



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO
MINISTRY OF ENERGY AND ENERGY INDUSTRIES

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EEI: 7/8/2

15 April 2019

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

Dear Ms. Sampson- Meiguel,

Re: The Twentieth Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2017

Reference is made to your letter dated February 18, 2019 on the above captioned subject.

As requested, please find enclosed the Ministry's response to the recommendations listed in the Twentieth Report of the Public Accounts Committee. An electronic copy has been sent to coth@ttparliament.org.

Yours respectfully,

A. Bakshi-Bakredde
Permanent Secretary (Ag)

**Response to Recommendations of the Twentieth Report of the Public Accounts
Committee**

The Ministry of Energy and Energy Industries

14. The Ministry of Energy and Energy Industries' inability to determine the veracity of the production data submitted by the oil and gas extraction companies and quarry operators

Recommendation:

- *The MEEI should submit a report on all the initiatives being looked at to determine the veracity of the production data submitted by the oil and gas extraction companies and quarry operators as well as the feasibility of each by April 25, 2019.*

Response:

Initiatives being looked at to determine the veracity of the production data submitted by oil and gas extraction companies and quarry operators and the feasibility of same:

1. Oil

- a. The Ministry witnesses the proving of the Lease Automatic Custody Transfer (LACT) meters at the custody transfer and/or fiscalisation points.
- b. The Ministry witnesses the export cargoes of oil and verifies the volume and quality exported.
- c. The Ministry is looking at the feasibility of conducting material balances in order to reconcile the export volumes with the produced volumes, taking into consideration changes in inventory. The Ministry is in the process of determining the data that would be necessary to facilitate this exercise.

2. Gas

The Ministry witnesses the calibrations of fiscal meters for natural gas. The calibrations of onshore meters are witnessed monthly while the calibrations of offshore meters are witnessed twice a year due to manpower constraints. Additionally, NGC independently witnesses the calibrations of fiscal meters both onshore and offshore on a monthly basis. The Ministry also receives calibration reports.

3. Production Verification Committee

An Interdepartmental Committee in the Ministry was set up in the first quarter of 2019 to review production verification. Its objectives include the following: to identify the types of measurement systems existing; to compare Trinidad and Tobago systems to other countries, to identify any gaps and to make recommendations to fill any gaps identified.

4. Quarry Operators

Quarry operators are required to submit quarterly returns to the Ministry, which are referred to the Ministry's Internal Audit department. Site visits are conducted to review operators' records in order to verify the quarterly returns.

The Ministry is in the process of acquiring a suitable Unmanned Aerial System (UAS) to assist in conducting topographic surveys to independently estimate the quantities of minerals produced.