



REGULATED INDUSTRIES COMMISSION

RIC NEWS

September - December 2010

ISSUE: 3
VOLUME: 7



INVITATION FOR PUBLIC COMMENTS

1. Improving Transparency and Accountability in the Electricity and Water Sectors
2. Stakeholder Involvement in Regulatory Decision-Making
3. Information Requirements: Business Plan - June 01, 2011 – May 31, 2016 - Trinidad & Tobago Electricity Commission
4. Framework and Approach – Second Regulatory Control Period – 2011 – 2016 – Electricity Transmission & Distribution Sector

In this Issue

- P.2 - INVITATION FOR PUBLIC COMMENTS
- P.3 - NAMING & SHAMING - Public Disclosure of Non-Compliance
- P.4 - UTILITY ASSISTANCE PROGRAMME (UAP) – Launched
- P.4 - Quarterly Complaints Report
- P.5 - 8th Annual OOCUR Conference
- P.6 - Annual Dry Season Plan - WASA
- P.6 - Your Questions ANSWERED
- P.7 - "Water- Beyond the Surface: Sustaining Life, Securing the Future"
- P.8 - AN EVENING WITH FAMILY & FRIENDS - Christmas Party 2010

**REGULATED
INDUSTRIES
COMMISSION**

Protecting *YOUR* Interests

www.ric.org.tt



GIVE US YOUR
FEEDBACK...

INVITATION FOR PUBLIC COMMENTS

Consistent with the provisions of the RIC Act No. 26 of 1998 Section 6 (2), the Regulated Industries Commission is inviting comments on the following documents:



- 1. Improving Transparency and Accountability in the Electricity and Water Sectors**
- 2. Stakeholder Involvement in Regulatory Decision-Making**
- 3. Information Requirements: Business Plan - June 01, 2011 – May 31, 2016 - Trinidad & Tobago Electricity Commission**
- 4. Framework and Approach – Second Regulatory Control Period – 2011 – 2016 – Electricity Transmission & Distribution Sector**

All interested parties are invited to submit comments on these documents in print or electronic format by **Friday 25th February 2011.**

The documents will be available on the RIC's website at **www.ric.org.tt** and printed copies of the documents can be obtained free of charge at the RIC's office and will also be available for collection at the following Public Libraries:

- PORT-OF-SPAIN
- ARIMA
- SAN FERNANDO
- SCARBOROUGH, TOBAGO
- CHAGUANAS



Comments should be addressed to the attention of the Executive Director.

Postal Address: P.O. Box 1001

Office Address: 1st & 3rd Floors, Furness House, Corner Wrightson Road & Independence Square Port-of-Spain

Email Address: comments@ric.org.tt or ricoffice@ric.org.tt

Call Free: 800-4RIC (4742)

CONFIDENTIALITY

In general, all submissions from interested stakeholders will be treated as being in the public domain and placed on the RIC's website. Where interested stakeholders wish to make a submission in confidence, the RIC will honour those specific requests or the RIC will request that an abridged version be submitted for circulation publicly.

For further information contact:

GENERAL ENQUIRIES

Harjinder S. Atwal
Executive Director
Ph: 627-0503
Fax: 624-2027

MEDIA ENQUIRIES

Denise Caesar
Corporate Communications Manager
Ph: 627-0503
Fax: 624-2027

800-4RIC (4742)

NAMING & SHAMING

PUBLIC DISCLOSURE OF NON-COMPLIANCE COMING SOON

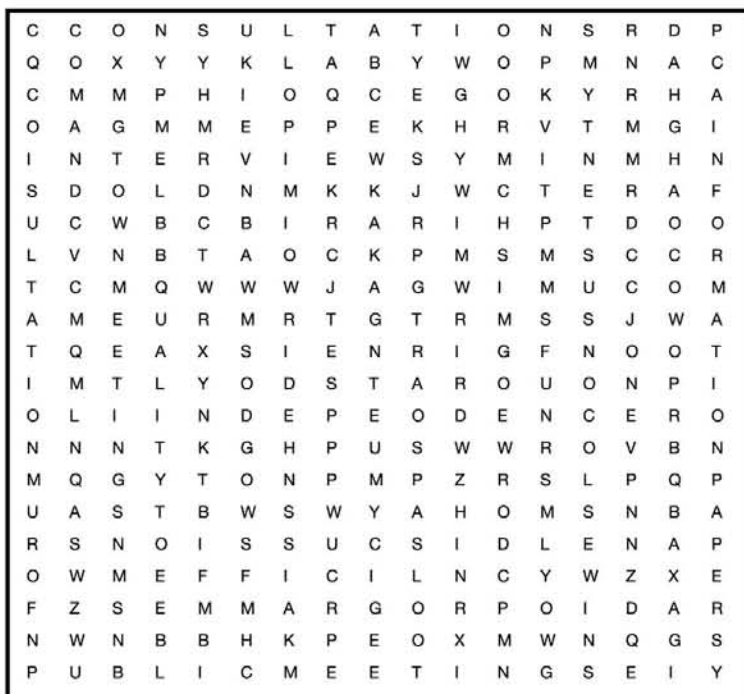


The Regulated Industries Commission (RIC) is set to introduce a bold new policy that will send a clear message to the utility service providers under its purview, in instances of non-compliance with specific directives or requests. Commencing in 2011, exercising its powers as conferred by the RIC ACT, the RIC will issue press releases and print public disclosure notices through newspaper advertisements that will feature detailed information on non-compliant service providers and the nature and circumstances of their nonconformity. These notices will subsequently be placed in a public register on the RIC's website. As one of our enforcement tools, the RIC believes that naming and shaming will enhance the transparency of our operation and the visibility of our enforcement powers to the public.

In practice, an instrument of public disclosure, also known as the '**naming & shaming**' of non-compliant service providers is a strategy used by regulatory bodies to deter potential offenders and as a reminder and reassurance mechanism for service providers who are already compliant. In fact, public disclosure of corporate offences, or naming and shaming, is gaining popularity as a regulatory tool, as more and more regulators attempt to incorporate reputational mechanisms in public regulation.

The RIC regulates the water, wastewater and electricity sectors and according to the RIC ACT No. 26 of 1998 (section 6 (1) (g), the RIC has the power to impose sanctions as it may prescribe for non-compliance with standards established under section 6 (1) (e) of the said ACT. In the past, these sanctions were primarily in the form of penalty payments made directly to the consumers by service providers. However, through this new enforcement tool the RIC aims to ensure that service providers adhere to the Regulator's established standards and honour their obligations to customers. To ensure that due process is adhered to, the RIC will print public disclosure notices only after a service provider has been notified in writing of a failure to comply either with the RIC's prescribed standards and/or a failure to submit requested information within the stipulated timeframe. The final step of publishing a 'Public Disclosure of Non-compliance' notice will only be initiated if, after allowing sufficient time for compliance, the service provider still has not complied.

The RIC sees this move as a victory for the customer since the informed position of consumers is improved as they have access to the same information as the regulator as it relates to a service provider's performance. Additionally, the naming and shaming of service providers who are non-compliant contributes to the public's trust in the RIC, deters potential offenders and serves to reinforce and reassure voluntary compliant service providers in their actions. By publishing the names of service providers' and the details of their non-compliance the RIC aims to enhance the visibility of its enforcement actions and will exercise its right to pursue legal action as needed.



WORD SLEUTH

People & Participation

PARTICIPATION

You can make a difference and share your opinion with the RIC using any of these participatory tools. Can you find each of the following participatory tools?

WORD LIST

1. Interviews
2. Focus Groups
3. Panel Discussions
4. Workshops
5. Information Papers
6. Consultations
7. Radio Programmes
8. Town Meetings
9. Public Meetings
10. Participation
11. Tools
12. Forum

800-4RIC (4742)

UTILITY ASSISTANCE PROGRAMME (UAP) – LAUNCHED



Minister of the People and Social Development, Dr Glenn Ramadharsingh, addresses the audience at the launch, while members of the head table listen attentively.

Back in 2006, with the release of its Final Determination of Rates and Miscellaneous Charges for the Electricity Transmission & Distribution sector, the RIC had been aware of the need to cushion the impact of utility rates on the vulnerable groups in society. In fact, the **Low-Income Assistance Programme** proposed in that determination would allow these groups to pay less for certain monthly consumption levels depending on customer usage. The media launch of the Ministry of Public Utilities' (MPU) **Utilities Assistance Programme (UAP)** on Wednesday 8th December 2010 at the Crowne Plaza Hotel was seen as a victory by the RIC for the people of Trinidad and Tobago.

The UAP is a social intervention strategy and is designed to provide financial assistance to eligible citizens to ensure their continued access to basic utilities such as water and electricity. According to the MPU the UAP *"is aimed at enhancing the real income of beneficiaries by cushioning the effects of the rising costs of public utilities."* The UAP is managed and facilitated by the Ministry of Public Utilities in collaboration with the Ministry of the People & Social Development, WASA and T&TEC.

The relief for customers comes in the form of a subsidy which the

service providers apply to the customer's utility bill. In the case of WASA customers, the subsidy will be applied as follows:

- **A2 customers – persons with an external water supply – will receive a credit of \$70.00 per year.**
- **A3 or A4 customers – persons with an internal water supply, non-metered and metered, will receive a credit of \$100.00 per year.**

In the case of T&TEC customers, the subsidy will be applied as follows:

- **50% of electricity bill, up to \$57 per bill or a maximum of \$342 per year.**

Customers who stand to benefit must be a recipient of the Senior Citizen's Pension (Old Age Pension), a Disability Grant or any other public assistance from the Ministry of the People and Social Development. However, in the case of WASA customers, the applicant must be a residential customer who owns one property in Class A2, A3 or A4. Additionally, to be eligible, T&TEC customers must have an average consumption of 400KW or less over 3 billing periods (6 months). The subsidy will be reviewed whenever there is a tariff adjustment.



Quarterly Complaints Report

JULY - SEPTEMBER 2010

COMPLAINTS REPORT FOR 3RD QUARTER for 2010

STATUS	JULY '10	AUG '10	SEPT'10	TOTAL
Number of complaints received	194	128	179	501
Number of complaints resolved	74	53	94	221
Number of complaints unresolved	120	75	85	280
Number of complaints withdrawn	0	0	0	0
RESOLUTION RATE FOR COMPLAINTS RECEIVED	38%	41%	53%	44%
No. of outstanding complaints resolved	259	117	159	535
Total number of complaints resolved	333	170	253	756

**REBATE/COMPENSATION AWARDED
TO CUSTOMERS BETWEEN JULY 1st 2010 - SEPTEMBER 30th 2010**

\$906,680.00

800-4RIC (4742)



ORGANISATION OF CARIBBEAN
UTILITY REGULATORS

8TH ANNUAL OOCUR CONFERENCE

SUNSET JAMAICA GRANDE RESORT & SPA, OCHO RIOS, JAMAICA

3rd -5th November 2010



Gavin Alexander, Assistant Executive Director Technical Operations at the RIC, delivers his presentation at the conference.

"Regulation, Convergence and the Competitive Environment" - this was the focus of this year's 8th Annual Conference of the Organisation of Caribbean Utility Regulators (OOCUR) which was held at Sunset Jamaica Grande Resort & Spa, Ocho Rios, Jamaica from 3-5 November 2010. Set amidst the breathtaking views of Ocho Rios, and co-hosted by the local regulator the Office of Utility Regulation (OUR), the conference got off to a rousing start with a line-up of impressive speakers, all experts in regulation from varied sectors around the world.

With a contingent of international speakers hailing from respected organisations such as the World Bank, Inter-American Development Bank, National Association of Regulatory Utility Commissioners (NARUC) and the Public Utility Research Centre (PURC), a broad multi-national perspective of regulation, convergence and the competitive environment was presented. The topics were geared towards the Electricity, Water and Wastewater, Telecommunications & ICT sectors with regional representatives sharing the experience and best practices adopted in their jurisdictions. The conference attracted well over 70 regional participants including representatives from OOCUR's member countries of Barbados, Jamaica, Anguilla, the Bahamas, Belize, Guyana, Dominica, the US Virgin Islands and Trinidad and Tobago. Topics delivered included:

- **Evidence-driven utility policy with regard to storm hardening activities: A model for the Cost-benefit analysis of underground electric distribution lines** – Theodore Kury – PURC, USA
- **Smart Meters: The New Weapon in Fighting Losses** – Jamaica's RAMI Programme – Damian Obiglio – JPSCo, Jamaica
- **How can regulators promote Viable Renewable Generation in the Caribbean?** – Servetti Gianmarco – Castalia
- **The feasibility of the application of Net Metering /Feed-In Tariffs as an incentive to promote the use of renewable energy in T&T** – Garvin Alexander – RIC
- **Regulation of Caribbean Utilities – Dos and Don'ts from Europe and Local Challenges** – Dr. Rudi Hakvoort – Netherlands
- **Is there a Case for Competition in the Electricity Sector in Small Island States with Particular Reference to the Caribbean?** – J. Paul Morgan - URCA, Bahamas



By December 31 of every year, the Water and Sewerage Authority (WASA) following a directive by the RIC, submits a Water Preparedness Plan for the Dry Season. This is a decision that has been taken to encourage the service provider to effect changes and make improvements, which will impact on those who are currently deprived of a reasonable supply of water.

This past year has seen a water and wastewater sector that continues to be affected by severe deficiencies with respect to availability, reliability, sustainability and equity of services. The submission of this plan therefore, puts the RIC in the position to assess how well WASA is prepared to manage its water supply and minimize supply restrictions during the dry season. Incidentally, the plan will assist WASA in identifying and responding to emergencies where the probability exists that customers' supply can be affected.

In addition to the dry season schedule, the plan should pinpoint the specific activities to be undertaken before the start of the dry season and outline a timetable for implementing those activities. Capital expenditure programmes and initiatives as well as operational and maintenance expenditure programmes and initiatives are also to be included. Furthermore, the plan should specify WASA's capacity to manage and respond to extreme weather events and emergencies including emergency response programmes. Integral to the success of this plan is WASA's delineation of actions to determine the capacity of existing telephone and other customer information systems, its public communications strategy and its ability to garner additional financial and human resources as needed.

To keep the public informed, the final plan should be displayed in a highly visible location at WASA's offices and should also be published on the website. Moreover, the service provider is required to draw to customers' attention, at least twice during the dry season period of the availability of the plan, and detail its salient aspects by publishing the plan in the daily newspapers.



Your Questions ANSWERED



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

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

Q: The RIC is guided by what engagement principles?

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

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



“Water - Beyond the Surface: Sustaining Life, Securing the Future”

- RBTT Young Leaders Great Debate 2010

With this year's RBTT Young Leaders Great Debate focusing on “Water - Beyond the Surface: Sustaining Life, Securing the Future,” it was important that the RIC, as the economic



regulator of the water and wastewater sector, be present to hear the viewpoints of the younger generation, on a matter of both national and international significance. The final debate took place on *Tuesday 30th November 2010 at the Centre of Excellence*. The debate competition, which was first introduced in 2002, serves as a catalyst for training young people and provides a yearly forum for students to develop and improve their public-speaking, research and writing skills as they prepare arguments in response to motions that coincide with socially relevant themes.

Over a nine-week period, secondary school students from 52 schools articulated their views and argued points for and against the first motion, “Be it resolved that Trinidad and Tobago does not need desalination plants or imported supplies of water because the water resources are sufficient to satisfy the needs of the country.” In the end, it was a face-off between the Queens Royal College (QRC) and St. Mary's College who argued the motion “*The privatization of our water resources will ensure a supply of water for everyone.*”



Given the RIC's goal to develop a more efficient water sector, there was obvious interest in the resources used in formulating the perspectives of the teams. St. Mary's College

established a position in favor of privatization and based their argument on evidence of mismanagement and wastage as contributing factors to the water agency's demise. It was their firm belief that by hinging the service provider's profitability to the delivery of superior service, there would be greater impetus to improve. On the other hand, in an emotive delivery, QRC's rebuttal purported that a privatized institution would not have the interest of consumers at heart, since its focus would be more on profit. The team at QRC eventually took home the victory.

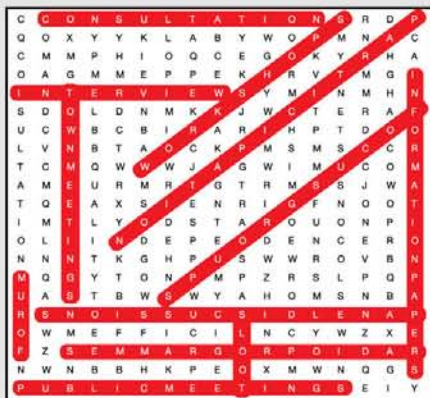
As the economic regulator of the water sector, it was heartening to realize that through their research, all teams understood the role of the RIC. Overall, the experience generated a greater exchange of views and through its many sessions created a learning curve which allowed the participants to gain more confidence. Their role as future decision-makers and advocates is perhaps best reflected in the maxim, “We cannot always build the future for our youth, but we can build our youth for the future.”

Christmas Party 2010 AN EVENING WITH FAMILY & FRIENDS



Taking in the spectacular vistas of the city, perched on the tree tops while enjoying a tasty meal... that's how one could describe the ambience to which staff members were treated on Friday 10th December 2010 when the RIC staged its annual Christmas Luncheon at the Tiki Village Restaurant at the Kapok Hotel.

With great company, delicious food, and fabulous entertainment provided by Los Dínamicos, all embraced the Spirit of Giving and had the chance to reconnect with colleagues, family members and friends. To the dedicated staff members, sincere appreciation and thanks goes out to you for all that you have contributed to the RIC this past year.



WORD SLEUTH People & Participation

ANSWERS

**REGULATED
INDUSTRIES
COMMISSION**



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

RIC NEWS WELCOMES YOUR VIEWS & COMMENTS.
Contact: Ms. Denise Caesar - Corporate Communications Manager
E-Mail: caesard@ric.org.tt or comments@ric.org.tt