



## REGULATED INDUSTRIES COMMISSION

October 26<sup>th</sup> 2006

### FOR IMMEDIATE RELEASE

#### **RIC INITIATIVES WILL REDUCE RATES FOR VULNERABLE GROUPS**

For Low-income earners, paying their electricity bill will become easier. This is the assurance given in the Final Determination, which was released by the Regulated Industries Commission (RIC) on Thursday 1<sup>st</sup> June 2006 subsequent to T&TEC's rate review application.

Initial public response to the impact of the increased rates has been passionate and has roused much debate, as many prepare for what is perceived as an additional financial burden. At consultations with the public, various stakeholders contended that lower-income groups would be particularly disadvantaged. The RIC is sensitive to their dilemma, and the impact of increased prices on lower-income groups such as pensioners, the differently-abled, and other vulnerable groups, is of particular concern to the RIC.

To this end, the RIC has proposed three main proposals for reducing the full brunt of the rate increase on low-income earners. Professor. Dennis Pantin, Chairman of the RIC points out that, "the RIC's role is to also serve the interests of customers and to cushion the impact of increased rates as much as possible." Consequently, the RIC has proposed a \$5 million **Low-Income Assistance Programme** that will benefit those who rely on Old aged pensions and disabled persons whose monthly income is approximately \$1,150.00 or less. A customer's eligibility as a low-income earner is assured only after their application is registered with T&TEC, and will only be confirmed after an assessment is done. The fund will therefore be used for:

- Customer bill assistance (that is, a maximum of 7% and 5% of customer's bill for customers using less than 100 kWh and between 101 to 400 kWh respectively);
- Appliance repair assistance; and
- Arrears forgiveness.

Apart from these, other measures under the low-income assistance programme will include:

- Waiving of interest payments on outstanding accounts;
- Protection from service termination (some forms of non-payment are not to be tolerated i.e. illegal tampering of meters); and
- Extended payment arrangements i.e. the option of arranging alternative payment schedules and deferring payments.

Additionally, with respect to low-income groups, the RIC's other proposals for reducing the impact of increased prices include a Discount Plan/Tariff Mechanism which is a system, that allows households to pay a lower rate for certain monthly consumption levels dependent on

customer usage. The Fixed Dollar discount on the customer charge has already been factored into the customer charge and this constitutes a subsidy of \$0.53 million for customers using less than 400 kWh. Moreover, these customers also benefit from a Fuel Cost Subsidy of \$12 million. In total, residential customers will benefit from overall subsidies worth \$223 million.

As an impartial body, the RIC is working to ensure the development and the delivery of the highest quality of utility services while ensuring that all stakeholders are treated fairly. For the RIC, adding value to the lives of citizens of Trinidad and Tobago continues to be a high priority item.

End of Release.

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