



REGULATED INDUSTRIES COMMISSION

# RIC NEWS

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International Participants of the "Auditing and Financial Review of Regulators" course, presented by the Institute of Public-Private Partnerships, Inc. (IP3).



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## AUDITING AND FINANCIAL REVIEW OF REGULATED UTILITIES

For regulated utilities, service providers, and regulatory industries alike, there are a range of skills considered to be critical factors when executing their duties and fulfilling their responsibilities. The importance of acquiring capabilities in collecting, analyzing, presenting, and reviewing technical data to a range of critical stakeholders and constituents was the main focus of a one-week intensive course on **Auditing and Financial Review of Regulated Utilities: Cost Accounting Systems,**

**Reporting Requirements, and Modeling Techniques.** The programme, delivered by the **Institute of Public-Private Partnerships, Inc. (IP3)**, was held in conjunction with the **Regulated Industries Commission** from 15-19 March 2010 and attracted a vibrant mix of participants representing diverse job functions, industries and experiential backgrounds from the local utilities sector as well as Jamaica, St. Lucia, Dominica, and South Africa. Through expert-led sessions, meetings

and experiential learning the 32 participants were exposed to international best practices in technical and financial data preparation, analysis, auditing, and enforcement of financial reporting regulations, as well as how utilities can comply with such regulations. At the end of the training, participants walked away with a comprehensive understanding of the issues related to financial information and performance of utilities in competitive utility markets.



### RIC ACHIEVEMENTS: AT-A-GLANCE

#### STANDARDS OF SERVICE (2009)

- ☒ Existing T&TEC standards of service reviewed and revised standards developed.

#### TARIFFS (2009)

- ☒ WASA tariffs under review.
- ☒ Annual Tariff Adjustment granted to T&TEC.

#### PERFORMANCE BY SERVICE PROVIDER (2009)

- ☒ New Capital Contribution Policy finalized and is being implemented by T&TEC.
- ☒ New Damaged Appliance Policy finalized for T&TEC.
- ☒ Performance Targets developed for WASA as part of its Price Review.





## Sunset Soirée - IP3 Welcome Reception on the Waterfront Esplanade

It was against the beautiful backdrop of the setting sun and cool sea breezes that participants of the IP3 / RIC training programme on **'Auditing and Financial Review of Regulated Utilities'** were welcomed on the evening of Monday 15th March 2010. The venue was deliberately chosen for its breathtaking views/scenery and it served as the perfect welcome for participants. The uniqueness of our 'Trinbagonian' culture was well exhibited by the mellow vibes of Pannist Extraordinaire, Noel La Pierre, whose mellifluous sound added to the magnificent ambience, already created by the setting sun.

## EXTERNAL STAKEHOLDER PANEL



As a responsible regulator, the RIC places high value on ensuring that stakeholders' interests are taken into account when framing regulatory policy. In fact, giving individual stakeholder groups a voice that is heard as clearly as that of any other is critical in determining whether a regulator is delivering outcomes that serve all interest groups. In its Act No. 26 of 1998, the RIC is empowered **"to consult with service providers and representatives of consumer interest groups and any other parties it considers as having an interest in the matters before it"** [Section 6(2)].

It is on this premise that the RIC has established an **External Stakeholder Panel (ESP)** for the purpose of commenting on the important aspects of the RIC's work in relation to the Water and Sewerage Authority (WASA), Trinidad and Tobago Electricity Commission (T&TEC), the Power Generation Company of Trinidad and Tobago (PowerGen) and Trinity Power Limited. This engagement method differs from the RIC's conventional approach in that the ESP is a single, coordinated group, representing an increased level of specialist knowledge and experience from which the RIC can draw.

In convening the ESP, the RIC approached opinion leaders, who are at

the forefront of the drive for greater stakeholder involvement and who are noted for the contributions they have made on matters affecting the national community. These individuals, whose ideas and behaviour serve as a model to others, are to be guided by several important objectives which include, to:

- Provide an opportunity for two-way dialogue between consumers and/or stakeholders as represented by the ESP and the RIC;
- Establish a mechanism through which the views of stakeholders/consumers on all key issues are reflected;
- Discuss a range of policy issues which impact consumers of the electricity and water/wastewater sectors;
- Provide additional input into some of the more complex issues; and
- Use the feedback provided by the ESP to inform policy decisions of the RIC.

By means of this channel of inclusion, the views of the ESP will be taken into consideration by the RIC and will be given due weight during deliberation. However, the RIC is not obliged to act on the views expressed and the ESP is also not expected to necessarily endorse the RIC's decisions nor indicate, in any way, that it has done so. Rather, the ESP is expected to comment objectively on proposed interventions and/or decisions.

Furthermore, the ESP will reflect a broad range of interests and its members will be appointed in an individual capacity or as representatives of an organization. The ESP would be guided by the following:

- All ESP members must be committed to discussing issues with the goal of protecting and promoting the interests of all major stakeholders;
- Having been established, members of the ESP may be selected to serve on smaller sub-panels in order to deliberate on specific issues/policy positions of the RIC;
- Once initiated, ESP members will meet as sub-panels and will be free to determine the level of commitment required to achieve the stated goals; and
- The ESP/sub-panel has the freedom to set its own agenda and communicate its views, and may choose to submit a written report to the regulator on whether or not stakeholders' interests are adequately reflected in the regulatory interventions proposed.

So determined is the RIC to succeed with this venture that it would be willing to consider and agree to a Memorandum of Understanding (MOU) with the ESP, covering such matters as arrangements for consultation, exchange of information and the coordination of work.





## Regulated Industries Commission's **Corporate Values**

It is widely believed that the hallmark of any effective organization is its ability to identify and develop clear, concise and shared principles which guide its internal conduct as well as its relationship with the external world. Similar to the values that form the cornerstones in an individual's life, the corporate values statement describe actions which are the living enactment of the fundamental values held by most in the organization.

In pursuing its responsibilities, the RIC is guided by a set of clearly defined values, our understanding of best practice in regulation and the statutory constraints within which we operate. Being mindful of the economic, social and political importance of the sectors it regulates and the impact of its work thereupon, the RIC pursues its mandate in ways which maximize the prospects of reaching well-founded and sustainable decisions.

The RIC's approach is based on research and such evidence as is available. Our work is open to internal and external discussion and scrutiny and we welcome comments so that we might identify the best way forward.

***In undertaking our activities, we are, therefore, guided by the following corporate values:***

- **Professionalism** – exhibiting the highest standards of professional behaviour with respect to ethics, morals and integrity, both in personal relations and in our work, with emphasis on delivering results in a timely manner.
- **Transparency** – consulting widely and effectively with all stakeholders in an open and transparent manner and making information readily accessible to enable them to understand and to contribute to our decision making process.
- **Fair and Balanced Outcomes** – treating all stakeholders fairly and equitably in our dealings and practicing consistent behaviour that engender confidence and trust.
- **Independence** – being free from external pressure where decision-making is concerned and maintaining independence of our decisions from all stakeholders.
- **Excellence and Performance-focused** – striving for excellence by promoting processes and decisions which are transparent, predictable and consistent by constantly reviewing our procedures to meet international best practices.
- **Accountability** – being responsible to the public and Parliament for our actions.
- **Efficiency and Economy** – using resources as efficiently and effectively as possible.





## RIC MOVES TO PROTECT ELECTRICITY CONSUMERS WITH PERFORMANCE STANDARDS

Recently the RIC moved to protect electricity consumers by establishing performance standards or Quality of Service Standards (QSS) for the Trinidad and Tobago Electricity Commission (T&TEC). The Quality of Service Standards were first introduced in 2004 after the RIC held discussions with all stakeholders through its consultative process.

There are two types of Quality of Service Standards: Guaranteed Electricity Standards (GES) and Overall Electricity Standards (OES) and the revised standards have been gazetted and are now law. The standards became effective on **December 31, 2009**.

The revised standards have seen several amendments over the older standards, for example the:

i. Amount of *compensatory or penalty payment has been increased* from \$30.00 to \$50.00 (residential) per breach in most cases.

ii. *Compensatory payments are now automatic* for breaches under all Guaranteed Standards, except one. This means that the customers do not have to submit a claim.

iii. Payment will be in the form of a *credit on the customer's billing account* based on the set amounts and/or guidelines indicated for each breached standard.

iv. Inclusion of a number of *new standards based on customers' concerns*.

v. Appropriate levels against which T&TEC's performance is compared have been adjusted in most cases.

The revised Guaranteed and Overall Electricity Standards with the required

performance levels and the associated penalty payments for breaches are available on the RIC's website. Additionally, an advertisement entitled **"Ensuring you get what you Pay for...Electricity"** outlining the standards and the concomitant penalties for any breaches was published in the newspapers in a further attempt to reach stakeholders directly.

With the introduction of the QSS and the RIC's rigorous monitoring and enforcement of the standards, it is anticipated that consumer expectations of consistency, reliability and accountability would be met or exceeded by the service provider, with consumers being empowered as a result of being made aware of their rights.



FOR RESIDENTIAL CUSTOMERS, CONSERVING ELECTRICITY HAS BECOME ALL THE MORE IMPORTANT. TO CONSERVE ENERGY, A CUSTOMER CAN SEEK OUT WAYS TO USE ELECTRICITY MORE EFFICIENTLY. HERE ARE SOME WAYS TO REDUCE YOUR ELECTRICITY CONSUMPTION AND LOWER YOUR BILL WITHOUT SPENDING A LOT OF MONEY:

**COMPUTERS:** configure your computer to "hibernate" automatically after 30 minutes or so of inactivity. The "hibernate mode" turns the computer off in a way that doesn't require you to reload everything when you switch it back on. Allowing your computer to hibernate saves energy and is more time-efficient than shutting down and restarting your computer from scratch.

**REFRIGERATORS:** be sure the seal around your refrigerator door is intact. (Close the door on a piece of paper; if you can pull the paper out easily, the seal should be replaced).

**UNPLUG:** use power strips (strip of sockets which allows multiple devices to be plugged in) to switch off televisions, home theatre

equipment, Cable Boxes, VCRs, DVDs, and stereos when you're not using them.

**ELECTRIC STOVES:** keep oven doors completely closed until food is cooked. Every time the door is opened, the oven temperature drops, and the heat must be replaced.

**MICROWAVE OVENS:** defrost your food in the refrigerator instead of the microwave oven: it is more economical.

**WASHING MACHINES:** The automatic washing machine uses the same amount of electricity for a full load as it consumes for a single item. Save dirty clothes until a full load has accumulated.

800-4RIC (4742)





## FOR THE LOVE OF RESEARCH - NEW LIBRARY FACILITY

The RIC's newly refurbished library is now ideally suited for conducting research. It offers a wide range of reference materials such as regulatory policy publications, numerous books, and dozens of magazines. The library is equipped with internet-ready computers running the CDS/ISIS software package for generalized information storage and retrieval, and allows for the sourcing of a publication using the title or ISBN book number, and is then retrieved from the shelf.

Moreover, the new facility offers areas for isolated focus so that distractions can be avoided and has room for those occasions when group discussions/collaboration is necessary.



BEFORE REFURBISHMENT WORK



DURING



AFTER REFURBISHMENT WORK



## Quarterly Complaints Report

JANUARY - MARCH 2010

### COMPLAINTS REPORT FOR 1ST QUARTER for 2010

STATUS	JAN '10	FEB '10	MARCH '10	TOTAL
Number of complaints received	528	263	936	1,727
Number of complaints resolved	253	90	365	708
Number of complaints unresolved	275	173	571	1,019
Number of complaints withdrawn	0	0	0	0
RESOLUTION RATE FOR COMPLAINTS RECEIVED	48%	34%	39%	41%
No. of outstanding complaints resolved	150	53	139	342
Total number of complaints resolved	403	143	504	1,050

**REBATE/COMPENSATION AWARDED  
TO CUSTOMERS BETWEEN JAN '10 - MARCH '10**

**\$9,745.00**

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# Christmas 2009

For staff, the annual Christmas party is an event that is usually eagerly anticipated. This year was no different as staff members were hosted on Friday 11th December 2009 at the Trader's Jack Restaurant in the Movie Towne Complex at Invaders Bay, Port-of-Spain. The pictures that follow highlight the fun that was had by all.



## COMPLAINTS CORNER

### IF YOU ARE COMPLAINING BY LETTER, EMAIL OR VIA THE INTERNET:

- Make a note of what you want to say before you call
- Be clear about how you want the problem to be sorted out
- Have any relevant documents on hand – such as bills or letters from your service provider
- Have a notebook ready and write down the name of the person you speak to, the date and time of day and what was said and
- If you complain by phone, you should try to follow up your call with a letter, especially if your complaint is serious.



### HOW TO WRITE A COMPLAINT LETTER:

*When writing a complaint letter, there are some other basic guidelines that you need to follow:*

- State the problem and provide information with respect to date, time, bill account number etc.
- Explain the problem specifically e.g. "I was billed the wrong amount"
- Detail personal inconvenience experienced. E.g. injury, expense, distress etc. and
- Identify the specific action you want e.g. credit, compensation etc.



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## MEET PLUGGIE



### Our Home Safety Expert

Use Ground Fault Circuit Interrupters (GFCIs) protection anywhere electricity and water are within six feet of each other, such as in your kitchen, bathroom and outdoors to protect against electric shocks.

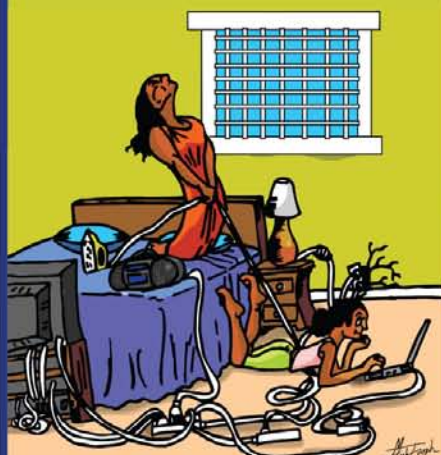
*(GFCIs are electrical safety devices that can prevent electrocution by shutting off the circuit if they sense a 'leak' of current. A GFCI is an electrical receptacle, circuit breaker or portable device.)*

## CAN YOU SPOT THE ELECTRICAL AND OTHER HAZARDS IN THIS ROOM?

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The Bedroom



HOME  
SAFETY INITIATIVE

### ANSWERS:

- THE BEDROOM HAS 6 HAZARDS:**
1. Window has burglar proofing but no quick-release mechanism
  2. Taped lamp cord
  3. Mom pulling iron from the cord
  4. Outlet overflooded
  5. Broken outlet
  6. Ironing on the bed.

## CARNIVAL 2010

Carnival time is the time when many put their 'Bumper to Fender' and spend the whole day 'Hunting' for a good time. They reason that it's only logical since when it comes to their costumes, they can confidently boast 'I Pay for This'. In fact, many masqueraders 'Palanced', and conducted themselves with absolutely 'No Behaviour' on Monday & Tuesday.

Well, not to be outdone, staff members of the RIC 'palanced' themselves at their annual Carnival Lime. Patrons were treated to the soca hits of the season and were schooled in the art of 'fine wining' by Denise 'Saucy Wow' Belfon, reminisced as Kenneth Salick sang of his now former relationship with 'Radhica' and grooved to the infectious songs of Allison Hinds.



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