceedings of the Commission where the terms and conditions of licences or the bases of tariffs or rates charged by a service provider are being considered;

(d) attending to such other matters as may be assigned to it from time to time by the Commission."

Mrs. Baptiste-Primus: So that given the high level of complaints as enunciated by my colleague, as well as other citizens, the spirit and intent of the legislation is to ensure that this committee really has a monitoring function. Why then has the Ministry not appointed such a committee?

Mr. G. Joseph: Like I said, member, I would think that an approach would have to be made by some party for the establishment of these groups. As far as I am aware, at this point in time, there has not been any approach to the Minister to establish these groups. What I would add, nonetheless, there is a mechanism in place to treat with those complaints, and as Dr. Lee Young has indicated, whilst those complaints may be in the region of 400 to 500, there is a resolution rate of about 85 per cent.

So something is working there that would facilitate the resolution of the complaints. So there is a mechanism, notwithstanding, another mechanism of those committees.

Mrs. Baptiste-Primus: Permit me, Chairman. And, Mr. PS, I appreciate that bit of information, but notwithstanding the resolution rate at the level of the RIC with regard to their Customer Services Department, the mere fact that the legislation makes provision for this mechanism is an indication of its necessity. In that context, may I strongly suggest to you that the Ministry takes urgent steps to have such a committee established, because I see the role of that committee acting as an enabler for the Ministry, because the Ministry has oversight role over the RIC. From the documentation the Ministry would have submitted, there is only one technical officer at the Ministry and we know that is really inadequate. We know of all the challenges, but this committee can certainly act as an enabler for the Ministry's monitoring and evaluation unit that consists of only one person at this time.

Mr. G. Joseph: Well, if I could just clear that, member, the person you just referred to is Ms. Quamina.

Mrs. Baptiste-Primus: Poor Ms. Quamina. [*Laughter*]

Mr. G. Joseph: But what I would say is that we have an M & E unit at the Ministry which is well staffed headed by a director and a number of M & E officers, and they in turn would engage all our line agencies—they would develop their work programmes—and that unit would be responsible for monitoring those work programmes to ensure that the deliverables that they would have provided in that work programme are met, and to provide whatever support that may be required in order to ensure that those objectives and goals are achieved by any particular line agency. So it is not just one individual, but we certainly have an entire unit, an M & E unit headed by a director and staff that look at those monitoring/evaluation functions with those line agencies.

Mrs. Baptiste-Primus: I am happy to hear that, but the recommendation for the establishment of this committee will also ensure a higher level of efficiency at the level of the RIC. Thank you, Madam Chairman.

Miss Ameen: Mr. Chairman, I want to join my colleague in that recommendation, and I want to note that section 24 of the Regulated Industries Commission Act gives the power to the Minister to appoint that Consumer Service Committee.

Mr. Chairman, also in the report from the RIC, you indicated that you had a number of recommendations for enforcement procedures to ensure compliance whenever there was any contravention of any directives issued by the RIC in relation to the resolution of complaints. I would like to hear from you what are some of the recommendations that were submitted to the line Ministry and, perhaps, if the Ministry could also respond by indicating how far along they are in terms of enforcing or following those recommendations to enhance the monitoring and the enforcement capacity of the RIC.

Dr. Guy: Member, and this is with respect to complaints specifically? Okay. I would ask our Legal Corporate Secretary to answer that. We have made recommendations to the Ministry for a revision of the Act to give the RIC some more power in terms of enforcing some of the recommendations it makes, and Ms. John will speak to that.

Ms. John: Good morning, again, member and panel. In that regard, the RIC has submitted a number of recommendations. We are looking at broadening the scope of investigation of our complaints. We are looking at the issue of the authority to determine the outcomes of those complaints. We are looking at the issuance and the ability to issue regulatory instruments for consumer protection. We would like to also have the authority to use discretion or a broader discretion to investigate matters. We are looking at the authority to enforce decisions with respect to consumer protection and we are also looking at the mechanism for appeals.

Miss Ameen: One very simple thing I want to ask, the Ministry has a role in terms of publishing the quality service standards. Right?

Ms. John: Yes.

Miss Ameen: In your report to the Committee, you indicated that once that is finalized the Ministry could then monitor and evaluate the performance of the utility

providers. To me it sounds as something simple, but why has the Ministry not yet published that QSS in the *Gazette* as is required by law for full implementation?

Ms. John: Member, I would ask the MPU to respond, please.

Mr. G. Joseph: The QSS has been provided to the Ministry. We are currently reviewing that. Once that is done that would be sent to the Cabinet and that would be laid in Parliament asking for it to be gazetted. So we are currently reviewing.

Mr. Chairman: Thank you. Now, we are here this morning assessing the efficiency and your effectiveness of the Regulated Industries Commission, and in order to do what you are required to do under the Act, a significant part of it is your funding. Right? According to the public utilities report, you have here, "Financing of regulatory agencies". It says:

> By law, the level of the funding prescribed to the regulatory body should be sufficiently adequate to enable it to meet its responsibilities in a competent manner.

And your answer to that relevant provision, you said:

> This requirement is met through section 30 of the Act which makes provision for the cess.

Now, two questions coming from there: one, are you sufficiently resourced financially and, if so, or if not so, have you all implemented the cess? And you could explain to the public what this "cess" is, please. Thank you.

Dr. Guy: Chairman, we are entirely funded by the cess and a formula is used to determine the amount that will be paid to us in the form of a cess from the various service providers.

Mr. Chairman: Dr. Guy, before—I mean, for the purposes of the public, because we want to educate the public. Exactly what is the cess?

Dr. Guy: Right. I just wanted to make that initial statement and then I will ask the ED to go into what is a cess and how it is calculated and how we get those funds, but just to say that we are totally entirely funded by the cess payment from the providers.

Mr. Chairman: Thank you very much.

Dr. Lee Young: Thank you. The cess payment, basically, is a levy on each of the service providers that fall—

Mr. Chairman: Or a tax.

Dr. Lee Young: A tax.

Mr. Chairman: I want you to speak in language that the public will understand.

Dr. Lee Young: It is a tax that is levied on each of the service providers under our purview, and it is in proportion to their revenue or their size, effectively. There is a formula that is prescribed that works out exactly how much that payment is for each of the service providers, and each year that is adequate for our purposes and the formula takes into account past expenditures. Whether there is any little surplus that is carried over. So things are kept pretty much in line. Balanced.

Mr. Chairman: So could you tell us what the amount is and who sets the cess? Is it set by the RIC themselves or is it set by regulations as prescribed, the percentage?

Dr. Lee Young: The Act prescribes the percentage. We calculate, we present a budget to our line Ministry, the MPU, and that is then taken to Cabinet for their approval. The amount roughly is around the order of $16 million to $17 million per annum.

Mr. Chairman: $16 million to $17 million per annum. Is that proving to be sufficient for you all at this point in time?

Dr. Lee Young: Yes.

Mr. Chairman: That is good to hear. You are probably one of the few bodies that can say something like that. Is it that you all are very efficient in the use of your budget?

Dr. Lee Young: The organization is a stable one in terms of manpower. Our costs are well known. Obviously, as we go into this rate review period the expenditures will increase with the need for public consultations, renting of auditorium to conduct our business with the public, et cetera, but outside of that our operations are stable. You just have rent, salaries. They may change a little bit, et cetera.

Miss Ameen: Just a follow-up. I always get happy when I hear public consultation because I believe it is a firm part of democracy. Can you indicate for the information of those viewers and the public when they will have the opportunity to participate in public consultations with regard to the rate review?

Dr. Lee Young: Thank you. T&TEC, we are looking at the months of April and May to start conducting—probably towards the end of April, early May—to start conducting the public consultations on T&TEC. WASA is a couple months, a few months behind and the public consultations on WASA are due to take place the end of July, early August.

Miss Ameen: How many consultations do you intend to have and where about, generally, in terms of geographic areas in Trinidad and Tobago, do you intend to or are you considering having these consultations?

Dr. Lee Young: The consultations will be widespread throughout both islands. So, at this point in time, we intend to conduct Point Fortin, San Fernando, Chaguanas, Arima, a national consultation here in Port of Spain and, obviously, Tobago.

Miss Ameen: I want to urge you not to forget the eastern coast of Trinidad, that Rio Claro/Mayaro area.

Dr. Lee Young: Thank you. We will take note. If I could just add, when we do have these consultations, we do provide transport for surrounding areas to come in but your point is accepted and noted.

Mr. Chairman: Now, can I further ask a question? In your accountability, you are required you said, under section 34(3) and (4) under the RIC Act mandate that preparation and submissions to Parliament of audited financial statements and annual administrative report. Are you all current with that?

Dr. Guy: I would ask Commissioner Lutchman to answer that, please.

Mr. Lutchman: Sure. Chairman, we have completed up to the financial year 2014 in terms of audits and we are in the 2015 financial year. The audit of 2015 financial year has started. Annual reports have been issued up to 2013 and we are in the process of finalizing the annual report for 2014.

Mr. Chairman: So you are in breach of all?

Mr. Lutchman: Say again?

Mr. Chairman: So you are in breach of all. This is an annual report, and we are in 2018, and you are talking about, what? 2013? Do you know why I asked you that question before if you all are sufficiently financed? Is to come to things like this. So you do not have a problem with money. Is it that staffing is a problem?

Mr. Lutchman: Well, when we took office, when this board of commissioners were appointed, we inherited 2013 in progress which we finalized and closed off, and '14 was started and completed and we are all currently into '15. We expect that during this calendar year to be up-to-date—to bring the audits up-to-date and comply with the section 34 as prescribed under the Act.

Mr. Chairman: Okay. Now, just a second. Now, also part of your remit is to promote competition. Right? Is there competition in Trinidad and Tobago in terms of our utilities and if not so, why not?

Mr. Lutchman: I would ask the ED to take this question or the Chairman.

Dr. Lee Young: The only competition that currently exists within the organizations or companies under our purview are within the power generation sector. Within the power generation sector, you have T&TEC with their power station at Cove in Tobago. You have PowerGen with the two plants: Point Lisas and Penal. You have Trinity Power which is the old InnCogen which is also in Point Lisas and you have TGU. With respect to the other two utilities, there is no competition.

Mr. Chairman: Now, can I ask you, PowerGen and T&TEC are strictly under your remit, but those other two you just spoke about, they are not?

Dr. Lee Young: That is correct.

Mr. Chairman: They are private enterprises.

Dr. Lee Young: They are, and we have made representations to the MPU as part of our legislative changes to bring a number of utilities under our purview. They include TGU, Desalcott, and the Seven Seas Water Desalination Plant in Point Fortin.

Mr. Chairman: Could you tell me how long those entities have been in existence? You must know. If they are not there you have documents to suggest when they came in, so.

Dr. Lee Young: TGU has been around for—if memory serves me—four or five years.

Mr. Chairman: Trinity?

Dr. Lee Young: A lot longer. Sorry, not Trinity. It is TGU, four or five years. Seven Seas, it is about seven years it has been around and Desalcott, off the top of my head, I could not tell you.

11.35 a.m.

Mr. Chairman: Probably the Acting Permanent Secretary could answer this. Why has this not been addressed so far, this legislative lacuna? Why is it the Act has not been amended to, you know, incorporate these other entities that are outside the remit of the RIC?

Mr. G. Joseph: Chair, I will ask our Director, Legal Services to speak on this.

Miss Farmer: Good morning again, members of the Committee. The amendment must be predicated on the establishment of a licensing framework, because the Act specifically says that the entities that would have existed at the time of its coming into being are deemed to be licensed. So any other entity that comes under must be actually given a licence.

I cannot speak to anything before my tenure. What I can say is that in the Ministry now those discussions are ongoing. It is on the Ministry's work programme for this year. We will be commencing the discussions on the establishment of the framework with RIC after Carnival, mid-February, and we hope to bring those amendments to Parliament within this fiscal year.

Mr. Chairman: Are they not licensed already?

Miss Farmer: No they are not. The only service provider—

Mr. Chairman: So they are operating without a licence?

Miss Farmer: They are not regulated by the RIC, yes that is so.

Mr. Chairman: I think this is one of the neglects of the RIC, because the RIC is saying that they are not in a position to give licences, is that not so? Is that not one of the problems you are experiencing?

Dr. Lee Young: It is the Minister's responsibility.

Mr. Chairman: It is the Minister's responsibility?

Miss Farmer: The licence is issued by the Minister on the advice of the RIC. The RIC will have to advise in terms of the establishment of the licensing framework. The licensing framework was a deliverable on the RIC's work programme for the last fiscal year. As at the end of the fiscal year it had not yet commenced. So as I said, we have been given a mandate to get that done this year, and those discussions will commence with the RIC in mid-February.

Mr. Chairman: I do not know if my other members are clear, but I am kind of a little confused. I probably am slow on the uptake, but where does the responsibility lie? I mean, which one coming first—the chicken or the egg? You said the RIC is supposed to do something, and the Minister is supposed to do something. Just clarify for the public and for my purposes please. What exactly is the position?

Miss Farmer: The position is that we have to work out the licensing framework. That has to be done.

Mr. Chairman: Who has to do that?

Miss Farmer: Both the RIC and the Ministry. It is not just the Ministry or just the RIC.

Mr. Chairman: So who commences the initiative?

Miss Farmer: We will commence it; the Ministry will commence it this February.

Mr. Chairman: So the responsibility was at the Ministry to start it then?

Miss Farmer: Well, what I would say is the RIC had on its work programme, for last fiscal and the fiscal before that, the establishment of the framework. So what the form of the licence would be, the advice on the fees, the conditions upon which one can cancel a licence, vary a licence, suspend a licence. So those issues were with the RIC for advice from my records. As I said, within the last fiscal year that

deliverable was not completed, but we intend to work with the RIC to move it forward.

Dr. Francis: Not to get off of that issue, but just to get back a bit to earlier discussion. If it is that the RIC determines that there are to be rate increases in the future, what is the process after that, before the rate increases are actualized?

Dr. Guy: I will ask the ED to go into some detail on that.

Dr. Lee Young: Our remit is to basically set the rates. The actual implementation of the rates is up to the utility at the end of the day. To give you an example, in 2006 when we prescribed or set the rates for T&TEC, we set those rates, if memory serves me, in June or July of that year, and only in November of that year did T&TEC implement the rate increase, and only then for two classes of consumers, the industrial and the commercial. It was almost two years later when they implemented the increase for the residential customers. So we just set the rates, the actual implementation is entirely up to the utility.

Miss Ameen: That is something I think we need to clarify. When the commission makes a recommendation for rate increases, who has the discretion in terms of—I remember earlier, member Forde asked about the present economic situation, and whether it is something we should be presenting to our citizens, an increase in the utility rates. Who has the discretion as to whether now is a good time to implement all of the recommendations of the RIC or should it be done on a phased basis or should we wait for two more years? Who has that discretion before it reaches to the consumer—the Cabinet, the Minister, the utility themselves, the board of the utilities, who?

Dr. Lee Young: In this case it would be basically the shareholders of the utility, Corporation Sole, the Government, to determine what they wanted to do with our proposal with respect to rate increases.

Dr. Francis: I will modify the same question to the Ministry. If it is that the RIC proposes rate increases and the Ministry agrees, would the Ministry also contemplate some kind of public outreach, public education programme to ensure that the public

is not left in the dark, is aware of the need and the importance or however the Ministry wishes to frame it? Would there be some sort of public education about the entire thing.

Mr. D. Joseph: I think Dr. Guy would have hinted previously, and certainly Dr. Young, that there will be that public awareness taking place. Once there is that draft determination and so, there is that, I believe, a two-month window during which those public consultations would take place. But certainly I would think that there would be that public awareness being built up around whatever is decided by the RIC during this rate review process.

Miss Ramdial: Just to put the question in a different form to my colleague, Dr. Francis. Does the RIC really, given the economic environment and reliability of service, both WASA and T&TEC, do you see it feasible at this time to have a rate increase?

Dr. Guy: Member, we have a mandate under the Act and that mandate is to establish that framework which would allow us to look at all of the inputs that the service provider will need to cover, in a sense, so that that service provider can provide an efficient service and get a reasonable rate of return. So we have a responsibility to do that.

As to whether it is prudent to have a rate increase to consumers at this time, that is not what we look at. We look at what we have to do under the Act to achieve our mandate, which is to establish the framework and to make a determination. We hand it over to those who have the power to implement.

Miss Ramdial: So I will extend the question to the PS, because apparently the Ministry and the Minister has the power to implement. So PS that question goes to you. Do you think it is feasible at this time, given the economic environment and reliability of service, to recommend a rate increase?

Mr. G. Joseph: Well, member, I would not want to circumvent what comes out of the work that is currently being done by the RIC. The process is ongoing. They are an independent regulator. I would not want to guess what will come out of the

process. So we will have to await the outcome of the deliberations of the RIC before we could engage further on this.

Miss Ramdial: Thank you.

Mr. Chairman: I think we are coming to a close. To determine the adequacy of the current legislative framework governing the operation of RIC, you were asked what areas of the Act can be described as obsolete and deficient. I think your response was that the Act is not obsolete but it is deficient. Am I right?

Miss Farmer: Yes, the Ministry's position

Mr. Chairman: The Ministry, right. Then I looked further and I saw you all identified certain criteria or certain principles upon which you act, and it was spelt out here on I think on page 5 of your document. It says independence, accountability, transparency, public participation, clarity in roles, completeness and clarity in rules, requisite powers, integrity, and then you said these principles were derived from the OECD. For the public purposes, the OECD is the Organization for Economic Cooperation and Development. Yes, I am going right so far? All right.

Now, you said near the end, the question was asked—the criteria coming from this OECD is the Government's ordinary fiscal control auditing policies, practices and procedures and budgetary controls should apply to the regulatory body, which is RIC. In your answer, what I gleaned from here, you said: It is important to note that the financial provisions of RIC, the Regulated Industries Commission are consistent with the provisions of the ordinary regulatory bodies in this jurisdiction.

To me, that does not answer the question asked. It does not really say it is in compliance with the Government. Is it that this jurisdiction—which does not define what is this jurisdiction—is the jurisdiction NAFTA, is the jurisdiction Caricom or is the jurisdiction Trinidad and Tobago? So that is vague. Right? Is it that the jurisdiction that you are referring to, if not being Trinidad and Tobago's jurisdiction, is it regional, that it is a higher standard than what is being suggested by the OECD?

Miss Farmer: Member, the way that I interpreted this question, or my answer to this question was basically premised on what would be the normal controls that all

government agencies are required to meet in respect of their finances. So if you look at legislation across, you have to produce a budget. For Ministries, the budget is laid in Parliament for approval by the Parliament. For regulatory bodies it would be laid in Parliament, not necessarily for the approval but for the notification of Parliament. All agencies are required to submit audited financial statements. The RIC is no different in that regard.

So when I was answering the question, what I was looking at is what would have been the normal requirements for budgeting and financial purposes, as set out in Trinidad and Tobago. So I used this jurisdiction. Looking at the Act, it is my estimation that the requirements in the Act meet the standard auditing or financial principles that other agencies reply to.

For example, in this jurisdiction regulatory bodies do not receive financing from Government. They are self-funded. The RIC, through its cess, is self-funded. So when I looked at the pillars that would be applicable to financial control regulations as set out by the State, my estimation is that the RIC meets those standard, the legislation that is.

Mr. Chairman: Thank you. Dr. Guy, could you tell us whether or not you would consider the Regulated Industries Commission which you chair is efficient and effective at the end of the day? In other words, I mean, for the last two years you have been chairing that committee. I do not expect you to have institutional memory from all that has gone by, but what you would have met and what you hope to achieve, given what is at your disposal, would you consider yourself in a position to be—are you currently efficient or is there room for efficiency and are you all effective?

Dr. Guy: Chairman, over the last two years I would say that we have come a long way. We did meet an organization that was somewhat, you know, kind of meandering, and we did have to put in place some direction. We had to engage the staff in understanding what the issues were and why certain things were not being done. We did take steps to establish some goals, a strategic direction in the

organization, and I think that the organization at this point is relatively stable, and it is moving in the direction of achieving its goals.

Of course, everything is a work in progress and we continue to give the oversight that we can give as a board, and to ensure that the people in the organization deliver on the objectives that have been set.

We do believe that, from the perspective of the wider regulatory framework, that we can make more of an impact in the society if we have, as we spoke about earlier, more power in terms of investigating complaints and providing more redress to customers. If there is probably a framework for ensuring that the service providers adhere to some of the recommendations that we would make.

There is the opportunity I think for widening the scope of the RIC to bring under its purview those service providers that we feel at this time are not regulated, for example TGU. I think if those things are done, then we would have make that next step in taking the RIC to a higher level of efficiency and making it more relevant in the society.

Mr. Chairman: Thank you very much. Member Ameen.

Miss Ameen: Chair, the RIC has indicated that it has the sufficient latitude to conduct research into best practices across many jurisdictions. Which foreign utility regulators does the RIC usually consider as its benchmark or standard for guiding its operations as a regulator?

Dr. Guy: Yes, we do benchmark regionally and internationally. I will ask Ms. Balkaran to give some more detailed information on that.

Ms. Balkaran: The regulatory framework that the RIC basically utilizes is based on one that was spearheaded in the UK and in some of the Australian jurisdictions. So we do look at the work done by the water regulator in the UK, Ofwat. We look at the electricity regulator Ofgem, and we do look at work done in Australia, et cetera.

In the Caribbean we are part of OOCUR, the Organisation of Caribbean Utility Regulators. So we do have a working relationship with the FTC in Barbados,

the OUR in Jamaica, the PUC in Guyana and the other bodies. So we do look regionally at the work done by similar bodies and we do look internationally in that regard.

Mrs. Baptiste-Primus: Thank you kindly, Mr. Chairman.

Madam Chair, it would appear based on what was said that the commission has a strategic direction in which it is going and that is commendable. We can only seek to encourage the commission. I would also want to encourage a little more synergy between the commission and the Ministry, in terms of the commission achieving its mandate.

Finally, in addition to the proposed amendment to the Act to include renewable energy, is the commission and/or the Ministry contemplating incentives or putting in place arrangements to encourage renewable energy investors to establish operations in Trinidad and Tobago, or to encourage the present providers to operate within the context of renewable energy?

Dr. Lee Young: Thank you. With respect to the renewable energy, the push towards renewable energy at the moment is being spearheaded by the Ministry of Energy and Energy Industries. They have two initiatives at the moment. One is the FIT policy, which is the feed-in tariff. That is a policy that allows a consumer to install solar panels on their roofs, et cetera, generate their own power, and whatever surplus is available can be fed back into the grid.

Mrs. Baptiste-Primus: As is done in Barbados.

Dr. Lee Young: Correct. The RIC together with the MPU are working with the Ministry of Energy and Energy Industries on that particular initiative. I am aware that the Ministry of Energy and Energy Industries is also pursuing another initiative on renewables, to the extent of meeting our obligations under the Paris accord which requires us as a nation to have 10 per cent of our generating capacity coming from renewables by 2021. That is an amount of approximately 195 megawatts, which is the size of a small power station.

I am aware that the Ministry of Energy and Energy Industries has also gone

out, at the back end of last year, requesting expressions of interest from commercial entities to put in renewable plants here in Trinidad and Tobago. That is what we are aware of in terms of renewables.

Mrs. Baptiste-Primus: Thank you kindly.

Miss Ameen: Chairman, some of these initiatives you speak about would have to be included in legislative change, in terms of giving the RIC the power over those—those are new technologies since the RIC Act first came in.

You indicated that since 2001, which was 17 years ago, the RIC made representation to the Ministry to initiate some amendments to the Act, but nothing came out of it. Are there new efforts to make changes to the Act or recommend amendments to the Act, to review the Act, by the present commission and if so what is the status, how far along are you in that process?

Dr. Lee Young: Yes, we currently have a proposal in front of the Ministry, which is dated, if memory serves me, November 2016, listing all of the changes that we are proposing to the Act. Currently, it is an ongoing discussion with the Ministry.

Miss Ameen: Can the Ministry indicate at what stage are you in terms of this?

Miss Farmer: We have finished our review of the amendments. That was finished in July of last year. However, there was some delay based on the fact that the Ministry needed to complete its strat plan because the amendments needed to flow from the strategic direction of the Ministry. The Ministry's strat plan is expected to be completed in February of this year, but there are certain aspects of the legislative agenda that have been pulled out for priority reasons. The renewable energies is one of those. We have been working with the Ministry of Energy and Energy Industries, as Dr. Lee Young would have indicated, and this year on the work programme, as I indicated, the legislative amendments for the introduction of the service providers not currently regulated, that has also been pulled out as a priority initiative.

Mr. Chairman: Thank you very much. But you know, just to follow up on that. Why is it not a priority giving the RIC the ability to sanction for non-compliance of things that they would be calling upon the providers to do? Why that is not also

made a priority?

Miss Farmer: In response to your question, those provisions have been considered for amendment in terms of establishing the licensing framework, because you must be able to sanction for non-compliance or breach of your licence. So the parts that deal with enforcement, the Ministry's recommendation is that there should be a dedicated part of the Act that deals with enforcement.

At this time, there are two general sections in the Act that deal with enforcement, but you need broader provisions. So yes that is contemplated with the amendments in terms of amending the First Schedule and the other parts of the Act to facilitate regulation of the unregulated service providers.

Mr. Chairman: But in terms of what you said, there is some provision in the Act for that, but are they adequate in the circumstances? Are they sufficiently coercive enough to compel compliance?

Miss Farmer: The Ministry's position is no, and as was indicated in both the submission by the RIC and the Ministry, the RIC needs to have more powers for sanctions and formal orders to force compliance. So that is what is being contemplated in terms of those amendments.

Mr. Chairman: Dr. Guy, first of all I would like to thank you for the service that you are providing, the leadership of that important statutory body. I know it is very challenging. We are in very difficult economic times and there is a lot of balancing to go on in terms of, as was said earlier on by Dr. Young, which one goes first, in order to get sufficient money to equip the utilities to provide an efficient service to the customers, and if so at what cost, and certainly in terms of dealing with the efficiency of the delivery from the various entities. I mean, everybody considers as you said earlier on, WASA. Water is an important part of life. To me, without water there is no life, so that is important.

So we will encourage you to continue to do the good work you are doing with your team, and at the same time I would like to ask you, first of all, to tell us how we can help you or in our report what can we do to assist you to be more effective

and more efficient, and what you would want to tell the public that they can look forward to in this year coming from you.

Dr. Guy: Thank you very much, Chairman, we do appreciate. I think at this point we do have a good team at the RIC and the team is pulling together. The skills and competencies are there in order for us to do what it is we have to do.

We appreciate the feedback that we get from committees like these and being in forums like these, when we do public consultation we will get feedback, and we will take that on board. So we do appreciate being here and hearing the perspective of the committees. It causes us to reflect, because sometimes we are looking specifically at the role that we have to play and we do not see it from another person's eyes, and this helps us to see ourselves through the eyes of other people, and that would help us to review what we do and to keep continuously improving.

What we would want is for the public to see the Regulated Industries Commission as a regulator that is there for the establishment of prices yes, for the services and the utilities, but also to ensure that the public feels satisfied that what they are paying for, they are getting the value for it. So that whenever there is a review of prices, the public says, yes I feel comfortable paying this because at the same time that this is going up, perhaps in an incremental fashion, I can see that the standard of service is also going up. We would like for the public to see that the RIC has a role to play in that.

We would like for the public to call on the RIC more in terms of ensuring the standards of service, and we would really like for the Ministry to move speedily to amend the regulation to enforce some of the things that we think should be enforced by way of sanctions to the service providers.

Thank you very much, Mr. Chairman.

Mr. Chairman: Thank you very much, Dr. Guy. I am certain that the listening public would be very heartened to hear what you have just shared with them and with us. We certainly are all behind you in terms of helping you to be better equipped and efficient in delivery.

The Ministry is here, and the Acting Permanent Secretary certainly would have listened to you keenly. I am sure he has been taking copious notes, and I will like him to speak to the public now and tell them what they should expect from the Ministry given what was being discussed this morning.

Mr. G. Joseph: Thank you, Chair. I would just like to indicate that based on where we sit at the Ministry, as Minister would have indicated on a number of occasions, it cannot be business as usual, and we also have to treat with being able to do more with less funding.

Even at the level of the Minister, he is very strong in his position with treating with the services being provided by the line agencies to our citizens, and he is constantly pushing at those agencies to come up with their strategic plans, and those plans are in alignment with the 2030 and they are being held accountable. So I want to give the assurance that from the Ministry's end, we will be collaborating with those agencies to ensure that services to our citizens are improved.

As I indicated at the beginning, we have a very good relationship with the RIC, and there will continue to be significant collaboration with the RIC to ensure that, as Dr. Guy had indicated, even when you look at the rate review, that has to work together with those QSS. So once those blocks are put in place, and like I indicated that whole transformation that has to take place with those line agencies, I am certain at the end of the day that there is going to be an improvement in the services that we are providing to our citizens. So I am giving the commitment that that is something we are working strongly towards, improvement of services to our citizens because they deserve it.

As the member had indicated, water in your area, I will certainly engage WASA on this to find out what can be done to improve that supply to Moruga. I look forward to working with those agencies to bring relief to our citizens. So thank you, Chair.

Mr. Forde: I was waiting on WASA. [*Laughter*]

Mr. Chairman: You know, PS, he just opened up a door, I tried to close it. He just

opened up a door, because you now want me to ask you a question too, but I will restrain. I will restrain, because I think WASA will be coming before us at some point in time.

Miss Ameen: Mr. Chair, I just have a closing.

Mr. Chairman: You want to keep him here.

Miss Ameen: Mr. Chairman, I want to crave your indulgence as we are making closing remarks, to appeal to those who have the power of discretion when it comes to this upcoming rate increase—not to pre-empt the recommendations that may come from the RIC—if the RIC does, in fact, recommend an increase in rates to customers, that those who have the power of discretion take into consideration the present economic challenges faced by the citizens to pay those increased rates.

Mr. Chairman: Thank you. So you all have taken on board what member Ameen has asked. It is a reasonable request, and I know you all are sensitive to that because we all live in Trinidad and Tobago and we all have wealthy and very challenged relatives and associates.

On behalf of the members and myself, I would like to thank you for your participation here this morning. I think the public certainly would have been more enlightened of your role, the state of your remit, what you are doing, what you expect to do in the coming year. People are very anxious because there is a lot being spoken about in terms of rate increases and so, so they need not be anxious. That they will be informed adequately of the process that is going to take place, and that appropriately at the time certainly it will have the review and you will have an opportunity to comment on it, which I think is important. I am certain a lot of people will be very concerned of what member Ameen has just asked and what you have explained throughout the course of this hearing this morning. So on that basis I will thank you. But before we close I will like to make some announcements.

The public is advised that the Committee's Sixth Report on its enquiry into the efficiency and effectiveness of the Teaching Service Commission was presented in Parliament recently and is now available for review on the Parliament's website

which is www.ttparliament.org.

Some of the issues addressed in the report are as follows: 1(a), the reason for the delays in the filling of vacancies in the position of principal, vice-principal, head of department and dean; (b), the implications of the conduct on the filling of vacancies in the teaching service. The commission's procedures for treating with chronic absenteeism, irregularities among the teaching professions, the need to inform the public of the subject areas in the teaching service that have a deficit on teachers and the areas that are saturated. The status of the revised Teaching Service Regulations, and the Public Service Regulations were adopted by the Teaching Service Commission.

This is something that has long been overdue. Additionally, the Committee's Seventh Report on the enquiry into the efficiency and effectiveness of the Public Service Commission will be presented in the House of Representatives later today. This report will also be made available for review on the Parliament's website which I just indicated.

Some of the issues addressed in that report are as follows: the filling of vacancies within the public service; the status of the revised Public Service Regulations; order of merit list and promotions within the public service; assignment of Permanent Secretaries to Ministries which were merged or reconfigured; the existing arrangement for dealing with complaints from the public regarding the conduct of public officers.

And if there is no other business, I will like to bring this hearing to an adjournment and thank you again and thank the public for viewing.

12.09 p.m.: *Meeting adjourned.*

VERBATIM NOTES OF THE 22ND MEETING OF THE JOINT SELECT COMMITTEE APPOINTED TO INQUIRE INTO AND REPORT ON LOCAL AUTHORITIES, SERVICE COMMISSIONS AND STATUTORY AUTHORITIES (INCLUDING THE THA), HELD IN THE J. HAMILTON MAURICE MEETING ROOM, MEZZANINE FLOOR, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, MARCH 28, 2018

PRESENT

Mr. H.R. Ian Roach	Chairman
Mr. Esmond Forde	Member
Dr. Lovell Francis	Member
Mr. Nigel De Freitas	Member
Ms. Khadijah Ameen	Member
Ms. Khisha Peterkin	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant

OFFICIALS - MINISTRY OF PUBLIC UTILITIES

Ms. Beverly Khan	Deputy Permanent Secretary, Ministry of Public Utilities
Miss Anika Sarah Farmer	Director, Legal Services, Ministry of Public Utilities
Ms. Gale Dulal	Electrification Sector Specialist, Ministry of Public Utilities

REGULATED INDUSTRIES COMMISSION

Dr. Hyacinth Guy	Chairman, RIC
Dr. James Lee Young	Executive Director, RIC
Ms. Carol Balkaran	Deputy Executive Director, RIC
Ms. Nadia J.A. John	Legal/Corporate Secretary, RIC

TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

Mr. Keith Sirju	Chairman, T&TEC
Mr. Kelvin Ramsook	General Manager, T&TEC
Mr. Courtenay Mark	Asst. General Manager-Engineering, T&TEC
Mr. Neil Balgobin	Chief Financial Officer, T&TEC
Mr. Gerard E. Rodriguez	Head, Corporate Support, T&TEC
Ms. Annabelle Bransnell	Corporate Communications Manager, T&TEC

Mr. Chairman: Good morning ladies and gentlemen. I would like to welcome the viewing and listening audience to the 22nd meeting of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities, including the Tobago House of Assembly (THA). This morning the Committee will be meeting officials from the Regulated Industries Commission (RIC), the Trinidad and Tobago Electricity Commission (T&TEC), and the Ministry of Public Utilities in the first instance, after which the Water and Sewerage Authority (WASA) would be questioned thereafter.

Members of the listening and viewing audience are invited to post or send their comments, via the Parliament's various social media platforms: Facebook, YouTube and Twitter. My name is H. R Ian Roach. I am the Chairman of this Committee. I would invite members, starting on my right, to introduce themselves.

[*Introductions made*]

Mr. Chairman: Thank you very much. The objectives of this enquiry, just to remind those who are listening, are to assess the efficiency of the operations of the Regulated Industries Commission at this time; to assess the effectiveness of RIC in promoting greater efficiencies of services in public utilities; and three, to determine the adequacy of the current legislative framework governing the operations of RIC.

I will now invite members to introduce themselves, starting with the RIC, Dr.

Guy.

[*Introductions made*]

Mr. Chairman: Thank you very much. The Deputy PS of the Ministry of Public Utilities and your team.

[*Introductions made*]

Mr. Chairman: T&TEC.

[*Introductions made*]

Mr. Chairman: Thank you very much. I invite the Deputy Permanent Secretary to make a brief statement. I am reminding myself but let me remind you all. When you are going to speak just please put on your microphone and take it off when you are finished, thanks.

Ms. Khan: Good morning Mr. Chairman and members of the Committee. Thank you for the opportunity to give brief opening remarks. Almost two months ago, in February, we appeared before you to respond to your questions and concerns about the efficiency and effectiveness of the RIC in carrying out its statutory mandate as the economic regulator for the electricity, water and wastewater sectors. It is once again our pleasure to be here for the second part of the enquiry to share the perspectives of WASA and T&TEC, relative to the efficiency and effectiveness of the RIC.

Over the past six months in particular, the Ministry of Public Utilities has been engaged in an extensive exercise of critical thinking, strategic analysis and planning and operational reengineering in a drive to create more efficient, more effective, financially viable and sustainable pathways for our public utilities, particularly T&TEC and WASA.

We have taken our queue from the aspirations of Vision 2030, and the UN SDGs, the current realities of our economic circumstances and the expectations of the population to have, at the very least, its basic need for water and electricity met.

Eleven strategic priorities now define the Ministry's agenda for the next three years, three of which are particularly relevant to the consideration of this meeting.

And these three strategic priorities are: improving customer outreach and service; strengthening governance; and streamlining the operations of our utilities to increase efficiency, productivity and financial viability. In advancing these priorities, we value the synergies formed with the RIC, which is an important part of our country's institutional set up to promote accountability and standards of performance that serve the interest of the wider population. In forging these synergies, we are very mindful that the importance and value of the RIC resides in the fact that it is essentially the independent economic regulator for key infrastructure sectors.

As prescribed in its governing legislation, the RIC Act, the RIC primary responsibilities include regulating prices and rates and establishing standards and conditions of service for service providers operating within these sectors. Public Utilities such as those identified under the RIC Act, are basically identified as natural monopolies, and in the absence of economic regulation can charge exorbitant rates and provide poor service to the detriment of their customers. Hence, at the very core, economic regulation is meant to curb market power and protect customers, both in terms of prices and quality of service, thus, ensuring that the cost of inefficiency is not passed on to customers in the form of higher prices.

The fact that the RIC is an independent regulator does not negate the administrative oversight responsibility of the Ministry of Public Utilities, especially at it pertains to the RIC meeting its statutory obligations. The MPU's oversight role ensures adherence to the reporting and monitoring framework and compliance, in terms of the submission of annual budgets, audited financial statements and administrative reports.

For fiscal 2018, the Commission has identified five strategic priorities, all of which progressively aim to change the status quo of the utilities, improve the delivery of services to citizens and businesses alike, and transform the service providers. The RIC, therefore, is at the forefront of the development agenda in facilitating essential utility services, which is at the core of economic and social activity.

The Ministry acknowledges that the rate review is a priority for the utilities sector and a very sensitive issue for citizens and businesses alike. The RIC recently completed the process of reviewing the quality of service standards for both T&TEC and WASA. These standards provide for a guaranteed level of service and the imposition of penalties on service providers for non-compliance.

In terms of the rate review, the position of the Ministry at this stage is to allow the RIC to conduct its clearly defined process in a transparent manner, and any discussion on what would be the outcome and how the Ministry and/or the Government will respond, detracts from the integrity of the process and the independence of the RIC in carrying out its statutory mandate.

Mr. Chairman, I wish to end by saying that business as usual can no longer be the working scenario for the utilities sector. Beyond working individually with the agencies under our remint to refine their strategic focus, improve their operations and build strong customer care and service delivery systems, the Ministry will continue to collaborate with the RIC to strengthen its institutional capacity, to fulfil its statutory mandate, attain operational excellence and enhance its efficiency and effectiveness as the independent economic regulator. Mr. Chairman, I thank you.

Mr. Chairman: Ms. Khan, thank you very much. But that was a very comprehensive brief statement. I mean, when you were finished there I was almost asking myself: Is there anything to ask you or the utilities? I mean, it is very comprehensive. So I would like the others to follow. Please just keep it kind of brief because there is a lot of information that came out there, you know, which we would also like to get in a different kind of way, but thank you very much Ms. Khan, and I would invite Dr. Guy to give us a brief statement. I know you have been here before. So I know you would do it succinctly. Thanks.

Dr. Guy: Good morning again, Chairman and members of the Committee. Yes, we have been here before and we did answer the questions. We gave a statement on the operations of the RIC. The RIC, in keeping with its mandate, has continued the rate review process for both T&TEC and WASA.

That process started in 2017, and for the most part we are on target with the schedule that we had set. This process, we would have indicated, involves– it is a very detailed process. We first indicate to the service providers the framework, the methodology, the approach that we would be using and we seek consultation with them. And that would have been done.

The providers would have submitted the requirements that we need, in order to begin the rate review process and that starts with a draft business plan. And we have gotten business plans from the providers and we are in the process of putting together the information in a model, so that we can get a draft price determination. And we are at that stage now where we are assessing the information in order to get that draft price determination.

When we do get that, the next step will be to publish it and to have consultation on the draft price determination. We expect that that is going to be within the next two months. We still continue to get information from the providers. They continue to fine-tune the business plan, and as we get that information we put it into the model.

When we do consultation, then we will take into consideration the comments received and it is only at that stage that a final price is published, and that is a little way off. Perhaps, the last quarter of this year. But just to state that we are on target with the schedule that we have put in place, and we continue to work with the service providers to get the information and to make this process as transparent as we possibly can. Thank you very much.

Mr. Chairman: Thank you very much, Dr. Guy. I would like to invite Mr. Keith Sirju, Chairman of the Trinidad and Tobago Electricity Commission, to make a brief statement.

Mr. Sirju: Good morning Chairman and members. I have with me this morning, a team from T&TEC selected on the basis of the areas of questions raised in your correspondence of March 18th. They have all introduced themselves before.

Just for clarity, and record, the last full examination of T&TEC's operations

by the RIC was for the period 2006 to 2011. Since then, our interaction has in the main been related to customer complaints, some of which are made to the RIC before due consultation with T&TEC and others, when the customers' expectations differ with the findings of T&TEC. Our dealings with the RIC have always been professional and in general, T&TEC has complied with the determinations of the RIC.

Responses to the specific queries raised in your letter were provided by the stipulated deadline and we are here as requested to further elaborate as may be necessary. Thank you.

10.30 a.m.

Mr. Chairman: Thank you very much. Thank you very much for your comments. As you know, the proceedings that will apply here is that you will be asked questions by other members of this Committee through the Chair. Okay, thank you very much.

So, let us start off from where you ended. How would you in a nutshell just describe the relationship between T&TEC and the Regulated Industries Commission, in your own view? How would you describe that?

Mr. Sirju: The relationship relates to largely the determination of the tariffs or the rates that we sell electricity. And usually what would happen is that T&TEC prepares its business plan to determine what the cost of the service is, and it would be submitted to the RIC for its examination, and that would be scrutinized by the RIC, and queries would be raised and T&TEC would respond accordingly. So, in the main that is a key component of the relationship.

The other one is that in the practice of what has been agreed to at any given time, that T&TEC is complying with what was agreed to. That is to say, sometimes customers have a different interpretation of what T&TEC's understanding of the rulings might be and there are—I would not call it disputes but there are queries and these queries are then resolved with the RIC.

Mr. Chairman: So where there is non-agreement in an issue that arises, how is that resolved finally? Who has the final say on an issue?

Mr. Sirju: Typically, it would be negotiated, there are rules. I think there are very, very few gray areas. It is normally documented what T&TEC can charge for, and what it cannot charge for and the rules that follow.

If something is in dispute then the RIC will call T&TEC in, and T&TEC will make its presentations as to what its interpretation about that particular issue is and the RIC will determine whether that is a reasonable interpretation or not.

Mr. Chairman: So, the RIC will have the final say? Is that right Dr. Guy?

Dr. Guy: The RIC would investigate also and give its views and opinions and, you know, you might say "a ruling" on the issue, and it will let T&TEC know that, but T&TEC is not obligated to follow those guidelines.

Mr. Chairman: So, in that instance the RIC is without teeth?

Dr. Guy: In that instance, yes. And that has been addressed in other areas, in terms of the review of the legislation and so on.

Mr. Chairman: To be implemented there.

Dr. Francis: Through you, Chair. Not so much a question, but a comment, because we understand the relationship also has to do with standards. I would like to put it on the public record that I would like to commend T&TEC generally for its performance, but particularly last year post Bret. In my constituency, crews worked tirelessly day and night to bring current back in a very short time. Whereas a generation ago that would have taken a week and for that T&TEC should be commended, and I seldom ever get to say anything like that.

Ms. Ameen: Thank you, Mr. Chairman. This question is for T&TEC. In your submissions to the Committee, you indicated that you had made a lot of new technological advancements, such as e-tendering, and RFID, prepaid metering, and remote disconnection of meters to be utilized. I want to ask you, what is the cost of implementing these practices and how far advanced are you, in terms of—well, you can give for each one if it is possible?

Mr. Sirju: Thank you, member. Chair, may I seek the assistance of the General Manager to answer that question?

Mr. Chairman: Sure.

Mr. Ramsook: Right, so what we have is, we have started to look at, first of all, the RFID in terms of the ability to be able to get more, you know, in terms of our stock checks and so on, to clearly identify our plants and to clearly make sure that we keep a record of all our items without having to spend as much manpower resources.

So you have—remember we have a lot of stock items and depending on how you store your items, for example, your poles and so on. Depending on how you store your items, sometimes it is not as easy to check your stocks.

So we are deploying the RFIDs, that is in progress. We have looked at an EOI and that will allow us to keep a correct record of our stocks clearly to make sure that as best as possible we can identify on a daily basis, on a monthly basis when we do stock checks, in terms of our quantum.

Right, it will help us in efficiency there because it means that when we are making our checks we will know what items we have quickly, because sometimes in storing items it is not as easy especially poles. We will also be able to identify our streetlights, where all our streetlights are to keep a record of it and so on; very important, very important.

Ms. Ameen: What percentage would you say, you are along, in terms of implementing that?

Mr. Ramsook: We are, I would say we are about 30 per cent. So we have started the process, we are looking at the expression of interest and so on and we are heading in that decision basically. And it is all to improve efficiency in terms of making sure that we clearly identify all and keep our records of all our plants, all our stock items in a more efficient way. So it is moving away from the manual process basically.

Ms. Ameen: And in terms of the prepaid metering and remote disconnection?

Mr. Ramsook: So in the remote disconnection—let us start there. So we are fairly advanced in that we have deployed some new meters called nighthawk meters. What we have done, we have started the process because, you know, to go and disconnect it means sending out a crew to go and disconnect customers and so on. So basically,

we have started to identify, probably in locations, key customers that we tend to have issues at time with. We started that process where we have deployed the remote disconnect meters at those locations. What it allows us to do, staying from the office and remotely disconnect it. It allows us that ability to disconnect remotely.

So it also has been deployed and we have started the process on our recreation grounds. So we are looking at, you know, if nobody is on the ground, we can disconnect the supply remotely instead of having to deploy crews to that particular site to do any kind of disconnection. So, I would say in there, we are roughly about 20 per cent in there, in terms of–all of our meters are remote-read meters and you would say about 10 per cent of our meters at this point in time are remote disconnect via the office.

Ms. Ameen: And for the information of the public, in terms of prepaid metering, has this been introduced to your customers as yet and how does it work?

Mr. Ramsook: Right, we have started to talk about prepaid, we have not introduced prepaid to our customers as yet. But what it would mean is that we are looking at the various possibilities of the prepaid, where you could, you know, similar to other prepaid items—you can use your credit card, you can swipe your card, you know, you can identify how much; you know, in terms of your bills, you say look I want a $100, right. When it is coming closer to the time you swipe your card again and you renew that; that process basically.

So it allows customers to keep a better check of how they utilize the electricity basically, but we have started the process, it has not been deployed but we are looking at that at this point in time.

Mr. Forde: Morning, again. I would like to also extend commendation also to the Trinidad and Tobago Electricity Commission as the Member of Parliament for Tunapuna, for the yeoman service that you all have been providing in my constituency of Tunapuna, in terms of all the necessary services that are provided. So, Mr. Chairman, and also especially to Mr. Kelvin Ramsook, I would like to ensure that you pass back that information on to your staff.

I would also like to make mention, Mr. Chairman, also for the commendation of Chairman Hyacinth Guy and the RIC, because we did discuss it at our last meeting when we had you all, that we were pleased with, in terms of the information, you know your communication and the processes and so on.

But my question is to T&TEC. You listed in the document provided for us on page 1: What is the potential impact of rate increase on T&TEC's revenue expansion strategy, operational deficiency and requirement to enhance customer service? You identified ten items basically. But what I would like to find out, in terms of the improvements that a rate increase will provide, could it be prioritized? Because you will not be able to do all ten immediately. Have you a priority list in like how it will be implemented once we look at what improvement that you will be providing for the country of Trinidad and Tobago?

Mr. Sirju: Yes, there is a comprehensive business plan drawn up indicating what T&TEC's plans are for the next five years, for the period 2018 to 2023. General Manager, would you like to give some of the highlights of the—

Mr. Ramsook: Right, morning again. So, first of all I mean, I want to say straight, in terms of what a rate review will do for us. At this point in time T&TEC has not been paying the National Gas Company and that bill on a yearly basis is $900 million—

Dr. Guy: Yearly?

Mr. Ramsook: Yeah, on a yearly basis. It is $900 million, so we start off in that process. In addition to that, we have been doing capital works and we have been using—remember, in terms of any income you get, it is both for your recurrent and your capital jobs.

But we have curtailed– without affecting reliability as best as possible as you have said–some of our capital works that we would like to see ourselves doing. Key in there are some of the underground installations that we want to go a little further in for improvement of reliability. Then we have the whole issue of our disaster preparedness, more spares for disaster preparedness and to be a little more prepared

and so on.

Recently, you would have seen us purchase—well, the Ministry through the PSIP, we were able to get funding for that for the mobile substations that we have now. So that in itself will be of equal importance to us and, of course, in terms of our—what we have is a lot of aged infrastructure, as I said we have continued to maintain the system and we have continued to do the work on the plan. But, of course as time goes by you have what you call the aged infrastructure; our tower structures, our poles, our columns, our conductors and so on. And you need to have injection of capital for replacement of those spares so those will be priority items, once we move forward with an increase, in terms of any increases should the regulator grant that final say.

Mr. Forde: Could I just have one follow-up question?

Mr. Chairman: Yes. Mr. Ramsook just to clarify a question that was asked here. You said you all owe $900 million?

Mr. Ramsook: That is correct, Sir.

Mr. Chairman: To NGC?

Mr. Ramsook: No, we do not owe them, sorry, $900 million is the yearly cost to NGC, so we are not paying that bill. So really, if you were to add where we are behind, in terms of our operations we are roughly $1.5 billion behind on a yearly basis.

Mr. Chairman: In meeting your financial commitments—

Mr. Ramsook: In meeting our financial commitments. That is correct, Sir.

Mr. Chairman: Mr. Forde, hold a second. So is it that T&TEC provides a service—is T&TEC supposed to be a company that is efficiently run, that makes a profit or is it just to provide service as a public utility entity?

Mr. Ramsook: Right. So, the Act allows us to operate—first of all, we have to operate efficiently and make enough money to do our capital jobs. It is really not intended to be profitable but to be able to operate the business, the recurrent expenditure and, of course, to get enough revenue to do your capital expansions.

Mr. Chairman: And that is not happening?

Mr. Ramsook: Sir, at this point in time, no. It is not happening in full.

Mr. Chairman: Has it ever happened?

Mr. Ramsook: Yes, when we had our last review between the year 2006 to 2011, we did recover and we were making all our commitments. In fact, we met all our commitments including the National Gas Company, and the records will show that beyond 2011 we stated to run into problems and as the years go by, as we approach today's date it got more and more difficult to meet our commitments.

Mr. Chairman: Mr. Forde, you want to finish, just now?

Mr. Forde: Actually, it was the same trend of thought that I want to find out. But, the NGC payment entails what?

Mr. Ramsook: The NGC payment is the cost for gas. Remember that is one of the components for gas. We purchase the gas, right. That is how the utility operates, we are responsible for purchasing the gas that is deployed to the generating plants, to the IPVs.

Mr. Forde: So, the generating plant runs on natural gas?

Mr. Sirju: Yes, there are three power producers in the country: Trinity Power, PowerGen and Trinidad Generation Unlimited. There are power purchase agreements between those power producers and T&TEC. In those agreements T&TEC delivers the gas or pays for the gas that go to each of our power producing facility. So NGC sends the gas to the power plants and T&TEC is responsible for paying NGC.

Mr. Forde: So as a result of that, is there any part of law that can desist T&TEC from providing that service on to customers via natural gas?

Mr. Sirju: Sorry.

Mr. Forde: Which will be cheaper?

Mr. Chairman: I do not understand that.

Mr. Sirju: Can you repeat, I am sorry.

Mr. Forde: You are saying that the NGC supplies the gas to the three power plants.

Mr. Sirju: Yes.

Mr. Forde: But that is in order to run the plant. Now, in order for the service that you provide of electricity, can you enter into any arrangement in order to retail that gas to customers to provide electricity?

Mr. Sirju: No. The apparatus that transforms the gas into electricity is housed in the power station. So the power producer is the man that buys a whole host of equipment and the gas goes in there and is converted into electricity. From there, T&TEC takes the electricity and brings it to the households. So T&TEC sells the final product, but the ingredient that goes into making the product comes from NGC.

Mr. Forde: Right. No, sorry Mr. Chairman. But, what I am saying is this. Remember natural gas can be used as a form of electricity also, like for instance they can use it to generate air-conditioning and also to supply electricity supply. So what I am asking you is if T&TEC as an entity can utilize the natural gas that comes to the three plants in order to use it for retail purposes to customers for electrical purchases.

Mr. Chairman: Mr. Forde, I feel I can answer that for you, you know. I do not think they could do that because it is not what they are geared towards—

Mr. Forde: Remember natural gas is the cheapest form of supply in terms of cost.

Mr. Chairman: Yeah.

Mr. Forde: But no problem.

Mr. Sirju: There is a mechanism that transforms the heat into electricity.

Mr. Chairman: Let me ask you something, just to clarify something here. Could you tell us what is the unit cost of producing electricity? You can answer that question? Or is that to be answered by the—

Mr. Mark: I am the AGM, Engineering. The unit cost, the production cost is just over TT 25 cents.

Mr. Chairman: TT 25 cents?

Mr. Mark: Yes, and that cost, Chairman, only includes the cost of fuel which is approximately half of that, which is the natural gas cost and the other half is the

conversion cost, which is the production process itself. That conversion of the natural gas to energy is called the energy conversion cost so that 25 cents, I would imagine has to be juxtapose against what we sell electricity at.

Mr. Chairman: This is the next question. So what do you sell it at?

Mr. Mark: Well, on an average of about just over 36 cents. So that margin between 36 cents and say 25 cents, you now have to deal with all your administrative expenses; these are salaries, wages, materials, insurances. That is why all that debt—that shortfall that the General Manager explained is almost consolidated in one place, which is NGC.

Mr. Chairman: Which is just what you just said, I think the public will be very much enlightened by what you just said. So it costs 25 cents to produce a unit of electricity and you sell it for 36 cents, yeah?

Mr. Mark: Yes.

Mr. Chairman: But between 25 and 36 the difference, the arithmetic between that, the lost comes about because of the administrative costs that add up onto that.

Mr. Mark: All of those other costs. Yes, I have wrapped up the whole business into that sentence.

Mr. Chairman: Now Dr. Guy, when you all are calculating—fixing your rates, certainly that comes into mind? Does it?

Dr. Guy: Yes, that information would be detailed in the business plan and we take that into consideration when we are building our models.

Mr. Chairman: So at this point in time, the difference between the 25 and the 36 and the unaccounted additional expenses that create the lost, so to speak, how do you all cater for that? Is that being catered for right now in the present costs or that is something that has developed since the last rate was fixed?

Dr. Guy: Okay, so there would be, you know, models which would take that into consideration and I will ask the ED to get into some more details on that.

Mr. Chairman: Yes, please do.

Mr. Lee Young: Yes, Chair. We look at prudent and efficient operations, so we

look at all of the costs that are involved or incurred by T&TEC in generating electricity and transmission and distribution. Those then go into the model and as the Chair mentioned, out of that comes a revenue requirement. That revenue requirement is what T&TEC needs on an annual basis to support its operations; the current expenditure, its capital expenditure, et cetera.

The fact that several years have passed since the last rate review which basically is 2006 to 2011, since then what T&TEC has faced is an increasing cost base, and hence the reason why they are running a deficit between the cost of what they sell, or the revenue from what they sell and the actual cost of operation. Yeah, and that is why a rate review is something that needs to be done on a regular basis.

Mr. Chairman: How regular is regular for you?

Mr. Lee Young: The Act says that we need to do them no later than every five years.

Mr. De Freitas: Thank you, Mr. Chairman. I am a little bit concerned because I am not sure as to whether T&TEC is taking advantage of the opportunities and the advancements in technology, globally that it has today. And I say this in the context that, I am hearing the justification for rate increases, and when I break it down to its very basic understanding, I am hearing that we need to increase rates in order to provide better service to the people of Trinidad and Tobago. But I am not hearing a concern as to the ability of the people of Trinidad and Tobago to bear these rate increases.

So, what do I really mean by that? Let me just ask two questions to begin with and then I will finish my comment. What is the status of the feed-in tariff policy, right now, with T&TEC?

Ms. Dulal: Presently, the feed-in tariff, a policy was approved in 2015 at the Ministry of Energy and it was not in a place for implementation because it required some legislative changes. So we are presently reviewing that policy at the moment with the Ministry of Energy and Energy Industries and a final document shall be progressed very shortly.

Mr. De Freitas: Okay. Second question. Has there ever been a cost-benefit analysis done on T&TEC's operations, in relation to the incorporation of technologies such as solar technology? So we just heard the cost of converting natural gas into electricity, and when you add the administrative costs on to that, you know what price that you get. But, in terms of a cost-benefit analysis, if you all were to implement, for example solar farms, which I have seen a lot of the other Caribbean islands doing now, how would that affect your operations? Would it make it better, would it make it more profitable even though that is not the objective? But have you all done a cost-benefit analysis in relation to new technology that could grossly help the operations of T&TEC?

Mr. Ramsook: I will let Mr. Mark take it, but I want to say this very clearly. T&TEC has constantly been looking at technology on the market outside there, any and everything to improve efficiency and "renewables" is one of the items that we have been looking at very closely. But I will let Mr. Mark deal with that, because it will tell you really, at the rates of four cents per kilowatt hour, the lowest in the world practically, right, when you look at other options which we have looked at very, very closely, you will get a different outcome basically, so Mr. Mark will deal with that response.

Mr. Mark: Thank you very much, GM. Permit me to address the two issues, one is efficiency and the other is technology. In terms of efficiency, T&TEC has taken steps over the years to maximize on the available generation and utilization of gas.

Not long ago, with the Port of Spain power station two years ago, the Port of Spain power station was decommissioned. It was the most inefficient power plant, it was aged, it was not very reliable and it was consuming large amounts of natural gas for the production of electricity.

That energy is now coming from TGU, which is a more modern plant using state-of-the-art combined-cycle generation. This is to say, the waste heat that would have otherwise been exhaust into the atmosphere is now collected through heat recovery steam generators, which generate electricity through steam turbines,

literally for free.

Permit me to share with you some figures to give support for the increase in efficiency. Back in 2005, to produce one megawatt hour of electricity, would have used 13.28 MMBtu which, is the energy content in the gas, and an equivalent gas volume of 11.73 million standard cubic feet of gas. By comparison, up to the end of 2017, that same one megawatt of energy is now produced using 10.22 MMBtu and an equivalent gas volume of 9.89 million standard cubic feet of gas. And that improvement in efficiency is by the incorporation of more modern state-of-the-art plant, together with some policies T&TEC has taken, in terms of its reserves margins and spinning reserve policies, all in combination to minimize the very sensitive issue of the limited natural gas resource that is available to the country and we continue to move in that direction.

With respect to the economic comparison that you are alluding to—permit me to just refer to my document—we would have had consideration to solar farms and the Government stated policy, which T&TEC is pursuing together with other stakeholders, would see T&TEC having to install something in the order of 150 megawatts of solar pv, because it is approximately 10 per cent of the demand.

When we looked at the economic payback period, based on the present tariffs, it would take approximately 20 years, and the amount of acreage required would be like over 1,500 acres of land; significant land space to realize this.

So that—and then the other thing with renewable energy, with solar power, it would save gas, but it does not provide the capacity to meet peak demand because at the time when you need electricity most, during the night, you will still have to have the fossil fuel generators to meet that peak demand. So the savings you would realize is in gas. I had said earlier on, based on our tariff, the per unit saving on gas would be something like about 12 cents. The rate at which solar is now becoming commercially available, the very, very, best feed-in price you will get for solar power may be somewhere in the order of about US 6 cents. So, you are looking at the economics of possibly feeding in at 36 cents, to save 12 cents. So the economics are

very strenuous.

Mr. Chairman: Mr. Mark, if I may just interrupt you here. I appreciate what it is you are explaining to us in terms of the efficiency of the cost, based on the question member De Freitas asked you. But to me, it seems to suggest at this point in time that T&TEC is operating efficiently, right?

Mr. Mark: Yes we are—

Mr. Chairman: In terms of fuel.

Mr. Mark: Yes.

Mr. Chairman: The issue with T&TEC has to do with the overall costs, which lies in the administrative aspect of it as opposed to the cost of producing electricity. So really the problem seems to be in the administrative aspect. The difference between the 25 and the 36, 11 cents that goes overboard, has to do with the non-activities in the production of electricity and more with the administration and the running of the company. Am I right or wrong?

Mr. Ramsook: Let me take that. I will take that, Sir. Let me clarify. I will clarify the two issues to get back to the point with the solar. I want to make sure I clear that up. Okay, so just to clear something, 67 per cent, between 65 to 67 per cent of our cost, is conversion and gas, totally related to generation. I want to start by making that clear. Twenty-three per cent of that cost—so if you have the pie, 23 per cent of that is salaries and wages. Right. So in the pie, and then the difference is where you buy your materials and so on. So you have to look and see where you have control over in that pie. So 67 per cent you have no control over, because that is your generation cost. Right, generation and that is conversion, and gas.

Mr. Chairman: So does that fit in the 25 cents?

Mr. Ramsook: Well yeah, remember when Mr. Mark spoke about the cost, and he used the analysis, he said okay, this is the cost to generate and then he said the difference really to make your commitments really lie with the other items, and that is buying materials and all the other things that you need to operate your business. Right? So 23 per cent and the difference is materials and any other items that you

have.

11.00 a.m.

Mr. Chairman: Well then that is false information. What I mean, that is not accurate information as opposed to false, because if I am to ask you what is the cost to produce something, it must entail, fundamentally, your material cost whatever it is.

Mr. Ramsook: No, no. When he focused there, he focused only on generation.

Mr. Chairman: No, no. I want to know what is the cost per unit.

Mr. Ramsook: Right. So that is why I gave you the example—

Mr. Chairman: So what is the cost? It is not 25 cents, then?

Mr. Ramsook: No, no.

Mr. Chairman: So what is it?

Mr. Ramsook: It will take you in the region of about 45 cents.

Mr. Chairman: Forty-five cents. We are now speaking. And you are selling at 36 cents and you—

Mr. Ramsook: Well, 36 is a running average. You start off with your domestic customers at 26, 32 and 37 cents, and it varies because you have residential, you have commercial and you have industrial customers. So it varies across—

Mr. Chairman: 26, 32 and what?

Mr. Ramsook: Right. In the case of the domestic 26 cents, 32 cents—that is the three tiers that we have—and 37 cents.

Mr. Chairman: So none of the charges surpasses the cost, which is 45 cents?

Mr. Ramsook: That is correct. That is correct, Sir. That is very correct. I want to just come back to that point. So we have some renewable projects running. We have the Islamic Centre, we have a wind turbine there and photovoltaics there. We have in our building photovoltaics, and Mr. Mark was heading towards that direction. We are looking at one of the major projects right now at the Piarco Airport, which we have started to look at very closely at 10 megawatts—between 5 to 10 megawatts. The problem with that is, there are two issues I want to make clear

with renewables. The problem with renewables, as Mr. Mark was saying, it will help. So, let us say you have photovoltaics. So you have the sunshine, you run the renewables, you provide service. When the sun goes down you have to have the equivalent generation to provide the service, unless you have the battery power and that is not always available.

Mr. De Freitas: Not to cut you off, but that is exactly what I was talking about.

Mr. Ramsook: Right.

Mr. De Freitas: I understand what you are saying, and in the answer what I am getting is one or the other in terms of generation. What I was thinking about was a hybridization to deal with that very specific issue that you are talking about. So you are talking about at the point of generation, and just follow me for a second.

Mr. Ramsook: Sure.

Mr. De Freitas: In T&TEC you have residential and commercial, so you are supplying power for those two. And what I thought might have happened is that you are running an efficient system now with the natural gas and that is fine, but an education programme can go into play where you have households in Trinidad and Tobago installing their own solar panels, and during the day when you have sunshine, they are on that system and at night when the peak might drop or you have the peak going up, they then turn over in their households—by different plugs or whatever—to the natural gas system that T&TEC provides, and what that would do is decrease the demand on T&TEC for one, usage of natural gas and so forth, therefore, reducing your cost; one way.

Here is another thing. There are other opportunities available, again, with renewables. For example, we have seen in budgets past that incentives have been put forward for electric vehicles. Why is it that T&TEC cannot set up charging stations across the country, metered, and charge people for charging their vehicles, however long that may take? What that will do is create a secondary source of income for T&TEC with minimal capital input, whilst at the same time reducing the disposable income on the pockets of the citizens of Trinidad and Tobago. Because

one, they would have bought the vehicles with incentives, so that they are not as costly; two, it is not going to be as costly to fill up these vehicles when they are driving to and from work, and because T&TEC is putting in the infrastructure for the charging stations across the country, you are receiving the money. So there is a benefit to both T&TEC and the citizens as opposed to just increasing rates to cover the cost of providing electricity, as it is now. So you understand how you can come up with a hybridized system to benefit both the people of Trinidad and Tobago and T&TEC. What are your thoughts on that?

Mr. Ramsook: Right. So I just want to clear up one issue. Forgive me, Sir, but rates are not being increased only to cover administration, it is the total picture of the organization, but I will come back to the point. And therein lies the feed-in tariff, and Mr. Mark will deal with that issue basically also. What I want to point out though, in everything—and you are right. So we are looking at that also, but there is a capital injection cost for the customer to provide the photovoltaics. We have done the analysis. In fact, we have a project going on right now in Blanchisseuse, but when you look at the capital cost Sir, against the cost of the electricity at this point in time—I want you to take one other item into consideration.

I have 400 megawatts of available capacity sitting down, surplus. I want to make sure I say it right. As I said, when you look at the capital cost to do a project—let us say the customer has to buy photovoltaics, by all means, the feed-in tariff policy will cater for that—economically, there is still a major difference between US 4 cents per kilowatt at what we sell at for any customer to go into that direction to look at that. But, certainly, it will help and it is coming.

Where the issue is really, at this point in time, is that if you could save on the natural gas, because in all fairness there is an issue, but we pay at $1.18 per MMBtu and it is marketed at $3-plus per MMBtu. So we pay at a very low price. So you could save that natural gas and the country could monetize that—that is really where the issue is coming—in terms of making additional revenue, of course and foreign exchange and whatever is necessary for the benefit of the country, and that is

engaging the entire discussion. But what will happen is that the moment you start to talk in that direction, the values that the customer will have to pay will go up.

As I say, if you are going renewables, to even generate capital cost to inject for any plant or capital cost to inject for any renewables—I will give you a typical example. We were talking about recreation ground recently. To do a recreation ground in the country is about $1 million, and the Ministry is looking very closely at solar-powered recreation grounds. When they did the analysis and they did the cost it came up to $8 million, and then every, I think it was seven years—forgive me in terms of the time—you have to change the battery. So I am just saying, I am hearing, but we have analyzed it. We have looked at it and you have to look and see what is the final cost. Where are we gravitating towards? So I just give you that typical example. I would come back to Mr. Mark and let him focus straight on the issue of the cost for photovoltaics.

But certainly, Sir, I want to make it clear to you, we at T&TEC, we want to go in that direction. The country has to benefit too by the savings in the gas. The regulator has been pushing us there and for good reasons and we appreciate their role also. So it is not as if the regulator has not been pushing us there. They have been and we have been fighting to get there also but, again, it means that the country has to understand what they will be getting into the moment you do that transition—savings in natural gas, you get more money; the country benefits, things get better. But, of course, there will be a cost, an increased cost and you save on the natural gas so that in the future it will be available, because it is not infinite. So, I just wanted to make that point.

Mr. Chairman: Mr. Ramsook, clearly, we need to bring you back alone to be able to deal with this. I mean, there is a lot to be done. So, unfortunately, we will have to just move on from this issue as interesting and enlightening as it is, we have some other grounds to cover and we are running out of time.

So, in your submissions you all suggested that 2 per cent of the households are without electricity which seems quite high. It seems quite an attractive

achievement, but what accounts to get the other 2 per cent on the grid? What is the obstacle?

Mr. Sirju: I think the remaining 2 per cent has to do with location, remoteness and the economic viability. In fact, Chairman, it is one of the areas that ties into the conversation that you had before, that we are really looking at the feasibility. Mr. Ramsook mentioned the question of our project in Blanchisseuse of looking at solar power for those areas. These would be very remote areas in which maintenance cost will be very high, where you have reliability issues associated with vegetation growth, and the maintenance of the lines, and both are very remote areas. We are talking about the extremes of Blanchisseuse and some other parts of the island that are similar. So that remaining 2 per cent might be a good captive market for the solar energy that the member spoke about. I am saying, as we are speaking now, the project is being considered to see the feasibility of that and whether electricity cannot be provided in that manner for the remaining 2 per cent.

Mr. Chairman: In the written submission, I think we had asked—which I must thank you for supplying to us. On the 21st of March you all sent it in. Thank you very much. It was quite helpful and informative. You were saying that—we were asking in your submission—just now. You said that there is a majority of 3,000 households without electricity. So the 2 per cent is about 3,000 households. This is what you were saying here in the information to be exact, and it is because of the remoteness where they are located, basically is the problem as opposed to any other reason.

Mr. Ramsook: Yes.

Mr. Chairman: Okay. In terms of customers' complaints with T&TEC, has that improved? The number has varied between 2015 that you supplied and 2016 and 2017. There was a drop in 2016 I think. In terms of your complaints, is there a high volume of complaints coming from T&TEC in terms of customers complaining about damaged appliances and so?

Mr. Sirju: Yes, Chairman. That continues to exist. I would like to ask my

colleague, Ms. Bransnell, to further elaborate.

Mr. Chairman: Yes.

Ms. Bransnell: Regarding customer complaints, I am going to further seek the assistance of another colleague to speak specifically to customer complaints, but I just want to talk about customer feedback. We seek feedback from customers on the quality of our service on an annual basis. We use, essentially, what is a three-year cycle to do customer satisfaction surveys. For the first two years of a three-year cycle, we would conduct surveys in our service centres where we get responses from walk-in customers on the quality of service, both on the field and in the office, and every three years we do a national field survey where we actually go out to homes and seek responses to a longer form survey that expands on what we would have asked about in the previous two years. The information that we get from those surveys is analyzed and is submitted to all our distribution areas where each area manager would then examine whatever the shortfalls are in their area as outlined by customers, and then we act on those issues.

Customer complaints that come in to the commission come in via various methods. They come by phone, they come by email and they come by letter and those complaints are dealt with in terms of the investigation of those complaints done by the areas and also through the regulatory and compliance department which is under the Chief Financial Officer. So, Mr. Balgobin would be able to give you some more information on that.

Mr. Chairman: Let me ask you. Would it not be more efficient and more contemporaneous if on a bill—your billing cycle to customers is every two months, not so?

Ms. Bransnell: Correct.

Mr. Chairman: Every two months. So if when you bill, on the bill could have printed, you know, a tick off box—were you satisfied, very satisfied or agree or something like that. Would that not provide current information for you on a more regular basis and even more accurate?

Ms. Bransnell: We also collect current information in the service centres. In every service centre we have feedback boxes that give you a form and ask specifically what was your experience today? What service did you access?

Mr. Chairman: Sorry, that is when you come into the entity?

Ms. Bransnell: Correct.

Mr. Chairman: No, what I am saying, I mean, everybody would not come into the entity and society is moving towards discouraging people from coming into entities now and doing things more electronically. Yes? I think somebody was speaking about paying your electricity bill by credit cards and different things like that. So if on your bill, the generation of your bill, can you not include that type of—you see it sometimes you are flying on an aircraft and they ask you to tick a box whether or not you were satisfied or dissatisfied. Would that not be more efficient and cheaper too?

Mr. Bransnell: I am certain that that is something that could be looked at in terms of doing it on the bill, Sir.

Mr. Chairman: And I think so too.

Mr. Forde: Through you, Mr. Chairman, that is the same concern that I wanted to raise with regard to page 2 of the report, Mr. Chairman, in terms of the customer complaints. And as your communications officer mentioned, we use 800 BULB, we use the hotline. Again, the complaints can go through the local government councillors' offices, likewise the Members of Parliament offices, and this is why I am able to be in a position in order to offer commendation to T&TEC because the 800 BULB and the hotline—again, correct me—do not seem to be working efficiently, hence the reason why a number of my constituents would come to the office in order to complain—LP 12, Balthazar Street; LP 15, Fairley Street are not working as the case may be—and then I would generate an email—most times an email—and yes, within two to three days the action is taken care by T&TEC.

With regard to 800 BULB and the hotlines, some improvement I think is needed along those lines, because I can tell you for a fact most of the persons that

call my office or make a complaint to the councillors keep saying that they have been calling the numbers on numerous occasions and they are not getting through. Could you make a comment on that?

Ms. Bransnell: Regarding the 800 BULB service, I must admit that we previously used to get quite a number of responses about the efficiency of 800 BULB. However, in November last year we changed up the service regarding 800 BULB, and we have established a call centre; the calls now go into there. We have dispatchers on service 24/7 responding to 800 BULB. The feedback that we have gotten since the call centre has been launched has been tremendous in terms of the call answer rate and in terms of our ability to respond to issues that customers have been raising through the BULB hotline. So we are seeing some great improvements there and we are going to continue to monitor it and see how the numbers improve for BULB.

Mr. Forde: Is it possible you can share those numbers?

Ms. Bransnell: We should be able to share them in writing, Sir. If I could also add, in addition to the call centre, at that same time, we would have launched our mobile app service and that also has seen some tremendous improvement in terms of customers being able to submit reports on outages or any other technical issues related to our service, and through that app they can dialogue with us on the resolution of the problem. We have also been seeing some great response from customers using the app as well.

Mr. Chairman: Thank you very much. Dr. Lovell, you have a question?

Dr. Lovell: Is there any longer-term plan to move away from high-tension wires?

Mr. Sirju: I will start by saying it is a very desirable thing, but as you will well imagine, with an infrastructure that is already in place it is going to be very disruptive. Where it was possible, I think for new developments that it is encouraged. But, as you know, it is a more costly installation. In its current state, I would say T&TEC would like to do it, but it does not have the wherewithal right now to consider it even on a phased basis.

Dr. Lovell: Fair enough.

Ms. Ameen: Mr. Chairman, I wanted to move away a little bit from that to ask a question about T&TEC's policy with regard to connections for people who are considered squatters, whether they are regularized squatters or not yet regularized. The LSA has stopped their regularization exercise, and I am aware that the regularization exercise included the engagement of T&TEC and other service providers. So I want to ask now, with the halt by LSA in their regularization, what is the policy for T&TEC with regard to connecting new customers who are squatters as well as existing customers who may have challenges. How do you treat with them?

Mr. Sirju: Member, can I ask my colleague, Mr. Rodriguez, to take this one?

Mr. Rodriguez: Where squatters are concerned, provided that these squatters, as you call them, have been regularized or so and they can provide such evidence, T&TEC would move forward with the supply. Of course, we always maintain that if at any point in time the Government wants to retain its land then there is cost to removal of the infrastructure. But, generally, that is approach that we will take.

Ms. Ameen: So they require approval from LSA? If they are not regularized—a squatter who is not regularized, what would you require from them if they make an application for a T&TEC connection?

Mr. Rodriguez: At this point, I would perhaps want to pass this question to the General Manager.

Mr. Ramsook: Right. If they are not regularized—first of all, let me identify this point. Once you are within connecting, the 50 yards, the Act clearly identifies once you are within 50 yards of our low-voltage lines we should be connecting you. Right? That is clear in the Act. However, if you do not have any Certificate of Comfort and you do not have permission from the LSA, we will not be connecting at this point in time.

Mr. Chairman: Dr. Guy, as we come to a closure this morning, you can see it is quite obvious that there is a lot more to be asked. There is a lot of valuable

information that has been coming out, but I would just like to ask in terms of you going about dealing with the rates—preparing of the rates, the new rates, the increase that is being proposed I think or being discussed—is there a downside to the fact that under the RIC there is no more public hearing as such? Does this put you at a disadvantage as the regulator as opposed to going out there? I know you are going to have some, what is it? You have what? Some consultations. Does it take away from actually having a hearing where you can get probably more input?

Dr. Guy: I do not think so, because it achieves pretty much the same. When we come up with the draft price determination, we publish it and we send that information out to, you know, various stakeholders and we arrange consultations across the country, and we take the feedback and we will consider, you know, those that we think should be rolled into the entire consideration, and we use that to do the rate determination. And I think that the consultation process is engaging. It is an environment where people can speak freely, and it is open and transparent. I have not experienced the previous system with a hearing, but it just seems to me as if a consultative process is one that is more engaging and an environment that makes for more information coming forward that the RIC can use.

Mr. Chairman: Why I am asking this is, based on the information that was adduced this morning, the input, the cost which is—he said 67 per cent in purchasing a unit of electricity, and what it is being sold at—and there is a big disparity in order for you all to break even. So in your deliberations as technocrats, looking at the figures, obviously, if there is—when you do your quantification and you take the cost and the production and so forth, you may come up with a figure certainly to cover. To break even might be very high. So, in your consultations, would you have a figure like that to be able to discuss with the public to let them know exactly what it is?

So, I mean, if you say right now it is 25 per cent—it is more than 25, let us say it is 40 per cent, but really and truly, to make T&TEC break even is 75 cents. How are you going to deal with that? Is it that you all are going to give the public a figure and say, look, this is the real cost to produce electricity and this is what it is

necessary to sell at, to continue with T&TEC to be an efficient utility provider to you all, to continue with promptness and efficiency and so forth, this is what it costs? How do you deal with that?

Dr. Guy: Okay, I understand what you are asking. The ED will give some more information on that.

Dr. Lee Young: Yes, Chair. In the course of doing a rate review, take T&TEC, for example, we have published a total of 19 technical papers to deal with every aspect of a rate review, including issues such as ability to pay. So all of those are addressed. Those are out in the public domain as we speak. When we do the rate review, if prices, if the models—the economic models that we run—show an increase, a possible increase way beyond the ability, or what we consider the ability to pay, then we cap it.

Mr. Chairman: You cap it?

Dr. Lee Young: We cap it.

Mr. Chairman: And who absorbs that difference? The Government?

Dr. Lee Young: Well, it goes back to the Act that says we need to ensure prudent and efficient operations. The fact that the rate is considered in excess—maybe in excess of what we think they need to do a prudent and efficient operation, we cannot pass those inefficiencies on to the public. We would not. In that case, it is entirely up to the utility then, at that point in time, to fund or figure out how they are going to fund that difference between what we set for prudent and efficient operation of their utility as opposed to what they are actually spending.

Mr. Chairman: Mr. Sirju, is that an issue you have to deal with at this point in time?

Mr. Sirju: Certainly, there are some aspects, Chairman. Mr. Ramsook mentioned the surplus power, for example, that is being bought. There are power purchase agreements that T&TEC has with the power producers where it is called a "take or pay". It is the output of the plant that you have to take. So that if you are paying for say 1,800 megawatts of electricity, you are only able to sell 1,200. Your normal

requirement would require you to be, say at 1,400, then you have 400 megawatts that you are paying for. I think that would be an example of the cost that Dr. Lee Young is speaking about.

Mr. Chairman: Gentlemen and ladies, this has been quite an informative morning. I thought it was going to be a short one, but I think nothing with T&TEC can be capsulated in a very short space of time because, I mean, it touches and concerns all of us living in this Trinidad and Tobago. And certainly what we hope to do is to assist the regulator in helping you as a utility provider to be more efficient in your services and this is the reason for these hearings.

I suspect in the future we may have to revisit this, again, probably when the rates are out. Who knows? But, for now, we will have to bring it to a close. I would ask you to offer any closing remarks, Mr. Sirju, at this point from this morning's hearing. Thank you.

Mr. Sirju: Well, I think, Chairman and members, I like to first thank the two members who gave us some words of encouragement. I think, members that these words go a long way to the general staff of the organization and to the morale and their intention to give this country a good service. I think we should summarize, to some extent, by saying that despite its difficulties, T&TEC continues to place a high emphasis on its reliability, and I hope that the population has observed that despite its difficulties, the electricity service is still a very good one. Other than that, I think we will take on board the comments that your members have made and see how we go from here.

Mr. Chairman: Thank you very much for your comments. Thank you very much members for attending this morning's hearing. I would ask the listening and viewing public to stay tuned. We will have a suspension of five minutes and then we will have WASA next. Thank you very much, and good day gentlemen and ladies.

11.27 a.m.: *Meeting suspended.*

11.35 a.m.: *Meeting resumed.*

WATER & SEWERAGE AUTHORITY (WASA)

Mr. Romney Thomas	Chairman, Board of Commissioners
Dr. Ellis Borris	Chief Executive Officer
Mr. Dion Abdool	General Counsel & Corporate Secretary
Mrs. Denise Lee-Sing Pereira	Director, Programmers & Change Management
Mr. Sherland Sheppard	Director, Operations
Mr. Alan Poon-King	Director, Customer Care
Ms. Rachelle Wilkie	Director, Finance

Mr. Chairman: Good morning, again, to the viewing and listening public. Welcome, WASA. Mr. Thomas, Chairman of the board of WASA, I will invite you to introduce yourself and your members, and then to make a very brief opening statement, two minutes preferably. I am putting you on the clock. Okay? Thank you.

[*Introductions made*]

Mr. Thomas: Good morning once again, Chairman and members of the Joint Select Committee. On behalf of the board and management of the Water and Sewerage Authority, let me thank you for the opportunity to appear before the Committee as it deliberates on matters pertaining to the Regulated Industries Commission. The Water and Sewerage Authority is a statutory body solely responsible for the provision of potable water supply and sewerage services in Trinidad and Tobago. A key component of our mandate is the delivery of safe, reliable and efficient water supply to satisfy the demands of all sectors of society. Despite its monopoly status, WASA's operational performance and financial results over the years have been below internationally accepted benchmarks for a well-performing water utility. In fact, the Authority's revenues are substantially below its operating costs resulting in excessive dependence from subventions from the Government of the republic of Trinidad and Tobago. The main reason for this situation is the unusually low tariff, WASA has significant room for efficiency, improvements across its operations.

WASA's tariffs have not been adjusted since 1993, and are among the lowest in the region.

I believe tariffs should cover the cost of service, including operation costs, and costs associated with capital investments. The low tariffs leads to consumers using water excessively. The wastage and high usage increases operational costs. Higher costs and low tariffs means there are less funds available for investment and maintenance, which are then postponed. Without investments in new infrastructure and timely maintenance of existing infrastructure, the services deteriorate, and the level of efficiency decreases even further. As such, customers were not willing to pay for substandard services and the utility becomes highly dependent on subsidies from the Government. Eventually the Government is unable to increase subsidies and the utility is challenged to pay salaries, wages, recurrent costs, and improve its service delivery to its customers. The utility's declining performance due to the low tariff structures is further demonstrated by the age, infrastructure, the high consumption levels of consumers, limited funding to cover the cost of operations, the high levels of inefficiency in key areas, including high non-revenue water, excessive dependence on subventions from the Government.

WASA recognizes the challenges and has developed short, medium and long-term plans to improve the Authority's performance in the areas of service, quality, reliability, coverage, compliance, efficiency, safety and sustainability. The intention is to transform WASA to improve its ability to satisfy the demand for high quality potable water supply and sewerage services operating independently of Government subventions. In order to accomplish this the Authority must secure a tariff increase or otherwise it will continue to rely heavily on Government for subventions. Accordingly, we have prepared a business plan in accordance with the Regulated Industries Commission's framework, an approach for price review. In closing, once again, let me thank you, thank this Committee once again for the opportunity to appear before it to participate in these proceedings.

Mr. Chairman: Thank you very much, Mr. Thomas. Time is of the essence so we

would try to keep things very tight and succinct as possible, the questions, as well as the answers. So this takes me to the every first question, you said that you all need to require—one of the problems that WASA is facing is the lack of an increase in rates for a very long time, but in dealing with the increases how does leakage in terms of wastage of water affect, impact upon your operation in cost?

Mr. Thomas: Well, it definitely impacts on our operational costs, and the RIC is mandated not to take into account our inefficiencies. But what we are facing is that we have a lot of aged infrastructure, and, as a result, consequently, there are going to be a lot of breakages in the lines and disruption in service. So it is a sort of catch-22 sort of situation.

Mr. Chairman: But, Mr. Thomas, something I am eager to raise with you here. I have experience, I mean, so you have ageing infrastructure, you must have a sort of a specialized unit to deal with leakages as reported and as quickly as possible, do you agree?

Mr. Thomas: Yes.

Mr. Chairman: Do you have such a unit in operations?

Mr. Thomas: We do.

Mr. Chairman: And what is your response time when a complaint is made or a report is made that there is a leakage, x, y and x in the public arena? How fast do you all respond to that?

Mr. Thomas: Mr. Chairman, let me refer that question to the Director of Customer Care.

Mr. Poon-King: Okay, on an average roughly about 10 days would be the average, but the minimum would be same day, depending on the nature of the leak.

Mr. Chairman: All right. Let me give you a piece of information and tell me how you would respond to that. I have noticed from going to the Hasely Crawford Stadium on a very regular basis, on a weekly basis, and I noticed sometime in 2017 around September, and it could be before that because it was in existence before, there was a leakage as you entered there that was running significantly. It was not a

drop. It was not a drip. It was a serious constant flow of water. It went on for over six months. Much so, I know the manager at that time of the stadium had made overtures to get it fixed, to get WASA, to get whoever it is fixed, and it was continuous. It was 24/7 water running without ceasing. It took me to raise it with be Minister of Public Utilities some month ago and he reacted by going down there—I think he said it himself—the afternoon to look and he saw what I was speaking about. Being the Minister with WASA on his portfolio, I went back there sometime a month after, there was some difficulty he had explained in terms of Ministries, whose property it is, and different things like that. In the meantime, water flowing, as I say, water flowing like—I mean, just flowing like a flood, constant eh, 24/7. When I came back to the Minister about two weeks ago and I told him, you know, Minister, the problem I brought to your notice is still there. He was somewhat shocked. Fortunately, and kudos to him, if you want to say, apparently they went midnight that night and fixed the water, fixed the problem that was going on for six months. So I want to know what the bill for the stadium would have been, who is paying that bill. And if WASA has any metering, basis of checking this, they must have seen there was a gush of water, a significant leakage, not for 10 days, as you said they would respond, for over six months. That is my calculation, and it could be longer than that. That is a significant waste. So when you talk about wanting an increase in rates and you have this kind of leakages taking place here, people will not want to take those rate increases easy. So how do you deal with that? Are you shocked by what I am saying?

Mr. Poon-King: What I had given was the average, and I think we need to acknowledge that we do have inefficiency that the Chairman referred to. The issue of the leak beyond the meter that is part of the problem that we experience as well. WASA has an issue with leaks within our domain and we are fully extended with trying to address those. The issue within the stadium, such a leak would normally, if it is beyond the meter, be the responsibility of the—

Mr. Chairman: Sorry?

Mr. Poon-King: I said normally if the leak is beyond the meter it would be the responsibility of the stadium manager, but if it was significant enough we would normally get involved and work with—well, in this case, the Hasely Crawford Stadium.

Mr. Chairman: What I do not understand, Sir, with the greatest of respect, is that if you are managing water, you are the water authority, and there is a leakage going on anywhere, that water is coming from somewhere, it is coming from a reservoir that needs to—if that water is wasting, that water could be going somewhere else. So forget the politics of who is supposed to do this, to me there is somebody injured, there is an injury in the water supply, there is a rupture, it needs to be attended to. So, some level of efficiency need to reorganize how those things are attended to, to make sense.

Mr. Thomas: Chairman, what you are describing is inexcusable, let us be frank about it, and the system as designed—we should have our technical officers should have picked up on that leak and should have done something about it. Even if it was to come back and try to muddle through the jurisdictional—you know, who is responsible for what, they should have at least tried to do something. Six months, that is an extreme situation and it should not be tolerated, and that is something that we will definitely look into and investigate, because from where I sit I am extremely concerned, as I am sure you are, and the Minister of Public Utilities was when you described that to me.

Mr. Chairman: Yeah. And the fact that when he was spoken to on the second occasion, to his surprise, it was really in a bid to be corrected within the same evening, by midnight they were there fixing it. Mr. De Freitas.

Mr. De Freitas: I just want to ask, what is the procedure when someone calls in and indicates that there is a leak somewhere, because it seems that is where the breakdown was? Once WASA realized that this leak was occurring, as the Chairman was indicating, was fixed the same night, but he also indicated in his question that there were attempts before to notify WASA that this leak was occurring. So can you

do a check to find out what is happening when citizens call in and say there is a leak and it is left for six months? I think that is where the problem lies.

Mr. Thomas: We will certainly investigate it, but just to answer the first part of your question, I think we will ask the CEO to deal with the process when a complaint comes in.

Mr. Chairman: Okay. Dr. Francis.

Dr. Francis: Mr. Chairman, since we seem to be on leaks—sorry.

Dr. Borris: When a complaint comes in a job or card is being made and the job is being sent out to the operations department for them to programme its fixture. When that is done they will send the crews. According to the extent of the leak, if the leak is very aggressive we will put somebody on it or send a team on it immediately. If it is one that is very mild then we will programme it into the schedule. Those that have heavy gush, like the one that probably was mentioned earlier, that should have been dealt with immediately if it had probably go on in the right direction. So, as least, probably the information did not come and go in the right direction so we could have dealt with it immediately, but generally there is a process in programming the leak arrangement, and daily we send people out the fix leaks.

Mr. De Freitas: Okay, you separated leaks into major and mild, could, just for my clarification, what institutes a mild leak?

Dr. Borris: Well, there are some pipes that are just oozing and they are not gushing. Those that are gushing or releasing heavy significant volumes of water, we have to deal with those immediately.

Mr. De Freitas: What is the average time it takes to fix a mild leak, because you said it goes into the system?

Dr. Borris: Well, it is programmed, and according to what my colleague said earlier, it is around seven days we usually take, 10/7 days.

Mr. Chairman: Dr. Francis.

Dr. Francis: Mr. Chairman, fundamentally from years of observation it seems to be that WASA pipes tend to rupture at the point at which they are welded. That is

my observation. Is there a workmanship issue here? Is it the case that these pipes are inspected in terms of the welding before they are covered?

Mr. Thomas: I will let the Director of Operations elaborate on that, but essentially, the main problem here is the age of the infrastructure. So the weakest point on any pipeline is actually going to be at that point where it is joined, but in terms of the quality of work, we are supposed to have a quality assurance officer, you know, inspect these jobs to ensure that it is done properly. But I will have the Director of Operations elaborate on that.

Mr. Sheppard: Good morning. Firstly, I would say no, there is not a workmanship issue. Mostly what we find is at the pressure points when the pipelines are pressured you will get a rupture at the point if there is any problem, meaning there is any restrictions along the line. Okay, for instance, night-time when people are not using water and the high pressure is on the line, you may get a rupture at the point of the joining—I would not say welding, I would say joining—because of that, right, but it is not really a problem of the workmanship. All right?

Mr. Chairman: How efficient is your 1-800 number leakage—leaks, I think?

Ms. Ameen: 800-LEAK.

Mr. Chairman: The 800-LEAK, how efficient is—

Mr. Poon-King: The 800-LEAK is a mechanism that we have to facilitate customers calling in. Again, it is an area that we have to improve upon. Given the number of calls that we get when we have issues arising, we are looking to have other mechanisms for customers to report in. So we monitor the types of calls that we get, and the majority of the calls are associated with pipe-borne water supply. And in the event that the customer does not have a pipe-borne water supply, a request for truck-borne water and leaks. We recently launched an app where we are giving customers and members of the public other facilities to get information into WASA without necessarily having to have a personal interface where we can the data and follow up on. At this point in time the app provides the facility where you can report a leak, request truck-borne water or pay your bill. So we are looking to expand on

that to include some of the other issues that customers would normally call in to give the customer and members of the public an alternative to actually having to call in. We are looking to streamline as well where currently people communicate via WhatsApp, email, and so on, so all those are being streamlined to come into the system as well into our job management system. So whether it is a call, an email, a WhatsApp, we are seeking to capture all those calls and communication that would come in, again, working towards compliance with the guidelines that the RIC had set up.

Mr. Chairman: Thank you. Ms. Ameen.

Ms. Ameen: Mr. Chairman, I am listening in a bit of amazement, and I am sure members of the public as well with regard to your indication that your response time for 10 days and some of your other policies with regard to response to your customers, and I think it might be a bit admirable how well you are trying to—if the phrase "make excuses" sounds bad I apologize, but to me that is what will come across to the public and to your customers, because that is not the reality in terms of what the customers receive from WASA. The public—two points I want to make—the customer care and the response, the treatment of the customer leaves a lot to be desired, and I am sure Mr. Poon-King will acknowledge that, the way the customers are treated on the phones. Every day I hear people calling in to I95's programme complaining about WASA leaks for months, and the treatment when they call the phone and how people answer them, that in itself as well adds to the issue, and I want to get back to what you have identified as part of the root cause for the numerous leaks across the country. You indicated the age of your infrastructure, I recall that there was a comprehensive programme—

Mr. Chairman: What question are you asking him?

Ms. Ameen: Well, the two points I want to raise, the first was with the customer care and the second is with regard to the age of the infrastructure, and there was a comprehensive programme, because if we have to be solution-driven I do not think we should be talking about repairs. There was a comprehensive programme to

replace the major pipelines throughout the country. I know that the north/south—there was a lot of work on the north/south, replacing the north/south, the 24-inch main, I believe, and there was a programme as well to do one along the Churchill Roosevelt Highway. And I was involved in that because as Chairman of the Regional Corporation there were places we had to intervene where there were encroachments, and so on. So can you tell us, what is the status of those major projects to replace those aged lines to begin with, because you have identified aged infrastructure as one of the causes for leaks?

Mr. Thomas: Let me address your first comment in terms of customer care. We have identified that this is an area that definitely needs improvement on WASA's end, and we have embarked upon some exercises in WASA to train and to sensitize our staff members to, you know, proper methods of dealing with the public, and what have you. That is currently ongoing, and it is something that we are constantly monitoring and trying to improve upon. So it is something I have observed myself, you know, in terms of how we relate to the public, and it is something that we definitely need to work on, but we are making some strides in that area. In terms of the aged infrastructure, it all comes back to the finances as well. Okay? We spoke about the low tariff, this is part of the cost that is going to be required. It is a catch-22 situation. We have not gotten a rate increase since 1993. So we are heavily dependent on Government. We are heavily dependent on, you know, borrowings from IDB for one, and to try and, you know, replace some of these aged pipelines. So some of these projects—we have a lot of projects ongoing, and there are some projects that have been stalled because of the lack of funding. Probably Mr. Sheppard could probably give us some idea of some of the other projects that we are working on. I think the project that you mentioned the funding had actually run out in terms of the—I think it was the dualling of the Caroni line. That is one of the projects I could recall offhand, but the funding had run out and we are waiting on some additional funding to complete that project.

Mr. Chairman: Dr. Guy, could you come in here please and tell us what is your

reaction to what you are hearing from WASA in terms of the quality of service, where do you all come in here, because that is within your remit eh?

Dr. Guy: Yes, Chairman, it is, and that is why when we do the rate review, we do that in conjunction with the establishment of service standards, and we are for the first time establishing a quality of service standard regime for WASA that has been developed, and WASA has given its input into that, and that would be published at the same time that we do the rate determination. And just for information, what a quality of service standards regime says is that the service provider is expected to respond within certain times to certain issues that the customer may raise if it is a situation that we are talking about, like a leak, we have established a standard for WASA to respond within 48 hours.

Mr. Chairman: 48 hours?

Dr. Guy: Yes.

Mr. Chairman: He said seven days and I said six months.

Dr. Guy: We know it is a stretch, but it is important to set those standards so that they come together with the rate determination.

Mr. Chairman: Yeah, definitely so. And in terms of WASA providing the type of information you will need to assist you in that, how readily available is that information forthcoming?

Dr. Guy: It is a bit of a challenge, and we have been working with the service provider, with WASA, and they have been providing it progressively. We would wish it could be a little, you know, more expeditious, but we understand the constraints, and we are working with WASA to get the information that we need do get into our model. A document was submitted, we indicated that there was more information that we would have liked to get, and they are working on that, and as we get the information we populate our models.

Mr. Chairman: Mr. Thomas, you realize what Dr. Guy has just said is that you are asking in one instance for our assistance in terms of your tariff to be able to do what you need to do; for them to be able to do their job efficiently, accurately and to the

best interest of all, you need to provide the information that is required. So what will be the cause for you not to be able—when I say, you, do not take it personally—to assist the RIC with the information that is ready in a very prompt way?

Mr. Thomas: I am not aware that there is information outstanding for the RIC, so perhaps maybe the Chairman at some point, maybe off camera we could probably have a discussion, but I do not know if the CEO is aware that there is any information outstanding.

Dr. Borris: Chairman, according to my knowledge, I do not think there is anything outstanding. If the Executive Director needs anything he would at least communicate with me and then we will respond immediately. So if there is anything that is outstanding he could at least speak to us or write us and let us know exactly what is outstanding.

Ms. Ameen: Mr. Chairman, I just want to ask for clarification. I know that the RIC would determine what your rates, and so on would be, and those rates are based on a number of things, including what it requires, what the agency requires, the Authority requires to provide the service, and I am having a difficultly, Mr. Chairman, knowing what the salaries of some of the senior people in WASA are, what some of the their engagements are, the cost of some of their engagements are, and then still indicating that funding is a problem. I know that there have been instances of workers to being terminated—workers at the lower ranks of course being terminated, and still you have poor service being provided to the customer. So my question, Mr. Chairman, is to the RIC, do you play a role in advising when you determine what the rate should be, because the rate is a major part of their income? If there is inefficiency in the company do you play a role in terms of advising WASA or the Ministry of Public Utilities where improvements can be made, not just in providing the service but in the running of the organization and the spending of the public's money?

Dr. Lee Young: Yes, thank you for that question. Back to one of my original comments. When we do a rate review we look at efficient and prudent operation.

So in the course of looking at the utility we benchmark them against regional utilities, et cetera, to get a sense of where they are. The rate that we set is based on prudent and efficient operations. If that utility is inefficient, over-staffed, whatever it may be, we do not pass those inefficiencies on to the public. It is capped at that level, and, as I said, it is up to the utility to bridge that gap. So when we set the rates, what we do is we would recognize, look, the utility is in this position, or the status quo, these are the inefficiencies, we understand those, and what we do is we set annual targets to try and move them towards improved efficiency. So those may be satisfaction of certain metrics, number of employees per thousand connections, that sort of stuff. And it is not a process that is going to happen overnight, but within a five-year rate review period we set annual targets, that, you know, we will question, and ensure that the utility is at least moving in that direction. And if they do not, then the problem is compounded in that the inefficiencies remain, and when we come to do the next rate review, that gap is still there. So we do not get involved operationally, but we set high level metrics to try and move the utility towards the good—

12.05 p.m.

Ms. Ameen: How do you rate the efficiency of WASA?

Dr. Lee Young: I would indicate that the one metric that we would use is a well-known metric; is number of employees per thousand connections. If memory serves me, I think WASA's current metric is around 12 to 13/14 employees per thousand connections. If we benchmark that against other regional water companies, for example, Barbados, if memory serves me, it is around seven to eight. Top end, world class utilities in North America, Europe, would be as low as three to four.

Mr. Chairman: So what you are saying, this is highly inefficient, basically, from the numbers?

Dr. Lee Young: From those numbers, based on those metrics.

Mr. Chairman: Mr. Thomas, we just got an input from a member of the public, a residential area, asking in terms of where there are water shortages for residents. Is

there a rebate system where people can be given a rebate on their bills when they suffer that type of prolonged shortages for two days or more?

Mr. Thomas: We actually have a system in place where you could actually get a rebate. Mr. Poon-King, am I correct?

Mr. Poon-King: In instances if the pipe-borne water supply is not as it should be, normally the customer has the option to communicate that to WASA. If the pipe-borne water supply is not as regular as the customer would like it to be, they can communicate with WASA. The claim is assessed. We do not look—what you just described for a day or two, that will be an acute situation. We look for the more chronic or deep-rooted problems, if we have an extended period where people have been affected and we adjust the rates accordingly. Normally as well, if that is to be done, we would encourage, rather than people communicating singularly, if they do it as a community so we could deal with the situation.

Mr. Chairman: I do not think I am clear. Probably other Members may be clearer than I, but just for the sake of clarity, you are saying that two days—if somebody has not received water for two days, that is not dealt with seriously? What is it?

Mr. Poon-King: You had asked about a rebate—

Mr. Chairman: Yes, when you have a water shortage for two days or longer. What is the amount of time that would trigger a rebate in your bill?

Mr. Poon-King: There is no limit to say how long or short that should be. Two days, we do have instances where customers do not, based on their schedule, because we schedule water to different communities. You can have a situation for two days that that is what WASA is targeting to give you.

Mr. Chairman: So that would not trigger a rebate?

Mr. Poon-King: Correct.

Ms. Ameen: How many days?

Mr. Chairman: Yes, this is what I am trying to get. So how many days will trigger a rebate as such?

Mr. Thomas: Just to be clear, remember we operate on schedules as well. So there

might be instances where you are getting water for three days a week, or whatever the case may be, so you might actually not have water for two days in that period or something like that. What I think Mr. Poon-King is trying to express is that rather than look at it from a weekly basis like that; you miss two days or you miss three days, he would look at it from a more lengthy period. So like if you say, two weeks you are not in receipt of water or something to that effect, it would trigger a rebate. The quality service standards that the RIC is talking about would actually address that as well and they are actually putting guaranteed water standards in place in which we are going to—there will be—the terms is penalties, but we look at it as some sort of incentive on us to actually ensure that our service meets with the minimum schedules that we have—

Mr. Chairman: Well, let me ask you something before you go there. If you are saying that the residential premises in Trinidad and Tobago are not metered, is that true? They are not metered? You all have a scheme to meter the residential premises to come on stream?

Mr. Thomas: A very low percentage of residential customers are metered. I think it is about 4 per cent.

Mr. Chairman: Four per cent.

Mr. Thomas: Yes.

Mr. Chairman: So out of, what, a 90-something per cent—93 per cent connectivity?

Mr. Thomas: Correct, yes.

Mr. Chairman: So how do you assess a rebate if people are not metered? How is that calculated?

Mr. Thomas: Well, you pay based on a—we have a residential rate. So like, for instance, at the top end I think it is $304 every quarter that customers pay right now. So that if you are not getting water for a prolonged period, there would be a rebate of that portion of your bill—of a portion of your bill.

Mr. Chairman: How frequently is that done?

Mr. Thomas: The Director of Customer Care should probably answer that, but it depends on the person making an application for it.

Mr. Poon-King: It is not very frequent. I have not seen many of those.

Mr. Chairman: Because people are not aware, probably. Is that probably because of ignorance?

Mr. Poon-King: Well, as I say, I have not seen representation on a regular basis.

Ms. Ameen: Mr. Chairman, I think there also—what I am not hearing is that there is a loophole. When you do not have water— where I live we do not have water for weeks on end at a time, and when you call the numbers you are advised that you can make a request for truck-borne water, and it would be free, and it is considered a supply. So if you are getting a truck-borne supply, the impression that you get is that you are not entitled to any rebate. But I think what the Chairman is—so I want to ask about that. If you call and you are told that you will get a truck-borne supply, are you still entitled to a rebate? That is one. And can you clearly outline for the public what the procedure is to apply for a rebate?

Mr. Poon-King: First, with respect to the truck-borne, yes, we do acknowledge that if we deliver truck-borne, that is taken that we have delivered a supply to you, in lieu of us being able to provide you with the pipe-borne. And with respect to communicating with WASA, we do not have a formal procedure. Normally, how it has been done is, the customer would write to WASA and it is dealt with on that basis.

Mr. Chairman: Mr. Forde?

Mr. Forde: I know in the interest of time, eh, Mr. Chair, but probably we may need to look at WASA separate, T&TEC separate rather than they come in on the same day. Even though I have some questions on what has gone so far, especially with regard to Sen. Ameen's point with regard to during that period, 2010/2015 where we had this widespread pipeline laying—yes, it happened on the East-West corridor too also—quickly, what were the benefits of that project?

Mr. Thomas: Director of Operations, can you answer that?

Mr. Forde: Come on, guys. Gentlemen, officers, we—

Mrs. Lee-Singh Pereira: You would have seen in terms of a more reliable supply. Actually, when we had done the pipeline for Hollis and Navet and we have also done along the Caroni, where we laid a parallel line, the benefits mainly would have been in terms of reliability, sustainability. Those lines were fairly old, very aged and we had very high leakage. So every few weeks, sometimes shorter periods of times, we had a lot of failures along that particular pipeline. So major benefits were in those areas.

Mr. Forde: So some of those new lines that were laid, those are not the lines where we are seeing the leakages now.

Mrs. Lee-Singh Pereira: No.

Mr. Forde: Right. Secondly, what was the cost of that project?

Mrs. Lee-Singh Pereira: I cannot say offhand. I would have to—

Mr. Forde: You cannot say?

Mrs. Lee-Singh Pereira: We have the information but I do not know it offhand. I will have to provide that information.

Mr. Forde: So, Mr. Chairman, that could be provided in writing, the cost of the project, that pipe-laying exercise that would have transpired—the massive pipe-laying exercise.

Mr. Chairman: Could you do that for us?

Mr. Thomas: Yes.

Mr. Forde: Now, we are making the point that 93.6 per cent of the population have pipe-borne water. That is documented. That has been stated by you all. But then we are also understanding that we have a truck-borne water supply. But the question to be answered is that out of the 93.6 per cent of, when you look at scheduling; you look at 24/7; you look at the water-truck delivery, what is the true percentage of individuals that could have water on a regular basis? And when I say, regular, seven days a week, 24/7. You all have those statistics for us?

Mr. Thomas: We have the statistic. Very few—a small percentage actually gets

seven days a week. I think it was somewhere in the vicinity of about 19 or 20 per cent, if I remember correctly. Am I correct, Mr. Poon-King?

Mr. Poon-King: Yes.

Mr. Forde: Okay. Well, you will provide it in writing for us. Mr. Chairman, through you, they will provide it in writing.

Mr. Chairman: Sure.

Mr. Forde: Because, you see, we are seeing 93.6 per cent, which is a very high percentage out of 100, which means it leaves us with just 6.4. But, again, it is not a really true representation. And I want to come home now to my particular constituency which is Tunapuna. We have the Maracas Valley area which is a watershed area that has been clearly identified, but yet still, residents of Maracas Valley complain for water on a regular basis: La Seiva Village; Mountain View, Poolside 1; Poolside 2. You know, we could go—Acono, and different areas as the case may be. So therefore, the water is coming out of Maracas but it is not going back into Maracas.

Now, you mentioned certain elevation—what page that was, boy? Question 12. And the question I would like to ask, you mentioned certain elevation. What is the certain elevation of these individuals who do not get water? Residents who live—I would like a figure, in terms of metering, in terms of feet. What is the elevation that WASA is unable to provide pipe-borne water to individuals? Because we have residents in La Seiva and Maracas with the WASA pipelines but no water is coming to them on a daily basis. And, again, we can even go closer to say, Mr. Chairman, that they are saying that prior to the laying of all these pipelines, they used to get water on a regular basis, but, somehow, between 2010 to 2015, after these massive pipeline infrastructure were put in place, the residents stopped receiving water. I would like to know what is this certain elevation. Because I have been enquiring at WASA on numerous basis, and as the Member of Parliament for Tunapuna I am unable to give the residents any definite information.

Mr. Chairman: Okay. Thank you, Mr. Forde.

Mr. Thomas: I am not aware there is an elevation that we cannot reach, because what we do, we normally put in booster stations, and these booster stations will elevate the pressure up to that level.

Mr. Forde: Mr. Chairman, I can tell you for a fact that there are booster stations and the people still are not getting water, not even on a one-day basis. Truck-borne water supply has to go up to these areas. Sometimes the trucks that come are too big. There are instances where trucks—

Mr. Chairman: I think we are running out of time.

Mr. Forde:—fell over at the side. You know, we have no details and there are individuals at WASA that have this information.

Mr. Thomas: We will look into that, but perhaps the Director of Operations, I do not know if he is aware of this situation. Perhaps he could shed some light.

Mr. Chairman: Succinctly, eh, because we are running out of time at this moment.

Mr. Sheppard: There is legislation that WASA provides water supply is supposed to be at 300 feet in the air. We provide—

Mr. Poon-King: Three hundred?

Mr. Sheppard: Supposed to be at 300 feet.

Okay? There are instances we could provide water supplies higher than that but it depends on the feasibility, which is the availability of water, and it comes at a cost of installing boosters to boost the pressures to those elevations. That also impacts on our schedules a lot. So it depends on the areas you are talking about and the elevations you are talking about which we can do that. We have people building houses that we have—well, we have no idea of where they are building houses and who approved it, and they all require water. Right? And these are the people you get the complaints from the most, because we did not do any feasibility or we were not prepared to supply them with the supply.

Mr. Chairman: Dr. Francis?

Dr. Francis: A very simple question. Are there any plans in this fiscal to do any upgrade works at the Trinity Plant?

Mr. Sheppard: Yes, there are. We are planning to improve the Trinity Water Treatment Plant from .5 million to .75 million to increase that water supply to your area, but it includes some infrastructure work.

Dr. Francis: Are you going to install an additional pump?

Mr. Sheppard: We already have the pumps installed. We have to upgrade one or two. Our problem is our clarifier area in that plant.

Dr. Francis: No, no. There is one proper pump, two small pumps that cannot push that water. When the pump breaks down, it means an entire community gets no water for the week, because most of the communities in Moruga, their schedule is once a week. So when the pump breaks down—and I have been at that plant regularly—for one hour—because there is no redundancy. There is literally one pump. When it breaks down, it means Marac, or La Lune or Basse Terre, or whatever village, misses the supply for the week. What is required is another pump for redundancy, so when the one breaks down, the other one functions, and then the villages can have their water once a week—once a week—on schedule.

Mr. Chairman: Is he going to respond?

Dr. Francis: Yes, I am waiting for a response.

Mr. Sheppard: Okay. As I indicated before, there is some infrastructural work to be done in order to facilitate a standby unit at that site. That is why I said we have the pump installed—upgraded and installed. But to install the second one, we need to do the infrastructural work to get that done.

Dr. Francis: And that will be done?

Mr. Sheppard: It will be done.

Dr. Francis: In this fiscal?

Mr. Sheppard: Yes, we have plans to do it in this fiscal year.

Dr. Francis: So when it is not done, I will come and find you.

Mr. Sheppard: And also the filters are the problem, as I said. We are trying to get those filters from La Lune across the Exchange—

Dr. Francis: I know.

Mr. Chairman: Okay. Thank you very much. Mr. Thomas, if you look at your submission on page 4 of page 18, Item 7, you said that:

> During the public hearing held with the RIC—Regulated Industries Commission—and your line Ministry on February the 2nd, 2018, it was stated that the proposed rate adjustment which emanated from the last rate review documented by RIC in 2012 were not approved and implemented by WASA.

You were asked to please comment. And in your submission you said there was no record seen, which indicated that rate adjustments were approved by RIC for implementation by WASA in 2012. Could you explain that to us? What is the confusion there? Is it that you all never received something? What exactly is the issue with that?

Mr. Thomas: As far as I am aware, the last rate review that WASA got was in 1993. I am not aware of any rate increase in 2012, and that was communicated to WASA. And that is what our response, basically, sought to give. I do not know if the RIC could probably—if they are aware of something different they could probably put some clarification on that.

Mr. Chairman: Dr. Guy, can you throw any light on that?

Dr. Guy: I will ask the ED to give some more information, but what we are aware of from our records is that the determination—the price determination process was begun and the RIC got to the point of doing a draft determination, but it never went forward to the next step of publishing it and having consultations. I do not know if the ED can add anything else.

Dr. Lee Young: No, Chair. That is the status as far as we know.

Mr. Chairman: Okay, thank you. Khadijah, you wanted to ask one more question?

Ms. Ameen: Yes. Mr. Chairman, I want to ask—you have provided a list of the areas where truck-borne water is supplied, on page 12 of your submission to the Committee, and on page 13, areas supplied in Tobago. My question has to do with the cost. What is the cost of supplying truck-borne water to customers?

Mr. Thomas: The provision of truck-borne water is an exceptionally expensive

proposition. It is highly inefficient and it is not the way we would want to actually, you know, supply water. The price, perhaps, the finance department could probably give us some clarity there.

Ms. Wilkes: It varies between three to 500 a truck-borne supply, per trip.

Mr. Chairman: Between $300 to $500?

Ms. Wilkes: Yes.

Mr. Chairman: And what we are seeing here as a breakdown—if we see this breakdown from one to 20 with Diego Martin, going down to Morvant, I am seeing something like 9,315 for Maraval; Diego Martin, 12,000, nine—

Ms. Wilkes: That is requests being made.

Mr. Chairman: That is requests being made? Out of the requests, are all those requests satisfied like that? What percentage of the requests is satisfied, 12,000?

Mr. Thomas: Those requests are over a period of time for the fiscal years 2015—

Mr. Chairman: What period of time, a year?

Mr. Thomas: 2015 to 2017. If you look at the top of 22, that is a period of time. And actually if you look at the response to question 23, it could actually tell you exactly how much of those truck-borne requests were actually made for that same period of time.

Mr. Chairman: So the answer will be found in Item 23.

Mr. Poon-King: Items 23 and 24.

Ms. Ameen: Mr. Chairman, I wanted to get an idea. I appreciate the answer with regard to the cost per truck-load, which is about $300. What I wanted to get, how much does it cost WASA on an annual basis to supply truck-borne water?

Mr. Thomas: I do not actually have that figure but we could calculate. If you want, we could actually do a quick calculation and probably tell you—

Mr. Chairman: And get it to us as well.

Mr. Thomas: Or we could provide it to the Committee.

Mr. Forde: No, but Mr. Chairman, it is in the document. On page 13 it says: A total of 47,967 requests for truck-borne water delivery were met. So if you multiply

that by $400, you will get the figure.

Ms. Ameen: There may be other costs involved, which is why I asked—the administrative costs and so on, which is why I asked, and I prefer WASA to send us the information than us trying to calculate it ourselves.

Mr. Thomas: We will supply the information.

Mr. Chairman: Finally, we are coming to the close here, but I must ask this question here. With reference to the individual consultant WASA would have hired to fulfil the requirements of the rate review by RIC, what was the name of that consultant? What was the consultant's fee and what was the period of his contractual obligation, or her contractual obligation, or their contractual obligation?

Mr. Thomas: His name escapes me right now. I know—

Mr. Chairman: It is an individual as opposed to a—it is an individual?

Mr. Thomas: It is an individual. Albert Gordon is the name of the individual. I think we have actually got funding from the IDB to actually assist us in this exercise. The actual cost, I do not know. Mr. Abdool, are you aware?

Mrs. Lee-Singh Pereira: The cost is US $70,000.

Mr. Chairman: How much?

Mrs. Lee-Singh Pereira: US $70,000.

Mr. Chairman: And the contractual period?

Mrs. Lee-Singh Pereira: One year.

Mr. Chairman: And is it still current?

Mrs. Lee-Singh Pereira: Yes, it is still current.

Mr. Chairman: When does it end?

Mrs. Lee-Singh Pereira: It ends in December 2018.

Mr. Chairman: And this consultant provides—is the linkage between WASA and RIC?

Mrs. Lee-Singh Pereira: Yes. He has provided—and he has been the liaison, together with ourselves, in terms of the whole liaison between RIC and the Authority. The process is still ongoing so we still have the consultant also working

on our behalf also.

Ms. Ameen: And can you just clearly outline for us what is the role of this consultant? I know it is to provide information to the RIC with regard to the rate review, but can you outline what he is required to do?

Mr. Chairman: The answer is on page 1 of their submission. But you also have a consulting firm.

Mrs. Lee-Singh Pereira: Yes.

Mr. Chairman: What is the name of the consulting firm?

Mrs. Lee-Singh Pereira: Castalia. We are looking to still engage the firm, Castalia.

Mr. Chairman: What she said?

Mrs. Lee-Singh Pereira: Castalia.

Mr. Chairman: Castalo?

Mrs. Lee-Singh Pereira: Castalia.

Mr. Chairman: Is that a local firm?

Mrs. Lee-Singh Pereira: No, it is a foreign firm.

Mr. Chairman: From where?

Mrs. Lee-Singh Pereira: The USA.

Mr. Chairman: And they are specialists in—what?—regulated matters, or—

Mrs. Lee-Singh Pereira: And utility benchmarking, financial management. That is their general portfolio.

Mr. Chairman: And what is your consultant fee?

Mrs. Lee-Singh Pereira: US $70,000.

Mr. Chairman: Also paid by—

Mrs. Lee-Singh Pereira: Paid by the IDB.

Mr. Chairman:—IDB as well. And what is the period of their contractual obligations?

Mrs. Lee-Singh Pereira: You mean with regard to the consulting firm?

Mr. Chairman: Yes.

Mrs. Lee-Singh Pereira: Sorry. It is still in a procurement area right now. I would

share with you all in writing in terms of the fee, and the contracting period is approximately four months.

Mr. Chairman: I see. So this is still, you said, in the procurement stage?

Mrs. Lee-Singh Pereira: That is correct.

Mr. Forde: Mr. Chairman, I think a critical question, seeing that we have the chairman from RIC here, is insofar as the consultancy services and being the link between, it would be good to get some opinion, a comment, or something on how things have been going with regards the consultant, as the case may be.

Mr. Chairman: Dr. Guy, can you assist?

Dr. Guy: I would ask the ED who interacts on a day-to-day basis with the persons—

Mr. Forde: Okay.

Dr. Guy:—so he would answer that, yes.

Dr. Lee Young: Our chief liaison is actually with WASA and not with the consultant. We have met with the consultant once, together with WASA right at the start of the business plan process.

Mr. Chairman: So is that efficient, or—

Dr. Lee Young: We deal with WASA. This consultant works for WASA. We require responses from WASA. We do not deal directly with the consultant.

Mr. Forde: Mr. Chairman, somewhere I heard—

Mr. Chairman: Sorry, just a second.

Mr. Forde: Okay, I will give way to the Senator.

Ms. Ameen: Chairman, forgive me, eh.

Mr. Chairman: A short question because we are coming to the end of the day.

Ms. Ameen: Yes, a very short question. Is it that this individual consultant—let us not go with the company. This individual is hired at US $70,000 per year to do something that WASA is just unable to find the expertise amongst all its senior employees to do, to develop a business plan and to provide technical support to the Authority for the rate review—the rate structure? Is it that WASA is unable to find that expertise amongst its residents within the Authority, so it has to spend US

70,000 a year, on one individual?

Mr. Thomas: Perhaps the CEO could probably go into a little bit more detail of what the consultant does.

Dr. Borris: I want to confirm that WASA does not have the expertise to prepare the business plan as required to do the assessment.

Ms. Ameen: I am finding that difficult to believe because there are well paid and well qualified directors and executive officers in WASA and I thought they would be well qualified enough to do something like this. So forgive me. Well, another member has a question.

Mr. Forde: The officer to the back of the—it was that member—

Mr. Chairman: Mr. Forde, sorry, let me just interrupt you here. The Ministry of Public Utilities, Ms. Khan? Does the Ministry have within its competence such an individual or unit to deal with supporting that requirement of WASA?

Ms. Khan: Indeed, Chair, we have been supporting WASA in several aspects of its strategic and business planning. Whether we have all the expertise that will bring that to a final conclusion, no, we do not. But we have been assisting them to the extent that we can in those particular areas.

Mr. Chairman: So nowhere within the competence of Trinidad and Tobago's public service such an expertise resides? Is this what I am hearing?

Ms. Khan: No. I am sure it resides in Trinidad and Tobago, yes.

Mr. Chairman: Where do you think it will reside? Where within the public service you will find such an individual or individuals?

Ms. Khan: I think, Chair, we would have to draw expertise from several Ministries to do that: the Ministry of Planning and Development, the Ministry of Finance, of course, and with the skills of the Ministry of Public Utilities.

Mr. Chairman: But would that be—given our constraints of resources, would that not be an attractive proposition at this point in time to explore, WASA?

Ms. Khan: Certainly. I think there is value.

Mr. Chairman: Do you not think so, Mr. Thomas?

Mr. Thomas: There is value in that, Chairman.

Mr. Chairman: Sorry?

Mr. Thomas: There is some value in what the Chairman—coming from the Chairman, but bear in mind we have certain time constraints as well in terms of having to get this exercise done, and we wanted to get the most robust responses into the RIC. And even though I would differ and say I do think we have some of the competencies in WASA to get this job done, I do not think all of the competencies reside in WASA to get the job done.

Mr. Chairman: Well, can you identify what are the competencies that are missing so as to have the complement completed?

Mr. Thomas: Again, the CEO could probably elaborate on this, but I do not think it is any one—

Dr. Borris: To develop the plan for the business plan, the person has to be very competent with respect to business management at the Water and Sewerage Authority. They have to have a model. The area that has, or the organization that has the competence is the RIC. At least they have that competence. But at least WASA has to submit to them. So, therefore, they can only probably lend a hand now and again. But we have to submit the business model that is in accordance with the RIC's regulation. So the competence—you have to have that competence with respect to preparing a model, a numerical model, to do an analysis of the nature, with all the information and data that we have from the organization. Within the organization, we could not have found that resource.

Mr. Chairman: Dr. Borris, I mean, with the greatest of respect, eh, that sounds a little bit convoluted, eh. And I will say furthermore, if what you just heard here from the Deputy PS, that within the Ministry such competencies can be found, you are dealing with a public entity as WASA, what is the difficulty in coming together and formulating a strategy? If you have to second—you have secondment that goes on from Ministry to Ministry as opposed to getting somebody who a consultant is coming into your organization to be familiarized with the information, when you

have it right in the Ministry here. Something can be worked out like that. We are dealing with leakages. This is leakages of finances that can be better used elsewhere then if you could find it resident within the public service already.

12.35 p.m.

Dr. Borris: At least, Chairman, I hear your statement, but I wanted to explain to you the fact that the competence did not exist, and as according to the Chairman the matter was rushed. We wanted to get this business plan as rapidly as possible to the area that we could have gotten the tariff increased and, therefore we had to at least bring competence—

Mr. Chairman: Is it finished?

Dr. Borris: It is finished to a certain degree and submitted.

Mr. Chairman: Dr. Guy, what do you have to say about this?

Dr. Guy: Chairman, we do have a business plan document from WASA. The first version of it did not provide all the information, and we have been working with WASA to get the information that we need to build the model. Up to this time, we do not have a final document. What we have we are working with, but there is still some information that is outstanding.

Mr. Chairman: Dr. Guy, also, not to put you on the spot, but as the midway between the Ministry and the utility as the Regulator, what you heard coming from the Ministry's management, the Deputy PS, can something like that not be facilitated and be more attractive and suitable to our given financial constraints as a country right now? Would that not be something that could be quickly done? It is not something that seems to take a very long undue time to put together.

Dr. Guy: Chairman, you mean the business plan? The model?

Mr. Chairman: Well, I am seeing producing business plan. Dr. Borris was saying it does not reside within WASA, the PS is saying that within the Ministry there is that competency, Dr. Borris is also saying within the Regulator you all that competency, what I am saying, he is saying given the time constraint it was necessary to get this consultant to put things together fast so as to give you the

information. But I am saying, if this is going to be a bligh on this occasion moving forward, can that competency not be put together so as to avoid that in the future? Is that something that should be done to make us more prudent? If we are looking at leakages across, I mean, not to be pondering on the word "leakage", but that is a leakage.

Dr. Lee Young: If I can address that question, yes, you are absolutely right. Going forward we would expect that those competencies would be developed and reside within WASA because they reside and exist within T&TEC. T&TEC was able to generate the business plan as requested. Okay, fine, there is back and forth with respect to questions, clarifications, et cetera, but T&TEC, if I point out, has had the benefit of a recent rate review within the last 10 years, 2006—2011. On the back of that, they developed a Regulatory Department whose function is to provide us with the information that we will need, et cetera. WASA does not have that department or system set up. But yes, I would envisage going forward, coming out of this rate review exercise and the implementation of the quality of service standards, that we would expect to see that resource reside within WASA.

Mr. Chairman: Thank you very much. Mr. Thomas, you heard where this is coming from, from RIC, and I am certain that that would be part of your immediate plans moving forward.

Mr. Thomas: Yes, Chairman.

Mr. Chairman: Ladies and gentleman, at this time I want to thank you for your participation this morning, and it has been quite a lively exchange, discourse as well, in terms of information. Water as once said by a Minister I heard in an international forum talking about water that without water there is no life. So it is a critical element in human existence, it is a critical function that WASA is performing on behalf of the citizens of Trinidad and Tobago, and certainly given all the difficulties that you all have been lamenting now in terms of making yourself more efficient, we hope that hearing these ideas would assist in shaping focus and energizing all the necessary stakeholders to get things together so that we could have a more efficient

entity.

I want to thank again, Dr. Guy, for her continued stewardship at RIC in helping to bring forward the two utilities that we have examined this morning, T&TEC and WASA, to be more efficient in their delivery and service of the people of Trinidad and Tobago. So in closing, I would ask you to just give a brief commentary on your take this morning, and Dr. Guy thereafter, and PS. Please, short. Thanks very much.

Mr. Thomas: Once again, Chairman, thank you for inviting us here this morning to share some of the experiences that the public endures in terms of our service delivery. It is something that we take very seriously. We are mindful that there are certain challenges. We have challenges that we face and we are trying at all stages of our operation to try and improve and increase the efficiency of the organization. We are thankful to our partners, the Regulated Industries Commission as well as the Ministry for their assistance in the past, and we would certainly take on board some of the suggestions that have been made by this Committee in terms of trying to improve our service standards and our delivery to our customers.

Mr. Chairman: Thank you very much. Dr. Guy.

Dr. Guy: Chairman, members, members of the public, we are happy to be here to give information. The RIC is well poised and we have prepared for these rate reviews, and we are working with the service providers so that we can deliver on the mandate that is in the Act. We have a schedule for T&TEC that is well on target, and we continue to work with them to get the information to complete the review. WASA, we anticipate is a little bit coming after T&TEC, but we continue to work with WASA to get the information to populate our model so that we can move forward.

We would like to see both rate reviews be completed before the end of this year, and I think if we put our minds to it and work towards the schedule that we have it will be done. We also are mindful of the fact that the rate review must come with the quality of service standards, and that is something that would be very

valuable for customers in Trinidad and Tobago. So they must go hand in hand, a review with the quality of service standards, and again we are working with the providers to ensure that that is in place. Thank you very much.

Mr. Chairman: Thank you very much as well.

Ms. Khan: Mr. Chairman, I want to say that the Ministry of Public Utilities fully identifies with the concerns expressed by the Committee, particularly as it relates to operational inefficiencies and poor customer service. Beyond the issue of the quality of service standards which falls under the RIC, we too are strengthening our performance management system with our respective utilities. In addition, we are in discussions on several projects that will take, in particular, WASA forward to address the issue of leakage, demand management through bulk metering and universal metering, looking at changing out some of the infrastructure and really looking at the organization as a whole and the efficiency with which it operates, and trying to institute some changes as far as we can from our position as the Ministry of Public Utilities. So we fully recognize what we have to do, and we have been working with WASA and we will continue to do so until such time as we are able to effect some meaningful change. Thank you.

Mr. Chairman: Thank you very much, and in closing I would just like to make some announcements for public announcements. The public is advised that the Committee's Ninth Report on the Operations of the Chaguaramas Development Authority was presented in the Senate yesterday on March 27, 2018, and will be presented in the House of Representatives later today. This report will also be made available for review on the Parliament's website www.ttparliament.org. Some of the issues addressed in the report are as follows:

(a) The line Ministry of Planning and Development should assume a leading role in revising the master Development Plan 2015 with input of the CDA;

(b) The CDA should collaborate with its line Ministry to produce a recovery plan to guide its reformation; and

(c) The compliance user of the CDA should undertake a thorough examination of the tenants/leaseholders records in order to determine whether they are compliant with statutory obligations. Further to this, the CDA must take appropriate legal and administrative action against those who are non-compliant.

There being no further business, I would like to thank all the viewing public, the listening public. I would like to thank all those of you who have participated here this morning. I would like to thank my other members of the Committee who have helped to make this a success this morning, and that the public would have been enlightened to what is to be expected from WASA and T&TEC moving forward.

I thank you. This Committee now stands adjourned.

12.45 p.m.: *Meeting adjourned*.

Appendix VII

Quality of Service Standards for WASA

1. INTRODUCTION

Section 6(1) of the Regulated Industries Commission (RIC) Act No. 26 of 1998, empowers the RIC to prescribe standards for services for the entities under its purview, monitor these service providers to determine their compliance with the standards and impose sanctions for non-compliance. The Act also mandates the RIC to consult with all interested parties it considers as having an interest. In August 2017, the Regulated Industries Commission (RIC) published draft Quality of Service Standards for Water and Wastewater Services for public consultation in the document ***Quality of Service***

Standards for the Supply and Distribution of Water and Wastewater Services. This document formed the basis of the consultation with the public and other stakeholders. The RIC received Ten (10) written responses from various stakeholders. The details of these and the RIC's responses are provided in the full Final Decision document.

Purpose of this Document

The purpose of this document is to present a summary of RIC's final decisions on the Quality of Service Standards for the Supply and Distribution of Water and Wastewater Services. A copy of this document, as well the full Final Decision document, is available on the RIC's web site at http://www.ric.org.tt/publications/.

Acknowledgement

The RIC wishes to express its appreciation to all who participated in the consultation and made comments using social media and other means. Special thanks to the respondents who took the time to submit written responses.

. THE GUARANTEED STANDARDS SCHEME

2.1 Introduction

The Guaranteed Standards Scheme consists of guaranteed and overall standards. Guaranteed Standards establish performance levels that the service provider must meet in serving individual customers. They cover the main areas of concern of consumers in the water sector, and attract compensatory payments if the service provider fails to meet the prescribed performance level. The Overall Standards cover areas of service where it is not appropriate or feasible to give individual guarantees, but where the expectation is that the utility will provide pre-determined, minimum levels of service. The Overall Standards, therefore, relate to the quality of service affecting a group of consumers. These standards do not carry compensatory payment.

There was no overall objection to the concept and implementation of the proposed scheme. The standards are summarized in the following tables.

2.2 The Guaranteed Standards

Table 1 – Summary of Final Decisions of Guaranteed Standards

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
GWS 1	Implementation of Schedules	1. Supply of pipe borne water	1. Minimum of 48 hours aggregate per week	15% - Classes A, C, D, E 3% - Class B	Not Applicable (N/A)
GWS 2	Restoration of Supply after service interruption	Maximum time to restore supply	Planned Interruptions [redacted] As per published times but no later than 48 hours after start of interruption Unplanned Interruptions 72 hrs for trunk mains 48 hrs for strategic mains 24 hrs other interruptions	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	12 hours

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
GWS 3	Provision of Truck borne supply if mains supply is interrupted	1. Time to provide customer requested truck borne supply 2. Supply of truck borne water upon customer's request when water schedule is disrupted	Planned Interruptions [redacted] To be provided within 24 hours after the notified time for interruption has ended if pipe borne supply not yet available Unplanned Interruptions To be provided from 48 hours after the start of the disruption and within the next 24 hours if pipe borne supply not yet available	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	24 hours
GWS 4	Time to repair to Water Service connections (WSC)	Maximum time to repair WSC	Water Service Connection Repair 1. Within 48 hrs of report by customer – for loss of supply to registered critical institutions (e.g. schools, hospitals) and for leaks resulting in damage to property. 2. Within 3 working days – for leaks & loss of supply affecting supply to customer.	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	12 hours 12 hours 24 hours

GWS 5	Installation of new Water Service Connections (WSC)	Time to install WSC	**¾" WSC (domestic) and 1"– 4" (single building)** 1. Determine feasibility and notify customer within 5 working days of application for domestic WSC, and 10 working days for multi-family dwelling units. 2. Install WSC within 7 working days of confirmation of feasibility **All other WSC** 1. Issue response to application for Outline Approval within 20 working days of receipt of payment. 2. Issue Final Approval within 20 days of receipt of acceptable engineering design. 3. Install WSC within 15 working days of receipt of payment. 4. Issue Completion Certificate in 7 working days.	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	24 hours

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
GWS 6	Reconnection of supply after settling outstanding accounts or disconnection due to error	Maximum time to reconnect supply	Within 24 hours of receipt of full payment or as per agreement with WASA or in determining of error made	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B 3% - Class B	24 hours
GWS 7	Response to complaints	1. Time to acknowledge receipt 2. Time to communicate final position	1. Within 5 working days of receipt of complaint 2. Within 30 working days of receipt of complaint	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	24 hours
GWS 8	Response to Poor Water Quality	Time to respond to poor water quality	1. Service provider to respond, and conduct site visit where necessary, within 1 working day 2. Solve problem within 3 working days of site visit 3. Give an alternative for water supply where applicable	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	N/A

GWS 9	Compensatory payments for guaranteed standards	Maximum time to credit compensatory payment for non-compliance with standards	Within 60 working days of receipt of claim	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	7 days

2.3 Implementation of the Guaranteed Standards

In areas where the infrastructure cannot deliver the level of performance specified by the standard ***GWS 1 – Implementation of Schedules****, WASA shall apply to the RIC to be considered for an exemption no later than six months after the publication of this standard. Where an exemption is granted, it shall be for a specified period of no more than 24 months to allow WASA to bring the level of service in the respective area up to the standard. In such instances, WASA shall provide a minimum supply of 24 hours aggregate at a minimum pressure of 3.5 metre head (5 psi) in accordance with published water supply schedules. The sum total of the number of customers within the areas approved for exemption from this standard shall not exceed ten (10) percent of the total number of customers serviced by WASA. Until such time that an exemption is granted, WASA is required to deliver service to the respective customer group under consideration in accordance with the standard.*

Compensatory Payments

The utility will be required to make compensatory payment to customers if they fail to meet the Guaranteed Standards. Compensatory Payments benefit both the customer and the utility as they serve two main purposes: one, to compensate the customer for poor quality of service and two, to provide efficiency incentives to the service provider. While recompense for the customer is important, equally significant purposes of these payments are to encourage the utility towards better performance, to focus its attention on the causes of failure and to improve the overall level of customer service.

Level of Compensation

The proposed level of compensation available to customers for the guaranteed standards is:

(2) 15% of quarterly bill for domestic customers (Class A);

(3) 15% of monthly bill for commercial, cottage and agricultural customers (Classes C, D and E); and

(4) 3% of monthly bill for industrial customers (Class B).

Repeated breach of any guaranteed standard will incur further compensation as follows:

δ) 5% of quarterly bill for domestic customers;

ε) 5% of monthly bill for commercial, cottage and agricultural customers;

and

ϕ) 1 % of monthly bill for industrial customers.

This will apply for every further period the standard is not met up to a maximum of three periods. Calculation of the quantum of the compensatory payment is based on the net bill for the period after resolution of any disputed amount and application of any rebate.

Procedure for Receiving Compensation

Customers are required to make a claim for compensation once they experience a level of service that is below that prescribed by the standard. Claim forms will be available at regional centres and customer service offices of WASA. Claims will be investigated by the service provider, and once found to be valid, payments will be made within 60 working days of the date the claim was received by the service provider. Claims must be submitted within three months of the standard being breached.

Payments for breach of guaranteed standards will be credited to customers' accounts. The amount to be compensated will be clearly shown and appropriately labelled on the customer's bill.

Force Majeure Conditions and Exemptions from Standards

The Guaranteed Standards Scheme will be suspended in circumstances where compliance is beyond the control of WASA. The RIC must be promptly notified by WASA in all cases of suspension or proposed suspension of the scheme indicating the exact duration of such suspension. The burden of proof of exceptional circumstance will lie with

WASA. Examples of possible exceptional events are:

(η) Severe bad weather or natural disasters;

(ι) System conditions such as major breakdown of treatment plants or pumping stations;

(φ) Drought;

(κ) Civil unrest;

(λ) Strikes; and

(μ) Malicious destruction of property.

On confirmation of the occurrence of a *force majeure* condition, WASA will use appropriate means to advise customers. However, it must make all necessary efforts to restore normal service to its customers as quickly as possible.

2.4 Overall Standards

Table 2 – Summary of Final Decisions for Overall Standards

Code	Standard Description	Performance Measure	Required Units
OWS 1	Notification with respect to planned supply interruptions	Minimum time to notify affected customers before supply interruption of more than 4 hours duration	48 hours
OWS 2	Water Pressure	Minimum and maximum pressures	**At point of Water Service Connection (WSC)** Minimum 14m head of pressure (20 psi) Maximum 70m head of pressure (100 psi)
OWS 3	Metering	1. Time to read meters 2. Time to issue bills 3. Maximum time to repair meters	1. Read meter every 2 months for all categories of customers 2. Issue bills within 10 working days of meter reading 3. Repair defective water meters within 30 days of receipt of report

OWS 4	Drinking water quality	WHO guidelines for drinking water	1. Sampling according to an established schedule 2. 100% compliance with WHO guidelines for bacteriological thresholds (water) 3. 95% compliance with WHO guidelines for physical/chemical parameters (water)
OWS 5	Sewage effluent quality	Compliance with standard for wastewater effluent	1. Compliance with effluent discharge standard of water pollution rule or equivalent standard as set by the relevant authority having such jurisdiction
OWS 6	Repair to sewers	Maximum time to repair sewers	1. Clear choke in WASA sewer system within 18 hours of receipt of report of overflow. 2. Repair collapse of WASA sewer system within 72 hours of receipt of report

8

Code	Standard Description	Performance Measure	Required Units
OWS7	Road restoration after pipeline works	Maximum time to complete road restoration	Temporary restoration of road within 24 hours and permanent restoration within 7 days, in accordance with the road restoration guidelines issued by the Ministry of Works or equivalent entity
OWS8	Claims for damage	Time to process and pay claim	1. Reply within 5 working days of receipt of claim 2. Complete investigation within 30 working days of receipt of claim 3. Determine liability and make payment, where applicable, within 60 working days of receipt of claim
OWS9	Making and Keeping appointments	1. Time to arrive for appointment 2. Time to notify customer of inability to meet appointment	1. Arrive within 30 mins of scheduled appointment 2. No less than 24 hrs of inability to keep appointment

*A 24 month moratorium will apply to the implementation of the standard **OWS 2 – Water Pressure**.*

Appendix VIII

RIC's Proposed Amendments Matrix

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
2	Interpretation Section: "Fair Trading Commission" means the Fair Trading Commission established under the Fair Trading Act; "Fair Trading Tribunal" means the Fair Trading Tribunal established under the Fair Trading Act; "licence" means a licence granted under section 38 unless the context otherwise requires;	A. **To be deleted:** • "Fair Trading Commission" • "Fair Trading Tribunal" B. **To be inserted:** • **"High Court of Justice"** • ***"regulated services" means those services as listed in the Second Schedule pursuant to section 37(1)*** • ***"regulated service providers" means those service providers conducting regulated services and are listed in the First Schedule pursuant section***	A. Deletions are required since the Fair Trading Act 2006 (**FTA**) does not provide for a Fair Trading Tribunal. A Fair Trading Commission (**FTC**) is established but its conduct in public utilities regulatory affairs will be non-existent. Therefore there will be no need to have representation of the RIC on the FTC. B. insertions are required due to the amendment infra to provide for judicial review of decisions of the RIC and Minister by the High Court of Justice. C. the definition of "licence" is to be

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		39(5). C. **To be amended:** • ***"licence": means a licence granted under Part IV of this Act, unless the context otherwise requires.***	amended to be commensurate with amendments infra to the licencing procedures in Part IV of the RICA. These concepts would benefit from further discussion with the FTC. There may be a need with regard to licences to clarify that these are meant to pertain to large monopoly type Service Providers. The issue of including the word "generation" in the definition of "supply" is a matter for consideration given that some service providers have raised the issue that only the supply and

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			distribution of electricity are referred to in the Second Schedule of the RIC Act. Alternatively the phrase "generation of electricity" could be inserted in the Second Schedule of the RIC Act.
4	"There is hereby established for the purpose of exercising and performing such duties as are conferred upon it by this Act and by any other written law, a body corporate to be known as the Regulated Industries Commission."	4. (1) There is hereby established for the purpose of exercising and performing such duties as are conferred upon it by this Act and by any other written law, ***an independent*** **body corporate** to be known as the Regulated Industries Commission.	(1) and (2) A well-established principle of regulation is the "arm's length" relationship between the regulator, the regulated entity and the government. The concept of the independence of the regulator is also one which has faced challenge. The intent here is to ensure that the regulator is able to carry out at the very minimum the basic acts which they would have the ability to do and to

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			be able to so do without fear of interference from third parties. Enshrining such concepts in the Act itself may therefore provide greater transparency and clarity with regard to the processes that the regulator has to carry out. There is precedence for such concepts being included in legislation, an example can be found in Section 7 of the Independent Pricing and Regulatory Tribunal ("IPART") Act No 39 of 1992, Australia.

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4		*(3)For the avoidance of doubt the* ***Commission shall have all such powers conferred on it as set out in section 37 of the Interpretation Act Chapter 3:01 of the Laws of Trinidad and Tobago.***	(3) The general issue is the challenge posed during the RIC's existence of the ability to carry out those functions contained in section 37 of the Interpretation Act. A particular challenge has been posed to the RIC's ability to hold land which is clearly delineated in the said section 37. In order to strengthen the organisation and to remove any doubts which may exist, it will be necessary to insert the proposed new section 4(3), which makes reference to section 37. Precedence for such references is contained in section 3(3) of the Fair Trading Commission Act Chapter 326B of the Laws of Barbados and at section 3(1) of the Office of Utilities Regulation Act 1995 of the Laws of Jamaica.

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
5(3)	"The President shall appoint one or more Commissioners to be members of the Fair Trading Commission."	**Delete section 5(3)**.	The role of the RIC in the Fair Trading Commission under the repealed legislation can now no longer be contemplated. However, these concepts would benefit from further discussion with the FTC, given the current provisions of the Fair Trading Act 2006 which also provides (at section 26 (2) for the appointment of Commissioners to sit on the FTC from the Commissioners appointed under the RIC Act.
6(1)(a)	"The Commission may have and exercise such functions, powers and duties as are imposed on it by this Act and in particular – (a) advise the Minister on matters	"(a) advise the Minister on *all* matters	To better capture the role of the RIC in licensing procedure. The RIC would like to see all aspects in the Act which pertain to the grant of licences remain with the Minister. However, the RIC would like to have a

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
	relating to the operation of this Act including the granting of licences;"	relating to the operation of this Act including ***but not limited to*** **the granting, *revocation, suspension, amendment and renewal* of licences;"**	more extensive role in all matters not just in (1) matters pertaining to the operation of the Act but all aspects of the licencing regime.
6(1)(c)	ensure, as far as is reasonably practicable, that theservice provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment;	ensure, as far as is reasonably practicable, that the service provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment ***and sufficient income to meet its expenditure***;	Clarifies the fact the service provider receives sufficient revenues to provide services. The regulator ought to be able to ensure the financial self-sufficiency of the service provider.

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
6(1) (h)	"establish the principles and methodologies by which service providers determine rates for services;"	"establish the principles and methodologies ***for the determination of rates for regulated services;***"	Clarifies the fact that the regulator and not the utility, determines rates. The RIC considers that there is a need to place the power to determine rates clearly under the purview of the regulator and not that of the service provider. Tariff rebalancing is a key issue for regulators and thus the RIC has to be able to unwind the cross subsidies (as necessary) and therefore there is a need to not only establish principles and methodologies as is currently catered for but also to ***determine rates."*** Further, in no jurisdiction does a service provider have an open ended power to set its own rates. At minimum,

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			regulatory approval is always needed before rates go into effect. Once this recommendation is accepted there would need to be a repeal of T&TEC' s power under section 54 of the T&TEC Act Chapter 54:70 to fix electricity rates.
6(1) (k)	"facilitate competition between service providers where competition is possible and desirable;"	*6. (1)(k)* **"*promote* competition *for* services** where competition is possible and desirable;"	Renumbering required. Amendment required to ensure a role for competition in the utility sector. The Commission can promote competition through preventative means, such as how it sets standards and enforces compliance.

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			It is suggested that this section should be discussed together with the FTC issues.
6 (1)(l)	"investigate complaints by consumers of their failure to obtain redress from service providers in respect of rates, billing and unsatisfactory service and facilitate relief where necessary;"	*6. (1) (l) investigate complaints by consumers of their failure to obtain redress from service providers in respect of rates, billing and unsatisfactory service* ***and take such action as it considers necessary to resolve complaints where possible;***	To strengthen the Commission's powers to provide resolution of customers' complaints. Currently the RIC is limited to the areas stipulated under the Act for investigation, and only after the consumers have failed to receive redress concerning these specific areas. The RIC has however, noted the variety of the type of complaints that consumers forward for its consideration. If the complaint base is broadened it is suggested that the regulator should have the ability and/or discretion to dispose of matters which it considers to be

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			frivolous, vexatious or otherwise an abuse of process. It is suggested that such an ability or discretion should be considered whether or not the investigatory powers are expanded. The issue of the regulator being able to make a decision and the subsequent need for an appeals process should the regulator be given such decision making power can also be considered.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			With regard to the issue of "*taking such action as it considers necessary to resolve complaints"* the Commission also wanted to consider the possibility of utilizing softer measures before one escalates the process with more punitive measures. For example the RIC has developed a Regulatory Reporting and Compliance Manual (RRCM) document that will treat with the procedure for compliance in certain circumstances. This would reduce the need for the RIC to approach the Court for the enforcement of breaches or to mandate that action be taken by other parties.

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
New sub section	To insert the proposed amendment before the current 6(1) (n).	***6 (1) (n) "To impose and collect such fines as the Commission upon approval of the Minister may prescribe and/or as are set out in this Act."***	To provide the Commission with a mechanism of ensuring compliance with licence conditions and standards. This would also provide the Commission with greater options for enforcement.
New section	No section exists at present [this should be a separate part].	***(1)* Where it appears to the Commission that a licensee or specified organization, as the case may be, is not fulfilling its obligations under its licence or enabling instrument, the Commission may, by memorandum in writing to the licensee or specified organization, require the licensee or specified organization, within the time specified in that memorandum, to**	In order to give the organization greater control over the actions of Service Providers under its purview, the RIC should be given the power to require measures to be taken, and that failure to comply with such measures mandated by the RIC should be punishable as an offence. The addition of a punitive measure such as the ability to fine, would bridge the gap between the proposed measure of

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		take such remedial measures as may be so specified. ***(2)*** **Any licensee or specified organization which fails to comply with the requirements of a memorandum issued by this section will be guilty of a breach of this Act and will be liable to a fine not exceeding *(amount to be determined):*** **Provided the Commission may fix a reasonable period from the date of the imposition of the fine for compliance by the licensee or specified organization with the requirements of the memorandum and where the Commission has**	being able to resolve complaints and the provisions currently within the Act where fines can only be levied within the context of breaches of the RIC Act which constitute an offence punishable upon summary conviction. This extends the remedies open to the RIC without needing to access a third party.

DRAFT

		fixed such a period, in respect of any day said daily penalty shall not be recoverable before the expiration thereof.	
6(2)	"In the performance of its functions under subsections (1) (e), (g), (h) and (j), the Commission shall consult with service providers and representatives of consumer interest groups and any other parties it considers as having an interest in the matters before it."	In the performance of its functions under subsections (1) (e), (g), (h) and *(l)*, the Commission shall consult with*:* *(a)* service providers *(b)* representatives of consumer interest groups *(c)* ***the Minister with responsibility for the service provider*** **and** g) any other parties it considers as having an interest in the matters before it.	This is important to clarify the critical groups that the RIC should consult in making a rate determination and standard for services. The policy maker has been added for completeness, as other parties considered to be important to the process have been specifically named.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
6(3)	"(3) In the performance of its functions, the Commission shall have regard to the public interest and in particular- (a) to maximum efficiency in the use and allocation of resources to ensure as far as is reasonably practicable, that services are reliable and provided at the lowest possible cost; (b) to equal access by consumers to service; (c) to fair treatment of consumers and of service providers similarly placed; (d) in respect of consumers similarly placed, to non-	(3) In the performance of its functions, the Commission shall have regard to the public interest and in particular- (a) to maximum efficiency in the use and allocation of resources to ensure as far as is reasonably practicable, that services are reliable and provided at the lowest possible cost; (b) to equal access by consumers to service; *(c)* ***the interest of the shareholders of the service provider****;* *(d)* ***the ability of consumers to pay rates****;* (e) to fair treatment of consumers and of service providers; (f) in respect of consumers, to non-discrimination in relation to access,	To ensure the role of the regulator encapsulates all concerns in the conduct of its duties. Many of these items (e.g. (c), (d), (g), (h), (i), (j)) are simply brought forward here from section 67. The viewpoint is that these criteria which have been brought forward from section 67 are important for the RIC's business. This is particularly so given that these principles have been utilized in the rate setting process in the past and will continue to so do. It is also consistent with similar legislation throughout the region.

DRAFT

	discrimination in relation to access, pricing and quality service; (e) current national environmental policy.	pricing and quality service; *(g)* **fu*ture prospective increases in productivity by the service provider;*** *(n)* **the *rate of inflation in the economy;*** *(o)* **the *standard of quality, reliability and safety of the service being offered by the service provider;*** *(p)* **rates *charged by competing service providers for providing an alternative service;*** *(q)* current national environmental policy;	

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	**Present Section**	**Proposed Amendment(s)**	**Rationale/Justification**
		(l) ***such other factors as may be necessary and in conformity with the objects of this Act***.	
15 (1)	15. (1) The Commission shall appoint for a term not exceeding five years on such terms and conditions as the Minister may determine, an Executive Director who shall be the Chief Executive Officer of the Commission.	15. (1) The Commission shall appoint for a term not exceeding five years on such terms and conditions as the Minister may determine, an Executive Director who shall be the Chief Executive Officer of the Commission ***and the person so appointed shall be eligible for reappointment***.	This amendment is suggested to reflect the manner in which the process currently operates. It would also recognise that the Commission is a part of the process. There is precedence for such an approach in the Telecommunications Act (2001) as amended by Act No. 17 of 2004. It has been suggested that there is a need to clarify the provision for the Executive Director's term of appointment. Concerns have been raised as to whether

DRAFT

			such a limitation is suitable given the highly specialised skills that such a person brings to the Commission and the difficulty in locating same within the job market. It has been suggested that the language of the section be changed to give the Commission greater flexibility (if needed) to re-appoint the Executive Director. Precedence for such an approach has been observed in section 2 (2) of the Second Schedule of the Office of Utilities

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			Regulation Act ("OUR Act") of the Laws of Jamaica where the term of appointment of the Director-General, a post which corresponds with that of the RIC's Executive Director is provided for. Section 2(2) of the OUR Act states "*The appointment of the Director-General shall be for a period of not less than three years nor more than seven years and the person so appointed shall be eligible for reappointment.*"
16 (3) (b)	(3) Where the Deputy Executive Director acts in accordance with this section he— (a) has and may exercise all the powers of the	(3) Where the Deputy Executive Director acts in accordance with this section he— (a) has and may exercise all the powers of the Executive Director;	The language within the section implies that the Deputy Executive Director when acting for the Executive Director should be paid the "same remuneration" that the Executive Director is currently

	Executive Director; (b) shall perform all of the functions and receive the same remuneration as the Executive Director.	(b) ***"shall perform all of the functions and be compensated within the same remuneration range approved for the position of the Executive Director".***	receiving. Therefore, if the Executive Director is receiving remuneration at the maximum level of the remuneration range, it follows that the Deputy Executive Director when acting in the Executive Director's position would receive the same maximum rate. This current situation is inconsistent with established compensation protocol for acting appointments.
New section, to be placed under "Staff and Related Matters"	**None exists now.**	(1) **No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of staff of the Commission in respect of any act**	To give the staff of the Commission similar protection as currently exists for Commissioners under section 12 of the Act. For example, Section 46 of the URCA 2009 of the Laws of the Bahamas.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		done *bona fide* in pursuance or execution or intended execution of this Act. (2) **Where any member of staff of the Commission is exempt from liability by reason only of the provisions of this section, the Commission shall be liable to the extent that it would be if the said member of staff was a servant or agent of the Commission.**	
New sub-section 28(3)	**None exists now**.	**28 (3) If after three months of the expiration of the period referred to in section 28 (2) the Minister has failed to lay the budget and/or statement referred to in subsection (1), the said budget and/or**	This amendment is requested due to the very late approval of the Commission's Budget on many occasions and has been the cause of the Commission being unable to defray the expenses of the organisation in a timely manner or at all.

		statement is deemed to be approved.	Although the Commission's financial year is January to December, its budget was sometimes approved in July/August. The process in which the RIC receives Cess Income has proved to be a very drawn out procedure which imposes upon the operational affairs of the Commission. These amendments are being proposed to fast-track the processing of the Cess Income for the RIC so that they can continue to function normally.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
29	The funds and resources of the Commission shall consist of such amounts as may be received by the Commission in respect of- (a) amounts as may be appropriated by Parliament until the Commission attains self-sufficiency from the cess referred to in section 30; (b) such amounts collected by way of cess; (c) fees for licences; (d) all sums received by or falling due to the Commission as fees; (e) all other sums or property that may in any manner become lawfully payable to or vested in the Commission in respect of	***(1)*** The funds and resources of the Commission shall consist of such amounts as may be received by the Commission in respect of- *(a)* ***{deleted}*** (a) such amounts collected by way of cess; (b) fees for licences; *(c)* ***sums collected by way of fines or penalties;*** (*d)* all sums received by or falling due to the Commission as fees; *and* (e) all other sums or property that may in any manner become lawfully payable to or vested in the Commission in respect of any matters incidental to its functions ***or as the Commission deems necessary***.	(1) (a) should be deleted since it is no longer applicable given that the RIC has obtained self- sufficiency from the Cess referred to in the original section 29 (b). In addition it should be noted that the RIC does not request any subventions from Parliament. New (c) inserted to allow collections for fines and penalties. New (f) is suggested for insertion given that the Commission has proposed that it be given the power to borrow and it therefore follows that the proceeds of loans should be listed a source of funding for the avoidance of doubt. For the avoidance of doubt, amounts from loans taken by the Commission and

DRAFT

	any matters incidental to its functions.	***(f) loan proceeds.*** ***(3) The excess sums collected from*** the ***fees, fines or penalties shall be retained for future use by the Commission.***	rental fees should be expressed to be part of the Commission's funds. It is suggested that section 29 (1) (e) be amended to treat with the concept of possibility of monetising any physical assets that the RIC has obtained lawfully. The RIC requires greater flexibility to treat with its assets. New sub-section 29(2) proposed to address the issue of surplus funds of the Commission for the avoidance of all doubt. Amendment based in part on URCA, Bahamas.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA) No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
30(2)	"No cess imposed under subsection (1) shall be of any effect unless and until approved by the Minister by Order."	No cess imposed under subsection (1) shall be of any effect unless and until approved by the Minister (**delete by Order**).	The Commission believes the use of an alternative or simpler mechanism will aid in the process between the approval of Cess to the Minister and the invoicing of Cess to the Service Providers.
30(4)	(4) The cess payable shall be— *(a)* based proportionately, on the gross earnings of the service provider for the preceding calendar year or any part thereof;	(4) The cess payable shall be— *(a)* based proportionately, on the ***revenue*** of the service provider for the preceding calendar year or any part thereof;	Cabinet in Minute No. 2933 of October 25, 2007, agreed, *inter alia*, "(g) that the process for the amendment of section 30(4) of the Regulated Industries Commission Act, 1998, be started to ensure that where reference is made to the 'gross earnings of the service provider', this relates to earnings from 'core business', which measure will avoid double charging of utilities." In reality it does not amount to the "double charging" of utilities but the

			disproportionate allocation to one utility over another.
31.	"The Commission is exempt from all stamp duty, taxes, duties, customs duties, levies and other imposts on its income or profit or on assets which it acquires for its own use."	The Commission is exempt from all stamp duty, taxes, duties, customs duties, levies and other imposts on its income or profit, ***expenses*** or on assets which it acquires for its own use.	Section 31 of the RIC Act provides for a number of exemptions from tax for income or profit or assets acquired by the RIC for own use. However, the section is silent on whether expenses should also be exempt from taxation, specifically Value Added Tax (VAT). During the last VAT audit of the RIC, the matter of the eligibility of expenses for VAT exemption was highlighted by the VAT Office and, although the exemptions were allowed for the period under audit, based on

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			experience with similar bodies the issue still remains that at this time that VAT is not catered for in the legislation.
32A(i)	None	**Subject to subsection (ii) the Commission may borrow any money required by it for the efficient exercise of its functions or for meeting its obligations.**	New section to permit specified borrowing by the Commission This concept addresses serious operational challenges which the RIC has faced when attempting to carry out normal business operations. The RIC, in efforts to improve operational efficiency, is of the belief that operating a credit facility will help stream-line operations and facilitate smooth transactions for the payment of courses on-line; purchases of research Materials ;being able to make reservations online to facilitate travel to

DRAFT

			conferences etc. The RIC also envisages that a borrowing facility will facilitate efforts by the RIC to purchase property which will enable the RIC to save thousands in rental payments. Precedence for borrowing by a regulator is contained in the Environmental Management Authority Act No. 3 of 2000 which provides at section 77 (1) for borrowing.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			The Commission has suggested at section 29 (1) above that a new sub-section be inserted to recognise loan proceeds as a source of funding. This approach is also consistent with the precedent cited from the EMA Act above which provides for borrowing as it is noted that section 74 (d) of the said Act specifically lists amounts borrowed by the EMA as resources of the fund established (under section 72 of the EMA Act) to fund the operations of the EMA.

32A(ii)	None	**Borrowing may be effected only with the approval of the Minister whom responsibility for Finance is assigned as to the amount, the sources of borrowing and the terms and conditions of the loan, and may be either general or limited to a particular transaction and may be either unconditional or subject to conditions.**	The intent of new provision is to authorise control of borrowing by the Commission. There is no provision for the Commission to borrow funds or even credit facility to be negotiated.
32A(iii)	None	**The Commission may not pledge its assets as security for any loan without the written approval of the Minister to whom responsibility for matters affecting the Regulated Industries Commission is assigned**.	The intent of the proposed amendment is to empower the Minister to authorise the pledging of Commission's assets as security for loans to provide oversight for any borrowing by the Commission.
32A(iv)	None	**The Commission is a statutory authority for the purposes of the Guarantee of Loans (Statutory Authorities) Act.**	The purpose is to make the organization more credible in terms of the ability to borrow from financial institutions.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
34 (1) (b)	in respect of each financial year, prepare a financial statement in a form which reflects its income, expenditure, assets and liabilities in accordance with accepted accounting principles.	in respect of each financial year, prepare a financial statement in a form which reflects its income, expenditure, assets and liabilities in accordance with accepted accounting principles ***in Trinidad and Tobago.***	To ensure the credibility of the standards used to develop the rules for the proper control of the system of accounting and finances of the Commission. To clarify what is meant by "accepted accounting principles".
New sub-section 37 (3)	*No section exists at present.*	***37(3) Any person who renders a regulated service to or for the use of any other person or service provider except as provided for in section 37 (1) above is liable to a fine of*** *(figure to be decided)*	To prohibit persons from rendering a regulated service without a licence. The Commission or the Court could be identified as the body to impose a fine for a breach of this section, or an offence under the Act could be prescribed, depending on whether the Commission is given the power (as per the proposed amendments) to impose and collect fines. The Penalty could be determined vis a vis

			the cost of a licence fee for the particular service or another suitable mechanism could be suggested to determine the penalty to be paid.
38(1)	(1) Subject to subsection (2), the Minister may- (a) on the payment of such fee as may be prescribed; and (b) on receipt of an application in the prescribed form, grant to the applicant, a licence in the prescribed form for the provision of a service.	(1) Subject to subsection (2), the Minister ***shall grant a licence or a renewal of an existing licence to an applicant for the provision of a regulated service provided-*** (a) ***the Commission receives an application in writing with the payment of such application fee as may be***	To clarify the application process and remove the obligation to have a prescribed form for application. The provision for renewal of licences will be the same as for its first grant. These amendments have been proposed to streamline the process whereby the RIC will do the administrative work of accepting and processing the license application.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		prescribed by the Commission*; *and (b) ***the Commission submits the application to the Minister with its recommendation for the grant of a licence or a renewal of an existing licence to the applicant.***	
38 (3)	(3) Notwithstanding this Part, the Minister may grant an exemption from the requirements of this Act or any	(3) Notwithstanding this Part, the Minister may grant an exemption from the requirements of this Act or any provision thereof where-	To make the section more flexible.

DRAFT

	provision thereof where- (a) he is of the opinion that such an exemption will promote competition; and (b)he is satisfied that exemption will not conflict with a licence issued under subsection (2).	*(a)* ***it appears to him that it is just and expedient to grant an exemption to the applicant having regard to any material considerations in the circumstances;*** (b) **he is of the opinion that such an exemption will promote competition; and** (c) **he is satisfied that exemption will not conflict with a licence issued under subsection (2).**	

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
39(1)	**39.** (1) An application referred to in section 38(l)(b.) including an application for the exclusive provision of a service shall be forwarded by the Minister to the Commission which shall, subject to subsection (2), advise the Minister on the application within sixty days of the Commission's receipt of all information that it may require for such advice.	39. (1) An application referred to in section 38(l)(*a*.) including an application for the exclusive provision of a ***regulated*** service shall be forwarded ***within 30 days of receipt*** to the Minister by the the Commission which shall, subject to subsection (2), advise the Minister ***in writing*** on the application within sixty days of the Commission's receipt of all information that it may require for such advice.	To promote transparency and timeliness in the application process.
39(4)	39 (4) The Minister is not bound to accept the advice or any part thereof rendered by the Commission in accordance with this section.	39. (4) The Minister is not bound to accept the advice or any part thereof rendered by the Commission in accordance with this section. **If the Minister does not accept the Commission's advice, the Minister shall state the reasons**	To promote transparency of the application process.

		for rejecting the advice within 60 days of his receipt of same.	
40	New sub section 40(1)	***A Licence is deemed to be issued to a service provider and in effect upon the listing of a service provider in the First Schedule by the Minister by Order pursuant to section 39 of this Act.*** *Sub sections following to be renumbered accordingly.*	A statutory licence is created here. Conditions determinations and standards will apply whether or not a formal licence is issued. This amendment is proposed to treat with the concerns of service providers such as Trinity Power and Powergen who are not specifically referred to under section 68 (1) of the RIC Act.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
40 (1) (b)	Current section 40 (1) (b) requires a revision with regard to the numbering of the subsections which fall under this clause.		In the interest of accuracy and clarity.
New sub section 40(2)(a)	None	**'*the minimum quality and service standards applicable to the service.*'**	To strengthen the licence provisions by placing in the mandatory part.

DRAFT

(vii)			
40(1)(b)(i)		**this sub-section is to be repealed as it is re-stated as s.40(1)(a)(vii)**	Supra.
42(1)	(1) Subject to this section, the Minister may by instrument in writing, vary the duration of a licence or any condition for the time attached to the licence.	(1) Subject to this section, the Minister may by instrument in writing, **vary *any term or any condition*** of a licence.	The proposed amendment is to Strengthen the Regulator's powers.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
42(2)	(2) The Minister shall not vary a licence except – (a) by agreement between the licensee and the Minister; or (b) where, in the opinion of the Minister, new circumstances have arisen which make it necessary to vary the licence in the public interest.	(2) The Minister ***may*** **vary a licence** ***where*** – *(a)* ***he is in receipt of the advice of the Commission to so do;*** *(b)****the licensee has received notification from the Commission of the Minister's intention to vary the licence; and*** *(c)* ***the licensee has had the opportunity to make representation on the proposed variation.*** ***Provided that*** where, in the opinion of the Minister, new circumstances have arisen which make it necessary to vary the licence in the public interest, ***he may so do notwithstanding the foregoing***.	The Commission is the interface between the applicant and the Minister. This links the parties as contemplated by the proposed application process. It should be noted that this proposal is contingent upon the proposed change which would see the RIC receiving applications for licences under the Act as opposed to the Minister.

42(3)	(3) Any compensation for a variationmade pursuantto subsection (2) (b) shall be determined by the Fair Trading Commission.	**Delete this sub-section**.	It is noted that issues that contemplated the involvement of the Fair Trading Commission, albeit under legislation that has since been repealed, should nevertheless be discussed with the current FTC to see whether the provisions are workable in the context of the existing legislation. If not, the section should be removed.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
43	(1) Subject to this section, the Minister after consultation with the Commission may suspend or cancel a licence for sufficient reason. (2) During the period that the Minister is considering exercising his power to suspend or cancel a licence, the service provider shall continue to provide the related service in accordance with the terms of its licence.	(1) Subject to this section, the Minister after consultation with the Commission may suspend, ***terminate*** or cancel a licence for sufficient reason. (2) During the period that the Minister is considering exercising his power ***pursuant to this section***, the service provider shall continue to provide the related service in accordance with the terms of its licence.	To provide further powers of termination of licences and to provide clarification that the processes referred to in 43(1) should be exercised in accordance with the section 43.
45(1)	45. (1) An appeal by any party who is aggrieved by a decision of the Commission or the Minister shall be made to the Fair Trading Tribunal.	45. (1) An appeal by any party who is aggrieved by a decision of the Commission or the Minister shall be made to the ***High Court***.	This amendment is proposed as the Fair Trading Tribunal to which it refers would have been established under the now repealed Fair Trading Act 1998. Although the issue is the removal of

			provisions that pertain to the now repealed Fair Trading Act 1998, it would be useful to discuss whether the existing Fair Trading Commission is the appropriate body to which such appeals can be made or whether the High Court is more appropriate as has been proposed. Certainly there is a requirement at law to provide for the appropriate court or tribunal. (Jerome Boodoo v AG 1 WLR 1689)

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
45 (2)	45 (2) The provisions of the Fair Trading Act relating to- (a)the procedure and jurisdiction of the Tribunal; (b) notices of appeal to the Fair Trading Tribunal; (c) hearing and determination of appeals; and (d) appeal from a decision of the Fair Trading Tribunal, shall apply mutatis mutandis, to appeals referred to in subsection (1).	**To delete this subsection.**	To ensure the consistency of section 45 (1) above. Again, it is suggested that the sections for deletion be discussed with the FTC to discuss whether there is any room for current FTC to take on the role contemplated by the Fair Trading Tribunal. If no such role is feasible then the section should be removed from the RIC Act.
47	Subject to this Part, a service provider shall not, in respect of any service it provides directly or indirectly, demand or receive a rate greater than—	Subject to this Part, a service provider shall not, in respect of any service it provides directly or indirectly, demand or receive a rate greater ***or lesser*** than—	It is submitted that this section will clarify the fact that a Service Provider cannot simply choose not to implement any rate at all, as financial viability and sustainability of the service provider is

	(a) the maximum rates permitted— (i) under the principles established by Regulations made under this Act; or (ii) by a licence; or *(b)* any other rate determined by the Commission in accordance with this Act.	(a) ***the rate or rates permitted***— (i) under the principles established by ***the Commission*** under this Act; or (iii)by a licence; or (b) any other rate determined by the Commission in accordance with this Act.	important for the provision of reasonable levels of service. Moreover, the service provider will have no excuse but to provide an acceptable level of service to everyone in the country. It is noted that this section facilitated T&TEC's delay in the implementation of the rates set by the RIC as recently as 2006. Adapted from – Section 40 Public Utilities Commission Act Chap 25:01 of the Laws of Guyana. It is recommended that both sections 6 (1) (h) and 47 be amended to confer the

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
			power upon the RIC to set rates. It is contended that service provider should not have an open ended power or any power to set its own rates. While the RPI-X formula provides the broad framework within which individual tariffs are set, it is the structure of these tariffs that has a more direct impact on consumers and consumption patterns. Thus, the regulator needs to be intimately concerned with the issues surrounding tariff rebalancing and the impact of cross-subsidies. In the current environment where state ownership is the norm this is even more critical as service providers may be unwilling to unwind cross subsidies etc.

DRAFT

			Further, even in the mature regulatory environment of the UK where a service provider is allowed to set individual tariffs; those rates are always subject to an approval process by the regulator, for reasons listed above. This is also the case in jurisdictions such as Australia. Thus, there seems to be no precedent for a service provider being able to set rates without recourse to the regulator for some type of approval.

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
53 (1)	53 (1)(c) the standard or conditions of supply of a service, review such complaint or any other matter related to its powers, duties or functions under this Act and where it thinks fit, consult with the parties concerned.	*53 (1)(c) the standard or conditions of supply of a service,* ***investigate*** *such complaint or any other matter related to its powers, duties or functions under this Act and where it thinks fit, consult with the parties concerned* ***and make a decision on the complaint consequent upon said investigation.***	To strengthen the Commission's powers and to ensure consistency with section 6 (1) (l) in providing resolution of customers' complaints. A case can also be made for broadening the types of complaint that the RIC can investigate. The RIC has been assisting customers with various types of complaints that fall outside of the criteria established in the Act. For example, vegetation management (cutting of trees) damaged to property claims, compensation for the uses of property, request for the removal of Service Provider's assets on private

			property etc. The restrictions/stipulations that are stated on our Act, is not observed in many jurisdictions. Consequently, the RIC should be allowed a greater degree of latitude to investigate of other types of complaints or any matter connected with the service provided by Service Provider in the course of carrying on a regulated activity.

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
56	(1) For the purposes of this Part, the Commission shall establish an office for research which shall— (a) collect and compile any information which may be of assistance to the Commission in the exercise of its functions under this Act; (b) conduct the reviews referred to in sections 48 and 49; (c) keep information referred to in paragraph (a) up-to-date; and		The RIC seeks a modification of section 56(1) which eliminates the restriction for the collection of information "for the purposes of this Part". The collection of information should extend for any work that the RIC engages in, as required by the RIC Act. Consideration should be given to de-link the disclosure of information collected under section 56(2), from the payment of any fee.
	(d) monitor service providers for compliance with the provisions of this Act. (2) Information collected and compiled and the results of the research carried out under this section shall be furnished upon written request to any		

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	person upon payment of the prescribed fee.		
Placement to be discussed	**None exists now**.	***It is the duty of every Service Provider to co-operate with the Commission and its officers, employees and agents in the performance of their functions and for that purpose to comply with all lawful requests made, or directions given, by the Commission or its officers, employees or agents.***	To strengthen the Commission's powers and to ensure consistency with section 6 (1) (l) in providing resolution of customers' complaints. Adapted from - Section 82 Public Utilities Commission Act Cap 25:01 of the Laws of Guyana.

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APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
Placement to be discussed	**None exists now.**	***All information and documents provided to the Commission under this Act shall be publicly available: Provided that the Commission shall take all due and reasonable care to protect and shall not publish or otherwise make publicly available the trade secrets of the service provider or any other information that may aid a competitor of the Service Provider.***	To strengthen the Commission's powers and to ensure consistency with section 6 (1) (l) in providing resolution of customers' complaints. Adapted from - Section 83 Public Utilities Commission Act Cap 25:01 of the Laws of Guyana.
67		**To delete section 67 and replace as follows:** ***The Commission may:*** ***(a)issue rules, memoranda, determinations, guidelines and***	Portions of the existing section have been placed elsewhere in the Act. The proposed amendment is similar to sections 6(g), 67(2) and 67 (5) of the RIC Act and would give the RIC the flexibility to make rules, regulations and orders than the existing power in section 67.

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		regulations as may be necessary to effectively perform its powers and functions under this Act; ***(b) make orders with respect to:*** *(i)* ***imposing penalties for non-compliance with established operational performance and service level standards; and*** *(ii)* ***furnishing regulatory accounts by the service provider to the Commission***. ***(c) Regulations made under this Act may contain provisions for imposing on any person contravening the Regulations, a fine recoverable on summary***	The RIC is suggesting that is should be given the power to issue certain types of authoritative documents such as Codes of Practice, Industry Codes and so on. It is therefore suggested that the need for Regulations which treat with the specific areas identified at sections 67(1) and (2) be deleted. It is further suggested that these matters be treated with in the legislation itself and not be left for development in subsidiary legislation. It is further recommended that sections 67 (3) and (4) be placed within Part V of the Act which deals with Rates and Tariffs due to the fact that these said

DRAFT

APPENDIX I

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		conviction, of one hundred and fifty thousand dollars in respect of each offence and in the case of a continuing offence, a further fine of thirty thousand dollars for each day during which the offence continues after conviction	sections would have related to Regulations regarding the setting out of principles on which rates chargeable by Service Providers should be based. Section 67 (5) should be retained to provide for the issuing of fines where the said Regulations are contravened. The application of other punitive measures where the Regulations are breached can also be examined.
New section	**No section presently exists.**	***Subject to the provisions of this Act or any other written law, the Minister may, after consultation with the Commission, give written directions to the Commission on matters of general public policy and the Commission shall give effect to that policy.***	To allow for policy guidance and checks and balances. There is precedence for this approach at section 19 of the TATT Act.

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New section	**No section exists at present.**	***(1) Notwithstanding any rule of law to the contrary, all Determinations, Orders made pursuant to, by and under this Act are hereby declared to be and from the date of the making thereof, always to have been of full force and effect even though the Regulations and Orders were not laid before Parliament in accordance with those sections of this Act.*** ***(2)All acts and things done or omitted to be done by any person or authority under this Act in exercise***	Validation clause to ensure that all acts done by the Commission have the force of law as this has serious limitations currently for the Commission to monitor service providers' performance and hold them accountable.

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APPENDIX III

Proposed Amendments to the Regulated Industries Commission Act (RICA)

No. 26 of 1998 (Document revised as at 4.11.16)

Section	Present Section	Proposed Amendment(s)	Rationale/Justification
		of the powers or in the performance of any functions or duties conferred or imposed by the Regulations or the Orders which would have been lawful had they then been in force shall be deemed to have been lawfully and validly done or omitted to be done.	

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APPENDIX III

Proposed Amendments to the Regulated Industries Commission Act (RICA) No. 26 of 1998 (Document revised as at 4.11.16)

Consequential Amendments to the Fair Trading Act 2006 (FTA)

Section No.	Present Section	Proposed Amendment	Justification
2	"Regulated Industries Commission" means the Regulated Industries Commission established under the Regulated Industries Commission Act 1998.	Delete	Removal of references to the Commission ("RIC") from the FTA.
Proposed new section 3(1) (j)		Service providers which fall within the purview of the Regulated Industries Commission Act 1998.	To remove the Commission from the purview of FTA. The other option is to have by section 3(1)(i) an order of the Minister to declare such industries exempt from application of the FTA. This is of particular importance upon a review of section 17 of the FTA which provides for anti-competitive agreements. This provision would negatively affect

			the operations of the utilities especially as regards power purchase and water sale agreements.
3(3)	The Act shall apply to service providers within the meaning of the Regulated Industries Commission Act 1998 save that the responsibility for enforcement of this Act in respect of service providers shall be that of the Regulated industries Commission.	Delete	Service providers under the RIC are natural monopolies. They have indicated to MPU and RIC that regulation of all issues should fall within the RIC's domain.
3(3)	Where a merger or an anti-competitive agreement would fall within the purview of the Commission in circumstances where any of the companies involved is a service provider, the Regulated Industries Commission shall not make any decision before it consults with the Commission.	Delete	As above. The consumer base is small and each utility is defined by its service: water, wastewater, electricity, and soon, post. A merger of any or all of these utilities is unlikely.

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Appendix IX

Summary of finalised Quality Service Standards for WASA

Summary of Final Decisions of Guaranteed Standards

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
GWS 1	Implementation of Schedules	1. Supply of pipe borne water	1. Minimum of 48 hours aggregate per week	15% - Classes A, C, D, E 3% - Class B	Not Applicable (N/A)
GWS 2	Restoration of Supply after service interruption	Maximum time to restore supply	Planned Interruptions As per published times but no later than 48 hours after start of interruption Unplanned Interruptions 72 hrs for trunk mains 48 hrs for strategic mains 24 hrs other interruptions	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	12 hours
GWS 3	Provision of Truck borne supply if mains supply is interrupted	1. Time to provide customer requested truck borne supply 2. Supply of truck borne water upon customer's request when water schedule is disrupted	Planned Interruptions To be provided within 24 hours after the notified time for interruption has ended if pipe borne supply not yet available Unplanned Interruptions To be provided from 48 hours after the start of the disruption and within the next 24 hours if pipe borne supply not yet available	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	24 hours
GWS 4	Time to repair to Water Service connections (WSC)	Maximum time to repair WSC	Water Service Connection Repair 1. Within 48 hrs of report by customer – for loss of supply to registered critical institutions (e.g. schools,	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	12 hours 12 hours 24 hours

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
			hospitals) and for leaks resulting in damage to property. 2. Within 3 working days – for leaks & loss of supply affecting supply to customer.		
GWS 5	Installation of new Water Service Connections (WSC)	Time to install WSC	**¾" WSC (domestic) and 1"– 4" (single building)** 1. Determine feasibility and notify customer within 5 working days of application for domestic WSC, and 10 working days for multi-family dwelling units. 2. Install WSC within 7 working days of confirmation of feasibility **All other WSC** 1. Issue response to application for Outline Approval within 20 working days of receipt of payment. 2. Issue Final Approval within 20 days of receipt of acceptable engineering design. 3. Install WSC within 15 working days of receipt of payment. 4. Issue Completion Certificate in 7 working days.	15% - Classes A, C, D, E 3% - Class B Further Compensation 5% - Classes A, C, D, E 1% - Class B	24 hours

Code	Standard Description	Performance Measure	Required Units	Compensation per customer class (% of bill)	Further Period for Compensation
GWS 6	Reconnection of supply after settling outstanding accounts or disconnection due to error	Maximum time to reconnect supply	Within 24 hours of receipt of full payment or as per agreement with WASA or in determining of error made	15% - Classes A, C, D, E 3% - Class B <u>Further Compensation</u> 5% - Classes A, C, D, E 1% - Class B 3% - Class B	24 hours
GWS 7	Response to complaints	1. Time to acknowledge receipt 2. Time to communicate final position	1. Within 5 working days of receipt of complaint 2. Within 30 working days of receipt of complaint	15% - Classes A, C, D, E 3% - Class B <u>Further Compensation</u> 5% - Classes A, C, D, E 1% - Class B	24 hours
GWS 8	Response to Poor Water Quality	Time to respond to poor water quality	1. Service provider to respond, and conduct site visit where necessary, within 1 working day 2. Solve problem within 3 working days of site visit 3. Give an alternative for water supply where applicable	15% - Classes A, C, D, E 3% - Class B <u>Further Compensation</u> 5% - Classes A, C, D, E 1% - Class B	N/A
GWS 9	Compensatory payments for guaranteed standards	Maximum time to credit compensatory payment for non-compliance with standards	Within 60 working days of receipt of claim	15% - Classes A, C, D, E 3% - Class B <u>Further Compensation</u> 5% - Classes A, C, D, E 1% - Class B	7 days

Summary of Final Decisions for Overall Standards

Code	Standard Description	Performance Measure	Required Units
OWS 1	Notification with respect to planned supply interruptions	Minimum time to notify affected customers before supply interruption of more than 4 hours duration	48 hours
OWS 2	Water Pressure	Minimum and maximum pressures	**At point of Water Service Connection (WSC)** Minimum 14m head of pressure (20 psi) Maximum 70m head of pressure (100 psi)
OWS 3	Metering	1. Time to read meters 2. Time to issue bills 3. Maximum time to repair meters	1. Read meter every 2 months for all categories of customers 2. Issue bills within 10 working days of meter reading 3. Repair defective water meters within 30 days of receipt of report
OWS 4	Drinking water quality	WHO guidelines for drinking water	1. Sampling according to an established schedule 2. 100% compliance with WHO guidelines for bacteriological thresholds (water) 3. 95% compliance with WHO guidelines for physical/chemical parameters (water)
OWS 5	Sewage effluent quality	Compliance with standard for wastewater effluent	1. Compliance with effluent discharge standard of water pollution rule or equivalent standard as set by the relevant authority having such jurisdiction
OWS 6	Repair to sewers	Maximum time to repair sewers	1. Clear choke in WASA sewer system within 18 hours of receipt of report of overflow. 2. Repair collapse of WASA sewer system within 72 hours of receipt of report

Code	Standard Description	Performance Measure	Required Units
OWS7	Road restoration after pipeline works	Maximum time to complete road restoration	Temporary restoration of road within 24 hours and permanent restoration within 7 days, in accordance with the road restoration guidelines issued by the Ministry of Works or equivalent entity
OWS8	Claims for damage	Time to process and pay claim	1. Reply within 5 working days of receipt of claim 2. Complete investigation within 30 working days of receipt of claim 3. Determine liability and make payment, where applicable, within 60 working days of receipt of claim
OWS9	Making and Keeping appointments	1. Time to arrive for appointment 2. Time to notify customer of inability to meet appointment	1. Arrive within 30 mins of scheduled appointment 2. No less than 24 hrs of inability to keep appointment

Appendix X

Summary of finalised Quality Service Standards for T&TEC

INTRODUCTION

In July 2017, the Regulated Industries Commission (RIC) published for public comment its document, "Review of the Quality of Service Standards for the Electricity Transmission and Distribution Sector". The document formed the basis of consultation with the public and other stakeholders. Section 6(1) of the RIC Act (Act) expressly empowers the RIC to prescribe standards of service, monitor to ensure compliance and impose sanctions for non-compliance. The Act also mandates the RIC to consult with all interested parties it considers as having an interest.

The RIC received four (4) written responses during the consultation period. The respondents were the Trinidad and Tobago Electricity Commission (T&TEC), the Ministry of Energy and Energy Industries (MEEI), the Consumer Affairs Division (CAD) of the Ministry of Legal Affairs and Professor Chandrabhan Sharma. A summary of these written responses is presented in **Appendix II**. The RIC wishes to express its appreciation to all of the respondents for their time and participation.

Purpose of this Document

In this document, the RIC reports on the responses received from the various stakeholders, and presents its conclusions and decisions on the Quality of Service Standards for the Electricity Transmission and Distribution Sector.

Structure of the Document

This document is divided into four sections. Section 2 discusses the comments on both the guaranteed standards scheme and the compensatory payment mechanism and presents the final decision on both. Section 3 discusses the comments on the overall standards scheme and presents the final decision on the overall standards scheme. Finally, Section 4 discusses other issues raised by the respondent.

THE GUARANTEED STANDARDS SCHEME

The RIC reviewed the comments submitted with respect to the proposed guaranteed standards scheme. This section discusses the issues raised by the respondents with respect to the guaranteed standards and the compensation for breaches of these standards. There was no objection from any of the respondents to the continued implementation of the system of Guaranteed and Overall Standards for the Electricity Transmission and Distribution Sector. The MEEI suggested that the service description for the Guaranteed Electricity Standard 1 (GES1) should be modified to exclude force majeure outages as stipulated in the proposed Overall Electricity Standard 1 (OES1). They indicated that T&TEC should not be held responsible for delays in the restoration of supply due to events of this nature. The RIC has acknowledged in all iterations of the QSS that interruptions caused by the failure of generation, faults of or on customers' equipment, and force majeure* conditions are outside the control of T&TEC and, as such, T&TEC is afforded the opportunity to apply to the RIC requesting that interruptions due to these circumstances be excluded from consideration in the application of all of the Guaranteed Standards. Hence there is no need to specifically state this exemption in the individual definitions of the Guaranteed Standards. Requests for exemptions have to be approved by the RIC before they can be applied by T&TEC. The RIC's final decisions and rationales where necessary for each of the Guaranteed Standards along with the comments received from stakeholders are hereby presented. The Guaranteed Standards put forward for publication in the Trinidad and Tobago Gazette are listed in table.

Code	Service Description	Performance Level	Penalty Payments
GES1	Restoration of supply after unplanned outage on the distribution system.	Within 10 hours.	$60 residential $600 non-residential For each further 12-hour period – $60 residential $600 non-residential
GES2	Billing punctuality. Time for first bill to be dispatched after service connection.	Within 60 days residential. Within 30 days non-residential.	$60 for both residential and non-residential
GES3	Reconnection of service after settling of overdue amounts or agreement on a payment schedule.	Within 24 hours.	Refund of the reconnection fee for both residential and non-residential
GES4	Making and keeping appointments.	24 hours notice of inability to keep an appointment with customers.	$60 for both residential and non-residential
GES5	**Investigation of Voltage Complaints** A. Single-Phase Voltage Supply outside of the Statutory Range. 1. Evaluate the prevailing conditions. Where a visit to the customer's premises is not required, correct the problem and notify the customer of the corrective action or visit the customer's premise and make an assessment of the complaint.	Within 24 hours of receiving the customer's voltage complaint.	$60 residential $600 non-residential
	A. 2. Execute corrective action (where necessary) and notify the customer accordingly.	Within 15 working days of receiving the customer's voltage complaint.	$60 residential $600 non-residential
	B. Variation between the phase voltages of a Three-Phase Voltage Supply that adversely affects the customer. 1. Evaluate the prevailing conditions. Where a visit to the customer's premises is not required, correct the problem and notify the customer of the corrective action or visit the customer's premise and make an assessment of the complaint.	Within 24 hours of receiving the customer's voltage complaint.	$60 residential $600 non-residential
GES5	B. 2. Execute corrective action (where necessary) and notify the customer accordingly.	Within the time mutually agreed with the customer.	$60 residential $600 non-residential

Code	Service Description	Performance Level	Penalty Payments
GES6	Responding to billing and payment queries.	Substantive reply within 15 working days.	$60 for both residential and non-residential
GES7	**Execution of capital works and new connection of supply.** A. Within 30 metres. (Where no construction works on the part of the service provider are required.) 1. Completion of preliminary survey.	Within 3 working days of request.	$60 residential $600 non-residential
	A. Within 30 metres. 2. Service drop and meter to be installed.	Within 3 working days.*	$60 residential $600 non-residential
	B. Within 100 metres. (Where construction works on the part of the service provider are required.) 1. Completion of preliminary survey.	Within 3 working days of request.	$60 residential $600 non-residential
	B. Within 100 metres. 2. Provision of estimate.	Within 5 working days of the completed survey and all documents being provided by the customer.	$60 residential $600 non-residential
	B. Within 100 metres. 3. Completion of construction works.	Within 15 working of the provision of the estimate and the submission of any required payments and agreements signed by the customer.	$60 residential $600 non-residential
	B. Within 100 metres. 4. Meter to be installed.	Within 3 working days after the completion of construction works and the submission of all payments and documentation.*	$60 residential $600 non-residential
	C. Greater than 100 metres. (Where construction works on the part of the service provider are required.) 1. Completion of preliminary survey.	Within 3 working days of request.	$60 residential $600 non-residential
	C. Greater than 100 metres. 2. Provision of estimate.	Within 7 working days of the completed survey and all documents being provided by the customer.	$60 residential $600 non-residential

Code	Service Description	Performance Level	Penalty Payments
GES7	C. Greater than 100 metres. 3. Completion of construction works.	Within the time frame mutually agreed to by the customer up to a maximum of 30 working days of the provision of the estimate and the submission of any required payments and agreements signed by the customer.	$60 residential $600 non-residential
	C. Greater than 100 metres. 4. Meter to be installed.	Within 3 working days after the completion of construction works and the submission of all payments and documentation.*	$60 residential $600 non-residential
	D. Industrial 1. Completion of preliminary survey.	Within the time frame mutually agreed to by the customer up to a maximum of 15 working days of the request.	$600
	D. Industrial 2. Provision of estimate.	Within 15 working days of the completed survey and all documents being provided by the customer.	$600
	D. Industrial 3. Completion of construction works.	Within the time mutually agreed with the customer after the provision of the estimate and the submission of any required payments and agreements signed by the customer.	$600
	D. Industrial 4. Meter to be installed.	Within 5 working days after the completion of construction works and the submission of all payments and documentation.*	$600
GES8	Payments owed under guaranteed standards.	Within 30 working days for non-residential and 60 working days for residential.	$60 for both residential and non-residential

*** The requirements under GES7 A.2; B.4; C.4; and D.4 can also apply from a date mutually agreed upon between the service provider and the customer that is beyond the stipulated number of working days.**