



REGULATED INDUSTRIES COMMISSION

RICNEWS

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RIC's Approach to **RATE SETTING**



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*Protecting **YOUR** Interests*

Quarterly Complaints Report

Consumer Complaints Get Resolved

RIC'S COMPLAINTS REPORT FOR 1ST QUARTER 2016

Status	Jan '16	Feb '16	Mar '16	Total
Number of complaints received	150	247	222	619
Number of complaints resolved	108	132	119	359
Number of complaints unresolved	42	115	103	260
Number of complaints withdrawn	0	0	0	0
Resolution rate for complaints received	72%	53%	54%	58%
No. of outstanding complaints resolved	50	45	91	186
Total number of complaints resolved	158	177	210	545

**REBATE/COMPENSATION AWARDED
TO CUSTOMERS BETWEEN JAN – MAR, 2016**

\$38,553.00

Our Customer Service Promise to You – The RIC will:

- ☒ Conduct an investigation to obtain all the necessary facts both from you and the Service Provider.
(Copies of all relevant information that would assist us in understanding the complaint should be provided.)
- ☒ Respond to your written, telephone and email complaints within ten (10) working days of receipt.
- ☒ Forward our response to your complaint to the Service Provider and then provide written confirmation of action taken.
- ☒ Keep you up-to-date on the progress of our investigation of your complaint and its resolution.
- ☒ Ensure that you are attended to by a Customer Service Representative within ten (10) minutes of your appointment time.

If you have a complaint, you must first make contact with the service providers (i.e. WASA and T&TEC) and give them the opportunity to resolve the problem

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NEW RIC BOARD OF COMMISSIONERS APPOINTED

The strategic direction for 2016 took on greater clarity with the appointment of a new Board of Commissioners. The Commissioners were sworn in on Monday 29th February, 2016 when they were officially presented with their Instruments of Appointment by Honourable Brigadier General (Ret'd) Ancil Antoine, Minister of Public Utilities.

Upon assuming duty, and in keeping with the RIC's mission, the board will continue to ensure the promotion of the highest quality of utility services at fair and reasonable rates while building a credible regulatory regime that responds adequately to stakeholders' concerns.

With their varied interests and expertise, the Board of Commissioners is well-positioned to take on their new roles and create synergies to improve the efficiency of the sectors under the purview of the RIC.

The new members of the RIC board are:



Dr. Hyacinth Guy, Chairman



Mr. Dexter Joseph, Commissioner



Mr. Clayton Blackman, Commissioner



Dr. Arielle John, Commissioner



Mr. Vinodatt Lutchman, Commissioner

**Ms. Shalini Campbell - Commissioner missing*

RIC'S APPROACH TO RATE SETTING



VISION:

To be a World Class Regulator

MISSION:

To ensure the promotion of the highest quality of utility services at fair and reasonable rates while building a credible regulatory regime that responds adequately to stakeholders' concerns and also to ensure fairness, transparency and equity in the provision of utility services throughout the country.

The Regulated Industries Commission (RIC) is a statutory body established under the Regulated Industries Commission Act No. 26 of 1998. As an independent regulatory institution, the RIC is mindful of its primary obligations which are to protect customer interests through enabling the highest quality of service at the feasible cost and to ensure Service Providers (SPs) have sufficient funds to provide a high quality of service.

The RIC regulates the Water, Wastewater and Electricity sectors. The Service Providers that fall under the purview of the RIC include:

WATER AND SEWERAGE AUTHORITY (WASA)

TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

POWER GENERATION COMPANY OF TRINIDAD AND TOBAGO (POWERGEN)

TRINITY POWER LIMITED



What is the RIC's function where rates are concerned?

As part of its regulatory functions, the RIC Act mandates the RIC to:

- Establish the principles and methodologies by which service providers determine rates [Section 6 (1) (h)]; and
- Review the principles for determining rates and charges for services every five years (Section 48).

In setting out principles for determining rates, Sections 6 and 67 of the Act require the RIC to have regard to the:

- Funding and ability of the service provider to perform its functions;
- Ability of the consumer to pay rates;
- Results of studies of economy and efficiency;
- Standards of service being offered by the service provider;
- Rate of inflation in the economy for any preceding period as may be considered appropriate; and
- Future prospective increases in productivity by the service providers.



What is the RIC's approach to Rate Setting?

A **The RIC's regulatory duty entails setting price limits/ controls.** The Act gives clear support for the use of Incentive Regulation (using a price cap) in shaping the RIC's approach to rate reviews. Incentive or Performance-based regulation refers to a system or form of control that provides incentives to SPs to reduce costs and improve efficiency. Within the established price limits, SPs are free to earn as much as they can by operating efficiently. To ensure that SPs do not increase profits by lowering the quality of service, the RIC establishes and enforces performance standards (Quality of Service Standards) together with rigorous monitoring. Incentive Regulation uses rewards and penalties as a means of inducing SPs to achieve desired goals.

Q What guides the RIC in any Rate Setting exercise?

A In setting rates, the RIC must ensure that:

- SPs are able to finance efficient investment, cover efficient operating costs and earn an appropriate return on investment while delivering specified outputs, inclusive of performance standards; and
- The interests of consumers are taken into account by enabling the highest quality of service at the lowest feasible costs while also ensuring that prices provide appropriate signals about the cost of providing service.

RIC ACT SECTION 6

According to the RIC Act "The service provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment"

Q How are stakeholders engaged during the RIC's rate setting exercise?

A To educate and empower stakeholders, particularly consumers, the RIC engages in a Consultative Process that entails seeking public comments on documents addressing the methodology and approaches it would use to evaluate the rate review application and set rates for the SP. The RIC gives consideration to all views. However, its final decision must balance the interests of all stakeholders.

The RIC utilizes several involvement strategies to afford stakeholders a clear understanding of how decisions are reached.

The methods include:

- National and Public Consultations
- Workshops, Presentations and Outreach Activities
- Newspaper Advertisements, Press Releases,
- Newsletters and Brochures
- Website for online consultation/ Web-based discussion forum
- Focus Groups and Community Meetings
- Stakeholder Open Days – open meetings and Workshops

Q How do stakeholders benefit from the RIC's approach to rate setting?



A The RIC's approach affords stakeholders:

- More direct opportunities to participate, explain their positions and share their viewpoints.
- The ability to understand and influence what the SP is proposing to deliver and to judge for themselves whether they would receive value for money.
- Greater certainty about the prices that they would be charged for the next five-year period and enables them to manage their own consumption more effectively.

Q Why is there a need to apply a Rate Adjustment annually?

A The RIC uses a 5-year forecast of revenue and expenditure to design rate adjustments rather than implement large rate increases. Annual rate adjustments (increases or decreases) serve as a more transparent and predictable price-setting mechanism and benefits consumers as it provides rate stability. For this reason, the projects undertaken by SPs and the capital and operational expenditure associated with these projects are adjusted annually so that the rate could reflect the cost to provide the service.

Q How are low income and other vulnerable groups* considered in the Rate Review?

A In its setting rates, the RIC protects the interests of customers and vulnerable groups:

- Through consideration of lifeline tariffs which allow for affordable rates for a minimum amount of a utility service that is accessed;
- Through the application of subsidies – economically efficient mechanisms are used to structure subsidies;
- By providing avenues of redress for poor service or for meeting special needs.

For example, Codes of Practice are implemented – these Codes are essentially a set of customer-related standards, policies, procedures and practices that SPs should consistently apply in dealing with specific consumer issues.



**(These groups include pensioners, the differently-abled, persons on disability and public assistance allowances etc.)*

Q What is the customer's responsibility?

A As a customer you are within your rights to expect consistent and reliable service from the SPs. The RIC has established Quality of Service Standards (QSS) and it is up to you to monitor the quality and the delivery of these services to ensure that the SPs comply with the QSS and are held accountable for any breaches of these standards.

IT'S YOUR RESPONSIBILITY TO GET INVOLVED, TAKE CHARGE AND ENSURE YOU GET WHAT YOU PAY FOR.

LOOK FOR WAYS TO REDUCE
YOUR ELECTRICITY AND WATER
CONSUMPTION BY
FOLLOWING CONSERVATION
TIPS WHICH CAN ASSIST YOU
IN USING ELECTRICITY AND
WATER **MORE EFFICIENTLY.**





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DAMAGED APPLIANCE/ EQUIPMENT CLAIM PROCESS

ANY CUSTOMER WHOSE ELECTRICAL INSTALLATION, OR APPLIANCE OR EQUIPMENT, WAS DAMAGED RESULTING FROM VOLTAGE FLUCTUATIONS OR INTERRUPTION IN SUPPLY ON T&TEC'S DISTRIBUTION SYSTEM, CAN FILE A CLAIM.

1 VERIFICATION OF CLAIM

The customer should provide T&TEC with the following information, as requested in claim form, in order to verify the claim:

- the service address affected by the electrical incident;
- the time and date of the electrical incident;
- the item/s (property/ appliance/ equipment) damaged;
- the amount of compensation claimed. This amount should be on the basis that customer is no worse off, that is, the cost of replacing of substantially the same age, functionality and appearance; or the cost of repairing to substantially the same functionality and appearance.

2 INVESTIGATION AND DETERMINATION OF LIABILITY

T&TEC must initiate its investigation by the second day of the complaint and send/ make available to the customer a claim form. T&TEC is required to provide a response within ten (10) working days of the complaint.

If T&TEC is unable to confirm the incident, either together with or subsequent to sending the claim form, T&TEC may request that the customer provide a statement by a qualified person that the damage is consistent with a voltage variation.

Further, T&TEC must communicate its final position within 30 working days of the complaint.

3 PAYMENT OF COMPENSATION

If after investigations T&TEC agrees with the claim, T&TEC must pay the customer the amount claimed within 15 days of the acceptance of claim.

4 DISPUTE RESOLUTION

Customers can refer the matter to the RIC if they are dissatisfied with T&TEC's decision or T&TEC has failed to communicate its final decision. The RIC would conduct an independent assessment to determine if T&TEC's decision was justified. However, the customer can take other steps to arrive at a resolution, which may include mediation, arbitration and recourse through the Courts.



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Each year, World Water Day highlights a specific aspect of freshwater. Under the theme 'Water and Jobs', the year 2016 provides an important opportunity to consolidate and build upon the previous World Water Days to highlight the two-way relationship between water and the decent work agenda in the quest for sustainable development.

UN-Water supports the World Water Day campaign and sets the theme each year. At the World Water Week 2014, UN-Water presents the plan for the World Water Day 2016 campaign, which is coordinated by ILO with the support of other UN-Water Members and Partners.

Participants get an opportunity to learn more about the theme of World Water Day, get the latest update on how the international community perceives the role of decent work in promoting the human right to water and are invited to get involved in the campaign. In addition, participants also discover the logo of the World Water Day 2016.

This year's World Water Day theme focuses on the central role that water plays in creating and supporting good quality jobs. World Water Day is marked on 22 March every year. It's a day to celebrate water. It's a day to make a difference for the members of the global population who suffer from water related issues. It's a day to prepare for how we manage water in the future.

World Water Day is an international observance and an opportunity to learn more about water related issues, be inspired to tell others and take action to make a difference. World Water Day dates back to the 1992 United Nations Conference on Environment and Development where an international observance for water was recommended. The United Nations General Assembly responded by designating 22 March 1993 as the first World Water Day. It has been held annually since then. Each year, UN-Water — the entity that coordinates the UN's work on water and sanitation — sets a theme for World Water Day corresponding to a current or future challenge. The engagement campaign is coordinated by one or several of the UN-Water Members with a related mandate.

Source: <http://www.unwater.org/worldwaterday/about/en/>

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