



Performance Monitoring and Reporting Framework

*For the
Water and Wastewater Sector*

January
2021

This document is a summary of the RIC's consultative document on the "Performance Monitoring and Reporting Framework for the Water and Wastewater Sector".

Summary Document

1. Background

Section 6(1) of the Regulated Industries Commission (RIC) Act empowers the RIC to prescribe standards of service; monitor service providers and conduct checks to determine compliance with the standards; and carry out studies of efficiency and economy of operation and of performance by service providers and to publish the results.

In keeping with the above, the RIC established a Performance Monitoring and Reporting Framework for the Electricity Transmission and Distribution Sector in 2005¹, and is now seeking to institute a **PMR Framework for the purposes of monitoring the Water and Wastewater Sector in Trinidad and Tobago**. The latter will form part of the RIC's overall compliance and reporting framework for the sector, and will take effect once the RIC's publishes its Final Determination on Rates and Charges for the Water and Wastewater Sector.

2. Purpose of this Document

This document presents a summary of the RIC's consultative document "Performance Monitoring and Reporting Framework for the Water and Wastewater Sector." A copy of the main document can be accessed on the RIC's website <http://www.ric.org.tt/publications/>.

3. Responding to the Document

All persons wishing to comment on the main consultative document are invited to submit their written responses **by 4:00 pm on February 15th, 2021**. Responses should be sent by post, fax or email to:

Executive Director
Regulated Industries Commission
#37 Wrightson Road
Port-of-Spain, Trinidad
Postal Address: P.O. Box 1001, Port-of-Spain, Trinidad

Tel. : 1(868) 625-5384; 627-7820; 627-0821; 627-0503

Fax : 1(868) 624-2027

Email : ricconsultation@ric.org.tt

Website : www.ric.org.tt

¹ The PMR Scheme for Electricity and Transmission Sector has worked well and there has been improvement in the performance of the utility.

All responses will normally be published on the RIC's website unless there are good reasons why they must remain confidential. Any requests for confidentiality must be indicated.

4. Overview of the Proposed Regulatory Approach for the PMR Framework

In short, the PMR Scheme would be a significant performance driver and useful tool for:

- informing customers and other interest groups about the level of service they are receiving;
- providing information and data for developing regulatory standards where required and for on-going assessment of compliance with such standards;
- informing the decision-making processes of regulators;
- identifying baseline performance of service providers as well as comparing relative performance with other utilities; and
- assessing the current performance of the sector and determining areas for improvement of service needs.

The performance indicator scope of the PMR Framework would broadly cover the following major areas:

- baseline explanatory data (e.g. customer number, system length);
- network reliability and efficiency (e.g. leakages, interruptions);
- customer responsiveness and services (e.g. response to service disruptions, complaints handling);
- financial performance (e.g. profitability - that is assessing profit or loss position, return on RAB);
- service coverage (e.g. water coverage, sewerage coverage); and
- affordability (e.g. prices).

The reporting and verification mechanisms in the PMR Framework will require:

- WASA to allocate adequate resources to ensure that it implements a collection and reporting system to provide information/data to the RIC in accordance its regulatory commitments;
- Regulatory audits to be undertaken by RIC or an external auditor, to assess the effectiveness and efficiency of the service provider's design or systems of control for data collection, as well as to ascertain the integrity of the data provided; and
- The RIC to publish an annual report of the WASA's performance. This report will serve as a measure of performance for the service provider, and a permanent record of the progress attained with respect to the specified performance indicators.

5. Further Proposals for the PMR Framework

In keeping with the proposals from the Review of PMR Framework for Electricity Transmission and Distribution Sector², the RIC will initiate the following measures:

1. Employ all enforcement powers contained in the RIC Act to obtain timely and reliable information from the service provider, including:
 - Caution letters;
 - Publication of non-compliance in the media; and
 - Any other action necessary to achieve compliance (inclusive of fines);

2. Report on an abbreviated list of major indicators (i.e. “traffic signal” indicators) at six (6) months intervals to give a snapshot of the performance and financial health of WASA. In order to provide a broad perspective, the indicators will cover the following areas: **financial health, operational efficiency and customer responsiveness**. The rationale behind this list of indicators is to depict the overall health and performance of the service provider using no more than six (6) indicators that may be of interest to customers and easily understood by them (see Table below). These “traffic signal” indicators will also be included in the water bills of customers; and

Table – List of Major Indicators

INDICATOR	What it Measures
Non-revenue water	Non-revenue water represents water that has been produced and is “lost” before it reaches the customer (either through leaks, through theft, or through unbilled legal usage).
Current Ratio	Financial Health – Liquidity
% Net Profit	Financial Health (assessing the profit or loss position of the service provider)
Number of employees per 1000 connections	Operational Efficiency of the service provider
Written Complaints Response Rate	Customer Responsiveness

3. Employ all enforcement powers under the RIC Act as necessary to obtain timely and reliable information from the service provider.

² Review of Performance Monitoring and Reporting Framework for the Electricity Transmission and Distribution Sector (January 2021), <http://www.ric.org.tt/publications/>.