



Government of the Republic of Trinidad and Tobago
Ministry of Public Utilities
Office of the Permanent Secretary

MPU 1/13/18 Temp I

March 11th, 2019

Ms Jacqui Sampson-Meiguel
Clerk of the House
Parliament of the Republic of Trinidad and Tobago
Level G-9, Tower D
The Port of Spain International Waterfront Centre
#1A Wrightson Road
PORT OF SPAIN

Dear Madam,

RE: The Eleventh Report of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including THA) on an Inquiry into the Efficiency and Effectiveness of the Regulated Industries Commission (RIC)

Reference is made to the matter at caption and to your letter dated December 14th 2018, in respect of same.

I will like to take this opportunity to thank you for granting the Ministry the requested extension of time, to facilitate the completion of the Ministerial responses to the follow-up recommendations posed by the Committee. In this regard, please find enclosed for your consideration the Ministerial responses to the findings and recommendations of the Committee on the efficiency and effectiveness of the RIC.

In accordance with your request, please note that an electronic copy of the report has also been submitted to coth@parliament.org on the March 11th 2019. Should you require further information and /or clarification on the subject matter, please contact Ms. Arlene Collis, Senior Economist at 628-9500 Ext. 4218 or acollis@mpu.gov.tt.

Yours faithfully,

Permanent Secretary (Ag.)
Ministry of Public Utilities

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Government of the Republic of Trinidad and Tobago
Ministry of Public Utilities

**RESPONSES TO THE ELEVENTH REPORT OF THE JOINT SELECT
COMMITTEE ON LOCAL AUTHORITIES, SERVICE COMMISSIONS
AND STATUTORY AUTHORITIES (INCLUDING THA) ON AN
INQUIRY INTO THE EFFICIENCY AND EFFECTIVENESS OF THE
REGULATED INDUSTRIES COMMISSION**

8 MARCH 2019

The presentation of The Eleventh Report of the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (including THA) on an Inquiry into the efficiency and effectiveness of the Regulated Industries Commission, was made to the Senate and House of Representative on December 11th 2018 and December 12th 2018, respectfully. Subsequently the Committee via letter dated December 14th 2019, requested Ministerial Responses on recommendations /comments contained in the Report, in keeping with Standing Orders 100(6) and 110 (6) of the Senate and House of Representatives respectively.

Recommendations of the Joint Select Committee for the short-term (3-6 months)

Recommendation:

- 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.**

Ministerial Response:

The Act to provide for the establishment of the Regulated Industries Commission (RIC) was assented to in 1998. The Ministry of Public Utilities (MPU) agrees that regulatory certainty and independence of the regulator from political influence are fundamental requirements for the effective functioning of the RIC. In this regard, the RIC has been hosting several Outreach Sessions throughout the country, at which the opportunity is taken to clarify its role and function. Where deficiencies in the legislative framework are identified, they will be addressed.

Recommendation:

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

Ministerial Response:

The MPU has been working closely with T&TEC and WASA in ensuring their readiness for implementation of any rate adjustments following the Rate Review Exercise. A special focus in this regard, has been the delivery of a high quality of service to the population.

Recommendation:

- 3. That the RIC institute the necessary arrangements to ensure the timely preparation of its Annual Financial Statements and Administrative Reports.**

Ministerial Response:

The Board of Commissioners of the RIC, which was appointed in 2015, inherited a situation in which the Commission's Annual Reports, inclusive of its Financial Statements and Administrative Reports were not up to date in keeping with the requirements of Section 34 of the RIC Act. The Board has instituted measures to address the situation and has reported that:

- The Audit of 2014 and 2015 Financial Statements have been completed.
- The Auditor General has recently granted permission for the auditing of the Financial Statements for the years 2016 and 2017 by private auditors. These audits will be fast tracked with a view to having them completed and submitted to the Auditor General before the end of the year
- The accompanying Administrative Reports would be completed and finalised by the end of March 2019

Recommendation:

4. **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 submission of complaints and suggestions.**

Ministerial Response:

In order to ensure that it reaches all segments of the population, the RIC engages its stakeholders through a variety of media, inclusive of print, electronic and digital. With respect to digital communication The RIC currently receives online feedback, through its use of such digital platforms as its web-site, Facebook, Twitter, YouTube and LinkedIn. Additionally, the Commission advertises digitally via Google and Facebook and regularly boosts its posts to broaden its online reach. The RIC has reported that its face-book posts reach as many as 24,000 persons monthly.

Additionally, customers can submit complaints via its website through the following e-mail address: complaints@ric.org.tt. These complaints are acknowledged within one working day and the matters actively pursued thereafter. Further, anyone wishing to send general comments or suggestions to the RIC can do so via the following email address: ricoffice@ric.org.tt

Recommendations of the Joint Select Committee for the medium term (7-12 months)

Recommendation:

- 1. A centralised and shared database be created for the documentation of complaints.**

Ministerial Response:

The RIC currently has its own internal bespoke data base to manage all aspects of its complaints process. However, the RIC is mindful that not all of the information related to a particular complaint can be shared with a service provider due to confidentiality issues. Hence, shared access to this database is not supported. Further, the Committee is asked to note that the complaints that come to the RIC are those that have not been resolved by the service provider and constitute a small percentage of the overall complaints made to them. The respective service providers have their own databases for handling their complaints.

Recommendation:

- 2. That the Ministry of Public Utilities (MPU) must 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.**

Ministerial Response

The strategic, corporate and business plans of both T&TEC and WASA are reviewed by MPU to ensure, *inter alia*, that they are in alignment with all relevant quality of service standards and performance benchmarks, as well as, the primary strategic objective, the provision of a safe and reliable supply of electricity and water and wastewater services to the population. Additionally, the MPU has been working closely with these agencies in strengthening their performance monitoring framework to facilitate improved monitoring and reporting, with a view to enhancing their implementation performance.

Recommendation:

- 3. The MPU must act with alacrity to ensure that the Quality Service Standards for WASA are implemented within fiscal 2018/2019.**

Ministerial Response

A draft Quality of Service Standards for WASA has been prepared, and discussions are ongoing with the RIC and WASA to have the Standards finalised and approved. Implementation would follow soon thereafter.

4. **A Standing Inter-Agency Committee comprising representatives of RIC, the Ministry and each public utility should be created to monitor the implementation of policies.**

Ministerial Response

The recommendation is supported. Currently, the RIC holds bilateral meetings with the respective agencies to monitor the implementation of their Quality of Service Standards. The Ministry will take the necessary steps to have these meetings expanded to include MPU.

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.**

Ministerial Response:

The process for modifying the RIC's legislation framework has been initiated and would be expedited.

Other Recommendations

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

Rate Review

Recommendation:

1. **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.**

Ministerial Response:

This information is provided by the RIC as part of the public consultation during the rate review exercise.

Recommendation:

2. **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.**

Ministerial Response

New performance benchmarks have been developed for WASA, in keeping with the improved system being introduced for monitoring performance and promoting greater accountability and institutional effectiveness of the Authority. This includes clear and concise KPIs together with commensurate timeframes for the attainment of performance standards.

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

Legislative Review

Recommendation:

- 3. 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.**

Ministerial Response

It is acknowledged that as a result of the amendment to the legislative framework, there may be a need to develop new rules, regulations and procedures to complement the legislative changes, which would be done simultaneously.

Recommendation:

- 4. 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.**

Ministerial Response

Under the RIC Act, the granting of a licence is the remit of the Minister, but there is collaboration between the RIC and the MPU in the discharge of this function. In this regard, the RIC has completed preliminary work on the formulation of appropriate licensing framework.