

**Review of the Status of the
Trinidad & Tobago
Electricity Commission
2010-2015**

December
2017

This is a summary of the "Review of the Status of the Trinidad and Tobago Electricity Commission (T&TEC) 2010 – 2015" document which is published for information purposes to all stakeholders, as part of the second Price Review for T&TEC.

Summary
Document

REVIEW OF THE STATUS OF T&TEC 2010-2015

This document presents summary information on certain aspects of the technical, operational and financial state of T&TEC over the period 2010-2015. This information supports the RIC's price review process, as it provides useful historical information relating to the operations of T&TEC and provides a better understanding of how the utility has performed on an annual basis.

This review presents varying perspectives in terms of the performance of T&TEC. Technical performance steadily improved between 2010 – 2015 with a few areas requiring more attention; operational performance indicators suggested a need for emphasis to be placed on optimizing resources to meet objectives and minimize costs. Financial indicators show that T&TEC was in a decent position in 2010 however, their financial position deteriorated with time.

TECHNICAL PERFORMANCE HIGHLIGHTS

Network Reliability	Reliability indicators improved over the period. In 2015, there were 4.4 interruptions per customer, lasting 70 minutes on average.
Quality of Service Standards	Significant improvement in billing punctuality from 29% in 2010 to 97% in 2015. The number of rebates owed to customers remains unsatisfactory.
System Losses	Average of 6.7% over the period. Comparable to 6% average for system losses in the United States.
Street Lighting	Number of trouble reports more than doubled since 2010. Lengthy delays in timeline for repairs.

OPERATIONAL PERFORMANCE HIGHLIGHTS

Who buys from T&TEC?



Customer Base increased by 11% over the period

Average operating cost per customer of TT\$5,700 over the period

89% of customer base is residential.

Commercial and industrial customers account for 70% of total demand.

How much electricity does T&TEC sell?



Number of kWh sold increased by one billion units.

Average operating cost per kWh in 2015 was TT\$0.33

Average sales per kWh in 2015 was TT\$0.34

Largest demand by class comes from industrial customers

Has T&TEC's productivity improved over time?

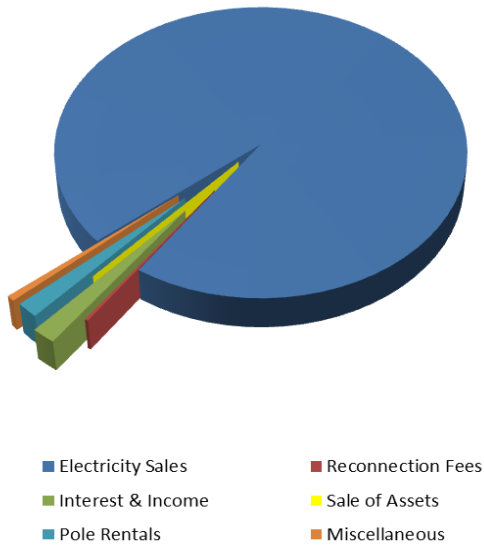
Productivity Indicators	2010	2015	% change
Sales per Employee (\$'000)	994	941	- 5.4
Customers per Employee	155	144	-7.3

Over the period, both productivity indicators have decreased which suggests that there is an opportunity for more output to be derived from the given level of inputs.

FINANCIAL PERFORMANCE HIGHLIGHTS

How much did T&TEC earn?

2015 Revenue

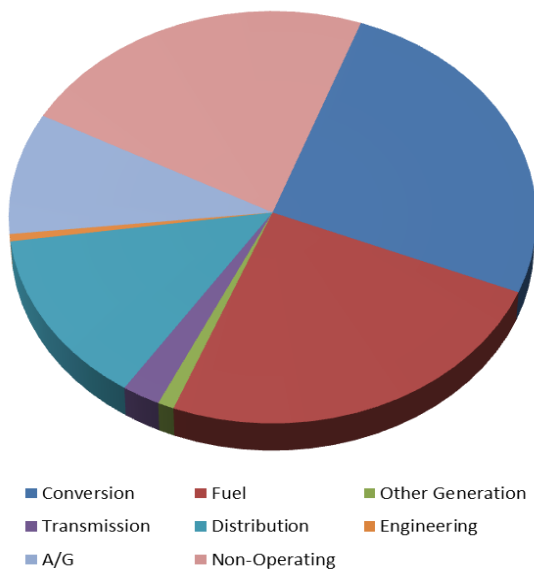


Revenue Category	2010 Revenue (\$M)	2015 Revenue (\$M)
Electricity Sales	2,674	3,021
Reconnection Fees	2.8	8.4
Interest & Income	67.2	56.4
Sale of Assets	.48	0.25
Pole Rentals	15.8	52.5
Miscellaneous	22.9	19.3
Total	2,783	3,158

Revenue increased by 13.5 % over the period

How much did T&TEC spend?

2015 Expenditure



Expenditure Category	2010 Expenditure (\$M)	2015 Expenditure (\$M)
Conversion	461.6	991.9
Generation-Fuel	748	953.5
Generation-Other	86.7	38
Transmission	79.5	88.9
Distribution	338.8	520
Engineering	25.7	21.9
A/G	209.7	367.9
Non Operating	803.5	875
Total	2753.6	3857.2

Expenditure increased by 40.1% over the period

Comparative rates for residential customers across selected Caribbean countries

Country	Total average cost per kWh in US\$ (for 100 kWh)	Total average cost per kWh in US\$ (for 400 kWh)	Total average cost per kWh in US\$ (for 800 kWh)
Belize	0.17	0.19	0.22
Grenada	0.29	0.30	0.30
Guyana	0.22	0.25	0.25
Jamaica	0.25	0.33	0.35
St Lucia	0.26	0.27	0.27
Suriname	0.03	0.04	0.06
Trinidad and Tobago	0.05	0.05	0.05
Turks and Caicos	0.37	0.37	0.37

Source: Computations from Carilec Tariff Study, March 2017

Average tariffs are among the lowest in the region based on volume of electricity sold and subsequent revenue earned. Where operating expenditure per kWh is on par with or exceeds the average tariff, this poses a challenge for T&TEC to meet its cost and maintain financial viability.

This document is being released for information and the RIC can be contacted at the under-mentioned address:

Executive Director

Regulated Industries Commission
Furness House – 1st & 3rd Floors
Cor. Wrightson Road and Independence Square
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 : ricoffice@ric.org.tt or comments@ric.org.tt

Website : www.ric.org.tt

A copy of the main document is available from the RIC's website at www.ric.org.tt.