



REGULATED INDUSTRIES COMMISSION

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PRESS RELEASE

THE REGULATED INDUSTRIES COMMISSION REVIEWS THE FINANCIAL SITUATION OF THE TRINIDAD AND TOBAGO ELECTRICITY COMMISSION

The Trinidad and Tobago Electricity Commission (T&TEC) is in a critical financial situation.

This, according to the Regulated Industries Commission's (RIC) information document entitled, *Review of the Status of the Trinidad and Tobago Electricity Commission*. The document reviews the operational and financial status of T&TEC.

The report, which benchmarked T&TEC's performance against other utilities, reviewed T&TEC's financial indicators and showed that the utility's net debt grew from \$691.7 million in 1995 to \$1,354.8 million in 2001, an increase of 95%. Interest and financial charges have also grown from \$53.5 million in 1995 to \$116.4 million in 2001, an increase of 117.6%.

The RIC's authority to review T&TEC's performance is derived from its Act, No 26 of 1998, which established the Commission and mandated it to among other things:

- Establish the principles and methodologies by which service providers determine rates for services;
- Carry out periodic review of the rating regimes of service providers;
- Carry out studies of efficiency and economy of operation and performance by service providers and publish the results there of.

RIC noted however, notwithstanding T&TEC's poor and deteriorating financial state, its operational performance is at acceptable standards and many of the key operational

indicators such as Reliability of Supply, Outage Restoration Time, New Connections Back Log and system Losses have reached acceptable international levels.

The RIC is however concerned whether T&TEC can maintain and improve these performance standards, as they require not only continued good management and systems, but also financial resources.

The Report also reviewed T&TEC's operations in terms of transmission and distribution and compares the Commission's tariffs (prices utilities charge for services) with other countries in the Caribbean and Latin American.

The Report is available at RIC's office, which is located at Furness House, Level 1&3, Corner of Independence Square and Wrightson Road, Port of Spain or can be downloaded from RIC's website at www.rig.org.tt