



REGULATED INDUSTRIES COMMISSION



Protecting YOUR Interests

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31

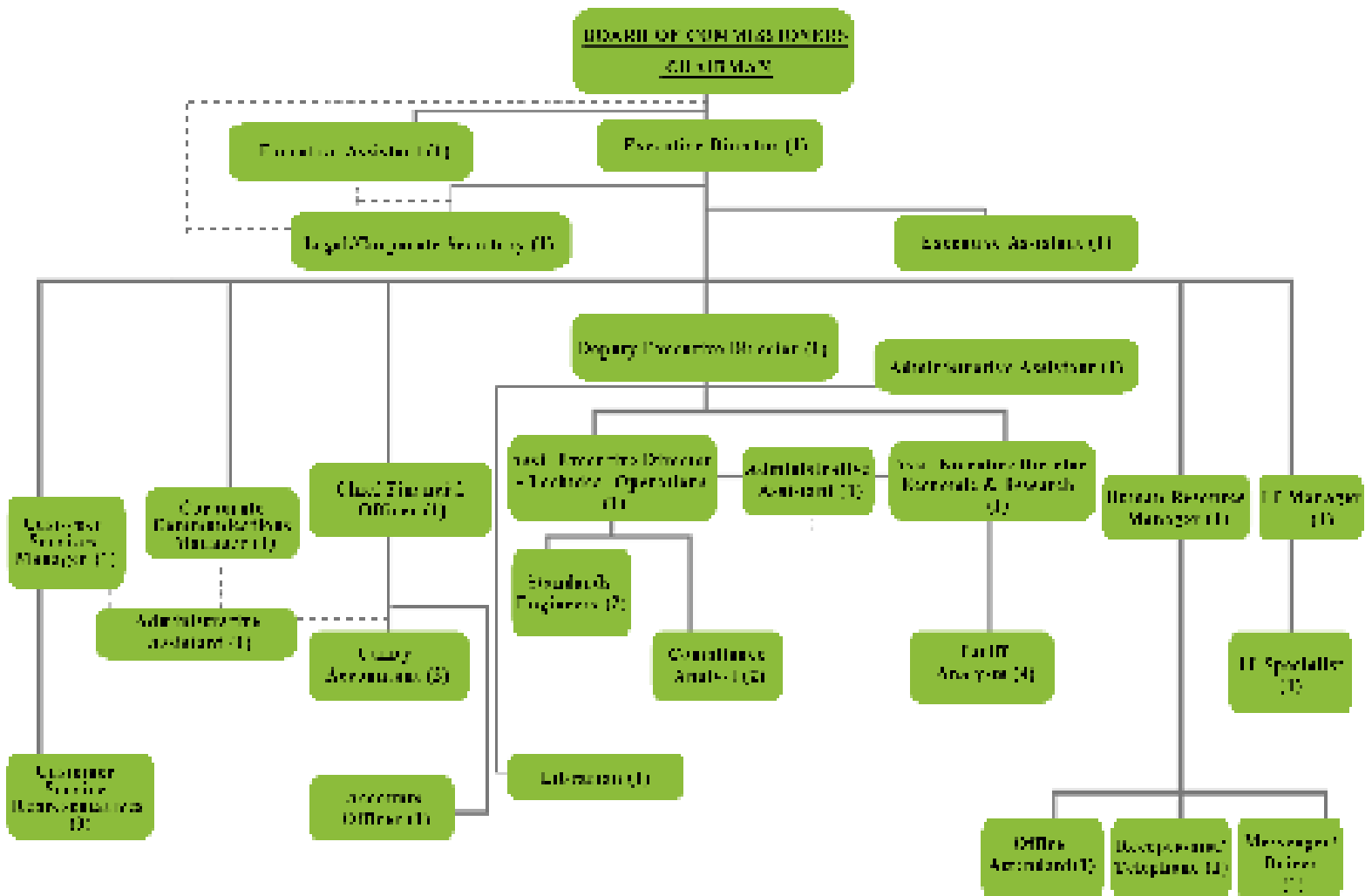
2009

TABLE OF CONTENTS

Table of Contents	Page No.
TABLE OF CONTENTS PAGES	i
ORGANIZATIONAL STRUCTURE	ii
VISION AND MISSION	1
INTRODUCTION	2
CHAIRMAN'S REMARKS	4
OVERVIEW	6
THE YEAR IN REVIEW	8
CONSUMER SERVICES	19
CORPORATE COMMUNICATIONS	28
HUMAN RESOURCES/ADMINISTRATION	31
INFORMATION TECHNOLOGY & ANCILLARY SERVICES	35
FINANCES OF THE RIC	37



REGULATED INDUSTRIES COMMISSION ORGANIZATIONAL STRUCTURE



VISION

To be a World Class Regulator.

MISSION STATEMENT

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.



This, the eighth report of the RIC, covers the activities of the RIC for the period January to December 31, 2009.

The Regulated Industries Commission Act, No. 26 of 1998, established the Regulated Industries Commission (RIC) as a body corporate. Under the Act, the RIC is charged with the responsibility of regulating the following service providers:

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

Functions of the RIC

The specific powers and functions of the RIC are defined in Section 6 of the RIC Act of 1998 and are summarized below:

- To advise the Minister on matters relating to the operations of the Act including the granting of Licences and monitoring the terms and conditions of the Licences;
- To carry out studies of efficiency and economy of operation and of performance of service providers, publish results and take action, where necessary, to protect the interests of customers and other stakeholders;
- To prescribe standards for services, monitor compliance and impose sanctions for non-compliance;
- To establish economic principles and methodology for the setting of rates for services and to perform periodic reviews of the rating regimes;



- To investigate consumer complaints in respect of rates, billing and unsatisfactory service and facilitate redress;
- To ensure service providers are able to finance the delivery of services with sufficient return on investment; and
- To ensure openness and transparency by publishing information which allows stakeholders to have their say in regulatory decisions.

Furthermore, the RIC Act places direct functional responsibility upon the Commission in Section 6 (3) to ensure that the public interest is protected particularly:

- By ensuring maximum efficiency in the use and allocation of resources and that services are reliable and provided at the lowest possible cost;
- By ensuring equal access by consumers to service and the fair treatment of consumers and service providers who are similarly placed;
- By ensuring non-discrimination in terms of service access, pricing and quality; and
- By ensuring that current national environmental policies are adhered to.



CHAIRMAN'S REMARKS

A number of activities which were expected to be completed in the 2009 financial year were protracted by bureaucratic delays. Most of the work associated with the price review for the Water and Sewerage Authority (WASA) was completed in 2008 and thus we had expected to issue a Draft Determination in 2009. However, by the end of year we had not received important input and feedback from the Share holder, whose input on matters such as subsidies and the funding of capital expenditure is vital to the completion of the document. If all goes well we should be able to complete the review by the second quarter of 2010.



Owing to the delays we encountered in 2009 we focused our strategy on meeting our responsibilities to existing and future customers by ensuring efficient services at reasonable prices. Our efforts thus far have resulted in an improved level of service from the Electricity Transmission and Distribution utility, T&TEC, as well as an overall improvement in the company's financial position. We have also been able to keep prices fairly low in relation to our Regional and Latin American neighbours. While services are generally more efficient we still encounter problems in the area of reliability. More focus will be placed on this issue in 2010. In respect of the Water and Wastewater Sector we face significant challenges, challenges that will make delivery of these services increasingly difficult and uncertain unless we are able to implement a new price regime (with meaningful standards of service delivery) and a heavy injection of capital. A new price regime is needed to allow WASA to deliver benefits to customers and to invest in urgent upgrade of its aged infrastructure.

The Commission has continued to be proactive in its outreach and has had a sustained communication and education programme, especially as it relates to consumer protection. The importance of consumers understanding their rights and responsibilities is critical for effecting change in the service providers' behaviour.

The Commission hosted the Seventh Annual OOCUR Conference at Grafton Beach Hotel in Tobago from November 04 to 06, 2009.



CHAIRMAN'S REMARKS

All professional staff and some Commissioners participated in what turned out to be a highly successful event. The RIC staff must be congratulated for the commitment and enterprise they showed in ensuring the success of the Conference.

The Board had to treat with a number of staff-related and other resource issues during the financial year, 2009. In the case of staff issues, a new organisational structure was approved, and a decision taken to implement permanent employment effective from October 01, 2009. Documents outlining the rationale behind both decisions were submitted to the Ministry of Public Utilities for final approval. In relation to other matters, the parcel of land owned by the RIC, at the corner of Sackville and Richmond Streets was formally acquired by the Government.

The Commission also initiated two major capital-intensive projects in 2009, but only one was completed. In the first instance, the Board had approved a complete overhaul of IT equipment, both from the stand point of the platform used, and in respect of the interface equipment used by staff. A contract was awarded based on the RIC's bidding requirements, and all equipment was delivered, tested and handed over on May 14, 2009.

The second major project involved the refurbishment of the RIC's offices. Serious concerns had been raised by Staff about the level of discomfort arising from the current layout of the offices. The Board approved the decision to upgrade the facilities. Tenders were invited but by year's end the project had not commenced.

Finally, I would like to take the opportunity to thank my fellow Commissioners for their dedication during the year, and on behalf of all commissioners to express our sincere appreciation to the management and staff of the RIC for their continued support and commitment to improving the quality of utility services to the citizens of Trinidad and Tobago.



Chairman



Much of our technical work in 2009 focused on monitoring the service providers and producing analytical reports on their compliance with RIC's directives. In the case of customer services, we witnessed a twelve percent increase in the number of complaints from consumers and we were fairly successful as we resolved 83 percent of those complaints. Complaints about the level of service from WASA far outstripped that of T&TEC, 92 percent from the former and 8 percent from the latter respectively. This is a clear indication that the RIC has to increase its oversight of WASA and hence our desire to complete the rate review and initiate corrective measures as soon as possible.

The RIC launched the slogan, "Protecting Your Interests" in 2008. To give life to this catch phrase several important policy documents were approved by the Board and implemented in 2009:

- Codes of Practice for the Trinidad and Tobago Electricity Commission (T&TEC);
- Policy for Compensation for Damage due to Fluctuations in Voltage or the Supply of Electrical Energy from T&TEC; and
- Capital Contribution Policy for T&TEC.

All of the above policies should have the effect of improving the levels of service to customers. In respect of our customer interface, our Customer Service Department dealt with in excess of four thousand complaints. In addition to the approval of policies for T&TEC, the Board also approved T&TEC's request for its annual adjustment in prices but with certain conditions attached. In respect of the change in prices, residential customers, in all categories, experienced a one cent (1¢) increase in energy charge per kwh with effect from September 01, 2009. In essence, for 94,243 residential customers consuming 400 kwh or less, the one cent per kwh represents a monthly increase in their bills ranging from \$0.50 to \$2.00. In relation to Commercial and Industrial Customers, the increase in energy charge was greater than the increase to residential customers but still moderate.



In respect of the conditions attached to the implementation of the determined rates, T&TEC was required to comply with some specific directives issued in the Final Determination of 2006. Some of these: Low Income Assistance Programme; Estimated Billing; Establishment of Call Centres; and Regulatory Accounts have not been satisfied, and the Board had directed that they must be met prior to the implementation of the adjusted prices. Apart from those issues three areas of T&TEC's operations were of serious concern to the RIC; the use of tariff revenue to fund government projects, the level of government debt and the related implementation of the late payment charge, and the Utility's debt to the National Gas Company (NGC).

One of the RIC's major responsibilities is to ensure the financial sustainability of the service providers. The three areas of concern mentioned above are impacting negatively on the company's financial health. In view of the deleterious effect that those matters could have on the operations of T&TEC, the Board has directed that urgent attention be given to addressing the situation.



SECTOR REPORTS

Trinidad and Tobago Electricity Commission (T&TEC)

Monitoring of Quality of Service Standards (T&TEC)

The RIC continued its monitoring of the Quality of Service Standards established for T&TEC in April 2004. With respect to the Guaranteed Electricity Standards, 15,973 breaches were recorded in 2009, a 33% reduction on the number of breaches recorded in 2008 (23,885). The majority of breaches (69% or 10,969 breaches) occurred in Guaranteed Electricity Standard, GES 2 (Billing Punctuality), while the next highest number of breaches (4,162 or 26%) occurred in GES 1 (Response and Restoration Time). Together these two standards accounted for 95% of all breaches. On the basis of the number of breaches recorded in 2009, the RIC estimates that compensatory payments of at least \$479,190.00 would have been due to customers had claims been made and approved. However, no claims were made during the year (see **table 1**).

Generally, there has been improvement with respect to T&TEC's performance under three of the Guaranteed Electricity Standards (GES1, GES4 and GES6) when compared to the previous year (2008). There was no improvement in GES 2 and a moderate decline in the performance of GES 3.

With respect to the Overall Electricity Standards, there continued to be full compliance with OES 1 (Line Faults Repaired within 48 hours), OES 3 (Frequency of Meter Testing), and OES 4 (Frequency of Meter Reading). For the remaining six Overall Electricity Standards, the performance was varied; two overall standards provide evidence of the variation. In one case, OES 2 showed significant decline in performance compared to 2008, while in the other, OES 8, the performance improved marginally but was still unsatisfactory. Though there were breaches in OES9, the overall performance for the year was fair. In **table 2**, a summary of performance of the Overall Electricity Standards is provided.



THE YEAR IN REVIEW

TABLE 1 - SUMMARY OF COMPLIANCE - GUARANTEED ELECTRICITY STANDARDS- 2009

STANDARD		Compliance Rates (%)				
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL
GES 1- Response & Restoration Times of Supply after unplanned outages on the distribution.		99.9	99.7	99.8	99.9	99.8
GES 2-Billing Punctuality	Residential	52.0	51.0	46.3	46.8	49.0
	Non Residential	17.0	27.3	17.1	31.3	23.3
GES 3- Reconnection after Payment of overdue amount/ agreement		100.0	99.96	99.72	91.16	97.01
GES 4- Making and Keeping Appointments		100.0	99.3	99.5	100.0	99.7
GES 5- Time to credit compensatory Payment	Credit	N/A	N/A	N/A	N/A	N/A
	Complete investigation	N/A	N/A	N/A	N/A	N/A
GTS 6- Connection to supply	Service drop and meter to be installed <30m	100.0	100.0	100.0	92.3	98.2
	Evaluation of estimate 150 to 100m	97.8	98.2	95.9	100.0	99.1
	Complete construction (10 to 100m)	95.6	98.2	83.7	99.4	97.3
	Evaluation of estimate 100 to 250m	87.5	90.5	100.0	100.0	94.0
	Complete construction (100 to 250m)	83.3	85.7	94.7	100.0	90.4

SOURCE: Compiled from data supplied by T&TEC.



THE YEAR IN REVIEW

TABLE 2 - SUMMARY OF COMPLIANCE - OVERALL ELECTRICITY STANDARDS - 2009

STANDARD		1st Quarter Compliance Rate (%)	2nd Quarter Compliance Rate (%)	3rd Quarter Compliance Rate (%)	4th Quarter Compliance Rate (%)	TOTAL Compliance Rate (%)
OES 1 – Line faults affecting customers repaired within specified period		100.0	100.0	100.0	100.0	100.0
OES 2 – Billing Punctuality		3.1	6.1	1.0	49.0	18.4
OES 3 – Frequency of meter testing		100.0				100.0
OES 4 – Frequency of meter reading	4a	100.0				100.0
	4b	100.0				100.0
OES 5 – System Losses*		100.0	0.0	0.0	100.0	0.0
OES 6 – Response to customer queries/requests (written)	6a	81.2	90.6	87.3	88.4	87.6
	6b	42.2	38.5	47.7	97.1	64.2
	6c	19.7	36.4	63.2	89.4	52.6
OES 7 – Number of complaints by type	Billing Queries	0.0				0.0
	Voltage Complaints	100.0				100.0
	Street lights, poles, other	100.0				100.0
OES 8 – Prior notice of planned outages		46.5	48.4	44.1	50.5	47.2
OES 9 – Correction of low/high voltage complaints	9a	100.0	100.0	100.0	99.4	99.9
	9b	98.4	95.9	100.0	98.9	98.1

SOURCE: Compiled from data supplied by T&TEC.

*Since compliance was achieved in only two quarters, total compliance is recorded as zero.



Revision of Quality of Service Standards (T&TEC)

The RIC commenced revision of Standards for T&TEC in 2007 in keeping with its decision to conduct same three years after its first implementation.

Owing to issues with quality of supply, and poor responses from T&TEC to customers' queries, two Overall Electricity Standards have been converted into Guaranteed Electricity Standards. OES 9 – Correction of low/high voltage complaints – has been modified and converted into a new Guaranteed Electricity Standard, GES 5, while part of the previous OES 6 – Response to Customers Queries / Request (written), particularly billing and payment queries, is now a revised GES 6.

The revised standards also include more stringent metrics (such as GES 1, where the time for response and restoration of supply by T&TEC, after an unplanned outage has been reduced from 12 to 10 hours), and introduced new areas in which the performance of the service provider will be monitored, for example, Street Lighting Maintenance. It is hoped that the revised standards will provide greater incentives for the service provider to improve its performance.

One of the more important differences between the previous version of the standards and the revised version is that compensatory payments are now automatic for breaches under all Guaranteed Electricity Standards except GES 1, where the customer must submit a claim. In all other cases payments will be credited to customer accounts automatically. In addition, the quantum of compensation or penalty payment has been increased from \$30.00 to \$50.00 per breach (residential customers) in most instances except for GES 1, where the compensatory payment has been increased to \$60.00 for residential customers and to \$600.00 for non-residential customers.

Monitoring of T&TEC's Capital Expenditure

In the 2008 Annual Report it was reported that close monitoring of T&TEC's Capex programme commenced in 2008, with site visits to all the major projects in Trinidad and Tobago. Sixty-six capital projects approved by the RIC in June 2006 were scheduled to be completed by February 2009. Of these projects, seven have been completed, nine were under construction and fifty had not been started.



However, over the same period, thirty-two government mandated projects were initiated, nine of which have been completed, with the remainder (23) at varying stages of completion.

Overall, the sixteen completed projects approved by the RIC facilitated increased supply capacity and improved reliability to the following areas; Chaguaramas, Diego Martin, Port of Spain, Barataria, Santa Cruz, Mt. Hope, St. Joseph, Five Rivers, Malabar, Longdenville, Cap-de-Ville, Brechin Castle, Corinth, Reform and Milford. The budget for the completed projects amounted to \$130.3 million but the actual spend was \$183.9 million. Eight of the projects were within budget, with over-runs occurring in the remainder.

New Capital Contribution Policy

The RIC approved a New Capital Contribution Policy for electricity supply which came into effect on August 01, 2009.

A Capital Contribution is a cost that is paid by customers to T&TEC to facilitate infrastructure works for connecting to the network in order to obtain a supply of electricity. Essentially, the payment by customers allows T&TEC to recover the specific costs their connection imposes on the network, costs such as those associated with:

- Erecting an additional pole(s) if none is present nearby and connecting it to the existing supply network;
- Upgrading the local network to accommodate the new connection; or
- Making additions or upgrades to the transmission network to accommodate the new connection.

Benefits under the new Capital Contribution Policy:

- The policy provides for relatively lower capital contribution payments as costs are now spread over ten years rather than three years, as was the case;
- Customers will be able to choose either T&TEC labour or pre-qualified contractors; and
- Customers will benefit from the introduction of a reimbursement policy, whereby any new customer being added to the system within six years will cause a rebate to be paid to the initial customer.



Annual Tariff Adjustment for 2008-2009

In its Final Determination (Rates and Miscellaneous charges) for the regulation of prices for the period June 01, 2006 to May 31, 2011, the RIC outlined the process and conditions for the approval of Annual Tariff Adjustments for T&TEC. As it was required to do, T&TEC submitted its proposed tariffs for the period June 01, 2009 to May 31, 2010, to the RIC for verification, two months prior to the commencement of the new regulatory year. The RIC conducted its evaluation of the proposals as well a review of a number of directives and performance targets that the Service Provider was required to satisfy as a prerequisite for approval.

The Service Provider did not satisfy all the directives and performance targets during the last regulatory year thus the RIC approved new tariffs, subject to specific conditions, "*Requirements for Implementation*", detailed in the subsequent section. The RIC approved the following:

- The third year annual adjustment be implemented from September 01, 2009;
- In order to achieve the allowed revenue, the following would apply with respect to the individual tariffs:
 - **Residential Customers –**
 - a) no increase in the customer charge of \$6.00;
 - b) Customers consuming between 0 – 400 kWh should experience an increase in the energy charge, from \$0.25 to \$0.26 per kWh;
 - c) Customers consuming between 401 – 1000 kWh should experience an increase in energy charge from \$0.31 to \$0.32 per kWh; and,
 - d) Customers using more than 1000 kWh should experience an increase in energy charge from \$0.36 to \$0.37 per kWh.
 - **Commercial Customers –**
 - a) There should be no increase in the customer charge of \$25.00; and,
 - b) Energy charge should not be greater than \$0.4150 per kWh for B customers and \$0.6100 per kWh for B1 customers.



- **Industrial Customers –**

There will be an increase in the energy charge but no change in the demand charges.

The revised charges are as follows:

TABLE 3 - Revised Charges - Industrial Customers

Customer	Energy Charge (¢/kWh)	kVA Charge (\$/kVA)
D1	19.90	50.00
D2	21.80	50.00
D3	18.30	42.50
D4	16.70	40.00
D5	16.00	37.00
E1	14.50	44.50
E2	14.50	44.00
E3	14.50	43.00
E4	14.50	42.00
E5	14.50	41.00

- **Street-Lighting**

The current street-lighting charges should increase by no more than 2%.Based on the adjustments approved by the RIC the impact on customers’ bills will be marginal.

Requirements for Implementation

(a) Specific Directives:

Compliance with the Specific Directives outlined in the Final Determination is critical to the improvements in service and performance anticipated by the RIC in the current control period. The RIC is of the view that sufficient time had elapsed to allow T&TEC to put the requisite systems in place to facilitate conformity with these directives. Consequently, **the implementation of determined rates is dependent on compliance with the deadlines agreed to at the meeting held between the RIC and T&TEC on July 10, 2009.**



These are as follows:

- **Low Income Assistance Programme (LIAP)** – that registration of customers for the LIAP will commence by August 17, 2009, and that advertisements in the local newspapers will appear two weeks prior to the commencement. Additionally, inserts in the customers' bills will commence from September 2009.
- **Estimated Billing** – the RIC anticipates that as agreed, 95 percent of the bills issued after September 2009 will be based on actual readings. In cases where bills are estimated these will be based on the average of the last four actual readings. Estimated bi-monthly bills should not be consecutively issued.
- **Establishment of Call Centres to monitor response times of incoming calls** – that two toll free numbers for trouble calls should be made operational by the end of July 2009 and that the monitoring of incoming calls, as specified in the Final Determination will commence by mid-September 2009.
- **Regulatory Accounts** – that all outstanding templates for the Regulatory Accounts, with the exception of Fixed Assets, would be completed and sent to the RIC by the end of August 2009.

(b) Other Matters of Concern

The impact of three critical areas of T&TEC's operations continues to be of serious concern to the RIC: the use of tariff revenue to fund government projects; the level of government debt and related implementation of the late payment charge; and, the utility's debt to the National Gas Company (NGC). Although the RIC did not withhold approval of the new rates based on these three areas of concern, it insisted on the following:

- T&TEC must desist from the utilization of tariff revenue to fund government "ring-fenced" projects in the future. The RIC would expect written correspondence from T&TEC that the issue was officially discussed with the Government/Shareholder and that appropriate measures have been taken to ensure that tariff revenues are not utilized to fund Government projects.
- All efforts should be made to reduce government debt to T&TEC, which at March 2009 amounted to approximately \$110.5 million. In this regard, the RIC recommended the reintroduction of the Reserve Vote System. Where funds would be 'reserved' under a separate line item in each Ministry's Vote and be dedicated



specifically to the payment of bills. Additionally, T&TEC should also apply the 1.5% per month late payment charge to this debt, as outlined in the Final Determination.

- Payment to NGC should be kept current from September 2009 onwards, with T&TEC providing clear evidence of a devised strategy to reduce its current outstanding debt of \$2.2 billion (as at May 2009) to this company.

Apart from the issues already discussed, T&TEC was asked to be mindful of the following:

- (i) The need to, “routinely patrol major roads to inspect, replace or repair luminaries at least twice per year”. T&TEC must comply with this directive and undertake it on an ongoing basis. In the future, the RIC would require evidence that this measure is being implemented;
- (ii) Metering/monitoring equipment should be installed at strategic locations to measure system losses before the end of the first regulatory period;
- (iii) Equipment should be installed at the far end of distribution feeders to monitor voltage problems;
- (iv) Guaranteed and Overall Standards are to be displayed in all Customer Service Centres, and information provided in at least one daily newspaper no less than once per quarter. Forms for processing claims should also be readily available in all Customer Service Centres; and,
- (v) Information on Damaged Appliance Claims Procedures should be readily available in all Customer Service Centres.



The Water and Sewerage Authority (WASA)

The Quality of Service Standards for the Water and Wastewater Sectors were included in the Draft Determination for WASA. It was felt that once that document was finalised, the QSS would be expeditiously implemented. However, at the end of 2009 the RIC had not commenced the consultative phase of its Rate Review for WASA and thus activity in relation to the Standards cannot commence before 2010.

The bulk of activity in respect of the Rate Review has been completed but important meetings with the Shareholder, which were requested in 2009, did not materialise. It is important to get the Shareholders view on certain aspects of capital expenditure and on subsidies before completing the Draft Determination. We remain hopeful, that the final phases of the review can be completed in early 2010.

Separation of Water from Waste Water at WASA

The Government of Trinidad and Tobago took a decision to separate the water and waste water functions of WASA, and this was announced in a Statement to Parliament by the Minister of Public Utilities in April 2009. The Minister averred that the Government's priority was to improve the regularity of supply to the majority of the population, particularly those citizens who received potable water less than three days per week. Interestingly, the RIC, in its Draft Determination, which was being prepared for public comment, had suggested several proposals to achieve similar objectives. To accomplish its goals, the Government proposed a major infrastructure development programme that would result in the expansion of the transmission and distribution system, including rehabilitation of existing pipelines.

To support its decision to separate water from waste water, the Minister's statement pointed to the imbalance in the budgetary allocation to waste water, noting that currently approximately six percent of WASA's operating budget goes to that area, and that the same applies to capital projects. Further, he asserted that only thirty percent of the population was served by a central sewage system, fifty percent and more of which plant was either not in good mechanical or structural condition. He described the situation as unacceptable. According to the Minister, to achieve the desired results that would enhance overall service levels to the public ... "the most prudent and viable course of action is to separate the two services



under the aegis of two different entities ... one authority to manage the water sector and a separate and distinct authority to manage the waste water sector”.

The Minister advised that a ministerial task force had been set up to oversee the transition of waste water services from WASA, and that a consulting firm, DFA Infrastructure International Inc., was selected to assist the task force. Further, that the Government had accepted the consultant’s advice to undertake the realignment of the waste water sector in three phases.

By the end of 2009, Phase One was already in train. A waste water office had been set up in Chaguanas, and staffed by persons transferred from within WASA. In Phase Two, which had not started, there was a proposal to discuss the issue of rates to be levied for waste water services with the RIC.



The Customer Services Department (CSD) continued to maintain its good performance in 2009 in the discharge of its statutory obligation in facilitating relief where necessary, to those customers who have failed to obtain redress to their complaints from either the Water and Sewerage Authority or the Trinidad and Tobago Electricity Commission.

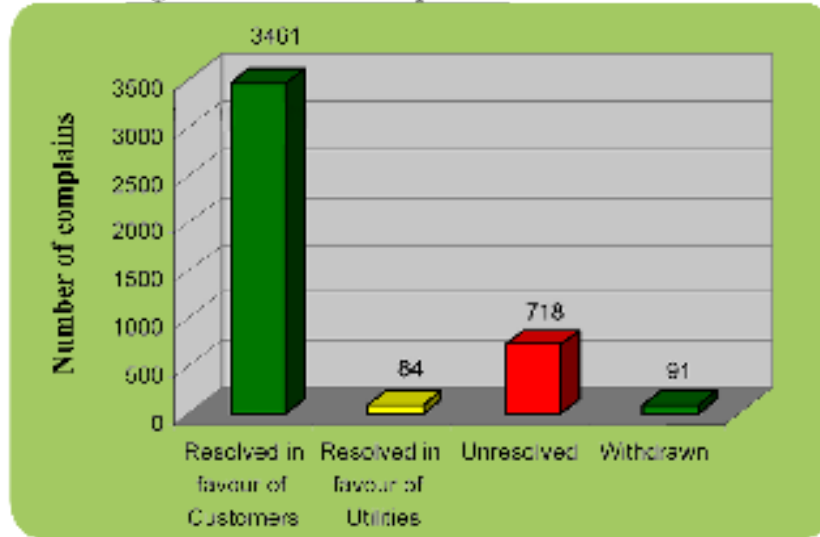
The CSD recorded 4,354 complaints in the year ended December 2009. Overall, these complaints were reported by 1,699 customers of which 62% or 1,055 accessed the service of the RIC for the first time. There were a number of repeat customers as 860 or 51% reported two or more complaints. The department continued to maintain a relatively high resolution rate, recording 83% in 2009, as shown in **table 4** below. There was a 12% increase in the number of complaints received and an 11% increase in the number of complaints resolved when compared to 2008. Overwhelmingly, 3,461 or 98% of all complaints reported were resolved in favour of the customer as indicated in **figure 1**.

TABLE 4 - Status of Complaints Received for 2007-2009

Status	Year			08/09 %
	2007	2008	2009	Change
Number of complaints received	4406	3893	4354	12%
Number of complaints resolved	3774	3197	3545	11%
Number of complaints unresolved	565	575	718	25%
Number of complaints withdrawn	67	121	91	-25%
Resolution rate	87%	85%	83%	-2%
Resolved in favour of Customer	3723	3124	3461	11%
Resolved in favour of Utility	51	73	84	15%

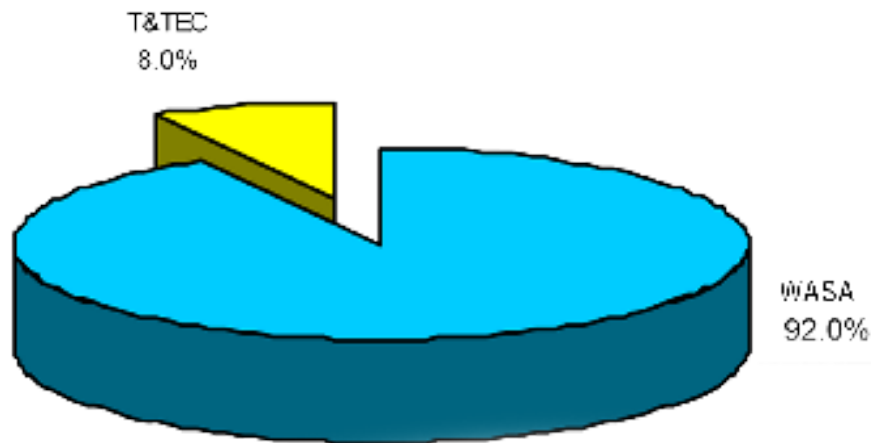


Figure 1 – Status of Complaints Received in 2009



Complaints filed against WASA accounted for 4,006 or 92% of all complaints received as shown in figure 2.

Figure 2 – Complaints Received in 2009 by Service Provider



Most of our customers utilized RIC’s Toll-Free service (800-4RIC) which is aimed at minimizing the cost of making a complaint. This appeared to be an effective strategy to lodge complaints as through this medium, 3,974 or 91.3% of the complaints were received in 2009, compared to 92.4 % and 91.9 % in 2008 and 2007 respectively. Moreover, an increase of 10.5% was recorded for 2009 when compared to 2008, as shown in table 5. Complaints received through our Consumer Outreach Programme accounted for 3.4%, those received by letter

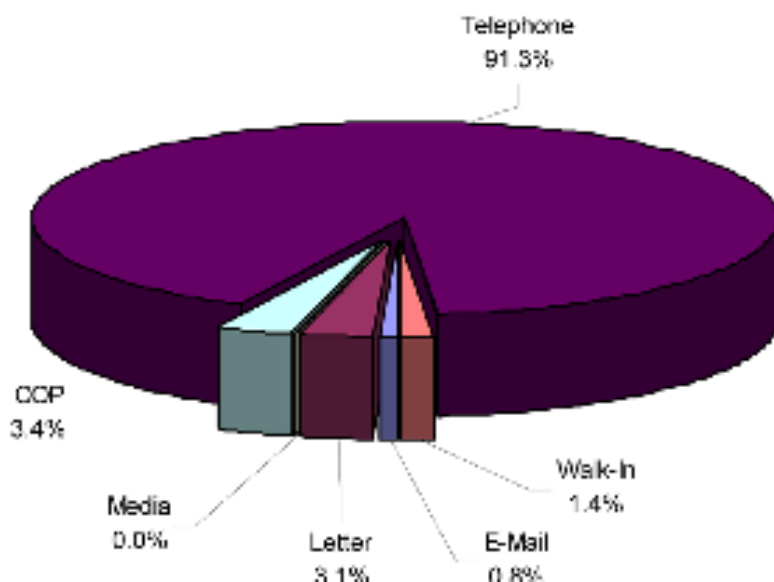


accounted for 3.1%, complaints made in person (walk-ins) accounted for 1.4% and those submitted by email accounted for 0.8% as depicted in (figure 3). It must be noted that the CSD conducted six outreach programmes in 2009, five of which were held in Trinidad and one in Tobago.

Table 5 - Number of Complaints shown by Receiving Medium for 2007-2009

Receiving Medium	2007	2008	2009	% Change
E-Mail	18	29	35	20.7%
Letter	133	145	133	-8.3%
Media	8	3	1	-66.7%
COP	113	38	148	289.5%
Telephone	4047	3596	3974	10.5%
Walk-Ins	87	82	63	-23.2%
Total	4406	3893	4354	11.8%

Figure 3 – Distribution of Complaints by Receiving Medium, 2009

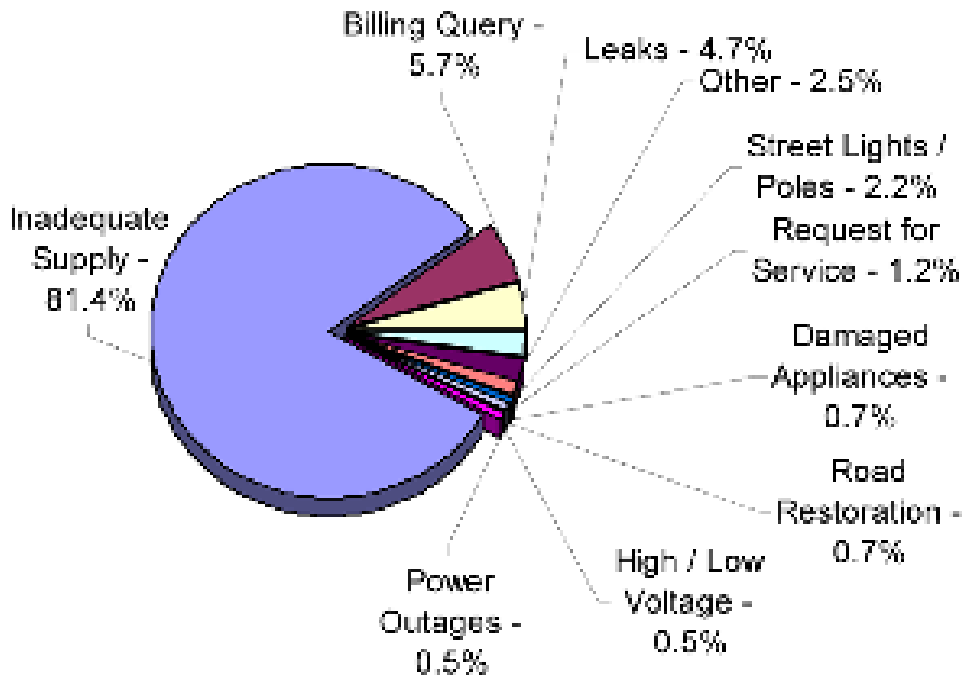


As shown in **figure 4**, Inadequate Supply was the most common problem reported by customers as 3,545 or 81.4% of complaints received in 2009 were related to this particular complaint category. This continued the trend of previous years as Inadequate Supply accounted for 78.4% and 76.7% of complaints in 2008 and 2007 respectively.



This was followed by the categories Billing Query, Leaks, Other and Street/ Lights/Poles which represented 5.7%, 4.7%, 2.5 and 2.2% respectively.

Figure 4 – Distribution of Complaints by Category, 2009



When the complaints were disaggregated by Service Providers, we observed that Street Lights/poles, and Billing Queries and the category Other were the most reported complaints against T&TEC for 2009, as shown in **table 6**. Those categories accounted for 27.9%, 27.6% and 14.4% of the complaints respectively for this service provider. Similarly for WASA, Inadequate Supply, Leaks and Billing Queries were the most reported complaints, accounting for 88.5%, 5.1% and 3.7% of the complaints respectively.

When the number of complaints were sorted by geographic location as shown in **figure 5** it was revealed that the largest number of complaints reported came from the Southern region which accounted for 62.2% of complaints in 2009. This pattern appears to be relatively consistent as 55.9% and 59.8% of complaints came from the said region in 2008 and 2007 respectively. Tobago recorded the least number of complaints for 2009.



TABLE 6 -Distribution of Complaints Received by Category and Service Provider, 2007 -2009

Service Provider	Complaint Category	Year			% Change
		2007	2008	2009	
T&TEC	Billing Query	97	72	97	35%
	Damaged Appliances	47	44	31	-30%
	High / Low Voltage	52	25	21	-16%
	Other	45	53	50	-6%
	Power Outages	46	54	21	-61%
	Request for Service	28	14	32	129%
	Street Lights / Poles	215	130	96	-26%
		530	392	348	-11%
WASA	Billing Query	141	131	150	15%
	Inadequate Supply	3381	3051	3545	16%
	Leaks	237	237	205	-14%
	Other	57	46	57	24%
	Request for Service	26	15	20	33%
	Road Restoration	34	21	29	38%
		3876	3501	4006	14%
	Total	4406	3893	4354	

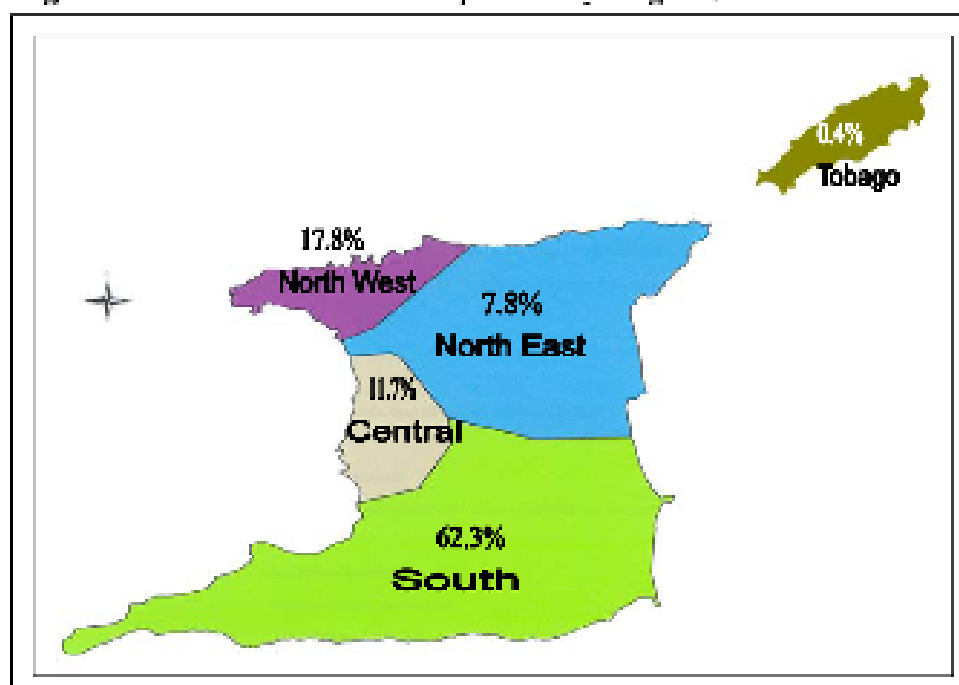
Figure 5 – Distribution of Complaints by Region, 2009


Table 7 shows the number of complaints from the various Regional /City Corporations throughout Trinidad as well as those that came from the Tobago. The data highlight that in 2009, 1,313 or (30.0%) of the complaints reported came from the Penal/Debe Regional Corporation, 602 or (13.8%) came from the Couva/Tabaquite/Talparo Regional Corporation, 463 or (10.6%) from the Princes Town Regional Corporation, and 457 (10.5%) came from the Siparia Regional Corporation.

TABLE 7 - Number of Complaints by Regional Corporations, 2007 -2009

City/ Borough Regional Corporation	Year			%
	2007	2008	2009	Change
Arima Borough Corporation	126	176	95	-46%
Chaguanas Borough Corporation	204	161	139	-14%
Couva/Tabaquite/Talparo Regional Corporation	548	632	602	-5%
Diego Martin Regional Corporation	246	290	282	-3%
Mayaro/Rio Claro Regional Corporation	78	64	77	20%
Penal/Debe Regional Corporation	1442	983	1313	34%
Point Fortin Borough Corporation	45	45	61	36%
Port of Spain City Corporation	252	185	257	39%
Princes Town Regional Corporation	409	430	463	8%
San Fernando City Corporation	238	147	125	-15%
San Juan/Laventille Regional Corporation	297	239	252	5%
Sangre Grande Regional Corporation	89	73	78	7%
Siparia Regional Corporation	224	268	457	71%
Tobago House of Assembly	9	21	19	-10%
Tunapuna/Piarco Regional Corporation	199	179	134	-25%
Total	3978	4406	4354	-1%



Inadequate Water Supply was the most reported complaint in 2009 as with the previous years. **Table 8** indicates the five top areas (City/Town/Village) where these complaints originated, for each region. As noted, the Southern region continued to be the worst served, especially in the areas of Penal, Barrackpore, Princes Town, Siparia and Gasparillo. This is based on the number of complaints reported relative to other areas as indicated in the said table.

TABLE 8 - Complaints Related to an Inadequate Water Supply:

The top 5 Areas in each Region, 2009		
Region	City/Town/Village	Total
Central	Freeport	70
Central	Cumupia	57
Central	Couva	40
Central	Las Lomas No. 1	37
Central	Carapichaima	27
North East	Talparo	23
North East	Arima	22
North East	Annae	18
North East	Manzanilla	14
North East	D'abadie	13
North West	Diego Martin	106
North West	San Juan	79
North West	Glencoe	64
North West	St. Anns	55
North West	Port of Spain	37
South	Penal	647
South	Barrackpore	350
South	Princes Town	277
South	Siparia	235
South	Gasparillo	145



CONSUMER SERVICES

One of the most significant indicators that the CSD uses to demonstrate its added value to the regulatory process is the quantum of credit/rebate that it has been able to secure for customers who have lodged their complaints with the RIC. Over the last three years the CSD has been able to recover \$1.87 million dollars in rebates as depicted in **table 9**. For 2009, it recovered \$966,287.00 in credit/rebates, of which 50.9% were paid by WASA.

TABLE 9 - Credit/Rebates obtained for customers by Complaint Type and Service Providers, 2007-2009

Service Provider	Type of Complaint	2007	2008	2009	Total	
T&TEC	Billing Classification	5,954.00	-	3,627.00	9,581.00	
	Billing Query	84,331.00	136,918.00	91,966.00	313,215.00	
	Damage to Property	2,524.00	20,000.00	-	22,524.00	
	Damaged Appliance/Equipment	17,521.00	37,193.00	64,780.00	119,494.00	
	Other			144,192.00		
	Reduction in Reserve Capacity			141,792.00		
	Request for Service	-	-	9,358.00	9,358.00	
	Retroactive Billing Adjustment	888.00	-	19,000.00	19,888.00	
			111,218.00	194,111.00	474,715.00	780,044.00
	WASA	Billing Classification	23,293.00	286.00	56,431.00	80,010.00
Billing Query		340,752.00	146,335.00	396,511.00	883,598.00	
Damage to Property		80,550.00	-	20,000.00	100,550.00	
Disconnection / Reconnection		73.00	-	-	73.00	
Retroactive Billing Adjustment		2,300.00	13,137.00	18,630.00	34,067.00	
			446,968.00	159,758.00	491,572.00	1,098,298.00
Total Rebate			558,186.00	353,869.00	966,287.00	1,878,342.00



CONSUMER SERVICES

Another important performance indicator the CSD uses to measure the quality of its service delivery is its response time to complaints based on its internal performance standards. **Table 10** highlights the Department's performance during 2009 against the four established standards.

TABLE 10 - Consumer Services Department's Performance, 2007-2009

Target Area	Standard	Performance Rating		
		2007	2008	2009
Response to Written Complaints	95% Within ten (10) working days.	81.2%	86.8%	91.7%
Response to Telephone and E-mail Complaints	95% Within ten (10) working days.	100%	100%	99%
Response to Overnight Messaging	100% Within one (1) working day	100%	100%	100%
Keeping Appointments	100% Within ten (10) minutes	100%	100%	*100%

* There were twenty-six customers who were seen after ten minute. However, they did not have an appointment and 77% of them were seen within 17 minutes. Those who were waited longer requested the services of a specific CSR.



The reputation of a regulator is enhanced through its corporate activities which target customers and the general public. The RIC's image and corporate identity are built on the twin platforms of transparency and public consultation. In the past year the RIC engaged in several activities which increased its visibility and should further enhance its corporate image and identity.

Visit of Delegation from Tanzania

In 2008, a delegation from Ghana visited the RIC as part of the Economic Community of West African States (ECOWAS) initiative between the Government of Trinidad and Tobago and West African States. As a second instalment of that initiative the RIC hosted a team of ministerial delegates from Tanzania on

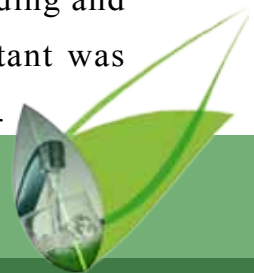
January 19, 2009. The RIC welcomed the opportunity

to share insights about best practices and also to make a short presentation about its regulatory process to the delegation.



Public Awareness and Stakeholder Engagement – Consultancy Services

Hitherto, all public consultations undertaken by the RIC were conducted using in-house resources, including staff. Those events enjoyed mixed success and thus a decision was taken to adopt a different approach. In June 2009, contact was made with six Public Relations/Corporate Communications Consultants, through a selective tendering process, who were invited to submit proposals to support the RIC's public awareness and stakeholder engagement initiatives connected to its review of rates and charges for the Water and Sewerage Authority (WASA). Specifically, the firms were asked to consider the best way to convey the right message (educate, inform and sensitise) about the proposed rate increase, and to ensure that stakeholders understand the implications of the rate review and what actions were required to improve the level and quality of service they received. Essentially, the chosen consultant would play a vital role in ensuring understanding and acceptance of the strategies proposed by the RIC. Though a preferred consultant was selected in August 2009, no formal agreement had been completed by year's end.



Public Education

The Customer Service Department was featured on the morning talk show of Radio Tambrin in Tobago in March, 2009. The Customers Services Manager and one Customer Service Representative were in Tobago to conduct a Customer Outreach Programme at the THA Lecture Hall, in Scarborough, and agreed to be interviewed so that a wider audience could dialogue with members of the RIC about their concerns, and problems.

The staff also accepted an invitation to appear on Radio 106.1 FM in August, 2009 to discuss the RIC's role and functions and specifically to discuss the new Capital Contribution Policy for Electricity Supply, which was approved by the RIC Board in the second quarter of 2009.

The RIC issued 21 informative press advertisements on utility- related complaints that could be resolved by our Customer Services Department. The advertisements focussed on the electricity and water sectors and appeared in all three daily newspapers between March and June, 2009. In each instance it was pointed out that complaints must first be lodged with the service provider, who should have the opportunity to resolve the issue. The RIC should be contacted, only if the customer is dissatisfied with the outcome. In this sense, the RIC is the institution of last resort. However, it should be noted that persons who report complaints directly to the RIC will be provided with assistance.

Freedom of Information Public Statement 2007

In compliance with Sections 7, 8, and 9 of the Freedom of Information Act (FOIA) 1999, an updated Public Statement of the Regulated Industries Commission (2007) appeared as a centre spread of the Express Newspapers on August 05, 2009 and August 07, 2009.

New Property Taxes and Water Rates

In its Budget Statement (2009-2010) the Government of Trinidad and Tobago indicated that property taxes were reviewed and that a decision had been taken to increase them. Since the current water tariffs are linked to property taxes there was increasing speculation by members of the public that as the new taxes were implemented there would be a concomitant rise in water tariffs.



The RIC sought to allay the fears and anxieties of consumers by issuing a Press Release on October 09, 2009, indicating that it and it alone had the legal authority and responsibility to determine rates and tariffs for the Water and Sewerage Authority (WASA), and that while it had commenced a review of such rates it was still involved in the process. The RIC assured the public that there would be no increase to rates based on new property taxes.

Seventh Annual Conference of OOCUR

The RIC acted as host for the Organisation of Caribbean Utilities Regulators (OOCUR) Seventh Annual Conference, which was held in Tobago, at the Grafton Beach Resort, from November 4-6, 2009.

The theme of the Conference was “Emerging Regulatory Issues in the Caribbean”, and several high profile speakers, both local and international, were invited to share their thoughts with attendees. The Conference was formally opened by the Minister of Public Utilities, the Honourable Mustapha Abdul-Hamid.

The Conference attracted over 80 regional and local participants, including representatives from all of OOCUR’s member organizations as well as persons from the local Utilities and other local organisations. Because the RIC hosted the event all of its professional staff had the opportunity to participate over the three-day period. A wide range of issues, under the topic areas of Electricity, Water and Waste Water, Telecommunications and ICT, and consumer-related matters were addressed by the various speakers. Participants also had the opportunity to enjoy Tobago’s inimitable culture, and many of them joined the performers on stage, especially to try to do the Limbo dance. It is fair to say that the Conference provided value for money, both from the point of view of the high quality of speakers and presentations, and for the quality of entertainment.



The Human Resources Department undertook a number of tasks during the year ending December, 2009. One of its major achievements was the successful submission to the Board and thereafter to the Minister of Public Utilities of a proposal for the creation of a permanent staff establishment. The submission to the line Ministry included a new compensation schedule, based on a job evaluation and compensation survey completed in 2008, as well as a pension plan for staff of the RIC. The existing salary arrangements expired in September, 2009.

Another important initiative was the refurbishment and rebranding of the library. A consultant was contracted to conduct a review of the existing facility and to make recommendations for its improvement and effectiveness. The project took six weeks to completion and the facility is now more comfortable and user-friendly. Three recommendations made by the consultant have been implemented, they are:

- Change name of facility to Information/Document Centre;
- Change position title and job description to facilitate the employment of a Research/Information Officer; and
- Employ a low level assistant, in the interim, until a permanent staff is assigned.

Staff Attachments

As a committed member of the Organisation of Caribbean Utility Regulators (OOCUR) the RIC fully subscribes to initiatives that would lead to higher quality regulation throughout the region. To this end, the RIC acceded to a request from the Independent Regulatory Commission (IRC) of Dominica for its Administrative Officer, Ms. Florestine Felix-Laurent, to undertake a one month attachment at our office in Trinidad and Tobago. As the IRC was at a nascent stage in its existence, it was felt that an attachment to a more established regulatory body in the region would greatly benefit its Administrative Manager. During the period November 04 to December 04, 2009 the officer was assigned to various departments for a minimum of three days in each case. In a letter expressing her appreciation to the Staff at the RIC Ms. Felix-Laurent indicated that the experience was very informative and expressed appreciation for the many things learnt. These newly acquired skills would be utilized upon returning to the IRC.



The RIC also holds the view that its staff could benefit from exposure at more established regulators. In this context our Human Resources Manager, undertook a one-week attachment at the Public Utilities Commission in Ohio (PUCO), United States of America. The Board had approved this initiative since 2007 but arranging the attachment proved a challenge. Fortunately, with the assistance of Erin Skootsky of NAURC, PUCO accepted a request for the HR Manager to observe their operations for one week. The visit occurred during the week May 11-15, 2009, and as part of the visit, a tour of a “Smart House” displayed by Duke Energy was made. According to the HR Manager, the visit was “awe-inspiring”.

Training

The RIC continued its commitment to staff training and development in 2009. Staff members participated in various training programmes, locally and abroad, and benefited from on-line training programmes hosted by international regulatory training institutions. In the area of technical training the following programmes were utilised.

Technical Training - five members of staff participated in the following programmes:

- Advanced course in Utility Regulation; May 11-15, 2009, Miami, Florida.
- Taxation Workshop; March 5-6, 2009, Crowne Plaza, Trinidad.
- Audit Compliance Workshop; June 22-23, 2009 Trinidad
- Introduction to Fraud and Forensic Auditing; August 08, 15, 22 & 29, 2009 Trinidad
- VM-Ware Training Programme – Installation and Configuration; May 4-8, 2009
New York, USA

Technical Training (On-line) - Eight members of staff participated in the following programmes:

- Fundamentals of Regulation, February 03 to March 19, 2009 – IP3 (6 weeks).
- Monitoring the activities of Energy Regulatory Commissions; Nov 30, 2009 – Jan 22, 2010 ERRA, (8 weeks).
- Fundamentals of Utility Regulation – Determining Revenue needs and Structuring Rates; April 01, to May 15, 2009; IP3 (6 weeks)



- Advanced Project Finance and Financial Modelling – Techniques; September 02 to October 16, 2009 – IP3 (6 weeks).
- Stakeholder Consultation, Public Awareness and Media Relations; September 02 to October 16, 2009 – IP3 (6 weeks).

Non-Technical Training – Eight members of staff participated in the following training courses:

- Mastering Supervisory Skills; February 2-5, 2009 ; Arthur Lok Jack Graduate School of Business, Trinidad and Tobago;
- Emergency Response Management; March 25, 2009, Safety Council of Trinidad and Tobago;
- Human Resources Labour Law Workshop; August 4 - 12, 2009; Arthur Lok Jack Graduate School of Business, Trinidad and Tobago;
- International Financial Reporting Standards for SMEs –A New Paradigm in the Public Interest, November 29, 2009; ICATT, Trinidad and Tobago;
- Dealing with Telephone Aggression, December 03, 2009 – The Dispute Resolution Centre, Trinidad and Tobago; and
- Mastering Supervisory Skills, February 2-5, 2009, Arthur Lok Jack School of Business, Trinidad and Tobago.

In-house Training

One of the recommendations made by the consultant who conducted the Staff Morale Survey (2008) was that the RIC should engage a management consultant to conduct a workshop on management and leadership training for the Commission’s Management and Senior Staff. The Board accepted the recommendation and the Arthur Lok Jack Graduate School of Business was selected to facilitate a three-day “Results focused Leadership Workshop”, over the period November 26-27, and December 01, 2009. All managers and several senior staff participated and were presented with certificates at the conclusion.



Staff Movements

Four persons joined the RIC in 2009, two at the professional level and two others at the administrative level. Two persons left the employ of the RIC. The RIC also agreed to the temporary appointment of two former “On the Job Trainees” in administrative positions to provide cover for the persons who resigned, until other arrangements have been made.

Internships

As has been our custom in previous years, the RIC agreed to the temporary employment of two students during their summer vacation. The Students were assigned to various departments within the Commission to get a feel for the world of work.



At the end of the 2008 financial year the Board had approved a complete overhaul of the RIC's IT equipment and it was expected that the new system would be fully functional by the first quarter of 2009. The equipment in use comprised ten data centre servers running on Windows 2000 and thirty personal computers, all purchased in 2000. Given the age of the equipment and the high level of output of the RIC staff, by 2008 there was insufficient memory for applications, and storage space was becoming a critical issue. In addition, the operating system was no longer supported by Microsoft, as its useful life had expired. All personal computers began to experience failures with circuit boards and hard drives, and it became increasingly costly to maintain the equipment. It was those circumstances that prompted the decision to replace all equipment.

By the end of the first quarter of 2009 all new computing equipment was delivered. Installation, verification and testing were undertaken by the provider and the handing over was completed on May 14, 2009. Even though all staff were provided with new personal computers, these computers continued to be operated on the previous application software. It was hoped that there would be a migration from Microsoft 2003 to Microsoft 2007 soon after transition to the new equipment but that action was delayed because licences were not received from IGov.TT until November 2009. Since all staff would be required to undergo training to familiarise themselves with the new operating system, some of the benefits of the new facilities would not be available until early 2010.

As we had installed a totally new system, twelve virtual servers running on Windows 2008 operating system, some transitional problems occurred which required support from the supplier. Those problems proved somewhat intractable but with the cooperation of the vendor they were sorted out by the third quarter. An important component of the contract to supply the new equipment was the facilitation of a one-week training programme for both the Manager and IT Specialist. Both individuals undertook training at Hewlett-Packard's Training Centre in New York in May 2009. The training, "VMware Training, Installation and Configuration" was critical for the IT personnel to ensure that they could resolve problems that might arise.



Following the successful change out of the old equipment the Board agreed that staff who were desirous of acquiring the personal computer which had been assigned to them would be granted the items at no cost since they were no longer efficient for internal use and had no realisable sale value.

In the new year the IT Department would focus on structuring training for all staff to ensure that they could enjoy the full benefit of the new system. In addition, new policies and procedures will be developed to improve the efficiency of the department, and to ensure the safety and security of IT services.



A Budget of \$16,036,071 was approved for the RIC by the Cabinet for the financial year, 2009. It was the second year in succession that the RIC's budget was approved early and thus, at least from a viewpoint of financial impediments, its work programme could proceed without hindrance. The Cess Factor was 0.42% of the cumulative revenue of the service providers under its purview.

The pattern of expenditure continued to mirror that of previous years, with the largest items of expenditure being Personnel Expenditure, and Accommodation, representing 59.0% and 14.0% respectively. A proposal for increased salaries, based on 2008 compensation survey, was submitted to the Ministry of Public Utilities, to take effect from October 2009, Provisions for those increases were allocated in the 2009 budget. However, at the end of 2009 no approval has been received from our line Ministry. A breakdown of the Main items of expenditure is presented in the table below.

Table 11- Budget and Actual Expenditure for fiscal 2009

	2009	
	Budgeted \$	Actual \$
Personnel Expenditure	9,424,660	7,209,123
Accommodation	2,183,160	2,347,380
Consulting and Contracting	660,465	460,826
Training	750,000	482,803
Education, Promotion and Printing	850,000	227,671
Capital Expenditure and II	1,110,174	1,257,239
Other Costs	1,057,612	3,602,468
TOTAL	16,036,071	15,587,510
CESS CARRIED FORWARD		448,561

The RIC is fully committed to ensuring that its costs are carefully controlled, resources managed efficiently, and to transparency in its operations. In keeping with these values, persons who wish to access any information on the RIC's financial operations can do so through the normal channels.



COMMISSIONERS FOR 2009



IAN WELCH
Chairman



KELVIN RAMKISSOON
Commissioner



ERIC THOMPSON
Commissioner



DENISE ESCAYG
Commissioner



RYAN CHATRAM
Commissioner



ANWARTH RAMKISSOON
Commissioner



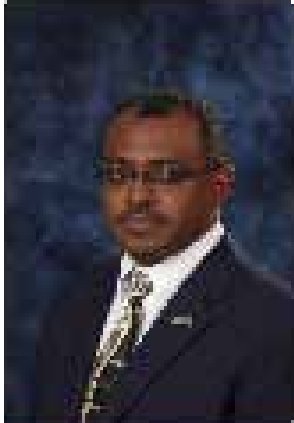
MANAGEMENT TEAM



HARJINDER S. ATWAL
Executive Director



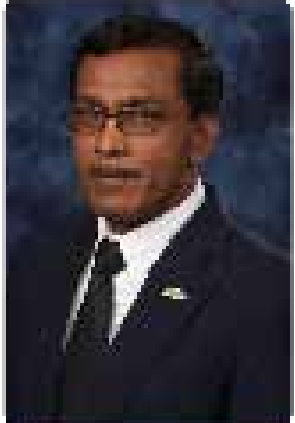
GLENN A. KHAN
Deputy Executive Director



GARVIN ALEXANDER
Assistant Executive Director
Technical Operations



NADIA JOHN
Legal/Corporate Secretary



KAZIM KILIAN
Chief Financial Officer



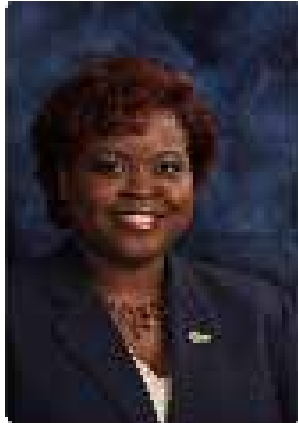
HELEN PERU
Human Resources Manager



MARTIN HAYNES
Information Technology
Manager



MOJAN CITADEL
Customer Services Manager



DENISE CAESAR
Corporate Communications
Manager





REGULATED INDUSTRIES COMMISSION



FINANCIAL STATEMENTS

For the year ended December 31 , 2009



CONTENTS

	Page Numbers
AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOW	5
NOTES	6 - 10





REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE REGULATED INDUSTRIES COMMISSION FOR THE YEAR ENDED 2009 DECEMBER 31

The accompanying Financial Statements of the Regulated Industries Commission for the year ended 2009 December 31 have been audited. The Statements comprise a Statement of Financial Position as at 2009 December 31, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 2009 December 31 and Notes numbered 1 to 14.

2. The audit was conducted by a firm of Accountants authorized by the Auditor General in accordance with section 34 (2) of the Regulated Industries Commission Act, Chapter 54:73. Their Report dated 2011 October 10 which is attached refers.

SUBMISSION OF REPORT

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

2012 February 01



A handwritten signature in blue ink, appearing to read "Majeed Ali".

**MAJEED ALI
ACTING AUDITOR GENERAL**





BOB GOPEE & ASSOCIATES CHARTERED ACCOUNTANTS

11500-05-0111, 1150005-0111, Port of Spain, Trinidad, West Indies T: (868) 464-0242, 4017
KRAMER, 1150005-0111, West Indies, Trinidad, West Indies T: (868) 464-0242

INDEPENDENT AUDITORS' REPORT

TO THE COMMISSIONERS OF REGULATED INDUSTRIES COMMISSION

Report on the financial statements

We have audited the accompanying financial statements of Regulated Industries Commission (the Commission) which comprise the statement of financial position as at 31st December 2009, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, as set out on pages 2 to 10.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of these financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at 31st December 2009, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.


BOB GOPEE AND ASSOCIATES
PORT-OF-SPAIN
TRINIDAD, WEST INDIES

10TH OCTOBER 2011

Parámetro: Bob Gopee, 8/11/2011, 11500-05-0111, 1150005-0111, Port of Spain, Trinidad, West Indies T: (868) 464-0242, 4017



STATEMENT OF FINANCIAL POSITION

PAGE 2

REGULATED INDUSTRIES COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2008

(With comparative figures as at 31st December 2007)

	Notes	2008 \$	2007 \$
ASSETS			
NON-CURRENT ASSETS			
Land		-	6,306,000
Motor Vehicles		272,695	327,782
Construction & Civil Engineering		4,225,240	409,984
Office Furniture		491,093	477,037
Assets Held Under Finance Commission		2,772	3,037
	N1	<u>7,001,700</u>	<u>7,603,460</u>
CURRENT ASSETS			
Prepayments	N4	32,891	209,285
Postal Deposits		16,000	13,706
Trade & Other		17,037	8,760
Bank - Current Account		465,677	467,197
Bank - Money Market Fund Account	N5	19,002,001	12,472,009
Accounts Receivable	N6	278	2,163
Refrigerator Deposits	N7	151,000	151,000
V.A.T. Receivable	N8	454,767	186,037
		<u>20,514,124</u>	<u>15,681,097</u>
TOTAL ASSETS		<u>27,515,799</u>	<u>23,284,557</u>
CAPITAL & LIABILITIES			
ACCUMULATED FUNDS			
Accumulated Funds - Government Grants	N10	2,772	3,967
Retained Earnings		19,900,244	16,223,197
Retained Earnings - Depreciation on F.U.C. Assets	N11	298	509
Surplus for the year		4,002,046	2,981,147
		<u>24,905,360</u>	<u>19,209,540</u>
CURRENT LIABILITIES			
Accounts Payable		-	3,025,004
- Due to Treasury		-	3,025,004
- Other	N12	204,722	191,900
Gratuity Provision		1,000,411	124,984
		<u>1,205,133</u>	<u>3,241,888</u>
TOTAL CAPITAL & LIABILITIES		<u>27,515,799</u>	<u>23,284,557</u>

The attached notes form an integral part of these financial statements and should be read in conjunction therewith.



 EXECUTIVE DIRECTOR



 CHAIRMAN

On behalf of the Commissioners of Regulated Industries Commission approved these financial statements



STATEMENT OF COMPREHENSIVE INCOME

PAGE 3

REGULATED INDUSTRIES COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2009
 (With comparative figures for the year ended 31st December, 2008)

	<u>Notes</u>	<u>2009</u> \$	<u>2008</u> \$
<u>INCOME</u>			
CESS		14,741,690	14,146,140
Property Receipts		10,894	00,087
GRH	N10	<u>1,099,827</u>	<u>886,827</u>
TOTAL INCOME		<u>15,852,411</u>	<u>15,033,054</u>
<u>EXPENSES</u>			
Advertising and Promotions		200,400	200,010
Allowance		60,081	100,060
Audit Fees		54,975	50,000
Bank Charges		3,305	2,479
Books and Periodicals		44,708	2,270
Charitable Contributions		5,250	11,000
Computer and Maintenance		-	23,238
Consultation Expenses		80,000	46,440
Contract Gratuities		885,007	509,940
Contracted Services		105,415	90,043
CR Mobile Office		4,700	-
Depreciation	N3	503,320	269,924
Government Contribution to NIS		197,672	195,900
Group Health Insurance		89,131	70,772
Group Life Insurance		81,874	57,581
Insurance		65,818	43,103
Mail and Postage		1,850	4,874
Miscellaneous Expenses	N14	149,882	189,845
Motor Vehicle Maintenance		55,095	39,817
Office Expenses		101,297	110,280
GOOUR Expenses		228,884	117,879
Professional Fees and Legal Fees		110,000	150,401
Remuneration of Board Members		182,000	308,227
Rent		2,041,200	1,755,500
Repairs and Maintenance		7,007	5,204
Salaries		5,069,549	3,202,219
Security and Janitorial Services		143,125	131,800
Specific Provision for Bad Debts		-	2,983
Subscriptions		25,104	1,919
Telephone		228,190	200,701
Training		387,359	481,880
Uniforms		15,342	9,831
TOTAL EXPENSES		<u>11,864,305</u>	<u>12,011,692</u>
NET SURPLUS FOR THE YEAR		<u>4,002,845</u>	<u>2,801,147</u>



STATEMENT OF CHANGES IN EQUITY

PAGE 4

RICHILLIUM INDUSTRIES COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2018

AS AT 31ST DECEMBER 2018

	NOTES	RETAINED EARNINGS £	ACCUMULATED FINE GOVERNMENT GRANT RELATED TO P.U.C. £	TOTAL £
Opening Balance as at 1st Jan 18		10,234,640	1,337	10,235,977
Surplus for the year		4,002,815	-	4,002,815
Depreciation on P.U.C. Assets	NS1	885	(225)	-
Prior Period Adjustment		(1,028)	-	(1,028)
Closing Balance as at 31st Dec 18		<u>22,208,142</u>	<u>1,112</u>	<u>22,209,254</u>

AS AT 31ST DECEMBER 2017

		RETAINED EARNINGS £	ACCUMULATED FINE GOVERNMENT GRANT RELATED TO P.U.C. £	TOTAL £
Opening Balance as at 01 Jan 17		15,260,000	4,137	15,264,137
Surplus for the year		2,891,147	-	2,891,147
Depreciation on P.U.C. Assets		159	(157)	-
Prior Period Adjustment		(29,000)	-	(29,000)
Closing Balance as at 31st Dec 17		<u>18,202,207</u>	<u>3,980</u>	<u>18,206,187</u>

1200016 - Public Affairs - Communications



STATEMENT OF CASH FLOW

PAGE 5

REGULATED INDUSTRIES COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2009
 (With comparative figures for the year ended 31st December 2008)

	<u>2009</u>	<u>2008</u>
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Net Surplus for the year	4,002,045	2,281,147
Adjustments:		
Depreciation	636,825	265,024
Minor Textile Adjustments	(5,000)	(69,891)
Provision on Asset Impairment	(741,271)	2,720
Intangible Investment	(897,947)	(789,851)
	<u>2,409,652</u>	<u>2,709,000</u>
Decrease in Due to Treasury	(2,202,896)	-
Increase in Accounts Payable	10,000	(0,754)
Decrease in Accounts Receivable	1,045	2,265,064
Increase/(Decrease) in Statutory Provision	203,850	(30,141)
Decrease/(Increase) in Inland Revenue	605,855	(60,438)
(Increase)/Decrease in VAT Receivable	(298,173)	50,773
Net Cash Flow from Operating Activities	<u>1,407,382</u>	<u>10,204,428</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(2,120,460)	(740,817)
Proceeds from Asset Disposal	5,472,235	-
Interest on Investment	51,917	36,331
Net Cash Flow from Investing Activities	<u>5,257,581</u>	<u>181,713</u>
NET CASH INFLOW BEFORE FINANCING ACTIVITIES	<u>6,744,976</u>	<u>10,373,151</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow from Financing Activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>6,744,976</u>	<u>10,373,151</u>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	<u>12,046,258</u>	<u>2,872,038</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>18,791,234</u>	<u>13,045,189</u>
REPRESENTED BY:		
Cash in Hand	17,937	3,769
Bank - Current Account	168,917	491,184
Bank - Money Market Fund Account	<u>18,004,380</u>	<u>12,540,236</u>
	<u>18,191,234</u>	<u>13,045,189</u>



PAGE 8

REGULATED INDUSTRIES COMMISSION
NOTES
FOR THE YEAR ENDED 31ST DECEMBER 2009

1 INCORPORATION AND PRINCIPAL ACTIVITY

The Regulated Industries Commission was established by the Regulated Industries Commission Act chapter 54:73. The purpose of the Commission is to regulate the activities of utility service providers through a system of licensing.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, based on generally accepted accounting principles, have been applied, unless otherwise stated:

a BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standards and are on the basis of historic cost.

b REPORTING CURRENCY

These financial statements are expressed in Trinidad and Tobago dollars.

c FIXED ASSETS

Assets are capitalised and depreciated from the date of acquisition. The method of depreciation used is the reducing balance method. The following rates of depreciation were applied to the capitalised assets:

Motor Vehicles	25%	per annum
Computers	25%	per annum
Office Furniture	12.5%	per annum
Office Equipment	12.5%	per annum

d CAPITALISATION POLICY

The Commission has adopted the policy of expensing assets that fall below the cost of \$1,000.00, even though that asset may have a useful life in excess of one (1) accounting period.

e REVENUE

The Commission is funded by GESS income which is obtained from utility service providers and is calculated based on a percentage of their income.

f CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents are carried in the Statement of Financial Position at cost. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.



COMMISSION NOTES

PAGE 7

**REGULATORY INDUSTRIES COMMISSION
NOTES
FOR THE YEAR ENDED 31ST DECEMBER 2009 (Continued)**

3 NON-CURRENT ASSETS \$2,801,700

	Total \$	Land \$	Motor Vehicles \$	Computer and Office Equipment \$	Office Furniture \$	Assets From RUC \$
COST						
Balance as at 01 Jan 09	10,070,635	6,304,000	575,484	2,087,467	1,085,785	47,903
Additions for the Year	2,138,891	-	-	2,130,087	3,500	-
Disposals made during the year	(9,505,495)	(6,304,000)	-	(238,287)	-	(17,207)
Balance as at 31 Dec 09	<u>2,693,931</u>	<u>-</u>	<u>575,484</u>	<u>2,949,270</u>	<u>1,089,285</u>	<u>40,696</u>
ACCUMULATED DEPRECIATION						
Balance as at 01 Jan 09	2,449,004	-	242,072	1,574,570	615,715	44,183
Depreciation for the year	698,883	-	80,109	305,047	50,644	-
Disposals made during the year	(242,072)	-	-	(238,928)	-	(6,767)
Depreciation for the year - RUC Grants	435	-	-	-	-	435
Balance as at 31 Dec 09	<u>2,906,240</u>	<u>-</u>	<u>322,181</u>	<u>1,711,690</u>	<u>666,359</u>	<u>37,441</u>
NET BOOK VALUE AS AT 31 DEC 09	2,001,700	-	243,303	1,237,580	422,926	3,255
NET BOOK VALUE AS AT 31 DEC 08	7,621,469	6,304,000	332,412	489,094	471,070	5,967

4 PREPAYMENTS - \$92,381

	2009 \$	2008 \$
Prepayments on mediae	-	-
Computer Upgrade	-	948,954
Motor Insurance	20,032	33,104
Caplan-McIntoshen's Certified Security and Janitorial	1,341	8,672
Solicitors Licenses	-	10,458
Postage	34,110	370
Contract Services	33,877	-
	<u>49,360</u>	<u>999,558</u>



COMMISSION NOTES

PAGE 8

REGULATED INDUSTRIES COMMISSION
NOTES
FOR THE YEAR ENDED 31ST DECEMBER 2009 (Continued)

5 BANK - MONEY MARKET FUND \$19,302,301

	<u>2009</u>	<u>2008</u>
	TT\$	TT\$
Republic Bank Limited Investment Account 1	6,875,052	-
Investment Account 2	9,542,638	12,547,269
Investment Account 3	4,084,411	-
	<u>19,302,301</u>	<u>12,547,269</u>

6 ACCOUNTS RECEIVABLE - \$210

	<u>2009</u>	<u>2008</u>
	\$	\$
Accounts Receivable comprise:		
W. Romie	2,195	2,195
GOOJIR Telephone	-	687
Employee Group Health	210	2,169
	<u>2,414</u>	<u>5,049</u>
Provision for Bad Debt	(2,198)	(2,992)
	<u>216</u>	<u>2,157</u>

7 REFUNDABLE DEPOSIT - \$164,700

	<u>2009</u>	<u>2008</u>
	\$	\$
Refundable Deposit with T & T Unit Trust Corporation	122,532	122,532
Deposit of two (2) months rent with Furness Road Ltd	164,700	164,700
	<u>277,532</u>	<u>277,532</u>
Provision for Bad Debt	(122,832)	(122,832)
	<u>164,700</u>	<u>164,700</u>

** In 2001, the Regulated Industries Commission sought to lease office space in T & T Unit Trust Corporation. To this end, a deposit of \$122,832 was made to secure the required space. The transaction has since been aborted and subsequently became statute-barred. A Provision for Bad Debt was created pending approval from the Minister of Finance to write off the amount in accordance with Section 35 of the Regulated Industries Commission Act (chapter 64:73).

8 V.A.T. RECOVERABLE - \$464,767

This represents refunds due to the Commission, in keeping with its tax exempt status, from VAT paid on consumption of goods and services.



COMMISSION NOTES

PAGES

**REGULATED INDUSTRIES COMMISSION
NOTES
FOR THE YEAR ENDED 31ST DECEMBER 2008 (Continued)**

9. TAX EXEMPT STATUS

By virtue of the Regulated Industries Commission Act Chapter 54:70, Section 51, the Commission is exempt from all stamp duty, taxes, duties and excise duties, levies and other financial contributions, gifts or emoluments which it acquires for its services.

10. ACCUMULATED FUNDS - GOVERNMENT GRANTS - \$2,772

This represents the balance in the Government Grants Account with respect to the assets taken over from the former Public Utilities Commission.

11. RETAINED EARNINGS - DEPRECIATION ON PUC ASSETS - \$400

An amount equivalent to the depreciation charge on assets taken over from the former Public Utilities Commission (PUC) was transferred from the Reserve Accumulated Funds - Government Grants to Retained Earnings. This measure, in effect, reimburses the regulated utilities for a portion of the depreciation expense incurred on behalf of the PUC.

The method of depreciation used is in accordance with circular 1/220/40 issued by the Ministry of Finance to all Government entities on 28th July 1960.

(See Statement of Changes in Equity, Page 4.)

12. ACCOUNTS PAYABLE OTHER - \$204,722

	<u>2008</u> \$	<u>2007</u> \$
Accounts Payable comprises:		
Audit Fees	53,668	72,268
audit fee General	5,338	-
Telephone	-	227
Agency of Insurance	10,988	10,988
Regulatory Fee	-	2,000
CGOOLB	-	50,147
Energy Complex	300	1,000
Janitor - Services	5,000	6,000
Company (Electricity meter)	31,980	8,170
Asset Deprecia	5,762	-
Advertising	2,328	-
Professional Services	61,200	-
Message of Satisfaction	7,498	-
Allocated cheques	0,000	-
	<u>204,722</u>	<u>191,653</u>



COMMISSION NOTES

Table 12

REGULATED INDUSTRY'S COMMISSION NOTES FOR THE YEAR ENDED 31ST DECEMBER 2008 (Continued)

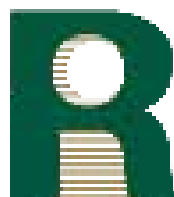
13. OTHER INCOME - \$1,060,857

	<u>2009</u>	<u>2008</u>
	\$	\$
Interest Income (Interest)	664,847	368,491
Gain/Loss on Disposal of Assets	141,110	12,420
Lender Fees Deposit	2,200	-
	<u>1,008,157</u>	<u>380,911</u>

14. MISCELLANEOUS INCOME - \$143,663

	<u>2009</u>	<u>2008</u>
	\$	\$
Staff Functions	91,320	63,437
Staff Welfare	31,383	23,423
Leasing	7,700	3,879
Public Relations	13,247	5,105
	<u>143,650</u>	<u>95,844</u>





REGULATED INDUSTRIES COMMISSION

1st & 3rd Floors, Furness House, Cor. Wrightson Blvd. & Independence Square, Port-Of-Spain, PO Box 1001

◆ Tel: 800-4RIC (4742) / 627-7830 / 627-0821 / 625-5584 / 627-0503 ◆ Fax: 624-2027

◆ Email: ricoffice@ric.org.tt ◆ comments@ric.org.tt

www.ric.org.tt