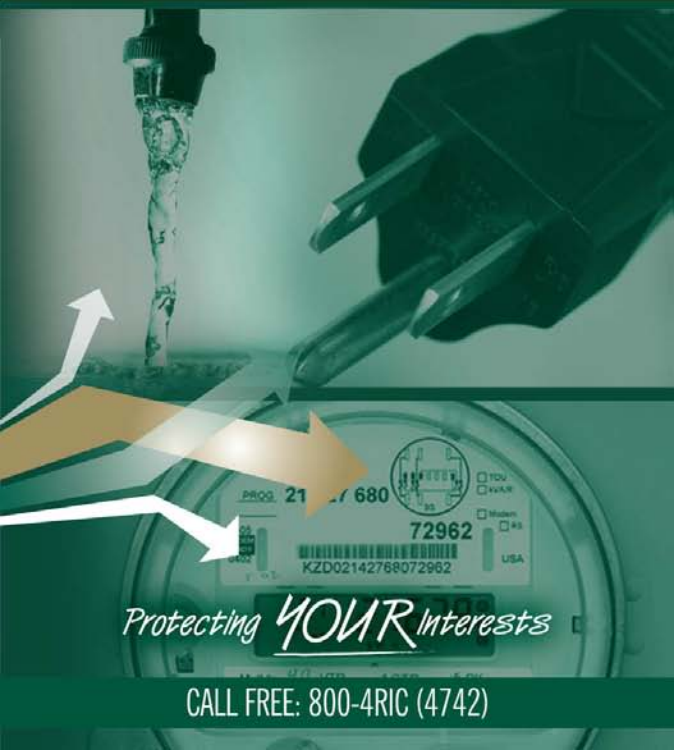


REGULATED  
INDUSTRIES  
COMMISSION



# Utilities Regulation

YOUR QUESTIONS ANSWERED



Protecting **YOUR** Interests

CALL FREE: 800-4RIC (4742)

# REGULATED INDUSTRIES COMMISSION

## VISION:

To be a World Class Regulator

## MISSION:

To ensure the promotion of the highest quality of utility services at fair and reasonable rates while building a credible regulatory regime that responds adequately to stakeholders' concerns and also to ensure fairness, transparency and equity in the provision of utility services throughout the country.

The **Regulated Industries Commission (RIC)** is a statutory body established under the Regulated Industries Commission Act No. 26 of 1998. As the economic regulator of the water, wastewater and electricity sectors, the RIC must ensure that the sectors are not only financially viable, but also sustainable to meet the challenges that lie ahead, including affordability and rising customer expectations.

The service providers that fall under the purview of the RIC include:

- **Water and Sewerage Authority (WASA)**
- **Trinidad and Tobago Electricity Commission (T&TEC)**
- **The Power Generation Company of Trinidad and Tobago (POWERGEN)**
- **Trinity Power Limited**



## Q: What is the RIC's function?

**A:** As an independent regulator, the RIC plays a vital role in balancing the interests of customers and service providers. The RIC must ensure that prices reflect as far as possible the service providers' costs while providing the reassurance that customers are getting value for money.

## WHAT WE DO:

- Make recommendations on the award of licences and ensure that the terms and conditions of the licence are adhered to;
- Set price limits so that service providers can finance necessary improvements;
- Ensure that tariffs are fair and non-discriminatory;
- Monitor the Service Providers' performance and efficiency and take action, where necessary, to protect consumer interests;
- Set and enforce standards of service;
- Handle complaints and settle disagreements where possible when consumers cannot get redress from service providers;
- Facilitate competition, where practicable, to promote efficiency and provide benefits to consumers;
- Consult and act in a transparent and accountable manner and publish information, which allows all stakeholders to participate in regulatory decision-making.



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**Q:** How Important are consultation and stakeholder involvement in regulation?

**A:** Consultation is the lifeline of better regulation and stakeholder involvement is an integral part of regulatory accountability since seeking the opinions of stakeholders makes policy making processes more open and transparent, ultimately enhancing stakeholder confidence and increasing the credibility of the process.

**Q:** By what engagement principles is the RIC guided?

**A:** The RIC's engagement principles are based on:

- **Inclusiveness** – ensuring that views of all stakeholders are sought, using a wide range of methods;
- **Taking Views Seriously** – ensuring that all comments/views are given serious consideration;
- **Responsiveness** – ensuring that the RIC's process for engagement is open and readily facilitates new suggestions or opinions;
- **Accessibility and Transparency** – ensuring that information and the RIC's documents are easily accessible and that all stakeholders are aware of the opportunities to engage; and
- **Assessment** – ensuring that the RIC continuously reviews its engagement process to make appropriate and necessary changes.



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## **Q:** Who does the RIC involve during its decision-making process?

**A:** Open dialogue continues to be the core principle of the RIC's stakeholder involvement initiatives. The RIC's approach entails seeking the views of individuals or groups on policies or plans that may affect them directly or indirectly. A range of distinct groups can be readily identified and they include:

- **Ad hoc Working Groups and Committees** – representatives of service providers, customers and other interest groups who discuss specific issues;
- **Independent Advisors** – are consulted, on matters of a technical nature;
- **Regulatory Professionals and Institutions** – professionals/institutions from other jurisdictions with whom discussions and consultations are held;
- **Shareholder/Government** – Government sets an overall sector policy and must be consulted. However, consistent with its independent role, the RIC takes decisions on price controls independent of Government;
- **External Stakeholder Panel** – essentially an independent stakeholder interest group set up by the RIC to ensure that the interests/views of consumers in particular, are fully considered and taken into account when framing regulatory policy;
- **Private Sector** - Open dialogue is sought as a direct form of interaction (e.g. Industrial Customer Group, Business Consumer Group, etc.); and
- **Rate Review Panel** – a group of stakeholders meeting regularly to provide input about a range of issues during the rate setting process.





**Q:** What methods does the RIC use to involve stakeholders in the regulatory decision-making process?

## ENGAGEMENT METHODS

*The RIC's engagement methods include:*

- Formal invitations for Written Submissions;
  - Non-technical consultation documents;
  - Workshops, seminars, panel discussions and public meetings;
  - Media Interviews;
  - Annual Meetings;
  - Annual Public Lecture Series & Symposia;
  - Research including In-depth interviews and Focused Group Discussions, Surveys and Opinion Polls;
  - Website Discussion Forum or Web Chats;
  - Stakeholder Information Days;
  - Live Online Consultation;
  - Newspaper Column & Radio Programmes; and
  - Social Media
- 



**AS AN INDEPENDENT AND IMPARTIAL BODY, THE RIC IS WORKING TO ENSURE THE EFFICIENT DELIVERY OF THE HIGHEST QUALITY OF UTILITY SERVICES AT A FAIR PRICE.**

## RIC RECEIVES GLOBAL RECOGNITION

for the Overall Composite Index and  
**TRANSPARENCY & ACCOUNTABILITY**

**DEFINITIONS:**  
**ACCOUNTABILITY** - the procedures and mechanisms, and instruments aimed at guaranteeing an adequate level of control of the agency's budget and performance by political authorities.  
**TRANSPARENCY** - ... guaranteeing the disclosure and publication of relevant regulatory and institutional information, the participation of stakeholders in the agency's decisions and decision-making, and the application of rules aimed at governing the integrity and behaviour of agency officials.

The Regulated Industries Commission (RIC) was recently ranked first overall as the top performing Regulatory Body as part of a research effort that explored the impact of regulatory governance on the performance of electricity distribution utilities.

The results of the authors' research was published by the World Bank as part of its Policy Research Working Paper Series in January 2008 entitled, *"Regulatory Governance and Sector Performance: Methodology and Evaluation for Electricity Distribution in Latin America."* The authors developed indexes of regulatory governance and conducted an econometric analysis which showed significant improvement in utility performance where there were regulatory bodies.

The *Electricity Regulatory Governance Index (ERGI)*, a composite indicator of regulatory performance in the utility sector and governance of independent regulatory agencies, is assessed according to four variables of their design and functioning: autonomy, transparency, accountability and tools.

As the body responsible for the electricity distribution sector in Trinidad and Tobago, the RIC takes pride in achieving the *highest rating* in the areas of *Transparency and Accountability*, which resulted in the RIC ranking as the top performing regulatory body in the overall ERGI. This is testament to our continued efforts to demonstrate competence and independence.

*Protecting YOUR interests*

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