



**ANNUAL REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 2012**

**REGULATED  
INDUSTRIES  
COMMISSION**



*Protecting YOUR Interests*

# LETTER OF TRANSMITTAL

---

The Honourable Nizam Baksh  
Minister of Public Utilities  
#2 Elizabeth Street  
St. Clair

Dear Minister,

***RE: Annual Report and Financial Statements 2012***

In accordance with Section 34 of the Regulated Industries Commission (RIC) Act, Chapter 54:73, I have the honour to submit the RIC's audited Statement of Accounts and the Annual Report for the year ending December 31, 2012 as certified by the Auditor General.

Sincerely,



Dr. Anne-Marie Mohammed  
*Chairman*

# CONTENTS

---

LETTER OF TRANSMITTAL .....	<i>i</i>
CHAIRMAN'S REMARKS .....	<i>1</i>
RIC AT A GLANCE .....	<i>3</i>
ORGANISATIONAL STRUCTURE .....	<i>4</i>
THE YEAR IN REVIEW ... ..	<i>5</i>
<b>SECTOR REPORTS:</b>	
The Electricity Sector (T&TEC) .....	<i>7</i>
The Water & Wastewater Sector (WASA) .....	<i>12</i>
<b>DEPARTMENTAL REPORTS:</b>	
CUSTOMER SERVICES .....	<i>14</i>
CORPORATE COMMUNICATIONS .....	<i>21</i>
HUMAN RESOURCES/ADMINISTRATION .....	<i>23</i>
INFORMATION TECHNOLOGY .....	<i>25</i>
FINANCES OF THE RIC .....	<i>26</i>
COMMISSIONERS FOR 2012 .....	<i>27</i>
MANAGEMENT .....	<i>28</i>
REPORT OF THE AUDITOR GENERAL .....	<i>29</i>



## CHAIRMAN'S REMARKS



The Board of Commissioners of the RIC approved the Draft Determination for T&TEC's Second Rate Review in June 2012. This approval was given in principle, with the caveat that updates to the data contained in one chapter of the document had to be completed. As it is required to do under Section 6 (2) of its Act, the RIC made a request to discuss the Draft with T&TEC's Shareholder but such meeting did not materialize at the end of 2012. Meeting with the shareholder is a necessary step in the regulatory process, as decisions concerning the prevailing rates have to be discussed with all stakeholders, including the service providers. As a result, public consultation on this Draft Determination did not occur in 2012.

During the year, approval was granted for a complete redesign of the RIC's website as the current requirements of the Commission surpassed the website's capability to deliver. The new platform would enhance the usability of the site including improved search capabilities, an updated layout and easier navigation of the site.

The Commission intensified its stakeholder education activities to promote openness and transparency in its operations by undertaking a series of radio programmes as well as increasing its presence on the social media network. Through these initiatives the public profile of the RIC will be enhanced and thus more persons should become aware of our services.

The Commission continued to show its commitment to regional regulatory cooperation as five members of the Board, including myself, attended the 10th Annual Conference of the Organization of Caribbean Utility Regulators (OOCUR) in The Bahamas this year. The conference was very informative and included presentations by three members of staff of the Commission. I attended the Executive Council meetings and also delivered a presentation on, "*The way forward for OOCUR over the next ten years*".

In closing, I would like to thank the Management and Staff for their commitment and dedication to the work of the Commission throughout the year. I would also like to express my sincere gratitude to my fellow Commissioners for their support and valued input during the year.


Dr. Anne-Marie Mohammed  
Chairman




## **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. 

## **ORGANISATIONAL STRUCTURE**

The Executive Director is responsible for the supervision over and direction of the work and staff of the Commission. The staff provide a range of services and advice to the Commission on all aspects of its work. 

# RIC AT A GLANCE

**This, the tenth report of the RIC, covers the activities of the RIC for the period January 1st to December 31st, 2012.**

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:

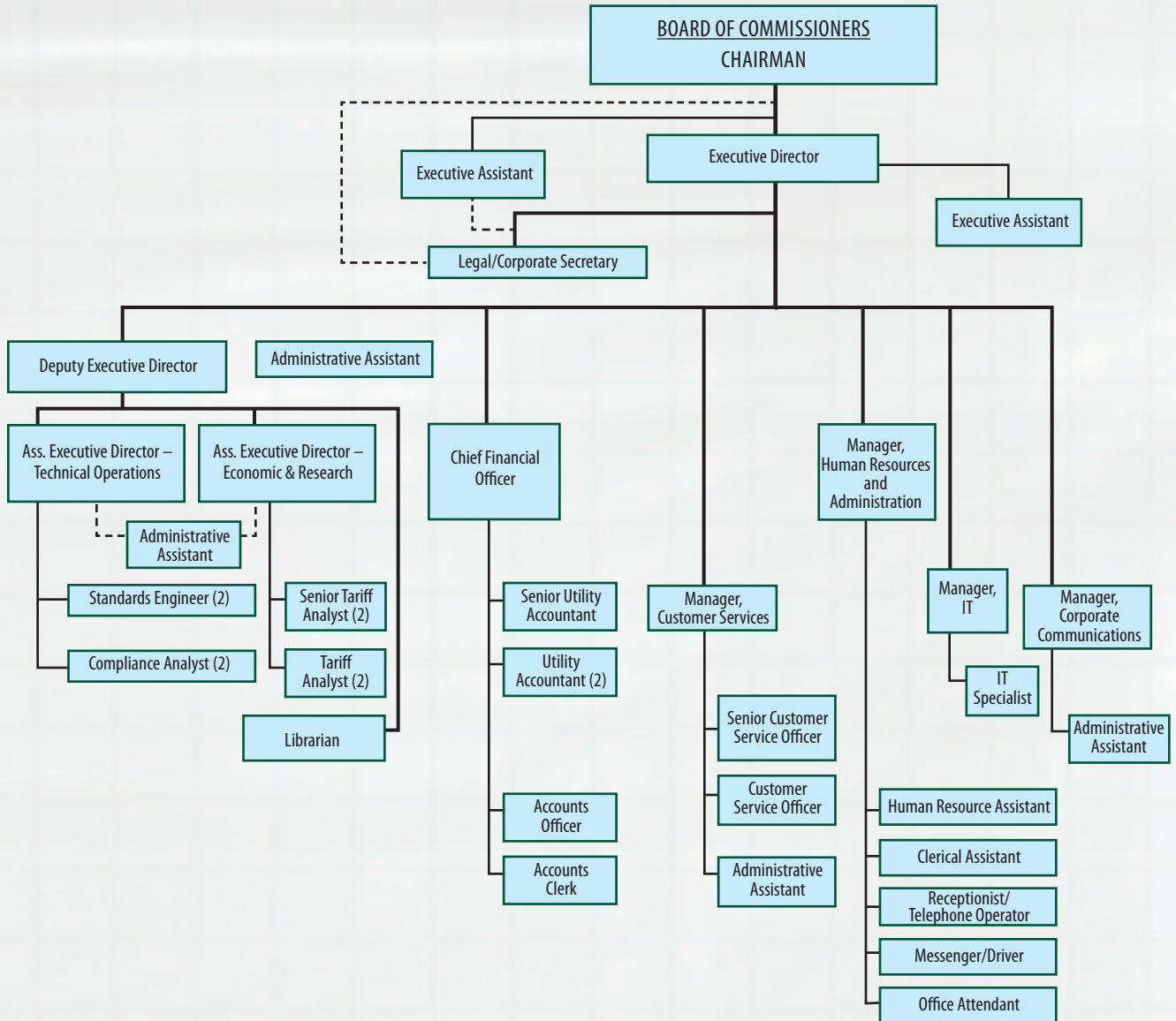
- To advise the Minister on matters relating to the operations of the Act including the granting of Licences and monitoring the terms and conditions of the Licences;
- To carry out studies of efficiency and economy of operation and of performance of service providers, publish results and take action, 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 an appropriate return on investment; and
- To ensure openness and transparency by publishing information which will allow stakeholders the opportunity for input 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. ●



# ORGANIZATIONAL STRUCTURE



## THE YEAR IN REVIEW

The RIC's work programme in 2012, included a number of exercises that were undertaken to facilitate the completion of the second Draft Determination for T&TEC and the first Draft Determination for WASA. Several information papers for both service providers were also prepared during the year for release alongside the respective Draft Determination documents. These information papers were structured to provide simplified explanations of the underlying principles and methodologies employed by the RIC in arriving at its determination of rates and charges for the electricity and water sectors. There were some initial delays in receiving information from the service providers, but after the data were validated, they were factored into the Draft Determination documents and consequent adjustments were made. The Commission approved the Draft Determination for T&TEC's Second Rate Review in principle, in June 2012.

The RIC continued its monitoring of the service providers with respect to Capital Expenditure, Event Notification & Response Management and Quality of Service. Since the RIC has issued directives for T&TEC to follow and there is an established performance monitoring regime in place, the information requirements from T&TEC are greater. Hence, there is more quantitative data on T&TEC's performance in this report while emphasis on WASA is placed on their major projects and event notification reporting.

In 2012, T&TEC performed creditably under the Guaranteed Standards Scheme, with above 98% compliance in most categories. Of great concern to the RIC is that only 2% of estimated payments due to customers were actually paid. The majority of these payments arise out of breaches to GES 1 - Response and Restoration time, which is the only Standard that has remained out of the automatic compensation scheme. With respect to the Overall Standards, T&TEC achieved above 94% compliance in most categories, although they had some difficulty maintaining the same level of compliance in the standards related to street light maintenance and response time to meter problems.

In the year under review, WASA initiated a proactive approach to recover almost \$500Mn in revenue owed by customers. An aggressive disconnection drive was undertaken by WASA after having initially offered an amnesty period during which consumers were encouraged to regularize their accounts and settle

outstanding dues. Cognizant of the ageing underground pipeline infrastructure, WASA also undertook several major pipeline replacement projects including the Hollis Trunk Main, the Valsayn to Laventille Main and mains in Tobago.

A total of forty-eight (48) events were reported under the Event Notification and Response Management Plan (ENRMP), almost all due to maintenance work, emergency repairs or capital improvement.

One of the functions of the RIC involves investigation of complaints by consumers and facilitating redress where necessary. There was a 47% increase in complaints received by the RIC, moving from 2314 complaints in 2011 to 3267 complaints in 2012, with 85% of the complaints emanating from problems with WASA. Of the complaints resolved in 2012, 97% of these were resolved in favour of customers and a total of \$1.88Mn was recovered from both service providers, in the form of credits/rebates to customers.

During the year, the RIC engaged in several public awareness and stakeholder education drives, in fulfilment of its mandate to ensure transparency and openness. To promote awareness of the RIC, staff members participated in a radio programme between March and May 2012 where the public was informed about the various roles of the regulator and their rights as consumers. RIC's representatives answered questions from consumers regarding the complaints process, the



## THE YEAR IN REVIEW

---

Codes of Practice and the Quality of Service Standards for T&TEC.

In August 2012, the Ministry of Public Utilities invited the RIC and other agencies to collaborate for the launch of a roving exhibition where emphasis was placed on displaying the progress of the utilities through the years. This activity was organized as part of the 50th Anniversary celebrations of the country's independence.

Staff members of the RIC were exposed to a number of technical and non-technical training programmes in 2012. In-house training included a Procurement Training Workshop early in the year, followed by an

Economic Modelling and Forecasting Workshop in June, culminating in a Utility Regulation Training Course in November, facilitated by a U.K. based firm. Staff also participated in several online technical courses and external professional development courses. Towards the end of the year, the RIC was represented at the 10th Annual Conference of Caribbean Utility Regulators (OOCUR) in The Bahamas by the Chairman, other members of the Board of Commissioners, the Executive Director and staff of the Commission, three of whom presented papers on various aspects of regulation at the conference. ●

# SECTOR REPORTS

## TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

The RIC completed its Draft Determination for the Electricity Transmission and Distribution Sector in 2012, after having formally commenced the exercise early in 2011. Within that timeframe, more than fifteen (15) consultative documents were released for public comment. On the basis of the experience gained during the first determination exercise, the RIC began its data collection and analysis earlier to minimize delays. Notwithstanding this, serious difficulties were encountered in completing this second review on time because of delays in the provision of relevant and necessary information by T&TEC. The RIC views this as a serious limitation to fulfilling its mandate and will take steps to correct this limitation. Public consultation on this second Draft did not commence during 2012 because the RIC and T&TEC's Shareholder were unable to meet and discuss pertinent issues.

### T&TEC's CAPITAL EXPENDITURE

For the period 2011–2012, the Capex spent by T&TEC on projects allowed during the first determination under the Capex Programme amounted to approximately \$22.71Mn while approximately \$73.5Mn was spent on projects which were to be funded by the Government, as identified by the RIC in the Final Determination for 2006-2011.

One hundred and seven (107) RIC approved capital projects were scheduled to be completed under the 2006-2011 Capex Programme. By the end of the 2011-2012 period, forty-one of these projects (38.3%) were completed, while twenty-nine projects (27.1%) were started and works are ongoing. The remaining thirty-seven projects (34.6%) have not been undertaken. Work was also undertaken on thirty-two government financed projects during 2006-2011, fifteen of these projects (46.9%) have been completed and the remaining seventeen projects (53.1%) are at various stages of completion. Overall, the completed projects account for increased supply capacity and improved reliability throughout the entire network.

### QUALITY OF SERVICE STANDARDS FOR T&TEC

The RIC continued its monitoring of T&TEC's performance against the established Quality of Service

Standards (QSS). Revised Quality of Service Standards (QSS) for the Electricity Transmission and Distribution Sector were implemented in 2010, and comprised both Guaranteed Standards and Overall Standards. Guaranteed Standards are those that set service levels which must be met in each individual customer's case by the service provider whereas Overall Standards cover broader areas of service and generally relate to the reliability of service affecting a group of customers.

### *T&TEC's Performance under the Guaranteed Standards*

There are eight (8) Guaranteed Standards for T&TEC, and all but the first guaranteed standard (GES 1 – Response and Restoration Time) carry automatic compensatory payments for breaches. In 2012, T&TEC recorded 7,059 breaches, a 33% reduction of the 10,565 breaches recorded in 2011.

The first Guaranteed Standard, GES 1, accounted for the highest number of breaches (5,806) in 2012, though this figure represented a 42% decline from the corresponding 2011 statistic. The next highest number of breaches (567) occurred under GES 8 (Payments Owed Under Guaranteed Standards), followed by GES 6 (Responding To Billing and Payment Queries) with 376 breaches, GES 3 (Reconnection) with 99 breaches, GES 7 (New Connection Of Supply) with 93 breaches, GES 2 (Billing Punctuality) with 39 breaches and GES 5 (Investigation

# SECTOR REPORTS

## TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

of Voltage Complaints) with 2 breaches. GES 4 (Making and Keeping Appointments) was the only standard for which no breaches were recorded in 2012. T&TEC's performance under the guaranteed standards for 2012 is presented in table 1.

The Guaranteed Standards Scheme provides for compensation to consumers when specified standards are not met by the service provider. The payment is automatic for all guaranteed standards except GES 1, for which customers are still required to submit a claim.

**Table 1: Compliance under Guaranteed Standards, 2012**

Code	Service Description	Performance Measure	2012 Compliance Rates (%)
GES1	Response and Restoration Time after unplanned (forced) outages on the distribution system.	Time for restoration of supply to affected customers – within 10 hours	99.8
GES2	Billing Punctuality (new customers)	Time for first bill to be mailed after service connection: (a) <b>Residential</b> – within 60 days (b) <b>Non-Residential</b> – within 30 days	98.9 80.7
GES3	Reconnection After Payment of Overdue Amounts or Agreement on Payment Schedule	Time to restore supply after payment is made – within 24 hours	99.4
GES4	Making and Keeping Appointments	Where required, appointments will be made on a morning or afternoon basis	100.0
GES5	Investigation of Voltage Complaints	(i) <b>Response</b> - All voltage complaints to be responded to within 24 hours. (ii) <b>Rectification</b> – All voltage complaints to be rectified within 15 working days.	99.9 100.0
GES6	Responding to Billing and Payment Queries.	Substantive reply within 15 working days.	98.1
GES 7	New Connection of Supply	Service drop and meter to be installed within 3 working days.	99.2
GES 8	Payments Owed Under Guaranteed Standards	Time to credit compensatory payment: (i) <b>Residential</b> – within 30 working days (ii) <b>Non-Residential</b> – within 60 working days	0.0 0.0

T&TEC has been able to achieve above 98% compliance in almost all the Guaranteed Standards in 2012. Following enquiries by the RIC about the low compliance rate of 80.7% in respect of Billing Punctuality for new non-residential customers, T&TEC indicated they would be pursuing a solution to alleviate this problem. T&TEC's performance under GES8 is unacceptable with 0.0% compliance in crediting compensatory payments to customers on time. RIC has addressed this issue with T&TEC and will be monitoring closely for improvement in the following period.

Due to limited functionality of the outage management module of the Advanced Metering Infrastructure (AMI), T&TEC is not yet able to identify the individual customers that are affected by breaches of GES 1. Table 2 shows the number of breaches by category and the estimated payments that were due to T&TEC's customers.

If compensatory payments were made for all breaches that occurred during 2012, the RIC estimates that minimum compensatory payments of \$357,782 would



**Table 2: Breaches and Payments Due under the Guaranteed Standards, 2012**

Standard	Total Number	Number of Breaches	Minimum Payment Due (\$)
GES 1	2,360,853 (outage incidents)	5,806	290,300
GES 2	9,470 (requests)	116	3,850
GES 3	17,224 (arrangements/payments)	99	11,682
GES 4	6,343 (appointments)	0	0
GES 5	3,671 (voltage complaints)	2	100
GES 6	19,749 (queries)	376	18,800
GES 7	11,995 (requests)	93	4,650
GES 8	567 (breaches)	567	28,400
<b>TOTAL</b>		<b>7,059</b>	<b>357,782</b>

have been due to customers. However, T&TEC reported that only 136 payments totalling \$7,328 were made, which represented 2% of the estimated minimum payments due. This low compensatory payment rate continues to be of concern to the RIC since it appears that T&TEC is not making serious efforts to improve its performance. The RIC will be considering other options that will provide a stronger impetus for T&TEC to improve its compliance under this standard.

#### ***T&TEC's Performance under the Overall Standards***

The seven Overall Standards cover areas of service where it is not appropriate or feasible to give individual guarantees, but where the expectation of the stakeholders is that the utility will provide pre-determined minimum levels of service. These standards generally relate to the reliability of service affecting a group of customers. Compliance rates for T&TEC's performance in 2012 under the Overall Standards are presented in table 3.

**Table 3: Compliance under Overall Standards, 2012**

Code	Description	Required Performance Units	2012 Compliance Rate (%)
OES1	Frequency of Meter Reading	(a) 90% of industrial meters should be read every month (b) 90% of residential and commercial meters read according to schedule	100.0 100.0
OES2	Billing Punctuality	98% of all bills to be mailed within ten (10) working days after meter reading or estimation	100.0
OES3	Responding to Meter Problems	Visit or substantive reply within 10 working days 95% of the time.	72.6
OES4	Prior Notice of Planned Outages	3 days advance notice of planned outages 100% of the time	97.4
OES5	Street Lights Maintenance	<b>Street Lights</b> – within 7 working days <b>Highway Lights</b> – within 14 working days	69.8 95.4
OES6	Response to Customer Queries/Requests (written)	Time to respond after receipt of queries. <b>Initial Response</b> – within 10 working days <b>Final Position</b> – within 30 working days	87.0 83.9
OES7	Notifying Customers of Receipt of Claim Under Guaranteed Standard GES 1	100% of customers to be notified of receipt of claim within 10 working days.	94.1

# SECTOR REPORTS

## TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

T&TEC was able to achieve 100% compliance under Overall Standards OES 1 and 2, and greater than 94% compliance under OES 4 and 7. However, compliance rates ranging from 69.8% to 87% were recorded in T&TEC's Street Light Maintenance programme, T&TEC's response to Meter Problems and T&TEC's response time to Customers' Queries. The RIC will continue to monitor T&TEC in the subsequent period and encourage the utility to improve in the areas where its performance was not up to standard.

### *Review of T&TEC's performance under the Quality of Service Standards*

For 2012, T&TEC's performance was maintained at its previous levels for most of the standards. The Guaranteed Standards Scheme was designed to encourage T&TEC to focus on improving the quality of service delivered in the specified areas. This is the second year for which there has been automatic compensation for breaches of all the Guaranteed Standards except GES1. While, T&TEC's performance with respect to the processing of automatic payments has improved, its record of settling outstanding claims has been relatively poor.

In 2011, T&TEC processed 348 (3.3%) of the 10,565 eligible claims and paid \$18,390 (2.9%) of the minimum compensation of \$629,760 that was due. In 2012, there were fewer eligible claims, yet T&TEC only processed 1.9% or 136 of the 7,059 claims. Despite this, T&TEC managed to pay 10% of the automatic compensatory payments, which was an improvement on the 6% that was paid in 2011.

Apart from difficulties experienced in receiving accurate and timely information from T&TEC, there has been no

further improvement by T&TEC in its management of the automatic compensatory scheme and T&TEC has not completed installation of the remaining modules of the AMI. The full benefit of the Guaranteed Standards Scheme will not be realised until claims under GES1 are automated, therefore the RIC will encourage T&TEC to complete all modules of the AMI. The RIC will continue the data mapping exercises with T&TEC's newly established Regulatory & Compliance Department, to ensure that definitions and processes are clearly and concisely identified by the utility and the regulator. This exercise is expected to be mutually beneficial as the development of templates and establishment of standard deliverables create less ambiguity in the data that are submitted and therefore translates to improved efficiency in both institutions.

### **T&TEC'S REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN**

The Event Notification and Response Management Plan (ENRMP) provides a systematic and consistent procedure for notifying the RIC of incidents and events which have affected or are likely to have an adverse effect on consumers. There are three (3) Service Providers in the electricity sector that report to the RIC on incidents and events involving their plant or personnel.

A summary of events recorded under the ENRMP Monitoring Programme pertaining to the Trinidad & Tobago Electricity Commission (T&TEC), Power Generation Company of Trinidad & Tobago (PowerGen) and Trinity Power Limited for the period 2012 is tabulated below.

**Table 4:**  
*ENRMP - Summary Report for Electricity Sector 2012*

Service Provider	EVENTS/INCIDENTS involving			
	Fatalities	Equipment Damage / Mal-operation	Electrical Outages	TOTAL
T&TEC	5	1	3	9
PowerGen	0	1	3	4
Trinity Power	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>13</b>

There were no reports by Trinity Power Limited of any events for the year 2012, while PowerGen reported four incidents; one pertaining to the damage of a boiler at its Port of Spain Power Plant, and on three occasions, the loss of generation which resulted in major outages to customers. T&TEC reported nine events of which five involved fatalities to T&TEC's workers (staff and contracted) and also persons who were working in close proximity to T&TEC's overhead lines. Three of the remaining four incidents were related to the loss of electrical supply to large numbers of customers. There was one event involving a service vehicle which tilted onto its side during operation resulting in no injuries but damage to equipment.

Owing to three fatal incidents that occurred early in January 2012, the RIC held discussions with T&TEC in order to ensure that the utility instituted measures to improve the level of safety for its workers and members of the public. T&TEC reported that an Action Plan was put into effect in February 2012. One of the measures entailed increasing the number of safety inspectors in the Health, Safety and Environment Department and increasing the number of operational activities that were monitored on a daily basis. T&TEC also indicated that it had upgraded the health and safety rules and regulations and copies of those documents were provided to the RIC. The RIC continues to monitor the effectiveness of these measures and will engage T&TEC where necessary. ●



### THE WATER & SEWERAGE AUTHORITY (WASA)

The Water and Sewerage Authority (WASA) is solely responsible for the provision of water and wastewater services in Trinidad and Tobago. The RIC updated its Draft Determination for the water sector in 2012 since new information became available after the last Draft had been prepared in 2010. The RIC also held discussions with relevant Government departments. Consultation with the Government on the Draft Determination is an important step since the impact of changes to utility rates has to be carefully considered by WASA's Shareholder. This forms part of the overall consultative process. The RIC also engages other key stakeholders, including the public, in several consultations across the country.

The Quality of Service Standards (QSS) for WASA should have been gazetted by the end of 2011. This had not occurred by the first half of 2012, and consideration was given during the year for them to be included within the Draft Determination for WASA. However, the RIC decided that the QSS should be updated since the standards outlined in the original document would have been up for revision at the end of 2012. Updating the QSS for WASA is scheduled to be undertaken early in the following year.

In 2012, WASA began a disconnection programme which was aimed at recovering more than \$500Mn in unpaid rates. This programme was started after an extended amnesty period was allowed for persons to have their overdue accounts settled with WASA or where necessary, to have their accounts regularized. Regularization of accounts was important as customers' billing classification might have changed after accounts were established. For instance, some premises may have been converted from residential to commercial use, or consumers may have constructed swimming pools on their property, or some properties may have been converted from single-dwelling households to multiple apartments for rent. The disconnection programme continued for the entire year and yielded \$200Mn as at the end of 2012.

WASA also commenced several pipeline replacement projects, including a major project involving the replacement of the 80 year-old Hollis Trunk Main from the Hollis Reservoir in Valencia to Laventille. This project was separated into six phases and involved replacement of forty kilometres of transmission pipeline at a cost of \$201Mn. Water mains were also replaced in parts of Tobago, more specifically the Courland to Buccoo project and the Arnos Vale project. Several areas benefitted from the commissioning of water treatment plants including Talparo and Matura, which resulted in improved water supply to the surrounding communities.

#### WASA'S REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN

The ENRMP for WASA is an important framework established by the RIC which assists in the monitoring of projects undertaken by WASA that could impact the supply of water to consumers but also impact the general public. The information that is compiled by the ENRMP allows the RIC to verify that WASA is keeping the public informed whenever there are major disturbances in service, since WASA is required to inform the public by various media of such instances. The ENRMP also notifies the RIC of the steps that WASA is taking to return normal service in the shortest possible time.

A summary of the events recorded under the ENRMP Monitoring Programme pertaining to the WASA for 2012 is shown in table 5.

WASA reported forty-eight events to the RIC for the year 2012, representing an average of twelve events per

quarter. In 2012, emergency repairs accounted for 46% of all reported events, while maintenance works and improvement of the capital infrastructure accounted for 29% and 21% respectively. ●

**Table 5: ENRMP Summary Report for Water & Wastewater Sector**

Category	Number of Events Reported				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL
Maintenance	3	1	5	5	14
Emergency Repairs	5	7	5	5	22
Capital improvement	2	3	3	2	10
Excessive turbidity due to rainfall	0	1	0	0	1
Other	0	1	0	0	1
<b>TOTAL</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>48</b>

# DEPARTMENTAL REPORTS

## CUSTOMER SERVICES

One of the RIC's main functions is to provide relief, where necessary, to those customers who fail to obtain redress to their complaints from either the Water and Sewerage Authority (WASA) or the Trinidad and Tobago Electricity Commission (T&TEC). The RIC received 3,267 complaints in 2012 as shown in table 6, which represented a 41% increase in the number of complaints received when compared with 2011. This increase can be directly attributed to problems emanating from WASA's and Desalcott's water production facilities, which are discussed later. The 3,267 complaints received in 2012, were filed by 1,827 customers, 70% of whom accessed the service of the RIC for the first time. There were a number of repeat customers as 671 or 37% reported two or more complaints.

The process of assisting customers in resolving complaints was more challenging for the RIC this year due to the nature of the complaints. Consequently, unresolved complaints increased by 154% from 2011 to 2012, as shown in table 6. In addition to the increase in number of complaints, certain categories of complaints have a longer timeline for resolution and as such impacted the efficacy of the RIC in facilitating timely resolution during 2012. Inadequate supply and billing query complaints in the case of WASA, along with complaints related to request for service and damaged appliances in the case of T&TEC, all showed increases for 2012 and these are categories of complaints that usually take longer

to resolve. Despite this relatively large increase, the RIC was able to maintain its track record of achieving a high resolution rate, having resolved 2,755 or 86% of the complaints received. There was also an increase in the number of complaints withdrawn, which rose from thirty-two in 2011 to sixty-five in 2012. During 2012, customers withdrew complaints for several reasons including a resumption of service between the time the complaint was lodged and RIC's intervention in the matter, and also because there was lack of required documentation from the customer for the RIC to move forward with the complaint on their behalf.

**Table 6: Status of Complaints Received for 2010-2012**

Status	Year			Increase %
	2010	2011	2012	
Number of complaints received	4557	2314	3267	41%
Number of complaints resolved	4098	2094	2755	32%
Number of complaints unresolved	326	188	477	154%
Number of complaints withdrawn	133	32	65	103%
<b>Resolution rate</b>	<b>93%</b>	<b>92%</b>	<b>86%</b>	<b>-6%</b>

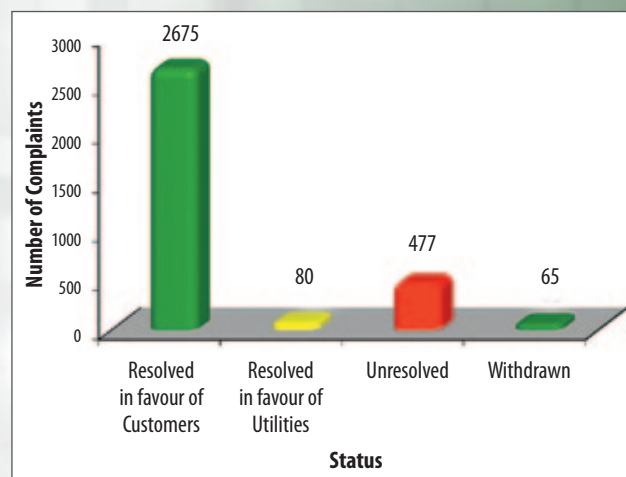


Although the RIC has a dual responsibility to the service providers and the customers, it is important to ensure that the latter are protected from any unfair practice or undue delay. In this regard, 2675 or 97% of the complaints were resolved in the favour of customers, as indicated in figure 1.

There was a continuing trend where more complaints were reported against WASA, as the number of complaints filed against this service provider accounted for 2783 or 85% of all complaints received as shown in figure 2.

Typically, during the dry season (January to May) the RIC receives an increasing number of complaints. However, the highest numbers of complaints were reported in April, June and July of 2012 as depicted in figure 3. This observation is directly related to problems emanating from WASA's and Desalcott's water production facilities. Through the ENRMP, the RIC was informed that Desalcott conducted emergency maintenance work at its facilities at the start of April 2012 which cut their daily production by 50%. Also, WASA cut production at its Caroni Water Treatment Plant in June 2012 from 75mgd to 60mgd owing to the build-up of silt and debris at the intake, which had to be cleaned. There were further production cuts at WASA's Caroni Plant in July 2012 due to the failure of one of its raw water intake pumps.

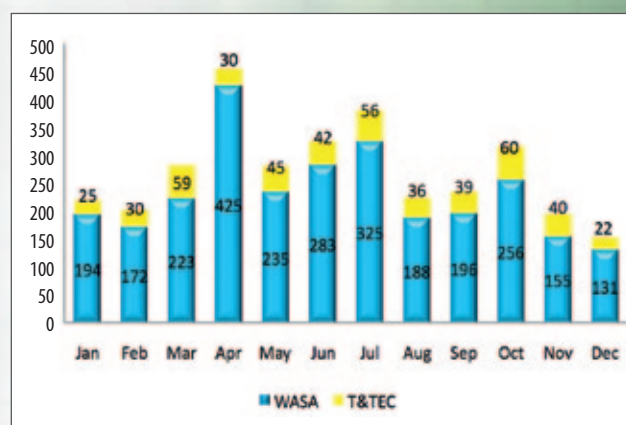
**Figure 1: Status of Complaints Received in 2012**



**Figure 2: Complaints Received in 2012 shown by Service Provider**



**Figure 3: Status of Complaints Lodged Against the Service Providers in 2012**



# DEPARTMENTAL REPORTS

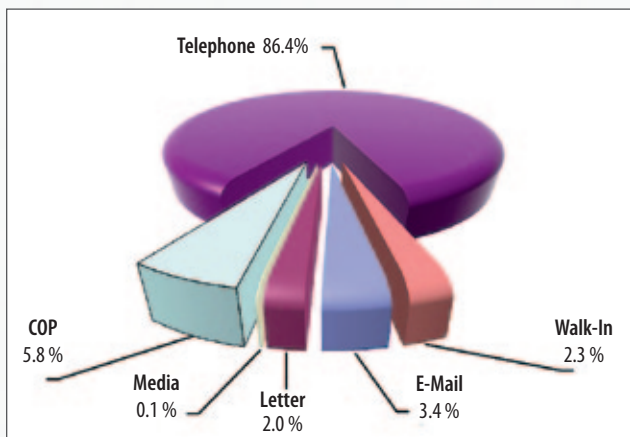
## CUSTOMER SERVICES

Most of the RIC's customers used its Toll-Free service (800-4RIC) to lodge and follow up their complaints. In 2012, 86% or 2,825 complaints were received by telephone. However, when compared to 2011 there was a 33% increase in the use of this medium to lodge complaints, as shown in table 7. Internet penetration rates have increased in Trinidad and Tobago, and as a consequence, the number of complaints received by email has increased by 44%. This medium represents 3.4% of all complaints received in 2012. Complaints received in person (walk-ins) and those by letter accounted for 2.3% and 2.0% respectively, as depicted in figure 4. The RIC resumed its Outreach Programme (OP) in 2012 and held eleven OPs, five (5) of which were held in Tobago. This resulted in 190 complaints being lodged and it represented 5.8% of all complaints received through this medium.

**Table 7: Number of Complaints shown by Receiving Medium for 2010 – 2012**

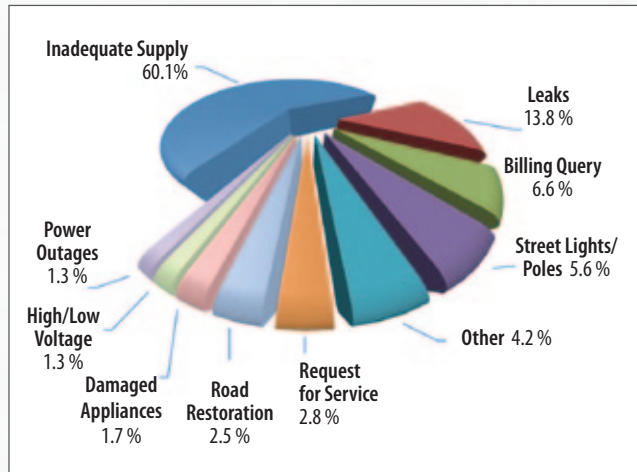
Receiving Medium	2010	2011	2012	% Change
E-Mail	60	77	111	44.2%
Letter	96	56	65	16.1%
Media	3	4	2	-50.0%
COP	0	0	190	-
Telephone	4320	2122	2823	33.0%
Walk-In	78	55	76	38.2%
<b>Total</b>	<b>4557</b>	<b>2314</b>	<b>3267</b>	<b>41.2%</b>

**Figure 4: Distribution of Complaints by Receiving Medium, 2012**

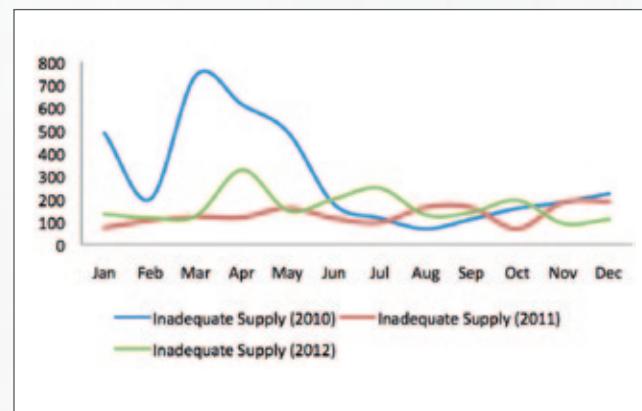


As shown in figure 5, Inadequate Supply was the most common problem reported by customers as 1,964 or 60.1% of complaints received in 2012 were related to this particular complaint category. This was similar to the previous year as 67.3% of all complaints in 2011 were attributed to the same category. A historical trend of the number of complaints over the last three years that are related to Inadequate Supply is provided in figure 6. The increase in complaints related to inadequate supply in 2012 was linked to maintenance issues at Desalcott, and at WASA's potable water facilities and also due to an increase in leaks. Other significant categories of complaints shown in figure 5, were Leaks, Billing Query, and Street/ Lights/Poles which represented 13.8%, 6.6% and 5.6% of the total complaints received respectively.

**Figure 5: Distribution of Complaints by Category, 2012**



**Figure 6: Historical Trend of Inadequate Supply Complaints 2010-2012**



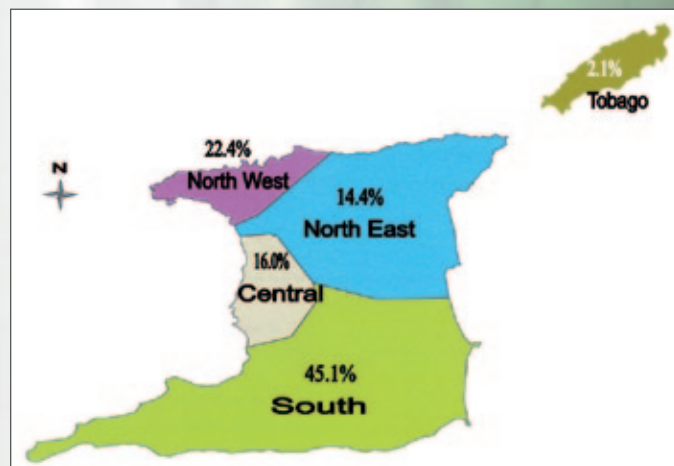
**Table 8: Distribution of Complaints Received by Category and Service Provider for the period, 2010-2012**

Service Provider	Complaint Category	Year			% Change
		2010	2011	2012	
T&TEC	Billing Query	63	31	30	-3.2%
	Damaged Appliances	57	37	57	54.1%
	High / Low Voltage	42	34	43	26.5%
	Other	46	38	71	86.8%
	Power Outages	51	50	41	-18.0%
	Request for Service	35	19	60	215.8%
	Street Lights / Poles	117	108	182	68.5%
		<b>411</b>	<b>317</b>	<b>484</b>	<b>52.7%</b>
WASA	Billing Query	87	62	187	201.6%
	Inadequate Supply	3568	1558	1964	26.1%
	Leaks	369	262	451	72.1%
	Other	57	47	67	42.6%
	Request for Service	28	18	31	72.2%
	Road Restoration	37	50	83	66.0%
			<b>4146</b>	<b>1997</b>	<b>2783</b>
	<b>TOTAL</b>	<b>4557</b>	<b>2314</b>	<b>3267</b>	<b>41.2%</b>

When the complaints were disaggregated by Service Providers, we observed that Street Lights/poles, Other, Request for Service and Damaged Appliances were the most reported complaints against T&TEC for 2012. As shown in table 8 above, they accounted for 37.6%, 14.7%, 12.4% and 11.8% of the complaints respectively for this service provider. In addition, Request for Service, Other, and Street Lights/poles were the complaint categories recording the highest percentage increases of 215.8%, 86.8% and 68.5% respectively, when compared to 2011.

The data for WASA indicated that Inadequate Supply, Leaks and Billing Queries were the most reported complaints, as these accounted for 70.6%, 16.2% and 6.7% of the complaints received respectively. All categories of complaints when compared to 2011 showed significant increases. The largest percentage increases were recorded from complaints related to Billing Queries, Request for Service and Leaks, which showed increases of 201.6%, 72.2% and 72.1% respectively.

The number of complaints received by the RIC was disaggregated by geographic location as shown in figure 7 and it was observed that the largest number of complaints reported came from the South region, which accounted for 45.1% or 2,588 complaints. This pattern appears to be relatively consistent with previous years as 57.9% and 56.8% came from the said region in 2011 and 2010 respectively. Tobago recorded the least number of complaints for 2012 which is also reflected in figure 7.

**Figure 7: Distribution of Complaints by Region, 2012**



# DEPARTMENTAL REPORTS

## CUSTOMER SERVICES

Table 9 shows the number of complaints from the various Regional/City Corporations throughout Trinidad as well as complaints from Tobago. Data from this table indicated that in 2012 there were some slight changes in terms of the ranking as 19.4% of the complaints reported in 2012, came from the Couva/Tabaquite/Talparo Regional Corporation, 14.0% came from the Penal/Debe Regional Corporation, and 10.4% came from the Princes Town Regional Corporation. However, what is noteworthy is that the RIC received fewer complaints from the Princes Town, Penal/Debe and Siparia Regional Corporations which recorded decreases of 29.1%, 6.9% and 4.4% respectively. All other Corporations and the Tobago House of Assembly (THA) recorded significant increases in the number of complaints with the THA, Diego Martin and San Fernando Corporations recording the highest percentage changes, to wit, 183.3%, 159.8% and 136.2% respectively.

Inadequate Water Supply complaints have historically been the most reported complaint and this trend continued in 2012. The RIC examined the 2012 complaints data to determine which areas in the four

geographic regions were considered to be the worst served areas. Table 10 indicates the five top areas (City/Town/Village) that are most affected in each region where these Inadequate Water Supply complaints were reported. Some changes were observed between 2011 and 2012, in the number of complaints from the areas that generated the most complaints. The number of complaints from Claxton Bay, Arima and Morvant, for instance, increased by roughly 100%. The RIC noted that complaints from the Diego Martin area increased by more than 200%, which was directly related to the number of repairs conducted at the Four Roads, Covigne and River Estate Booster stations at different times throughout the year. In the South region, the largest decline in complaints was observed in Barrackpore which registered approximately 340 complaints for the 2010 and 2011 period, while 101 complaints were recorded for 2012. While this represented a significant decrease for that area, and resulted from improvements on WASA's distribution network, it is important to note the sheer number of complaints that were reported in the South, as compared to the other regions.

**Table 9: Number of Complaints by Regional Corporations and the THA, 2010 - 2012**

City/ Borough Regional Corporation	Year			% Change
	2010	2011	2012	
Arima Borough Corporation	251	59	121	105.1%
Chaguanas Borough Corporation	185	86	142	65.1%
Couva/Tabaquite/Talparo Regional Corporation	656	332	633	90.7%
Diego Martin Regional Corporation	185	122	317	159.8%
Mayaro/Rio Claro Regional Corporation	74	38	88	131.6%
Penal/Debe Regional Corporation	1124	493	459	-6.9%
Point Fortin Borough Corporation	51	43	90	109.3%
Port of Spain City Corporation	192	129	187	45.0%
Princes Town Regional Corporation	590	481	341	-29.1%
San Fernando City Corporation	241	69	163	136.2%
San Juan/Laventille Regional Corporation	293	164	240	46.3%
Sangre Grande Regional Corporation	116	61	104	70.5%
Siparia Regional Corporation	341	90	86	-4.4%
Tunapuna/Piarco Regional Corporation	239	123	228	85.4%
Tobago House of Assembly	19	24	68	183.3%
	<b>4557</b>	<b>2314</b>	<b>3267</b>	41.2%

**Table 10: Complaints Related to an Inadequate Water Supply: The Top 5 Areas in each Region, 2010-2012**

Location	2010		2011		2012	
	Areas	Total	Areas	Total	Areas	Total
Central	Freeport	142	Cunupia	31	Claxton Bay	58
Central	Claxton Bay	82	Claxton Bay	27	Freeport	44
Central	Cunupia	37	Las Lomas No. 1	17	Cunupia	43
Central	Chaguanas	36	Carapichaima	12	Las Lomas No. 1	32
Central	Carapichaima	22	Chaguanas	11	Chaguanas	21
North East	Arima	152	Talparo	24	Arima	35
North East	Talparo	70	Arima	16	D'Abadie	25
North East	D'Abadie	28	Champ Fleurs	14	Talparo	12
North East	St. Joseph	28	D'Abadie	11	Cumuto	9
North East	Arouca	20	Sangre Grande	6	Guaico Tamana	8
North West	Santa Cruz	63	Santa Cruz	42	Diego Martin	102
North West	San Juan	62	Diego Martin	32	Morvant	52
North West	Morvant	34	Glencoe	23	Santa Cruz	40
North West	Barataria	33	Morvant	20	Port of Spain	30
North West	Port of Spain	33	Carenage	16	Glencoe	28
South	Penal	494	Barrackpore	339	Penal	194
South	Barrackpore	381	Princes Town	199	Gasparillo	167
South	Princes Town	344	Penal	136	Princes Town	129
South	Siparia	117	Tableland	58	Barrackpore	101
South	San Fernando	108	Gasparillo	57	Debe	69

Two areas in the South region recorded a noteworthy increase in the number of complaints, however, Gasparillo recorded almost three times the number of complaints in 2012 as compared to 2011. The RIC will monitor the situation and communicate with the utility if required, to ensure an improvement in service to these areas.

# DEPARTMENTAL REPORTS

## CUSTOMER SERVICES

One of the indicators the RIC uses to demonstrate its success in resolving complaints is the quantum of credit/rebate and compensation that is recovered for customers who have lodged their complaints with the Commission. Consumers can make their own assessment on the added value the RIC has brought to bear on the regulatory process. Over the last three years, the RIC has assisted in the recovery of \$4.65Mn dollars in rebates as depicted in table 11. For 2012, \$1.88Mn was recovered in rebates, of which 63.6% was paid by WASA. This figure represents a 19.5% increase when compared to 2011.

Another important performance indicator the RIC uses to measure the quality of its service delivery is its response time to complaints based on its internal

performance standards. Table 12 highlights the RIC's performance during 2012 against the four established standards.

The RIC's customer service representatives assisted 283 walk-in customers in 2012, resulting in 78 complaints being processed. Interestingly, 97.2% of the customers came to the RIC's office without an appointment. However, 85.1% were seen within 10 minutes and 95% were seen within 15 minutes regardless of whether they had an appointment or not. Of the eight customers who had an appointment, only one was not seen within the standard ten minute time frame. In that instance, it took eleven (11) minutes to meet with this customer. ●

**Table 11: Credit/Rebates obtained for customers by Complaint Type and Service Providers, 2010-2012 (TT\$)**

Service Provider	Type of Complaint	2010	2011	2012	3 Yr Total
T&TEC	Billing Classification	88,183.00	-	14,727.00	102,910.00
	Billing Query	92,344.00	109,731.00	568.00	202,643.00
	Damage to Property	4,500.00	188.00	1,798.00	6,486.00
	Damaged Appliances/ Equipment	26,701.00	66,861.00	55,685.00	149,247.00
	Other	799,421.00	4,108.00	610,269.00	1,413,798.00
	Reduction in Reserve Capacity	-	-	-	-
	Request for Service	-	37,378.00	-	37,378.00
	Retroactive Billing Adjustment	32,666.00	-	-	32,666.00
			<b>1,043,815.00</b>	<b>218,266.00</b>	<b>683,047.00</b>
WASA	Billing Classification	5,658.00	1,755.00	18,747.00	26,160.00
	Billing Query	124,126.00	390,276.00	502,770.00	1,017,172.00
	Damage to Property	25,500.00	904,635.00	670,000.00	1,600,135.00
	Disconnection / Reconnection	-	-	1,008.00	1,008.00
	Other Types of Liability Claims	-	55,533.00	-	55,533.00
	Retroactive Billing Adjustment	-	-	900.00	900.00
			155,284.00	1,352,199.00	1,193,425.00
	<b>Total Rebate</b>	<b>1,199,099.00</b>	<b>1,570,465.00</b>	<b>1,876,472.00</b>	<b>4,646,036.00</b>

**Table 12: RIC's Internal Performance Standards, 2010 - 2012**

Target Area	Standard	Performance Rating		
		2010	2011	2012
Response to Written Complaints	95% Within ten (10) working days	96.7%	98.2%	96.9%
Response to Telephone and E-mail Complaints	95% Within ten (10) working days	100%	99.9%	100%
Response to Overnight Messaging	100% Within one (1) working day	100%	100%	100%
Keeping Appointments	100% Within ten (10) minutes	100%	99.3%	87.5%



## CORPORATE COMMUNICATIONS

The RIC's Corporate Communications Strategy for 2012 focused on developing long term goals that contribute to overall increased awareness of the Commission, its mission and its accomplishments. The primary objective was the facilitation of coordinated, timely and effective communication with key stakeholders.

### SOCIAL MEDIA PRESENCE

Recognizing the positive impact that social media can have in communicating with various stakeholder groups, the RIC expanded its social media presence with the creation of a dedicated profile on social networking websites **Twitter** and **YouTube** where customers and stakeholders alike could interact with the RIC. The RIC also restructured and rebranded its **Facebook** profile in keeping with the changing trends in Social Media. These Social Media profiles/pages offer a steady stream of advice to electricity and water customers regarding complaints that the RIC can help to resolve. Additional information disseminated through these media included tips on unsafe practices to be avoided in the home and in the workplace, as part of the RIC's Home Safety Initiative. Several media releases and press advertisements were distributed this year using widely circulated daily newspapers and a cross section of radio stations, in order to effectively reach all members of the public.

### STAKEHOLDER RELATIONS – ENGAGING VILLAGE COUNCILS

Consumer-interest groups, Community-Based Organisations (CBOs) and Faith-Based Organizations (FBOs) serve as important mechanisms through which citizens and consumers make their ideas, needs and views known. To effectively engage consumers in the regulatory process, the RIC must understand the needs of all stakeholders and ensure that its approaches to customer engagement are appropriate for different types of end-users. Recognising the significance of their role, the RIC has been making significant strides in involving these groups in the regulatory process. An information

session was held at the Ministry of Community Development, with the President of the **Trinidad & Tobago Association of Village Councils** and nine other branch directors on Wednesday 14th March 2012, where the RIC's approach to stakeholder involvement was discussed. Village council representatives, including persons from outlying areas such as Mayaro, were eager to share their perspectives on the methods that would work best in their communities.

### PUBLIC AWARENESS AND STAKEHOLDER EDUCATION

#### *Roving Exhibition*

The Ministry of Public Utilities invited the RIC, as well as its other affiliate agencies to participate in the launch of a roving exhibition which was held at the Hyatt on Wednesday 8th August, 2012. This event was planned as part of Government's plans to commemorate the 50th Anniversary of Trinidad and Tobago's Independence. The launch marked the commencement of a series of roving exhibitions in the North, South, East and West of Trinidad and Tobago. The Ministry of Public Utilities made arrangements to capture and celebrate the growth of the utilities as well as Divisions under its purview using a pictorial display. The organizations that were targeted for the pictorial display were:

- The Water and Sewerage Authority;
- The Telecommunications Services of Trinidad and Tobago;
- The Trinidad and Tobago Electricity Commission;
- Meteorological Services Division;
- Government Printery;
- Electrical Inspectorate Division;
- Regulated Industries Commission; and
- The Postal Corporation of Trinidad and Tobago.

Pictures of the development and modernisation of the utilities and its infrastructure throughout the years were sourced from these organizations, as well as from other organisations such as the National Archives.

## CORPORATE COMMUNICATIONS

### STAKEHOLDER INVOLVEMENT

#### *RIC Five-Minute Infomercial*

The RIC created a five-minute infomercial with the objective of educating, informing and sensitising the public on its various roles and functions. The content embraced a timeless concept to ensure its intertemporal relevance and applicability. Through this infomercial, which featured comments from customers who have benefitted from the RIC's services over the years, the RIC also provided information on its new approaches to stakeholder involvement. Furthermore, it created an avenue to communicate to consumers the importance of taking an active role and participating in public consultations.

#### *RIC Radio Programme: Time to Talk*

The RIC was featured on 95.5 fm and Sangeet 106.1 fm radio stations from March to May, 2012 as part of a radio programme, *"UP for Discussion"*. On the programme, representatives of the RIC held informative discussions on topics of interest to consumers, including explaining and simplifying the RIC's approach to rate setting, the complaints process, the Codes of Practice and the Quality of Service Standards that have been developed for T&TEC. The response was tremendous, particularly since listeners had the opportunity to have their questions and concerns answered immediately.

#### *10th Annual Conference of Caribbean Utility Regulators*

The Organisation of Caribbean Utility Regulators (OOCUR) held its 10th Annual Conference in The Bahamas, over the period November 7 – 9, 2012. The Conference is an annual gathering of utility regulators and service providers from across the region where regulatory trends, issues and initiatives that are relevant to economic regulation of utilities in the Caribbean are discussed. This year's theme was "Utility Regulation in the Caribbean: A Case of the Harmonization of Approaches to Regulation." There were more than 70 participants from countries within the Caribbean region and also from the United States, United Kingdom, Ghana

and Nigeria. The RIC was represented by its Chairman, other members of the Board of Commissioners, as well as by its Executive Director, and three members of the RIC's staff who presented papers at the conference. The three-day conference provided the ideal opportunity to interact with regulatory counterparts and discuss country experiences across utility sectors.

The RIC's Customer Services Manager, Mohan Chadee, presented a paper on *"Effective Regulatory Strategies for Monitoring Performance and Enforcement Compliance."* His presentation explored the key components that were necessary to achieve effective monitoring, compliance and enforcement of regulatory guidelines, based on international best practices. The RIC's Utility Accountant, Sugrim Mungal, presented on *"Credit Ratings and Caribbean Utilities – Assessing the potential impact of utilizing the services of a credit rating agency"* which made a case for the use of credit rating agencies in the rate determination process. Finally, one of RIC's Standards Engineers, Derrick Phillips, presented research on *"The Feasibility of Advanced Metering Infrastructure (AMI) as a Universal Metering Strategy in a Caribbean Water Utility."* His paper examined the economic and technical feasibility of using AMI to implement a universal water metering system in Trinidad and Tobago. Other papers presented over the three days of the conference covered topics related to the regulation of water, electricity and telecommunication.

This conference represented a special milestone for OOCUR, the tenth anniversary of its formation. In recognition of this occasion, there was a special session dedicated to reflecting on the goals and achievement over the past years, and critical discussions about OOCUR's outlook for the next ten years. The RIC's Chairman shared her views on the way forward for OOCUR during this session. ●



## HUMAN RESOURCES / ADMINISTRATION

The Human Resources and Administration Department is responsible for matters related to employee relations, employee group plans, recruitment and selection, salary administration, health and safety, and training and development. The Department also provides services to meet the needs of all other support functions including Purchasing, Front Desk, Security, Janitorial, Hospitality, Facilities Management and Courier/Delivery.

### REVISED REMUNERATION

The Board of Commissioners approved salary adjustments for staff members for the period August 01, 2012 to July 31, 2013 thereby completing the adjustments for the final period of the three-year salary review.

### STAFF CHANGES

In 2012, the Assistant Executive Director, Technical Operations, the Corporate Communications Manager, a Senior Tariff Analyst and the Clerical Assistant (HR & Administration Department) resigned their positions at the RIC. However, only the positions of Corporate Communications Manager and Accounts Clerk were filled. Interviews were conducted for the vacant position of Utility Accountant and a successful candidate was offered the position. Even though the offer was accepted, the successful candidate did not take up the position.

### SUMMER INTERNSHIP

The RIC accepted, Duane Winchester, a final year MSc student from the Department of Economics UWI into its Internship Programme. The Intern was assigned to the Economics and Research Department for the period June 11, to August 31, 2012 and was supervised by the Deputy Executive Director. A monthly stipend of \$3,500.00 was paid to the Intern to assist with expenses.

### HEALTH & SAFETY

The RIC's Health and Safety Committee resumed regular monthly meetings in November 2012 and immediately began to work on resolving a number of outstanding health and safety issues including:

- reviewing of the RIC's draft health and safety policies;
- assignment of new emergency personnel;
- updating the safety training of the Committee's members;
- reviewing of fire prevention and suppression systems within the RIC; and
- installation of emergency lighting, evacuation procedures diagrams and exit signage, in accordance with approved Occupational Safety and Health Authority guidelines.

### TRAINING AND DEVELOPMENT

#### *In-House*

Procurement Training for Department Managers was arranged in 2012 since there were new managerial personnel who had not been exposed to that type of training. The *Procurement Training Workshop* was conducted by Mr. Pascall Marcelin, a procurement and contracts consultant attached to the Arthur Lok Jack Graduate School of Business (UWI). The programme covered several aspects of procurement, including how to define and assess the role and function of procurement across various Departments at the RIC, selecting the right suppliers and evaluating their performance, identification of key internal controls for transparency and accountability with the procurement process, detection and prevention of unethical practices and finally, the laws governing procurement and tendering processes, specifically those that apply to public procurement. The Workshop was held over a two-day period in April 2012 at the RIC's Training Room.



# DEPARTMENTAL REPORTS

## HUMAN RESOURCES / ADMINISTRATION

At the end of the previous year, the RIC hired three new members of staff in the Economics and Research Department. An assessment of several members of staff was conducted regarding their familiarity with forecasting and economic modelling. These skills are essential concepts to the demand forecasting exercise which forms part of the rate determination process. The RIC invited Professor Patrick Watson, Director of the Sir Arthur Lewis Institute of Social and Economic Studies, U.W.I., to conduct an in-house training programme titled “*Economic Modelling and Forecasting Techniques*”. This five-day workshop was held in June 2012 and introduced participants to the fundamental methods of Econometric Modelling but also focused on the application of those techniques to practical situations. The course equipped participants with the skills and techniques to effectively and efficiently improve their performance in analytical work. Further, the facilitator explored the capabilities of EViews in carrying out econometric analysis and for reporting the results derived. Apart from five members of RIC staff, representatives from the Central Statistical Office (CSO), Water and Sewerage Authority, and the Trinidad & Tobago Electricity Commission participated in the course.

In November 2012, the RIC hosted a training programme titled “*Utility Regulation Training Course*” conducted by the United Kingdom based Marketforce Business Media. The two-day training programme was facilitated by Dr. Andrew Lilico, Principal and Director of Europe Economics. Several members of technical staff had recently joined the RIC and this type of regulatory training was essential to developing their understanding of utility regulation. In total, ten members of staff participated in the training exercise. To make the programme cost effective and to encourage collaboration amongst its regulatory counterparts, invitations were sent to RIC’s OOCUR affiliates and also to local service providers that RIC regulates. Delegates from St. Lucia, Jamaica and The Bahamas as well as local counterparts from the Telecommunications Authority of T&T, Trinidad and Tobago Electricity Commission,

Water and Sewerage Authority and the Ministry of Public Utilities attended the course. Attendees gained a better understanding of the fundamentals of price controls, including assessment of efficiency costs, cost of capital, financing options and incentive schemes.

In addition to the above training, the RIC continued its commitment to developing its staff by exposing them to a number of other training programmes, which were available both locally and abroad, including on-line programmes from internationally recognized training institutions.

### *Foreign Training*

Four members of staff participated in training programmes hosted by international agencies in areas such as; *Rate Design, Smart Metering, Managing Electricity Infrastructure, and Call Centre Management.*

### *Other Training Activities*

Several members of staff participated in a range of technical and non-technical workshops, conferences and seminars hosted by a variety of institutions including ACCA / ICATT, the Arthur Lok Jack Graduate School of Business, Areef Ali & Associates and GovStrat Limited. A number of employees also completed online training programmes offered by the Institute for Public-Private Partnership (IP3), and were awarded certificates. ●

## INFORMATION TECHNOLOGY

The Information Technology (IT) Department provides and maintains a number of IT support services to all Departments within the RIC. Additionally, an in-house Committee comprised of Management and Technical staff reviews the organization's IT requirements as they arise. This is important because decisions related to IT equipment usually involve high asset replacement and maintenance contract costs.

### SOFTWARE AND HARDWARE REQUIREMENTS

During 2012, several software contracts were renewed to ensure that IT services throughout the RIC were maintained at optimal levels. Additionally, hardware purchases were necessary to replace outdated equipment and also to provide relief in case of any equipment failure. Hardware purchases included a new Uninterruptible Power Supply (UPS) system, one (1) network switch, five (5) computers, one (1) multimedia projector, and five (5) surge protectors/line conditioners.

### IT SYSTEMS PERFORMANCE

The IT Department recorded 99% uptime in its server services which includes email, file, internet and accounting services. The RIC's network switches and its VMware software are due for upgrades, which will further reinforce the reliability of the network. The Department continues to seek out new approaches towards improving the Information Technology solutions in operating systems, hardware, security software, communication devices, and also strengthening any potential vulnerabilities, such as disaster recovery planning and implementing Green IT into the operations. ●

# FINANCES OF THE RIC

The RIC's income is derived via an allocation known as Cess, which is levied on the service providers that are listed in the 1st Schedule of the RIC Act. The Cess Order, authorising the RIC to collect cess from the regulated entities, was gazetted on March 1st, 2012. The Cess Factor in 2012 was 0.35% of the cumulative revenue of the service providers under the RIC's purview. The actual amount of cess paid by each service provider is itemized in **table 13** below.

**Table 13: Cess Paid by Service Provider, 2012**

Service Provider	TT\$ Amount
Trinity Power	489,572
The Power Generation Company of Trinidad & Tobago Limited	2,822,935
The Trinidad and Tobago Electricity Commission	9,205,019
The Water and Sewerage Authority	1,898,081
<b>TOTAL</b>	<b>14,415,607</b>

Any unused cess from the previous year is carried forward into the following year. In this regard, \$1,249,199 was carried forward from 2011 to be utilised in 2012.

A Budget of \$16,385,367 for the financial year was approved by the Minister of Public Utilities, by Cess Order dated February 14th, 2012. The RIC's actual expenditure in 2012 showed a similar pattern as the previous year, with the largest expense categories being Personnel and Accommodation Expenses, at 64.3% and 16.6% respectively. Overall expenditure was lower than budgeted resulting in an amount of unused cess.

A full breakdown of the main items of expenditure is presented in **table 14** below.

**Table 14: Actual vs Budgeted Expenditure, 2012**

	2012	
	Budget (\$)	Actual (\$)
Personnel Expenditure	10,349,502	9,734,706
Accommodation	2,515,800	2,511,600
Consulting and Contracting	620,065	469,436
Training	700,000	723,747
Public Education, Promotion & Printing	600,000	709,615
Capital Expenditure and IT	400,000	102,142
Other Costs	1,200,000	884,922
<b>TOTAL</b>	<b>16,385,367</b>	<b>15,136,168</b>

The RIC is committed to ensuring that its costs are carefully controlled and that there is transparency in its operations. In keeping with these commitments, individuals who wish to access any information on the RIC's financial operations may do so through the established channels. ●



# COMMISSIONERS FOR 2012



**DR. ANNE-MARIE MOHAMMED**  
CHAIRMAN



**NIEGEL SUBIAH**  
COMMISSIONER



**MARK SEEPERSAD**  
COMMISSIONER



**WILLIAM RAJNAUTH**  
COMMISSIONER



**SUNITA GANPAT**  
COMMISSIONER



**RAWLE RAPHAEL**  
COMMISSIONER



**BRIAN NEDD**  
COMMISSIONER



# MANAGEMENT TEAM



**HARJINDER S. ATWAL**  
EXECUTIVE DIRECTOR



**GLENN A. KHAN**  
DEPUTY EXECUTIVE DIRECTOR



**GARVIN ALEXANDER**  
ASSISTANT EXECUTIVE DIRECTOR  
TECHNICAL OPERATIONS



**RISHI MAHARAJ**  
ASSISTANT EXECUTIVE DIRECTOR  
ECONOMICS & RESEARCH



**NADIA JOHN**  
LEGAL/CORPORATE SECRETARY



**KAZIM KHAN**  
CHIEF FINANCIAL OFFICER



**HELEN PERU**  
MANAGER  
HUMAN RESOURCES &  
ADMINISTRATION



**MARTIN HAYNES**  
INFORMATION TECHNOLOGY  
MANAGER



**MOHAN CHADEE**  
CUSTOMER SERVICES  
MANAGER



**DRISELLE RAMJOHN**  
MANAGER  
CORPORATE COMMUNICATIONS



**REPUBLIC OF TRINIDAD AND TOBAGO  
AUDITOR GENERAL'S DEPARTMENT**

**REPORT  
OF THE  
AUDITOR GENERAL**

**ON THE FINANCIAL STATEMENTS OF THE  
REGULATED INDUSTRIES COMMISSION**

**FOR THE YEAR ENDED**

**31<sup>st</sup> December 2012**





## **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 31ST DECEMBER 2012**

The accompanying Financial Statements of the Regulated Industries Commission for the year ended 31st December 2012 have been audited. The Statements comprise a Statement of Financial Position as at 31st December 2012, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 31<sup>st</sup> December 2012 and Notes to the Financial Statements numbered 1 to 15.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The management of the Regulated Industries Commission is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and Ministry of Finance directives and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit was carried out in accordance with section 34(2) of the Regulated Industries Commission Act, Chapter 54:73. The audit was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the 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.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

### OPINION

6. In my opinion, the Financial Statements present fairly, in all material respects, the financial position of the Regulated Industries Commission as at 31st December 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Ministry of Finance directives.

### SUBMISSION OF REPORT

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

4<sup>th</sup> April, 2014



*Sharmar Otley*  
SHARMAN OTLEY  
AUDITOR GENERAL

REGULATED INDUSTRIES COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2012  
TABLE OF CONTENTS

	<u>PAGE NUMBERS</u>
TABLE OF CONTENTS	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-10



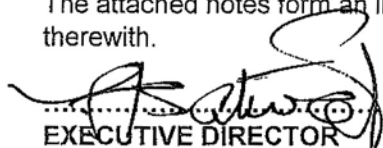
**REGULATED INDUSTRIES COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2012**


(With comparative figures as at 31st December, 2011)

	Notes	<u>2012</u> \$	<u>2011</u> \$
<b>ASSETS</b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Motor Vehicles		686,240	400,421
Computers & Office Equipment		1,408,172	1,356,244
Office Furniture		354,928	369,978
Assets from Public Utilities Commission		541	2,063
	N3	<u>2,449,881</u>	<u>2,128,706</u>
<b><u>CURRENT ASSETS</u></b>			
Prepayments	N4	167,891	144,786
Rental Deposit		16,738	16,738
Cash in Hand		3,000	2,150
Bank - Current Account		4,581,127	1,042,273
Bank - Money Market Fund Account	N5	20,383,288	23,843,173
Accounts Receivable	N6	51,698	218
Refundable Deposit	N7	154,700	154,700
V.A.T. Recoverable	N8	300,633	287,982
		<u>25,659,075</u>	<u>25,492,020</u>
<b>TOTAL ASSETS</b>		<u>28,108,956</u>	<u>27,620,726</u>
<b>CAPITAL &amp; LIABILITIES</b>			
<b><u>ACCUMULATED FUNDS</u></b>			
Accumulated Funds - Government Grants	N10	541	2,063
Retained Earnings		26,422,700	24,439,164
Retained Earnings - Depreciation on P.U.C. Assets	N11	152	299
Surplus for the year		338,497	1,944,464
		<u>26,761,890</u>	<u>26,385,990</u>
<b><u>CURRENT LIABILITIES</u></b>			
Accounts Payable			
- Other	N12	226,014	135,996
Gratuity Provision		60,796	143,776
Pension		838,091	760,713
Salary		222,165	194,251
		<u>1,347,066</u>	<u>1,234,736</u>
<b>TOTAL CAPITAL &amp; LIABILITIES</b>		<u>28,108,956</u>	<u>27,620,726</u>



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

  
 EXECUTIVE DIRECTOR

  
 CHAIRMAN

On 12/12/13, the Commissioners of Regulated Industries Commission approved these financial statements.

**REGULATED INDUSTRIES COMMISSION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**  
(With comparative figures for the year ended 31st December, 2011)

	<u>Notes</u>	<u>2012</u> \$	<u>2011</u> \$
<b><u>INCOME</u></b>			
CESS		14,415,607	14,688,433
Other	N13	320,967	314,503
<b>TOTAL INCOME</b>		<b><u>14,736,574</u></b>	<b><u>15,002,936</u></b>
<b><u>EXPENSES</u></b>			
Advertising and Promotions		375,944	309,533
Allowances		224,529	362,757
Audit Fees		53,468	30,574
Bank Charges		3,355	3,001
Books and Periodicals		1,667	6,810
Charitable Contributions		4,159	150
Consultation Expenses		13,945	24,277
Contract Gratuities		166,058	40,000
Contracted Services		127,230	103,699
Depreciation	N3	497,555	589,339
Government Contribution to NIS		231,581	196,735
Group Health Insurance		145,640	122,455
Group Life Insurance		93,577	72,156
Insurance		63,522	52,281
Mail and Postage		3,790	7,674
Miscellaneous Expenses	N14	139,291	184,709
Motor Vehicle Maintenance		52,205	59,214
Office Expenses		136,810	100,787
OOCUR Expenses		128,464	31,568
Pension Expense		557,768	530,965
Professional Fees and Legal Fees		3,500	-
Remuneration to Board Members		561,000	502,562
Rent		2,184,000	2,184,000
Repairs and Maintenance		25,660	2,320
Salaries		7,320,150	6,487,587
Security and Janitorial Services		178,883	169,449
Subscriptions		155,818	195,316
Telephones		240,319	218,128
Training		691,368	455,676
Uniforms		16,821	14,750
<b>TOTAL EXPENSES</b>		<b><u>14,398,077</u></b>	<b><u>13,058,472</u></b>
<b>NET SURPLUS FOR THE YEAR</b>		<b><u>338,497</u></b>	<b><u>1,944,464</u></b>

**REGULATED INDUSTRIES COMMISSION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**AS AT 31ST DECEMBER 2012**

	NOTES	RETAINED EARNINGS \$	ACCUMULATED FUND GOVERNMENT GRANT RELATING TO P.U.C. * \$	TOTAL \$
Opening Balance as at 01-Jan-12		26,383,927	2,063	26,385,990
Surplus for the year		338,497	-	338,497
Depreciation on P.U.C. Assets	N11	152	(1,522)	(1,370)
Prior Period Adjustment	N15	38,773	-	38,773
Closing Balance as at 31-Dec-12		26,761,349	541	26,761,890

**AS AT 31ST DECEMBER 2011**

		RETAINED EARNINGS \$	ACCUMULATED FUND GOVERNMENT GRANT RELATING TO P.U.C. * \$	TOTAL \$
Opening Balance as at 01-Jan-11		24,489,456	2,424	24,491,880
Surplus for the year		1,944,464	-	1,944,464
Depreciation on P.U.C. Assets		299	(361)	(62)
Prior Period Adjustment		(50,292)	-	(50,292)
Closing Balance as at 31-Dec-11		26,383,927	2,063	26,385,990

\* P.U.C. - Public Utilities Commission



**REGULATED INDUSTRIES COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**  
(With comparative figures for the year ended 31st December, 2011)

	<u>2012</u>	<u>2011</u>
	\$	\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
<b>Net Surplus for the year</b>	<b>338,497</b>	<b>1,944,464</b>
Adjustments:		
Depreciation	497,555	589,339
Prior Period Adjustment	38,773	-
(Profit)/Loss on Asset Disposal	(55,522)	52,522
Interest on Investment	(224,902)	(296,179)
	<u>594,401</u>	<u>2,290,146</u>
Increase in Accounts Payable	90,018	16,504
(Decrease) in Gratuity Provision	(82,980)	(137,601)
Increase in Pension	77,378	549,747
Increase/(Decrease) in Salaries	27,914	(1,237,991)
(Increase)/Decrease in Prepayments	(23,105)	18,394
(Increase) in Accounts Receivable	(51,480)	-
(Increase)/Decrease in VAT Recoverable	(12,651)	127,280
<b>Net Cash Flow from Operating Activities</b>	<b><u>619,495</u></b>	<b><u>1,626,479</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	(925,068)	(151,100)
Proceeds from Asset Disposals	160,490	-
Interest on Investment	224,902	296,179
<b>Net Cash (Used in)/Flow from Investing Activities</b>	<b><u>(539,676)</u></b>	<b><u>145,079</u></b>
<b>NET CASH INFLOW BEFORE FINANCING ACTIVITIES</b>	<b>79,819</b>	<b>1,771,558</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash Flow from Financing Activities	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>79,819</u></b>	<b><u>1,771,558</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR</b>	<b>24,887,596</b>	<b>23,116,038</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>24,967,415</u></b>	<b><u>24,887,596</u></b>
<b><u>REPRESENTED BY:</u></b>		
Cash in Hand	3,000	2,150
Bank - Current Account	4,581,127	1,042,273
Bank - Money Market Fund Account	20,383,288	23,843,173
	<b><u>24,967,415</u></b>	<b><u>24,887,596</u></b>

**REGULATED INDUSTRIES COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**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 CESS 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 market value. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

**REGULATED INDUSTRIES COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**3 NON-CURRENT ASSETS - \$2,449,881**

	Total \$	Motor Vehicle \$	Computers and Office Equipment \$	Office Furniture \$	Assets From PUC \$
<b><u>COST</u></b>					
Balance as at 01-Jan-12	5,444,214	780,619	3,502,699	1,136,151	24,745
Additions for the Year	925,068	473,820	416,078	35,170	-
Disposals made during the year	(692,999)	(273,109)	(398,064)	(9,026)	(12,800)
Balance as at 31-Dec-12	<u>5,676,283</u>	<u>981,330</u>	<u>3,520,713</u>	<u>1,162,295</u>	<u>11,945</u>

**ACCUMULATED DEPRECIATION**

Balance as at 01-Jan-12	3,315,508	380,198	2,146,455	766,173	22,682
Depreciation for the year	497,403	116,062	333,384	47,957	-
Disposal made during the year	(586,661)	(201,169)	(367,299)	(6,763)	(11,430)
Depreciation for the year - PUC Assets	152	-	-	-	152
Balance as at 31-Dec-12	<u>3,226,402</u>	<u>295,091</u>	<u>2,112,540</u>	<u>807,367</u>	<u>11,404</u>

NET BOOK VALUE AS AT 31-DEC-12	2,449,881	686,239	1,408,173	354,928	541
--------------------------------	-----------	---------	-----------	---------	-----

NET BOOK VALUE AS AT 31-DEC-11	2,128,706	400,421	1,356,244	369,978	2,063
--------------------------------	-----------	---------	-----------	---------	-------

**4 PREPAYMENTS - \$167,891**

	<b><u>2012</u></b> \$	<b><u>2011</u></b> \$
Prepayments comprise:		
Insurance	40,292	38,596
Copiers Maintenance Contract	18,196	19,252
Software Licenses	20,320	23,034
Contract Services	36,714	63,904
OOCUR membership	32,233	-
Website Upgrade	20,136	-
	<u>167,891</u>	<u>144,786</u>



**REGULATED INDUSTRIES COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**5 BANK - MONEY MARKET FUND ACCOUNT - \$20,383,288**

	<u>2012</u> TT\$	<u>2011</u> TT\$
The investments are with respect to accounts held with Republic Bank Limited. They are:		
RBL Money Market	639,177	4,349,685
RBL Money Market (Land)	6,952,525	6,875,703
RBL Pooled Bond	7,963,289	7,818,499
RBL Certificate of Deposit	4,828,297	4,799,286
	<u>20,383,288</u>	<u>23,843,173</u>

**Financial Risk**

For the purposes of these financial statements, financial assets include the money market fund, trustee pooled bond and certificate of deposit. All amounts are fixed with the application of simple interest on invested amounts. As at 31st December, 2012 the recorded values of all financial assets approximate their fair values and these financial instruments can be redeemed at any point in time.

**6 ACCOUNTS RECEIVABLE - \$51,698**

	<u>2012</u> \$	<u>2011</u> \$
Accounts Receivable comprise:		
Employee Group Health	218	218
T&TEC - Market Force Training	19,305	-
WASA - Market Force Training	19,305	-
MPU - Market Force Training	12,870	-
	<u>51,698</u>	<u>218</u>

**7 REFUNDABLE DEPOSIT - \$154,700**

	<u>2012</u> \$	<u>2011</u> \$
Refundable Deposit with Trinidad and Tobago Unit Trust Corporation	122,832	** 122,832
Deposit of two (2) months rent with Furness (Trinidad) Ltd	154,700	154,700
	<u>277,532</u>	<u>277,532</u>
Provision for Bad Debt	(122,832)	(122,832)
	<u>154,700</u>	<u>154,700</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 54:73.

**8 V.A.T. RECOVERABLE - \$300,633**

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

**REGULATED INDUSTRIES COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**9 TAX EXEMPT STATUS**

By virtue of the Regulated Industries Commission Act, Chapter 54:73, Section 31, the Commission is exempt from all stamp duty, taxes, duties, customs duties, levies and other imposts on its income, profit or on assets which it acquires for its own use.

**10 ACCUMULATED FUNDS - GOVERNMENT GRANTS - \$541**

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 P.U.C. ASSETS - \$152**

An amount equivalent to the depreciation charge on assets taken over from the former Public Utilities Commission (PUC) was transferred from the Reserves Accumulated Funds - Government Grants to Retained Earnings. This measure, in effect, reimbursed the Regulated Industries Commission for the depreciation expense incurred on behalf of the PUC.

The method of depreciation used is in accordance with circular F 22/8/43 issued by the Ministry of Finance to all Government institutions on 23rd July 1969.

( See Statement of Changes in Equity. Page 4 )

**12 ACCOUNTS PAYABLE OTHER - \$226,014**

	<u>2012</u>	<u>2011</u>
	\$	\$
Accounts Payable comprise:		
Audit Fees	85,432	57,500
Auditor General	6,000	4,451
Arrears of Increment	10,288	10,288
Fairfield Complex	300	300
Catering Christmas Lunch	9,172	9,172
Security	9,108	7,200
Office Expense	1,428	3,901
Staledated cheques	44,080	43,184
Janitorial	6,673	-
Telephone	40,144	-
Advertising	13,389	-
	<u>226,014</u>	<u>135,996</u>

**REGULATED INDUSTRIES COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**13 OTHER INCOME - \$320,967**

	<u>2012</u>	<u>2011</u>
	\$	\$
Interest from Investments	224,902	296,179
Profit/(Loss) on Disposal of Assets	55,522	(52,522)
Other Receipts	40,543	70,846
	<u>320,967</u>	<u>314,503</u>

**14 MISCELLANEOUS EXPENSES - \$139,291**

	<u>2012</u>	<u>2011</u>
	\$	\$
Staff Functions	60,534	114,822
Staff Welfare	52,031	55,553
Catering	26,726	14,334
	<u>139,291</u>	<u>184,709</u>

**15 PRIOR PERIOD ADJUSTMENTS - \$38,773**

	<u>2012</u>	<u>2011</u>
	\$	\$
The Prior Period adjustments are with respect to:		
Under-statement of VAT Recoverable	(5,135)	-
Over-statement of Interest Income	44,411	-
Under-statement of Prepayments	(503)	-
Over-statement of IBM Laptop	-	18,230
Over-statement of Symantec Back-up System	-	34,700
Under-statement of Cell-phone	-	(2,638)
	<u>38,773</u>	<u>50,292</u>

**16 PENSION - \$557,768**

The Regulated Industries Commission (RIC) has engaged the Royal Bank of Canada (RBC) for the purchase of the Royal Bank Employee Retirement Benefit Plan ("Group Future Cash Plan"), which is classified a defined contribution plan. The RIC has contracted RBC which is the issuer of the Group Future cash plan to provide a deferred annuity to each employee upon retirement. Employees are required to contribute 5% of gross salary while the RIC/employer contributes 10% of gross salary.









1st & 3rd Floors, Furness House  
Cor. Wrightson Road & Independence Square, Port of Spain. P.O. Box 1001  
Tel: 800-4RIC (4742), 627-7820, 627-0821; 627-0503; 625-5384  
Fax: 624-2027  
Website: [www.ric.org.tt](http://www.ric.org.tt) Email: [ricoffice@ric.org.tt](mailto:ricoffice@ric.org.tt)

*Protecting YOUR Interests*