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For Immediate Release

**T&TEC GRANTED ANNUAL TARIFF ADJUSTMENT
AFTER MEETING SPECIFIC RIC DIRECTIVES**

As an impartial regulatory body, the Regulated Industries Commission (RIC) attempts to balance the interests of both consumers and the service providers, while enabling the development and delivery of the highest quality utility services at the lowest feasible rates. A key aspect of achieving this balance is the annual adjustment of the overall constraint or cap on total annual revenue that T&TEC can recover through its pricing during the regulatory control period. After reviewing T&TEC's performance, the RIC has approved a tariff increase of **one cent (1¢) per kWh, with no other changes**. This increase is effective **1st September 2009**.

As outlined in its Final Determination (Rates and Miscellaneous Charges for the regulation of prices for June 01, 2006 to May 31, 2011) issued on June 01, 2006, T&TEC is required to make a case for adjusting their tariffs every year by outlining their objectives and preparing a rationale for the tariffs to be implemented. This they do by submitting, at least two months prior to the beginning of each year of the control period, their proposed tariffs to apply for the start each year. The RIC measures T&TEC's performance against clearly defined performance targets and specific directives to determine whether to approve or reject their proposed price adjustment. Additionally, T&TEC has to ensure that its proposed tariffs comply with established principles and standards and inform customers of the new tariffs, at least two weeks before implementation.

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In fact, for **94,243** residential customers **consuming 400 kWh or less, this 1 one cent (1¢) per kWh** represents a monthly increase in their electricity bills ranging from **\$0.50 - \$2.00**. Similarly, for the typical commercial customer consuming between 2000 – 2500 kWh, the monthly increase will be \$19.00 and \$23.75 respectively. The Tables (1 & 2) that follow show the impact on bills for typical residential and commercial customers.

Table 1 - Impact on Bills for Typical Residential Customers 2009/10

kWh	No. of Customers	Current Bi-Monthly (\$)	New Bi-Monthly (\$)	Monthly Increase	
				\$	%
100	20,768	31.00	32.00	0.50	3.2%
250	30,209	68.50	71.00	1.25	3.6%
400	43,266	106.00	110.00	2.00	3.8%
600	62,744	168.00	174.00	3.00	3.6%
800	49,514	230.00	238.00	4.00	3.5%
1,000	34,868	292.00	302.00	5.00	3.4%
1,300	32,181	400.00	413.00	6.50	3.3%
1,600	17,738	508.00	524.00	8.00	3.1%

Table 2 - Impact on Bills for Typical Commercial (B) Customers 2009/10

kWh	Current Bi-monthly (\$)	New Bi-monthly (\$)	Increase (\$)	
			Monthly	Bi-monthly
500	223.00	232.50	4.75	9.50
1,000	421.00	440.00	9.50	19.00
1,500	619.00	647.50	14.25	28.50
2,000	817.00	855.00	19.00	38.00
2,500	1,015.00	1,062.50	23.75	47.50

It is noteworthy that within this review period (2006 – 2011), the annual tariff adjustments have not always reflected an increase. In fact, as shown in Table 3, for residential customers consuming between 0 – 400 kWh the tariff was not adjusted from 2006 – 2007 (\$0.27) and actually **decreased** in 2008 (\$0.25).

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Table 3 - Trinidad and Tobago Residential Electricity Tariffs 2006-2009

Year	0- 400 kWh	401-1000 kWh	Over 1000 kWh
2006	\$0.27	\$0.31	\$0.34
2007	\$0.27	\$0.31	\$0.35
2008	\$0.25	\$0.31	\$0.36
2009	\$0.26	\$0.32	\$0.37

Furthermore, the implementation of the rate adjustment was dependent on T&TEC's compliance with specific directives, some of which are detailed below:

- **Low Income Assistance Programme (LIAP)** – the RIC had mandated that T&TEC establish a Low-Income Assistance Programme with the intension of reducing the full brunt of the rate increase on low-income earners which has commenced.
- **Reduction of Estimated Billing** – 95 percent of the bills issued after September 2009 will be based on actual consumption. In cases where bills are estimated these will be based on the average of the last four previous actual readings. Estimated bi-monthly bills should not be consecutively issued.
- **Establishment of Call Centres to monitor response times of incoming calls** – two toll free numbers for trouble calls should be operational by the end of July 2009 and full time monitoring of incoming calls commence by mid-September 2009.

In carrying out its mandate the RIC is mindful of its dual obligations - ensuring service providers have sufficient funds to provide a high quality of service and ensuring that this process is undertaken in a fair, impartial and transparent manner.

End of Release.

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