



REGULATED INDUSTRIES COMMISSION

Protecting YOUR Interests

ANNUAL REPORT &
FINANCIAL STATEMENTS

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**ANNUAL REPORT &
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LETTER OF TRANSMITTAL



REGULATED INDUSTRIES COMMISSION

Senator, The Honourable Robert Le Hunte
Minister of Public Utilities
One Alexandra Place
#1 Alexandra Street, St Clair
Trinidad. W.I.

Dear Minister,

RE: Annual Report and Financial Statements 2014

In accordance with Section 34 of the Regulated Industries Commission (RIC) Act, Chapter 54:73, I have the honour to submit the RIC's audited Statement of Accounts as certified by the Auditor General and the Annual Report, for the year ending December 31, 2014.

Sincerely,

f/Chairman

CHAIRMAN'S REMARKS



One of the objectives of the Regulated Industries Commission (RIC) is to ensure all consumers have access to high quality utility services at the lowest possible cost. In fulfilling its mandate, the RIC must establish a pricing framework for rates that ensures the financial viability of the service providers, more specifically, their ability to recover efficient costs and a reasonable return on investment. These factors also need to be weighed against the affordability of service for various classes of customers.

Over the last few years, the RIC has been engaged in a process of reviewing its legislative framework which would enable the organization to become more effective in undertaking its regulatory mandate. During 2014, the RIC continued to work with its line Ministry, in order to arrive at a policy position to support its proposed amendments. One of the last matters discussed by the Commission in 2014 was the possible retention of a consultant to assist the Commission with certain aspects of the legal work in respect of the proposed amendments to the RIC Act.

Over the last few years, the RIC has been engaged in a process of reviewing its legislative framework which would enable the organization to become more effective in undertaking its regulatory mandate.

*Dr. Anne-Marie Mohammed
Chairman*

The RIC continued to monitor the quality of service of the Trinidad and Tobago Electricity Commission (T&TEC) in 2014, in accordance with established standards. While similar quality of service standards are not instituted for the Water and Sewerage Authority (WASA), the RIC continued to facilitate redress and resolution of complaints related to this service provider, in accordance with its primary legislation. The resolution of complaints and accompanying rebates from service providers to aggrieved customers continues to be an area of success for the RIC.

The past year was significant for the RIC as its Executive Director, Mr. Harjinder S. Atwal, retired after 14 years of service. Under the stewardship of Mr. Atwal, the RIC developed into a credible regulator, earning regional and international recognition. I wish to thank Mr. Atwal unreservedly for his dedicated service to the RIC, for developing institutional capacity within the organization by sharing of his expertise, and for providing forthright contributions, which helped shape utility policy in Trinidad and Tobago and the wider region. Mr. Glenn Khan, Deputy Executive Director, was appointed as Executive Director (Ag.) from April 1st, 2014 and continued in that position for the remainder of the year.

continued

The RIC is a founding member of the Organization of Caribbean Utility Regulators (OOCUR) and currently holds the Deputy Chairmanship of this organization. The RIC was represented at the 12th Annual OOCUR Conference by both Commissioner Mr. Mark Dolsingh (on behalf of the Commission) and Executive Director (Ag.) Mr. Glenn Khan. The conference was held in Dominica over the period November 19th to 21st, 2014. Additionally, four (4) members of staff also attended and presented papers under the conference theme of “*Regulating Utilities in a Challenging Environment.*” The staff of the RIC must be commended for maintaining a tradition of presenting robust and purposeful research on regulatory matters, at the annual regulatory conference.

In closing, I anticipate that the legislative reform process will be completed as soon as possible so that the RIC will be in a better position to fully carry out its mandate. I would like to thank my fellow Commissioners for their contributions during the last year. Finally, the work of the staff supports the decisions of the Commission and I wish to thank all staff for their hard-work and commitment to this institution.



f/Chairman

“ I anticipate that the legislative reform process will be completed as soon as possible so that the RIC will be in a better position to fully carry out its mandate. ”



VISION

To be a world-class regulator.



**MISSION
STATEMENT**

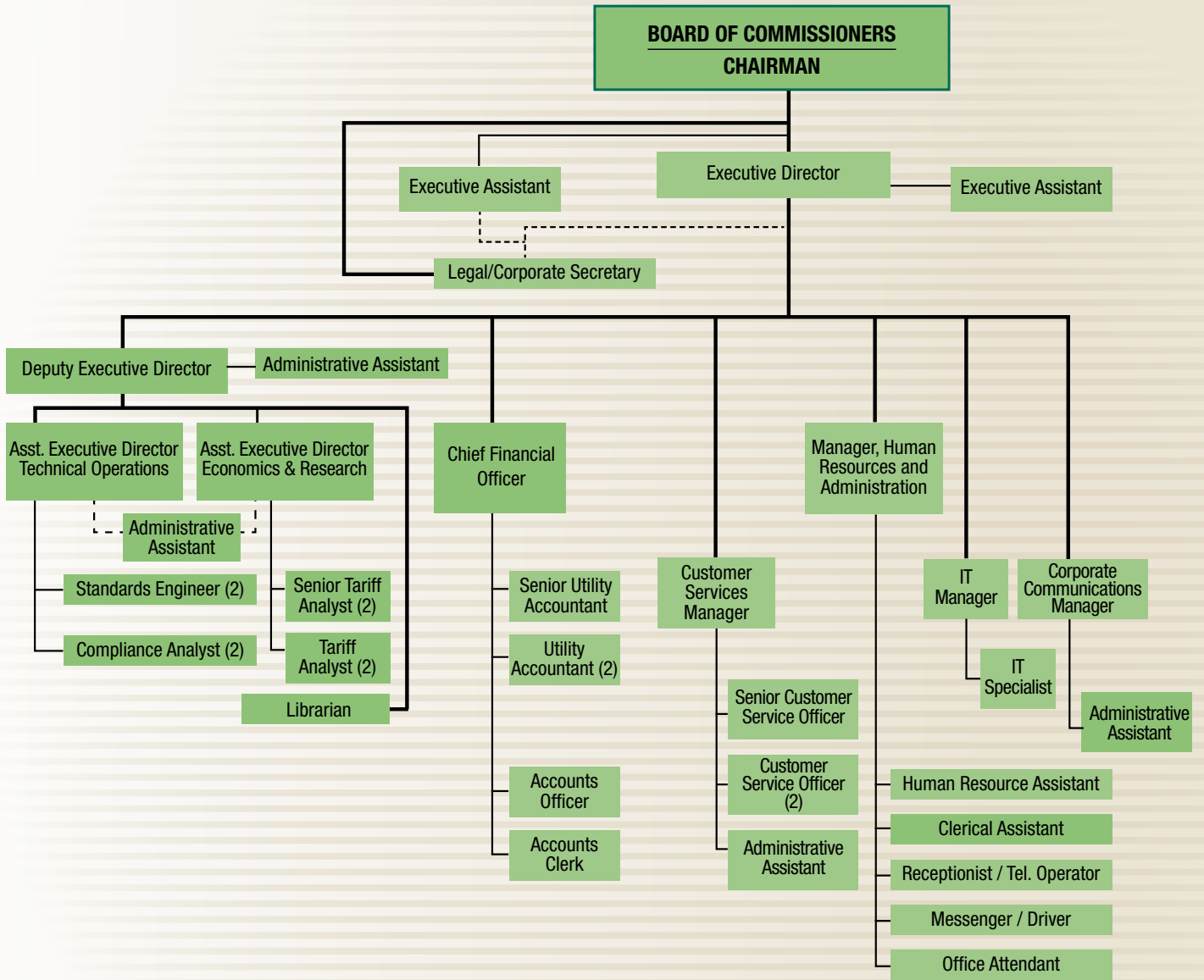
To ensure the promotion of the highest quality of utility services at fair and reasonable rates while building a credible regulatory regime that responds adequately to stakeholders concerns and also to ensure fairness, transparency and equity in the provision of utility services throughout the country.



**ORGANIZATIONAL
STRUCTURE**

The Executive Director is responsible for the supervision and direction of the work and staff of the Commission. The staff provide a range of services to support the Commission in all aspects of its work.

ORGANIZATIONAL STRUCTURE



A circular graphic with a gold-to-brown gradient background and horizontal lines. The text "RIC AT A GLANCE" is written in white, bold, sans-serif capital letters, centered within the circle.

RIC AT A GLANCE

This, the twelfth report of the Regulated Industries Commission, covers the activities of the RIC for the period January 1st to December 31st, 2014.

The Regulated Industries Commission Act, No. 26 of 1998, established the Regulated Industries Commission (RIC) as a body corporate, with the responsibility for regulating the following service providers:

- The Water and Sewerage Authority (WASA);
- The Trinidad and Tobago Electricity Commission (T & TEC);
- The Power Generation Company of Trinidad and Tobago (PowerGen); and
- Trinity Power Limited (formerly InnCogen).

FUNCTIONS OF THE RIC

Section 6 of the RIC Act grants onto the RIC the following powers and functions, inter alia:

- advise the Minister on matters relating to the operation of the Act including the granting of licences;
- establish the principles and methodologies by which service providers determine rates for services;
- carry out periodic reviews of the rating regimes of service providers;
- carry out studies of efficiency and economy of operation and of performance of service providers and publish results thereof;
- monitor service providers and conduct checks to determine their compliance with the standards of service; and
- investigate complaints by consumers, of their failure to obtain redress from service providers in respect of rates, billings and unsatisfactory service and facilitate relief where necessary.

Furthermore Section 6 (3), the RIC Act places direct functional responsibility upon the RIC to have regard to the public interest, namely:

- to ensure maximum efficiency in the use and allocation of resources and that services are reliable and provided at the lowest possible cost;
- to ensure equal access by consumers to service and the fair treatment of consumers and service providers who are similarly placed;
- to ensure non-discrimination in terms of service access, pricing and quality; and
- to ensure that current national environmental policies are adhered to.

THE YEAR IN REVIEW

During 2014, proposed amendments to the RIC's parent legislation were finalized internally and discussed with the Ministry of Public Utilities, the RIC's line Ministry. Notwithstanding the justification provided by the RIC for the proposed amendments, the prevailing view was that a policy-position needed to be developed that would inform the proposals. The RIC also discussed the possibility of hiring a consultant to assist with certain aspects of the legal work to be done regarding the proposed amendments to the RIC Act.

The respective price review for both the Trinidad and Tobago Electricity Commission (T&TEC) and the Water and Sewerage Authority (WASA) have been delayed, and it is hoped that these can commence within the near future.

During 2014, the RIC continued its monitoring of the quality of service provided by the service providers under its purview. In 2014, T&TEC achieved 99% compliance in seven out of the eight categories under the Guaranteed Standards Scheme (GSS), which was established in 2009. However, at a granular level, it was observed that the number of cases of non-compliance under Guaranteed Electricity Standard (GES) 1 - Response and Restoration time, almost tripled. This was due in part to two outages, one which occurred in a remote part of Trinidad and one which occurred in Tobago. With respect to the Overall Standards, T&TEC achieved above 97% compliance in three out of seven categories. The RIC noted that T&TEC had difficulty achieving a similar level of compliance with the other four Overall Standards, including responding to meter problems, responding to customer queries and giving prior notice of planned outages. There was a noteworthy decline in T&TEC's performance with respect to maintenance of street lights and arriving at a final position on customer queries in a timely manner. The RIC developed similar Quality of Service Standards for WASA however, these are expected to be implemented alongside the rate review for this service provider.

The RIC requires the service providers to report major events/incidents that are expected to impact customers negatively, through an Events Notification and Response Management Plan (ENRMP), which was established in 2004. The most noteworthy event this year involved the unfortunate loss of life of two (2) persons, who came into contact with T&TEC overhead lines while performing construction work at a private property. Most of the events reported by WASA under the ENRMP resulted in a significant loss of water supply to a large number of customers. These major disruptions were attributed to emergency repairs, capital improvement works, maintenance activities and production issues at the desalination plants.

An important function of the RIC involves the investigation of complaints made by consumers on their failure to obtain redress from service providers with respect to rates, billing and unsatisfactory service. In 2014, the RIC received over 2,300 complaints, the majority of which were lodged against WASA. The RIC was able to resolve 86% of these complaints received during the year and almost all were in the favour of customers. Customers benefitted from a total of \$2.63Mn in rebates/compensation from both service providers, 78% of which was paid by T&TEC to affected customers.

The RIC continues to explore strategies aimed at increasing public awareness and improving public education on the role of the RIC as an economic regulator and how the public can benefit from its services. These include outreach programmes within various Regional Corporations across Trinidad and Tobago. At these sessions, consumers who may be experiencing issues with their water, wastewater or electricity service can obtain advice and lodge their complaints with RIC staff, where necessary. An awareness campaign was launched this year via a number of newspaper and radio advertisements, all highlighting the type of services that the RIC provides and informing the public about issues which the RIC can assist them in resolving.



SECTOR REPORTS



TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)

The electricity sector in Trinidad and Tobago comprises a mix of private and state-owned generation facilities and state-owned transmission and distribution operations. There are three independent power producers (IPPs)¹ which provide energy to T&TEC for transmission and distribution to all industrial, commercial and residential consumers. T&TEC has however retained generation responsibility in Tobago at the Scarborough Power Station and in 2009, with the commissioning of the Cove Power Station, it brought online additional generation capacity on the island. T&TEC's major activities surround operation and maintenance of the country's existing electrical transmission and distribution network and also planning and executing expansion of this network to meet the increasing needs of its customer base.

QUALITY OF SERVICE STANDARDS FOR T&TEC

The RIC first implemented Quality of Service Standards (QSS) for the Electricity Transmission and Distribution Sector on April 7th, 2004. These standards were subsequently revised and published in the *Gazette* in December 2009. QSS for the Electricity Transmission and Distribution Sectors comprise both Guaranteed Standards and Overall Standards. Guaranteed Standards are those that set service levels which must be met in each individual customer's case by the service provider whereas Overall Standards cover broader areas of service and generally relate to the reliability of service affecting a group of customers.

T&TEC's Performance under Guaranteed Standards

There are eight guaranteed standards for T&TEC, and all but the first (GES 1) carry automatic compensatory payments for non-compliance. In 2014, T&TEC recorded 7,141 incidents of non-compliance², which represented a 179% increase on the 2,555 incidents recorded in 2013. Guaranteed Standard, GES 1, (Response and

Restoration Time) accounted for the largest number of these incidents (6,961) in 2014, which increased by 185% when compared to 2013. The next highest number (66) occurred under GES 8 (Payments Owed Under Guaranteed Standards), followed by GES 7 (New Connection Of Supply) with 65 incidents, GES 3 (Reconnection) with 23 incidents, GES 5 (Investigation of Voltage Complaints) with 19 incidents, and GES 2 (Billing Punctuality) with 7 incidents. GES 4 (Making and Keeping Appointments) and GES 6 (Responding to Billing and Payment Queries) were the only two standards for which no incidents of non-compliance were recorded in 2014. T&TEC's performance under the guaranteed standards for 2014 is presented in table 1.

For 2014, T&TEC's performance under the guaranteed standards was generally maintained at the previous levels. GES 1 (Response and Restoration Time) continues to record a high compliance rate, notwithstanding the large number of incidents of non-compliance when compared with the number occurring under the other standards. A slight improvement was observed under GES 2 (Billing Punctuality), with respect to the billing punctuality for non-residential customers, and slight

¹ Power Generation Company of Trinidad and Tobago (PowerGen), Trinity Power and Trinidad Generation Unlimited (TGU)

² Non-compliance is recorded when the service provider has not achieved the stipulated level of performance for a standard.

decrease in performance under GES 5 (Investigation of Voltage Complaints) with respect to rectification, when compared with figures from 2013. Performance under all other standards showed little change.

T&TEC is not yet able to identify the individual customers that are affected by non-compliance with GES 1 due to

existing limits in its outage management system. Hence, customers are still required to submit claims for non-compliance under this standard. The RIC estimates that at least \$428,414 would have been due in compensatory payments to customers, if claims were filed for all non-compliance that occurred in 2014. Table 2 provides more details.

Table 1 : Compliance under Guaranteed Standards, 2014

Code	Service Description	Performance Measure	2014 Compliance Rates (%)	2013 Compliance Rates (%)
GES1	Response and Restoration Time after unplanned (forced) outages on the distribution system.	Time for restoration of supply to affected customers – within 10 hours	99.5	99.9
GES2	Billing Punctuality (new customers)	Time for first bill to be mailed after service connection: Residential – within 60 days Non-Residential – within 30 days	99.1 98.6	99.4 92.5
GES3	Reconnection After Payment of Overdue Amounts or Agreement on Payment Schedule	Time to restore supply after payment is made – within 24 hours	99.9	99.9
GES4	Making and Keeping Appointments	Where required, appointments will be made on a morning or afternoon basis	100.0	100.0
GES5	Investigation of Voltage Complaints	(i) Response – All voltage complaints to be responded to within 24 hours. (ii) Rectification – All voltage complaints to be rectified within 15 working days.	99.7 99.1	99.9 100.0
GES6	Responding to Billing and Payment Queries.	Substantive reply within 15 working days.	100.0	100.0
GES 7	New Connection of Supply	Service drop and meter to be installed within 3 working days.	99.5	99.8
GES 8	Payments Owed under Guaranteed Standards	Time to credit compensatory payment: Residential – within 30 working days Non-Residential – within 60 working days	1.0 N/A	0.0 0.0

Table 2 : Non-Compliance and Payments Due under the Guaranteed Standards, 2014

Standard	Total Number	Number of Incidents of non-compliance	Minimum Payment Due (\$)
GES 1	1,298,054 (outage incidents)	6,961	417,660
GES 2	9,002 (requests)	7	350
GES 3	25,758 (arrangements/payments)	23	2,714
GES 4	1,055 (appointments)	0	0
GES 5	3,621 (voltage complaints)	19	1,140
GES 6	21,046 (queries)	0	0
GES 7	12,022 (requests)	65	3,250
GES 8	66 (payments owed)	66	3,300
TOTAL		7,141	428,414

Table 3 : Compliance under Overall Standards, 2014

Code	Service Description	Performance Measure	2014 Compliance Rates (%)	2013 Compliance Rates (%)
OES1	Frequency of Meter Reading	90% of industrial meters should be read every month	100.0	100.0
		90% of residential and commercial meters read according to schedule	100.0	100.0
OES2	Billing Punctuality	98% of all bills to be mailed within ten (10) working days after meter reading or estimation	100.0	100.0
OES3	Responding to Meter Problems	Visit or substantive reply within 10 working days 95% of the time.	87.6	85.5
OES4	Prior Notice of Planned Outages	3 days advance notice of planned outages 100% of the time.	91.2	97.2
OES5	Street Lights Maintenance	Street Lights – within 7 working days	50.1	70.2
		Highway Lights – within 14 working days	85.6	90.7
OES6	Response to Customer Queries/ Requests (written)	Time to respond after receipt of queries.		
		Initial Response – within 10 working days Final Position – within 30 working days	95.2 34.8	89.6 76.5
OES7	Notifying Customers of Receipt of Claim under Guaranteed Standard GES 1	100% of customers to be notified of receipt of claim within 10 working days.	100.0	100.0

T&TEC's Performance under Overall Standards

There are seven Overall Standards and they generally relate to the reliability of service affecting a group of customers. Compliance rates for T&TEC's performance under the overall standards in 2014 are presented in table 3 above.

As was the case in 2013, full compliance was achieved under OES 1 (Frequency of Meter Reading), OES2 (Billing Punctuality) and OES 7 (Notifying Customers of Receipt of Claim under Guaranteed Standard GES 1). There was marginal improvement in performance under OES 3 (Responding to Meter Problems) and the initial response under OES 6 (Response to Customer Queries/Requests). However, there was a decline in performance under OES 4 (Prior Notice of Unplanned Outages) and OES 5 (Street Lights Maintenance) and a marked decline in performance under the second section of OES 6.

Analysis of T&TEC's performance under the Quality of Service Standards

The Guaranteed Standards Scheme was designed to encourage T&TEC to focus on improving the quality of service delivered in the specified areas. No significant improvement was observed in T&TEC's performance under the QSS for 2014. In fact, the number of non-compliance incidents almost tripled. T&TEC processed 46 (0.6%) of the 7,141 incidents of non-compliance and paid \$3,602 (0.8%) of the minimum compensation of \$428,414 that was due. By comparison, in 2013, T&TEC processed 2.8% or 71 of the 2,555 incidents, and paid 3.2% or \$4,862 of the \$153,570 minimum compensation due.

This is the fifth year for which there has been automatic compensation for non-compliance of all the Guaranteed Standards, except GES1. T&TEC's performance with respect to the processing of automatic payments worsened during 2014. In 2013, T&TEC paid 69% of the automatic compensatory payments on time, however, this decreased to 26% in 2014. While T&TEC has assured that all affected customers are eventually compensated, thus far, they have been unable to explain the poor performance as it pertains to timely compensation. The policies and systems that were instituted by T&TEC to harmonize the approach taken throughout T&TEC's five Distribution Areas in order to improve the efficiency of compensation seem to be ineffective and requires reexamination.

T&TEC has made some progress towards the implementation of the outage management system, which is a pre-requisite for identifying non-compliance under GES 1 and the consequent automatic compensation to affected customers. T&TEC estimates that there will be a full roll-out of the system to all areas towards the end of the fourth Quarter of 2015, after the implementation of a pilot program in the Central Distribution Area.

The RIC is currently reviewing the QSS with plans to implement revised QSS in 2015. This process will not only review the individual standards, but also critically examine the existing processes and methods employed with respect to monitoring and enforcement. It is hoped that both events will occur simultaneously so that automatic compensation under GES 1 can commence, since it will allow the full benefit of the Guaranteed Standards Scheme to be realized.

T&TEC'S REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN

The Events Notification and Response Management Plan (ENRMP) was implemented in 2004 to provide guidance to Service Providers on the process by which they should notify the RIC of incidents and events, which either have affected or would most likely have an adverse effect on consumers. This would be achieved through a systematic and consistent procedure to be followed on the occurrence of such incidents and events. The ENRMP would also ensure that consumers are informed on a timely basis of the occurrence of adverse incidents and findings of any investigations that may follow.

There are three (3) service providers (SPs) in the Electricity Sector that report to the RIC on incidents and events involving their plants or personnel, which may have affected or are likely to have had an adverse effect on the consumers of electricity. A summary of events recorded under the ENRMP pertaining to T&TEC, PowerGen and Trinity Power Limited for the period 2014 is tabulated below.

Table 4 : ENRMP - Summary Report for Electricity Sector 2014

Service Provider	NUMBER OF EVENTS / INCIDENTS INVOLVING			
	Fatalities	Equipment Damage / Mal-operation	Electrical Outages	TOTAL per SP
T&TEC	1	2	6	9
PowerGen	0	1	0	1
Trinity Power	0	0	0	0
Total # of specific incidents	1	3	6*	9*

* One incident on October 16th, 2014 at PowerGen caused a major loss of the electricity supply and has been logged against T&TEC and PowerGen but is counted as a single event in the total number of events.
 SOURCE: T&TEC

T&TEC reported one (1) incident in which two (2) persons were electrocuted in 2014. The two (2) fatalities resulted when the persons made indirect contact with T&TEC's overhead lines in El Socorro during construction work. This work was being undertaken without adhering to instructions from prior safety consultations with T&TEC. There was one non-fatal incident involving a T&TEC worker who was seriously burnt and remained unfit to resume his duties in 2014. Another non-fatal incident involving a civilian occurred in 2014 when a railing at his house became energized via a support wire from an adjacent telecommunications pole, which had come into contact with live T&TEC conductors. The person suffered an electric shock but has since recovered.

There were six (6) significant unplanned electrical outages in 2014 which affected large numbers of T&TEC's customers. The most impactful of these events occurred on October 16th 2014 when PowerGen's B Station in Port of Spain experienced a shutdown because of the failure of a boiler of a machine. This resulted in the partial loss of electrical supply to T&TEC, and affected customers throughout Trinidad.



WATER & SEWERAGE AUTHORITY (WASA)

Water and Sewerage Authority (WASA) is solely responsible for the provision of water and wastewater services in Trinidad and Tobago, more specifically, the production, transmission and distribution of potable water and also the proper treatment of wastewater throughout the country.

In March 2014, WASA announced the commencement of the Caroni South Trunk Mains- Dualling Project which involved the installation of a second set of transmission pipelines from the Caroni Water Treatment Plant to the San-Fernando Booster Station. This project was seen as necessary to improve the reliability and security of water supply to customers in Central and South Trinidad, by ensuring there was redundancy in the transmission system. The project was expected to take nine-months to complete at a cost of TT\$300M. In April 2014, supply to the Carenage area in North-West Trinidad was improved with the commissioning of the Big Yard Booster Station. Approximately two-hundred (200) homes in the area received pipe-borne water for the first time under this project, which included the installation of 150 metres of pipeline and was completed after six months at a cost of TT\$800,000.

After a number of delays due to the traffic management issues, WASA completed the relocation of a 36-inch transmission main in the vicinity of Sea-Lots, Port-of-Spain. This relocation was necessary to complete the infrastructural works associated with widening of the east-bound section of the Beetham Highway from two lanes to three. Work also commenced on the Beetham Transmission Pipeline Project to replace almost 5 kilometres (km) of steel mains that were more than 60 years old and were developing more than 200 leaks annually. This project was therefore intended to improve the reliability of potable water supply to more than 20,000 customers in Downtown Port-of-Spain and Wrightson Road.

WASA signed contracts in November 2014 for the start of a multi-phase wastewater rehabilitation programme, which will include infrastructural work on the San-Fernando and Malabar plants and their respective collection systems. These wastewater improvement projects were expected to have a positive impact on the environment and result in better quality water entering rivers and groundwater. This in turn would provide better quality raw-water input into water treatment plants and consequently an improvement in the efficiency of production and the overall quality of potable water. In the case of the latter, it is important to note that the Malabar Wastewater Plant is upstream of the Caroni WTP, which is the largest potable-water production plant in the country therefore, the rehabilitation of the Malabar Plant is critical to a safe and reliable supply of potable water. There is also potential for the treated wastewater from the San-Fernando Plant to be recycled for industrial use at the Point Lisas Industrial Estate. This will allow for potable water used for industrial purposes to be redirected for commercial and residential use.

WASA'S REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN

Under the ENRMP for WASA, an "event" in the water utility sector may include a major reduction in the amount of water provided to customers, a significant impairment in the quality of water supplied, or an activity affecting the health or safety of customers or employees. WASA is

Table 5: ENRMP Summary Report for Water & Wastewater Sector 2014

TYPE OF EVENT	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL	% of Total
Maintenance	2	2	0	3	7	19%
Reduction in Supply from Desalination Plants	1	0	1	0	2	5%
Emergency Repairs	2	4	3	3	12	32%
Capital improvement works	5	2	1	3	11	30%
Excessive turbidity due to rainfall	0	0	0	0	0	0%
Other	1	3	0	1	5	14%
Total No of Events Reported	11	11	5	10	37	100%

SOURCE: WASA

required to report such events to the RIC as soon as they occur, as well as to notify affected customers about the duration and extent of the impact. The RIC prepares an internal quarterly report based on these submissions and a summary of the number of events reported in 2014 by WASA is shown in the table above.

WASA reported 37 events for the year 2014, representing an average of nine (9) events per quarter. The number of events reported for 2014 was 21% less than that reported for 2013. Most of the events reported in 2014 resulted in a significant loss of water supply to a large number of customers. Of the total number of events, 32% were due to emergency repairs, 30% were the result of capital improvement works, 19% resulted from maintenance activities and 5% were due to reduction in the amount

of water supplied by desalination plants. In terms of noteworthy incidents which caused disruptions in service, emergency repairs had to be undertaken on the Caroni North-Trunk Transmission Main during the first quarter of 2014. This resulted in approximately 400,000 consumers in 23 communities having either no water supply or significantly reduced supply over a period of three days. During the second quarter, the water supply to customers in the North-East of Trinidad was impacted over a period of four days due to a rupture along the North-Oropouche 42-inch Transmission Main. In the fourth quarter, production at the Caroni Water Treatment Plant was interrupted due to low voltage problems. This resulted in customers in North, Central and South Trinidad being affected over a 24-hour period.

CUSTOMER SERVICES

One of the functions of the RIC is to investigate complaints by consumers, about their failure to obtain redress from the service providers in respect of rates, billings and unsatisfactory service. The service providers under the purview of the RIC for which complaints are received are WASA and T&TEC. In 2014, the RIC received 2,390 complaints as shown in table 6, which represented a three percent (3%) decrease in the number of complaints received when compared with 2013. The 2,390 complaints received in 2014, were filed by 1,435 customers, 63% of whom accessed the services of the RIC for the first time.

The RIC was able to resolve 2,041 or 86% of the complaints that it received during the year. There was a decrease in the number of complaints that were withdrawn, declining

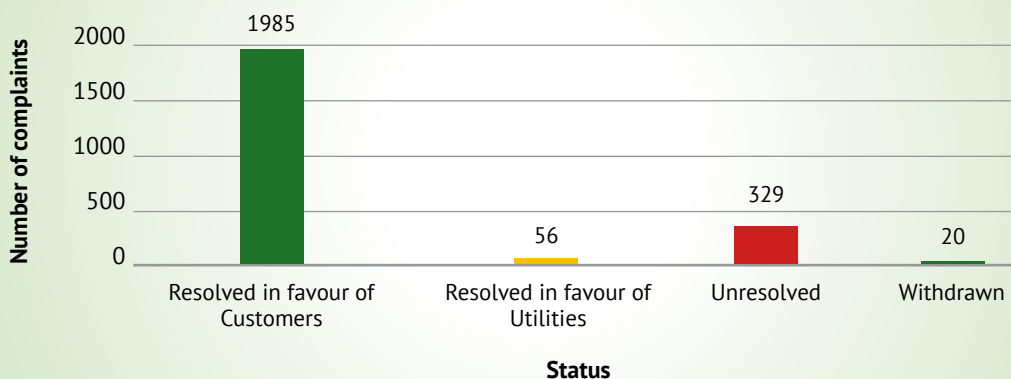
from thirty six (36) in 2013 to twenty (20) in 2014. There were several reasons for customers withdrawing their complaints including the resumption of service, the resolution of the matter between the time the complaint was lodged and RIC's intervention in the matter, a lack of required documentation from the customer for the RIC to process their complaint and a request by the customer to withdraw the complaint.

The RIC has the responsibility to ensure the fair treatment of consumers and the service providers. When customers are unable to obtain redress from the service providers, the RIC assists in resolving these matters. In this regard, 1,985 or 98% of the complaints were resolved in the favour of customers, as indicated in figure 1.

Table 6 : Status of Complaints Received for 2012-2014

Status	2012	2013	2014	% Increase
Number of complaints received	3267	2469	2390	-3%
Number of complaints resolved	2755	2176	2041	-6%
Number of complaints unresolved	477	257	329	28%
Number of complaints withdrawn	65	36	20	-44%
RESOLUTION RATE	86%	89%	86%	-3%

Figure 1 : Status of Complaints Received in 2014



20 CUSTOMER SERVICES

Historically, more complaints are reported against WASA than T&TEC, and the number of complaints filed against this service provider for 2014 accounted for 1791 or 75% of all complaints received as shown in figure 2. However, the RIC recorded an overall decrease in complaints about WASA's service of eleven percent when compared with 2013.

Typically, during the dry season (January to May) the RIC receives an increase in the number of complaints against WASA. This pattern was also evident in 2014, with the highest number of complaints being reported in May 2014 as depicted in figure 3.

Most of the RIC's customers used its Toll-Free telephone service (800-4RIC) to lodge and follow up on their complaints. In 2014, 85% or 2,038 complaints were received by telephone as shown in table 7. Complaints

received by email decreased by 15% in 2014 and represented only 5.1% of all complaints received for this year. The RIC continued with its Outreach Programme (OP) in 2014 and held eleven OPs, one of which was held in Tobago. This resulted in 117 complaints being lodged which represented 4.9% of all complaints received through this medium. The number of individuals attending the OP in Tobago this year was very poor and because of a similar trend in 2013, a decision was taken to partner with the Tobago House of Assembly (THA) to improve the programme in 2015.

Complaints received by letter and in-person (walk-ins) each accounted for 2.3% of complaints received as depicted in figure 4.

As shown in figure 5, Inadequate Supply complaints against WASA was the most common problem reported

Figure 2: Complaints Received in 2014 shown by Service Provider

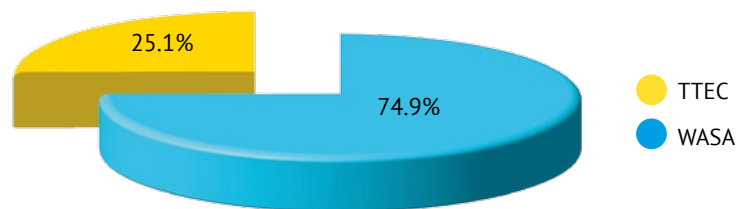


Figure 3 : The Number of Complaints Lodged against the Service Providers in 2014

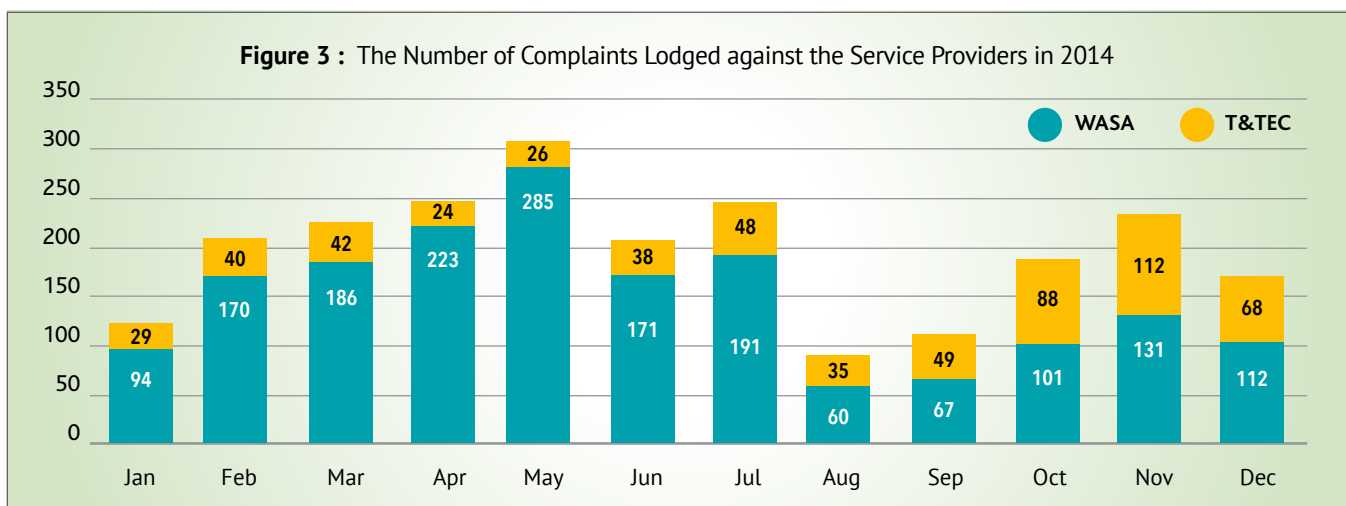


Table 7 : Number of Complaints shown by Receiving Medium for 2012-2014

Receiving Medium	2012	2013	2014	% change
E-Mail	111	145	123	-15.2%
Letter	65	70	56	-20.0%
Media	2	1	0	0.0%
OP	190	106	117	10.4%
Telephone	2823	2085	2038	-2.3%
Walk-In	76	62	56	-9.7%
TOTAL	3267	2469	2390	-3.2%

by customers as 1,374 or 57.5% of complaints received in 2014 were related to Inadequate Supply. There were several complaint types that made up this complaint category. This includes 833 or 60.6% related to a Lack of Pipe-Borne Supply, 477 or 34.7% related to a Request for a Truck-Borne Supply, 31 or 2.3% related to an Erratic Schedule Pipe-Borne Supply and 33 or 2.4% related to Low Water Pressure. This trend was similar to the previous year as 62.9% of all complaints in 2013 were attributed to the same complaint category.

Other significant categories of complaints shown in figure 5 were Street Lights/Poles (T&TEC), Leaks (WASA), and Billing Queries (both T&TEC & WASA), which represented 14.0%, 7.1% and 5.6% of the total complaints received respectively.

Figure 4: Distribution of Complaints by Receiving Medium, 2014

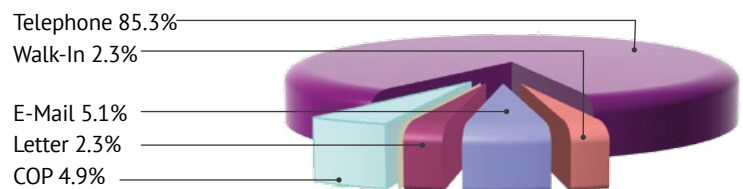
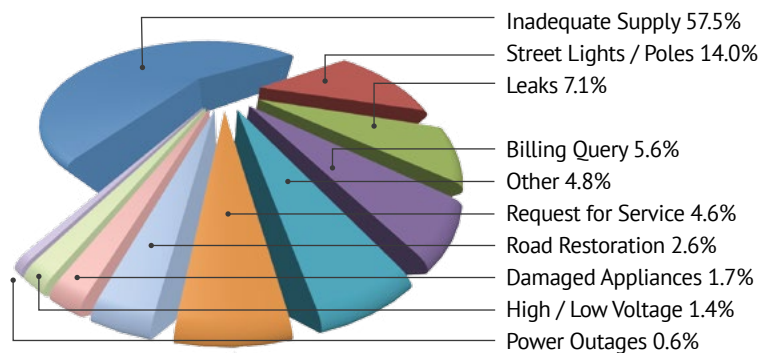


Figure 5: Distribution of Complaints by Category, 2014

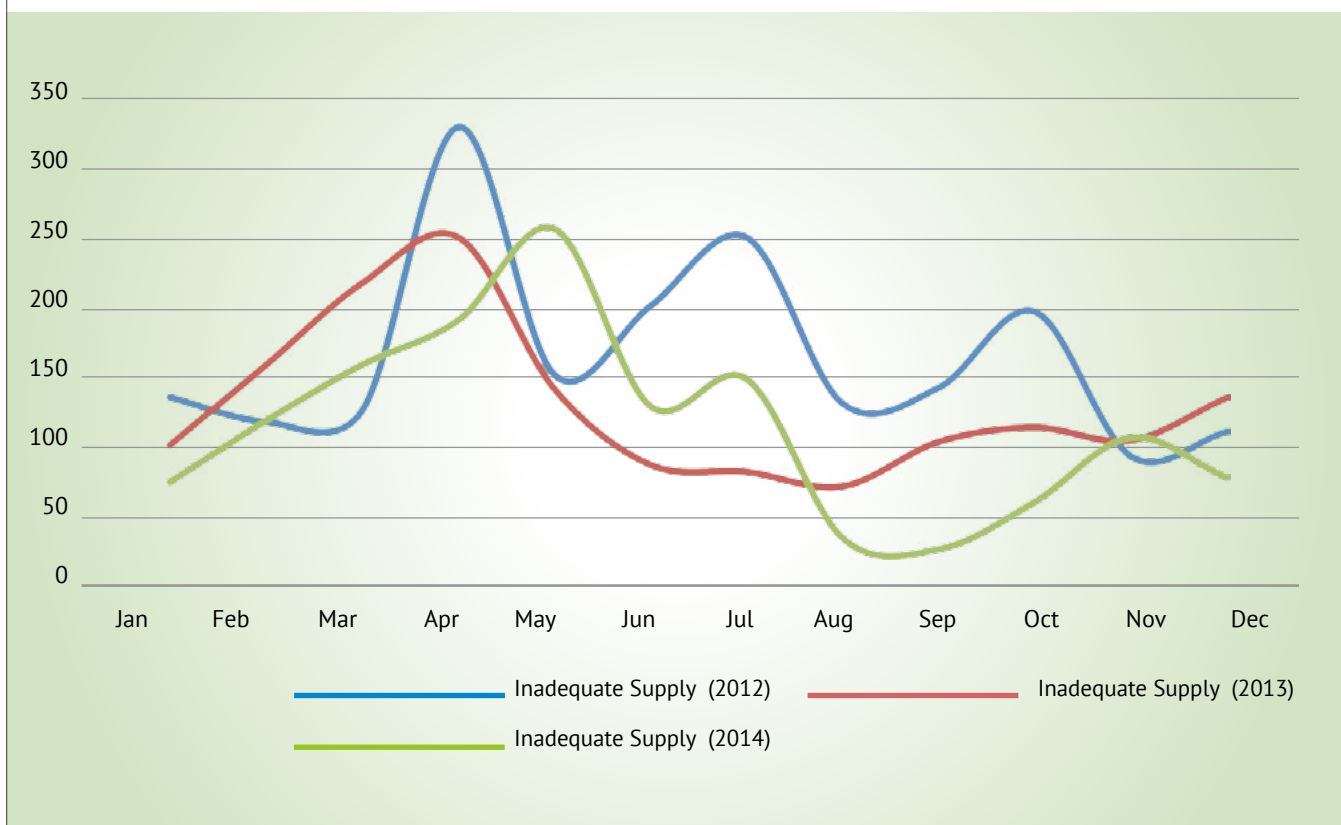


A historical trend of the number of complaints received over the last three (3) years that are related to Inadequate Supply is provided in figure 6. It shows the typical spike occurring in the month of May 2014 instead of April as was the case in the years 2012 and 2013. The increased numbers of Inadequate Supply complaints is typical for the dry season period. Other factors contributing to the high number of Inadequate Supply complaints were the shortfalls in production at the Desalination Company of Trinidad and Tobago (DESALCOTT) and at WASA's Water Treatment Plants (WTPs) at Navet and Caroni. The main contributing factors for the production shortfall were the below average rainfall at the WTP, and mechanical problems at DESALCOTT. Consequently, WASA faced resource challenges due to the increase in demand especially for its Truck Borne Service during the peak period. Nevertheless, there was an overall 11.3% decrease in complaints related to inadequate supply in 2014, which was linked to improvements in WASA's

supply to a number of communities due to a number of infrastructural projects including mains replacement, drilling of new wells and construction of new boosters.

When the complaints were disaggregated by Service Providers, the RIC observed that Street Lights/Poles, Request for Service and Other³ were categories with the most reported complaints against T&TEC for 2014. As shown in table 8 below, these categories accounted for 55.9%, 14.7%, and 9.2% of the complaints respectively for this service provider. In addition, Street Lights/Poles was the complaint category that recorded the highest percentage increase of 80.1% when compared with 2013. This may have been attributable to a significant increase in the number of Street Lighting complaints, due to challenges faced by T&TEC's Public Lighting Department (PLD) in respect of the timely repair of streetlights. An analysis of WASA complaints indicated that Inadequate Supply, Leaks and Billing Queries were the most reported

Figure 6: Historical Trend of the Number of Inadequate Water Supply Complaints 2012-2014



³ The category *Other* includes complaints relating to vegetation management (tree trimming), other types of liability claims, burst electricity wires, etc.

complaints for 2013 and this pattern was repeated in 2014, as these complaints accounted for 76.7%, 9.4% and 5.7% of the complaints received respectively for this year. In 2014, most categories of WASA complaints showed significant decreases when compared with 2013, however, the Road Restoration category showed a 40.0% increase.

The number of complaints received by the RIC was disaggregated by geographic location as shown in figure 7. The South region has historically been and continues to be the region from which the largest number of complaints is reported. This region accounted for 46.9% or 1,120 complaints in 2014. Tobago recorded the least number of complaints for 2014 which is also reflected in figure 7.

Figure 7: Distribution of Complaints by Region, 2014

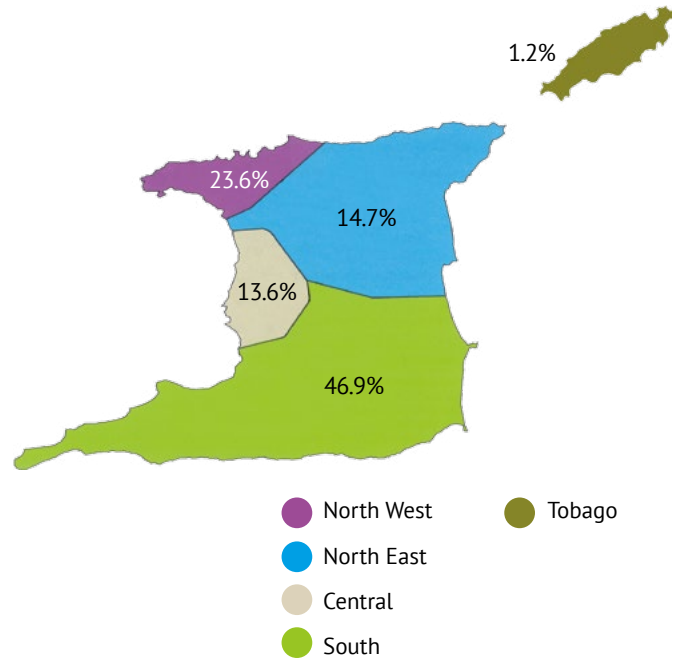


Table 8: Distribution of Complaints Received by Category and Service Provider for the period, 2012-2014

Service Provider	Type of Complaint	2012	2013	2014	% Change
T&TEC	Billing Query	30	41	33	-19.5%
	Damaged Appliances	57	59	40	-32.2%
	High / Low Voltage	43	26	34	30.8%
	Other	71	45	55	22.2%
	Power Outages	41	28	14	-50.0%
	Request for Service	60	65	88	35.4%
	Street Lights / Poles	182	186	335	80.1%
			484	450	599
WASA	Billing Query	187	134	102	-23.9%
	Inadequate Supply	1964	1553	1374	-11.5%
	Leaks	451	203	169	-16.7%
	Other	67	66	60	-9.1%
	Request for Service	31	18	23	27.8%
	Road Restoration	83	45	63	40.0%
			2783	2019	1791
TOTAL		3267	2469	2390	-3.2%

24 CUSTOMER SERVICES

Table 9 shows the number of complaints received by the RIC from the various Regional/City Corporations throughout Trinidad, as well as complaints from Tobago. The data contained in this table indicated that 17.2% of the complaints reported in 2014 came from the Penal/Debe Regional Corporation, 15.4% came from the Princes Town Regional Corporation and 11.9% came from the Couva/Tabaquite/Talparo Regional Corporation. This ranking, in terms of number of complaints by region, is consistent with what was observed in 2013. However, the San Juan/Laventille Regional Corporation recorded an increase of 113 complaints, which represents a 72.9% increase when compared with 2013. Point Fortin recorded the highest percentage increase of 100%. Most of the complaints from this area were related to inadequate water supply and billing queries.

Inadequate Water Supply complaints have historically been and continue to be the most reported complaint in 2014. The RIC reviewed the 2014 complaints data to determine which areas in the four geographic regions (North West, North East, Central and South) were considered to be the worst served areas. Table 10

indicates the five top areas (City/Town/Village) that are most affected in each region where these Inadequate Water Supply complaints were reported. There were some changes from 2013 to 2014 in the number of complaints from the areas that generated the most complaints.

Within the Central Region, the number of complaints from Claxton Bay increased by 8%, owing to a production shortfall from DESALCOTT. The RIC's records show that complaints from Freeport, Chaguanas and Las Lomas No. 1 decreased by 37%, 18% and 60% respectively.

In the North East Region, the number of complaints from Arima decreased by 39%. While complaints from D'Abadie increased by only 9%, those from Arouca, Champ Fleurs and Manzanilla increased by 133%, 333% and 267% respectively.

Within the North West region, the number of complaints from Diego Martin decreased by 43.3% while complaints from Santa Cruz, San Juan, Maraval and Morvant increased by 180%, 88%, 100% and 32% respectively.

Table 9: Number of Complaints by Regional Corporations and the THA, 2012-2014

City / Borough Regional Corporation	2012	2013	2014	% Change
Arima	121	122	97	-20.5%
Chaguanas	142	143	110	-23.1%
Couva/Tabaquite/Talparo	633	306	284	-7.2%
Diego Martin	317	268	161	-39.9%
Mayaro/Rio Claro	88	59	27	-54.2%
Penal/Debe	459	476	410	-13.9%
Point Fortin	90	22	44	100.0%
Port of Spain	187	167	158	-5.4%
Princes Town	341	317	369	16.4%
San Fernando	163	106	113	6.6%
San Juan/Laventille	240	155	268	72.9%
Sangre Grande	104	52	63	21.2%
Siparia	86	113	94	-16.8%
Tobago House of Assembly	68	45	29	-35.6%
Tunapuna/Piarco	228	118	163	38.1%
TOTAL	3267	2469	2390	-3.2%

Table 10: Complaints related to an Inadequate Water Supply:
The top 5 Areas in each Region, 2012-2014

Location	2012		2013		2014	
	Areas	Total	Areas	Total	Areas	Total
CENTRAL	Claxton Bay	58	Claxton Bay	62	Claxton Bay	67
	Freeport	44	Freeport	19	Freeport	12
	Cunupia	43	Cunupia	14	Chaguanas	9
	Las Lomas No. 1	32	Chaguanas	11	Tortuga	6
	Chaguanas	21	Las Lomas No. 1	10	Las Lomas No. 1	4
NORTH EAST	Arima	35	Arima	44	Arima	27
	D'Abadie	25	D'Abadie	23	D'Abadie	25
	Talparo	12	Talparo	15	Arouca	21
	Cumuto	9	Brazil	11	Champ Fleurs	13
	Guaico Tamama	8	Arouca	9	Manzanilla	11
NORTH WEST	Diego Martin	102	Diego Martin	67	Santa Cruz	70
	Morvant	52	Carenage	42	San Juan	47
	Santa Cruz	40	St. Anns	36	Diego Martin	38
	Port of Spain	30	Glencoe	31	Maraval	34
	Glencoe	28	San Juan	25	Morvant	29
SOUTH	Penal	194	Barrackpore	274	Barrackpore	202
	Gasparillo	167	Penal	136	Penal	152
	Princes Town	129	Princes Town	92	Princes Town	129
	Barrackpore	101	Debe	91	San Fernando	36
	Debe	69	Moruga	34	Debe	34

The South Region has historically been the area from which the RIC has received the most complaints and 2014 was no exception. However, when the data were examined, complaints from Barrackpore and Debe decreased by 26% and 63% respectively. Other areas such as Penal, Princes Town and San Fernando recorded increases of 12%, 40% and 20% respectively.

The RIC continues to monitor the complaints from service providers and make every effort to ensure that WASA improves the delivery of service to the identified worst-served areas. In assessing its own performance in this regard, the RIC employs the use of three (3) internal Key Performance Indicators (KPIs). These KPIs are the percentage of complaints resolved, the amount of credit/rebate and compensation that is recovered and adherence to our internal service standards.

Table 11 below provides the details on the number of complaints resolved for 2014 and the percentage resolved by complaint category. As indicated earlier, there were several reasons for customers withdrawing their complaints including a resumption of service between the time the complaint was lodged and RIC's intervention in the matter. In addition, in some cases there was a lack of required documentation from the customer for the RIC to move forward with the complaint on their behalf or the customer requested a withdrawal of the complaint. Data from this table indicated that the RIC was able to resolve 70.9% of the complaints reported against T&TEC and 91.3% of those reported against WASA and therefore, achieved an overall resolution rate of 86.2%.

The second KPI the RIC uses to measure its success in resolving complaints is the quantum of credit/rebate and compensation that is recovered for customers. Over the last three years, the RIC has assisted in the recovery of \$5.77Mn dollars in credits/rebates/compensation as depicted in table 12. For 2014, ninety-eight customers benefited from the recovery of \$2.63Mn in rebates/compensation, which represents a 108% increase when compared to 2013. Six (6) T&TEC customers who had very large billing queries were paid \$2.05Mn or 77.9% of the total and WASA provided rebates/compensation of \$0.58Mn to ninety-two (92) of its customers.

Table 11: Distribution of Complaints Received, Resolved and Withdrawn by Category and Service Provider for 2014

Service Provider	Types of Complaint	No. of Complaints			% Resolved
		Received	Resolved	Withdrawn	
T&TEC	Billing Query	33	24	-	72.7%
	Damaged Appliances	40	16	1	41.0%
	High / Low Voltage	34	22	-	64.7%
	Other	55	38	-	69.1%
	Power Outages	14	10	-	71.4%
	Request for Service	88	78	-	88.6%
	Street Lights / Poles	335	233	4	70.4%
		599	421	5	70.9%
WASA	Billing Query	102	52	-	51.0%
	Inadequate Supply	1374	1311	9	96.0%
	Leaks	169	158	1	94.0%
	Other	60	38	1	64.4%
	Request for Service	23	12	3	60.0%
	Road Restoration	63	50	1	80.6%
		1791	1621	15	91.3%
		2390	2042	20	86.2%

Table 12: Credit/Rebates/Compensation Obtained for Customers
by Complaint Type and Service Providers, 2012-2014

Service Provider	Types of Complaint	2012	2013	2014	3 Yr. Total
T&TEC	Billing Classification	14,727	-	-	14,727
	Billing Query	568	458,428	2,047,743	2,506,739
	Damage to Property	1,798	-	-	1,798
	Damaged Appliance/ Equipment	55,685	25,400	5,695	86,780
	Other ⁴	610,269	481	-	610,750
	Reduction in Reserve Capacity	-	226,111	-	226,111
	Request for Service	-	-	-	-
	Retroactive Billing Adjustment	-	-	-	-
		683,047	710,420	2,053,438	3,446,905
T&TEC	Billing Classification	18,747	725	10,512	29,984
	Billing Query	502,770	528,421	391,843	1,423,034
	Damage to Property	670,000	19,275	-	689,275
	Disconnection / Reconnection	1,008	-	1,009	2,017
	Other Types of Liability Claims	-	6,546	178,750	185,296
	Retroactive Billing Adjustment	900	-	-	900
		1,193,425	554,967	582,114	2,330,506
	TOTAL REBATE	1,876,472	1,265,387	2,635,552	5,777,411

4 Other – other types of liability claims

Table 13: RIC's Internal Performance Standards, 2012 - 2014

Target Area	Standard	Performance Rating		
		2012	2013	2014
Response to Written Complaints	95% Within ten (10) working days.	96.9%	100%	100%
Response to Telephone and E-mail Complaints	95% Within ten (10) working days.	100%	100%	100%
Response to Overnight Messaging	100% Within one (1) working day	100%	100%	100%
Keeping Appointments	100% Within ten (10) minutes	87.5%	100%	100%

The third KPI the RIC utilises to measure the quality of its service delivery is its response time to complaints based on its internal performance standards. Table 13 highlights the RIC's performance during 2014 against the four established standards.

The RIC's Customer Service Representatives assisted 123 walk in customers in 2014, resulting in 56 complaints

being processed. Interestingly, 99.2% of the customers came to the RIC's office without an appointment, however, 81.3% of these were seen within 10 minutes and 93.5% were seen within 15 minutes. The average waiting time taken to see a customer was 6.32 minutes. Additionally, all complaints submitted via letter, email and telephone were responded to within 10 working days.

CORPORATE COMMUNICATIONS

The thrust in 2014 remained one of enhancing the corporate image of the RIC and empowering stakeholders through information dissemination, while creating mutually beneficial situations for both consumers and service providers. The objectives included improving consumer education, developing better public awareness of the RIC and encouraging greater stakeholder involvement.

The main activities in support of these objectives are discussed below.

12th Annual Conference of Caribbean Utility Regulators – Dominica

The 12th Annual Conference of the Organization of Caribbean Utility Regulators (OOCUR) was hosted by the Independent Regulatory Commission (IRC) of Dominica and was held during November 19th -21st, 2014. The theme of the conference focused on “Regulating Utilities in a Changing Environment” and delegates engaged in discussion on a number of issues that were relevant to the theme including:

- Impact of regulatory lag on the regulator and utility;
- Corporate governance & state owned utilities;
- Impact of water supply scheduling; and
- Socioeconomic challenges and electricity theft.

The RIC was represented over the three-day conference by Commissioner Mark Dolsingh and Mr. Glenn Khan, Executive Director (Ag.), who attended the Executive Council meetings. Also, four members of the RIC staff presented papers at the conference; Mr. Derrick Phillips, Ms. Leah Goddard-Pierre, Mr. Sugrim Mungal and Mr. Rishi Maharaj. The IRC also arranged for participants to visit a geothermal energy project site in Laudat and the freshwater lake in the Morne Trois Pitons National Park, which supplies the Laudat and Trafalgar hydro-electric generation stations.

Conference Participation

The Executive Director (Ag.) was invited to participate at various regional and international conferences on regulatory issues. Mr. Khan made a presentation titled

“*Regulating Water and Power in a Multi-Sector Regulator*” at the Pacific and Caribbean Conference on Effective and Sustainable Regulation of Power and Water Services. This conference was held over the period March 25-27, 2014 in Nadi, Fiji and was hosted by the Asian Development Bank. He also represented the RIC at the Regional Water Sector Review Assessment Workshop hosted by the Caribbean Development Bank in Barbados over the period July 7-8, 2014. In November 2014, the CARICOM Secretariat invited Mr. Khan to participate in a panel discussion on Distributed Generation and Grid Interconnection at the Fourth Caribbean Sustainable Energy Forum (CSEFIV) in Barbados.

Public Education and Awareness

In 2014 the RIC engaged in a number of initiatives to increase public awareness of the organization and its core duties and responsibilities.

- **Conference on the Economy**

The RIC was a Silver Sponsor of The University of the West Indies (UWI) 7th Annual Conference of the Economy (COTE), which was held over the period October 9th – 10th 2014. COTE is an annual landmark event of UWI's Department of Economics at which research questions are explored, findings are explained and general discussions are held on economic and social policy.

- **RIC News**

The public is kept informed of the activities of the RIC through the quarterly newsletter “*RIC News*”. The RIC News is a way to distribute information to stakeholders and solicit feedback on the topics highlighted and discussed in the publication.

- **Newspaper Campaign**

Improving the awareness of the RIC was an area that required more emphasis and a decision was made to implement a targeted newspaper campaign during the period April-May 2014. The campaign involved publishing ten (10) WASA and eleven (11) T&TEC ‘snippets’ in all the daily newspapers. These snippets

highlighted the procedures for complaints about poor service from WASA and T&TEC and were intended to inform and educate the public about their options for recourse through the assistance of the RIC.

- **Radio Advertising Campaign**

The awareness campaign also involved the use of four (4) public interest radio commercials which focused on customer related issues, each representing a possible complaint scenario for WASA and T&TEC. The four scenarios addressed in the commercials were Leaks, Low Voltage, Power Outage and Truck Borne Water Supply.

The radio commercials appeared over the course of a three-month period (October 2014-December 2014) on six radio stations, selected by largest market share according to the most recent Market Facts and Opinion (MFO) survey. The radio stations selected also represented different consumer demographics. The months selected for each radio station represented their highest listenership periods e.g. Divali, Christmas etc. All the radio stations aired the RIC's commercials during peak hours for the duration of the campaign. The campaign also highlighted the customer service available at the RIC and provided information on when and how to lodge complaints with the RIC.



HUMAN RESOURCES / ADMINISTRATION

Retirement

This year was significant in terms of human resources, owing to the retirement of two senior members of staff.

Mr. Harjinder S. Atwal, Executive Director, proceeded on pre-retirement leave with effect from April 1, 2014 and retired on June 17, 2014. He devoted most of his time to ensuring that the RIC would be recognized as one of the most respected regulatory bodies in the region. He always demanded high quality work from staff and generously shared his knowledge and experience with them. Under Mr. Atwal's leadership, the RIC also achieved a high level of recognition for its achievements and consequently, regional regulatory bodies often requested internships for their staff in order to augment their regulatory knowledge.

Mr. Kazim Khan, Chief Financial Officer also retired on February 10, 2014 after almost six years of dedicated service to the RIC. Mr. Khan was noted for the forthright positions which he took on the financial affairs of the RIC and for his unwavering adherence to good accounting principles and procedures.

Acting Appointments and Staff Changes

The Deputy Executive Director, Mr. Glenn A. Khan, was appointed to act in the position of Executive Director from April 1, 2014 until further notice.

The Senior Utility Accountant, Mr. Shameel Khan, was appointed to act in the position of Chief Financial Officer, until further notice.

The vacant position of Human Resources Assistant was filled in October 2014.

Staff Vacancies

The RIC advertised and held interviews for the positions of Assistant Executive Director, Technical Operations and Chief Financial Officer, however, a decision was taken to re-advertise those positions in 2015. A number of vacancies remained in the organization during 2014 as the RIC considered filling these positions.

Remuneration and Contracts

Proposals for staff remuneration packages for the period August 01, 2013 to July 31, 2016 were approved by the Board of Commissioners and submitted to the Ministry of Public Utilities for approval, by letter dated November 10, 2014.

Summer Internship

The RIC accepted two students in 2014 to participate in its summer internship programme. One intern was a second-year law student from UWI, Cavehill, and was placed within the Legal/Corporate Secretary's Office. The other intern, a second-year BSc Economics student from the Department of Economics, UWI, St. Augustine, was assigned to the Economics and Research Department. Both Interns stayed with the RIC for the period July 01, to August 31, 2014 and were supervised by the respective Department Head. At the end of their internship, they were both required to make a power-point presentation to the technical staff of the RIC, on their respective area of interest. A monthly stipend of \$4,000.00 was paid to the interns.

Policy for Granting a Gift to Employees upon Retirement

The RIC has put in place a policy for recognizing employees upon retirement, based on their length of service. The aim of this policy was to acknowledge and reward loyal and dedicated services rendered, promote a culture of positive recognition within the RIC and raise the morale of employees by showing appreciation to long-serving employees. The policy recognises the services of staff after they have completed five years of service, up to the date of retirement. All categories of staff are eligible to participate in the employee long service program upon attaining age sixty (60), or at age fifty-five (55) in the case of early retirement.

Health, Safety & Security

The RIC engaged the services of the Safety Council of Trinidad and Tobago to develop health and safety (H&S) policies which include a H&S Policy Statement, Emergency Response Plan and H&S Manual. Additionally, an Annual Risk Assessment was conducted by JARIC Environmental Limited during the year, in order to identify existing and potential workplace hazards. The findings of this report were discussed at the RIC's H&S Committee meeting and action was taken to address health and safety gaps in the workplace.

Training

The RIC continued its commitment to the development of staff by providing training throughout the year using various programmes.

Foreign Training

During the latter part of 2014, four (4) staff members of the RIC participated in two (2) integrated training programmes as follows:

- The first programme was hosted by the World Bank Institute (WBI), the United Nations Environment Programme and Caribbean Water and Sewerage Association (CAWASA) Inc. The programme comprised an 8-week online course on *Designing and Implementing Successful Water Utility Reform* which was followed by a workshop. This workshop was held during November 30th - December 6th 2014 in Barbados and both RIC participants attended, after their successful completion of the online component.
- The second training programme was similarly structured and was hosted by the Caribbean Development Bank (CDB) in association with the Caribbean Regional Fund for Wastewater Management (CRew) and Caribbean Water and Sewerage Association (CAWASA) Inc. The programme comprised a 7-week online course by the United Nations Institute for Training and Research's (UNITAR) on *Governance in Urban Sanitation*, which was also followed by a workshop. Both RIC participants successfully completed the online component and a date is to be fixed for the workshop.
- One staff member successfully completed the National Association of Regulatory Utilities Commission's (NARUC) one-week Utility Rate School held in California, USA.
- A number of foreign-based online training courses were completed by staff at the RIC. The online courses were facilitated by the Public Utilities Research Centre (PURC) and the Institute for Public-Private Partnership (IP3).

Other Training Activities

Several members of staff participated in a range of technical and non-technical workshops, conferences and seminars hosted by a variety of institutions including ACCA/ICATT, International Occupational Safety and Health Institute (IOSH), the Arthur Lok Jack Graduate School of Business, Employers Consultative Association, Safety Council of Trinidad and Tobago, the National Information and Communication Technology Company (iGovTT) and Trinidad and Tobago Bureau of Standards.

INFORMATION TECHNOLOGY

The RIC successfully renewed a number of software products in 2014, to ensure daily operations which require IT infrastructure were well supported. The RIC replaced its legacy telephone/PBX system with an IP-PBX system in 2013 and some implementation issues occurred during 2014, however, most of the issues were addressed during the year. The RIC renewed its subscription to Checkpoint

Firewall software and initiated the procurement process towards the acquisition of a new Checkpoint Firewall appliance. In 2014, a decision was made to renew the VMware application software which is a core platform for all of RIC's Windows Server operating systems.

FINANCES OF THE RIC

The RIC derives its income via an allocation known as a *cess*, which is levied on the service providers that are listed in the 1st Schedule of the RIC Act. The Cess Order, authorising the RIC to collect cess from the regulated entities, was gazetted on June 12th 2014. The Cess Factor in 2014 was 0.17% of the cumulative revenue of the service providers under the RIC's purview. The Cess Factor was significantly reduced as a decision was made to return commitments from previous years that were not aligned with the RIC's future plans. The actual amount of Cess paid by each service provider is itemized in table 14 below.

Any unused Cess from the previous year is carried forward into the following year. In this regard, \$8,245,194 was

carried forward comprising surplus for the year 2013 of \$1,844,296 and commitments of \$6,400,898. The commitments that are being returned comprised funds that were budgeted for projects that were not executed and are not expected to be undertaken within the next year.

A Budget of \$16,192,923 for the financial year was approved by the Minister of Public Utilities, by Cess Order dated May 13th 2014. The RIC's actual expenditure in 2014 showed a similar pattern as the previous year, with the largest expense categories being Personnel and Accommodation, at 66.13% and 17.53% respectively. Overall expenditure was lower than budgeted for a number of reasons. The hiring of new staff was included

Table 14: Cess Paid by Service Provider, 2014

Service Provider	TT\$ Amount
Trinity Power	240,886
The Power Generation Company of Trinidad & Tobago Limited	1,506,901
The Trinidad and Tobago Electricity Commission	4,887,166
The Water and Sewerage Authority	1,312,776
TOTAL	7,947,729

in the 2014 budget, however, all vacancies were not filled as planned. All of the training programmes that were planned for the year were not fulfilled and provisions made under Other Costs for rate review related costs were not incurred. A breakdown of the main items of expenditure is presented in table 15 below.

The RIC is committed to ensuring that its costs are carefully controlled and that there is transparency in its operations. In keeping with these commitments, individuals who wish to access any information on the RIC's financial operations may do so through the established channels.

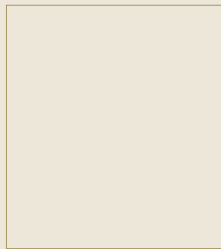
Table 15: Actual vs Budgeted Expenditure, 2014

	Budget (\$)	Actual (\$)
Personnel Expenditure	10,444,848	10,109,614
Accommodation	2,680,650	2,680,650
Consulting and Contracting	594,425	747,658
Training	700,000	340,851
Public Education, Promotion & Printing	450,000	458,620
Capital Expenditure and IT	150,000	131,058
Other Costs	1,173,000	818,977
TOTAL	16,192,923	15,287,428

COMMISSIONERS FOR 2014



Dr. Anne-Marie Mohammed
Chairman



Ms. Liana Ramsahai
Deputy Chairman



Mr. Niegel Subiah
Commissioner



Mr. Mark Dolsingh
Commissioner



Ms. Sunita Ganpat
Commissioner



Ms. Debra Singh-Khan
Commissioner

MANAGEMENT TEAM FOR 2014



Harjinder S. Atwal
Executive Director
(January 1st – March 31st 2014)



Glenn Khan
Deputy Executive Director
Ag. Executive Director
(April 1st 2014 –
December 31st 2014)



Rishi Maharaj
Assistant Executive Director
– *Economics & Research*



Nadia John
Legal/Corporate Secretary



Kazim Khan
Chief Financial Officer
(January 1st –
February 10th 2014)



Helen Peru
Manager
Human Resources and
Administration



Martin Haynes
Manager
Information Technology



Mohan Chadee
Manager
Customer Services



Driselle Ramjohn
Manager
Corporate Communications

Shameel Khan
Ag. Chief Financial Officer
(February 11th 2014 –
December 31st 2014)



2014
**FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER, 2014



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**REPORT
OF THE
AUDITOR GENERAL**

**ON THE FINANCIAL STATEMENTS OF THE
REGULATED INDUSTRIES COMMISSION**

FOR THE YEAR ENDED

31 December, 2014



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE REGULATED INDUSTRIES COMMISSION FOR THE YEAR ENDED 31 DECEMBER, 2014

The accompanying Financial Statements of the Regulated Industries Commission for the year ended 31 December, 2014 have been audited. The Statements comprise a Statement of Financial Position as at 31 December, 2014, a Statement of Comprehensive Income, a Statement of Changes in Shareholders' Equity, a Statement of Cash Flows for the year ended 31 December, 2014, Accounting Policies labelled a to m and notes to the Financial Statements numbered 1 to 12.

2. The audit was conducted by a firm of accountants appointed by the Board of the Commission with the written consent of the Auditor General. Their Report dated 28th March, 2018, which is attached, refers.

SUBMISSION OF REPORT

3. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the provisions of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.

20TH MARCH, 2019
PORT OF SPAIN




MAJEED ALI
AUDITOR GENERAL



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REGULATED INDUSTRIES COMMISSION

March 28, 2018

Aegis & Co.
18 Scott Bushe Street
Port of Spain

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of the Regulated Industries Commission which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal controls operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements; management utilized the International Financial Reporting Standards. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

.....
Executive Director

Date: 28/03/2018

.....
Chief Financial Officer

Date: 28/03/2018



Independent Auditor's Report

To the Commissioners of
The Regulated Industries Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Regulated Industries Commission, which comprise the statement of financial position as at 31 December, 2014, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Regulated Industries Commission as at 31 December, 2014, of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Aegis & Co. P.O. Box 1543, Port of Spain, Trinidad and Tobago, West Indies.

Tel: 868 625 6473 Fax: 868 625 4484 VOIP: 305 260 6673 Website: www.aegistt.com

Email: info@aegistt.com



Independent Auditors' Report

To the Commissioners of
The Regulated Industries Commission

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A handwritten signature in blue ink, appearing to read "C. Aegistt", written over the printed name of the auditor.

Chartered Accountants
Port of Spain
Trinidad, West Indies
Date: 28th March, 2018



Regulated Industries Commission

Financial Statements

For the Year Ended 31 December 2014


STATEMENT OF FINANCIAL POSITION

	Notes	31 December	
		2014	2013
		\$	\$
ASSETS			
Non-current assets			
Motor Vehicle	2	458,597	514,680
Computers & Office Equipment	2	1,161,890	1,416,834
Office Furniture	2	362,110	343,078
Assets from Public Utilities Commission	2	254	474
		<u>1,982,851</u>	<u>2,275,066</u>
Current assets			
Cash in Hand		3,000	3,000
Bank – Current Account		2,158,741	2,667,463
Bank – Money Market Fund Account	3	16,060,546	22,939,615
Prepayments	4	184,311	113,798
Rental Deposit		16,738	16,738
Accounts Receivable	5	-	39,560
Refundable Deposit	6	154,700	154,700
V.A.T. Recoverable		368,145	345,423
		<u>18,946,181</u>	<u>26,280,297</u>
Total assets		<u>20,929,032</u>	<u>28,555,363</u>
CAPITAL & LIABILITIES			
Accumulated Funds			
Accumulated Funds – Government Grants	7	254	474
Retained Earnings		20,418,501	26,453,095
Total shareholders' equity		<u>20,418,755</u>	<u>26,453,569</u>
Current liabilities			
Accounts Payable			
- Other	9	298,750	648,793
Gratuity Provision		63,030	568,278
Pension		-	643,667
Salary		148,497	241,056
		<u>510,277</u>	<u>2,101,794</u>
Total equity and liabilities		<u>20,929,032</u>	<u>28,555,363</u>



The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

On 28 March, 2018, the Board of Directors of the Regulated Industries Commission authorised these financial statements for issue.


Executive Director


Chairman

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year Ended 31 December	
		2014 \$	2013 \$
INCOME			
Cess Income		7,947,729	13,623,302
Other Income	10	<u>34,842</u>	<u>359,052</u>
Total Income		7,982,571	13,982,354
EXPENSES			
Advertising & Promotions		374,930	239,243
Allowances		158,300	216,320
Audit Fees		66,000	55,000
Bank Charges		2,534	3,877
Books and Periodicals		1,375	-
Charitable Contribution		6,795	1,575
Computer and Maintenance		8,995	28,036
Consultation Expenses		-	1,591
Contract Gratuities		208,946	255,061
Contracted Services		225,850	175,108
Depreciation		547,979	555,091
Government Contribution to NIS		292,290	260,152
Group Health Insurance		149,853	147,057
Group Life Insurance		95,653	98,254
Insurance		85,146	98,785
Mail and Postage		3,447	3,918
Miscellaneous Expenses	11	343,983	205,559
Motor Vehicle Maintenance		65,140	97,064
Office Expenses		105,713	68,174
OOCUR Expenses		91,307	128,435
Pension Expense		496,184	555,397
Professional Fees and Legal Fees		87,732	30,276
Remuneration to Board Members		507,514	560,966
Rent		2,331,000	2,245,250
Repairs and Maintenance		16,137	7,060
Salaries		7,012,672	7,190,007
Security and Janitorial Services		174,860	186,510
Subscriptions		121,768	233,476
Telephones		187,652	198,482
Training		268,784	420,840
Uniforms		20,249	3,976
Total Expenses		<u>14,058,788</u>	<u>14,270,540</u>
Total Comprehensive Loss for the year		<u>(6,076,215)</u>	<u>(288,186)</u>

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Retained Earnings	Accumulated Fund Government Grant Relating to P.U.C	Total
	\$	\$	\$
Year ended 31 December			
Balance at 1 January 2014	26,453,094	474	26,453,568
Total comprehensive Loss for the year	(6,076,215)	-	(6,076,215)
Depreciation in P.U.C Assets	41	(41)	-
Prior period adjustment	<u>41,581</u>	<u>(179)</u>	<u>41,402</u>
Balance at 31 December 2014	<u>20,418,501</u>	<u>254</u>	<u>20,418,755</u>
Year ended 31 December			
Balance at 1 January 2013	26,761,349	541	26,761,890
Total comprehensive Loss for the year	(288,186)	-	(288,186)
Depreciation in P.U.C Assets	67	(67)	-
Prior period adjustment	<u>(20,136)</u>	<u>-</u>	<u>(20,136)</u>
Balance at 31 December 2013	<u>26,453,094</u>	<u>474</u>	<u>26,453,568</u>

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.



STATEMENT OF CASH FLOWS

	Year ended	
	2014	2013
	\$	\$
Operating activities		
Total comprehensive loss for the year	(6,076,215)	(288,184)
Adjustments for items not requiring an outlay of funds:		
Depreciation	547,979	555,091
Depreciation – prior period adjustment	5,291	-
Prior period adjustment	41,402	(20,136)
Loss on sale of asset	104,595	-
Interest on Investment	(139,257)	(162,471)
Operating profit before working capital changes	(5,516,205)	84,300
(Decrease)/increase in Accounts Payable	(350,043)	422,778
(Decrease)/increase in Gratuity Provision	(505,248)	507,482
Decrease in Pension	(643,667)	(194,424)
(Decrease)/increase in Salaries	(92,559)	18,891
(Increase)/decrease in Prepayments	(70,513)	54,093
Decrease in accounts receivables	39,560	12,138
Increase in VAT recoverable	(22,722)	(44,790)
Net cash flows (absorbed by) / generated from operating activities	<u>(7,161,397)</u>	<u>860,468</u>
Investing activities		
Acquisition of fixed assets	(444,980)	(380,276)
Proceeds from disposal of fixed assets	79,329	-
Interest on investment	139,257	162,471
Net cash flows absorbed by investing activities	<u>(226,394)</u>	<u>(217,805)</u>
(Decrease) / increase in cash and cash equivalents	<u>(7,387,791)</u>	<u>642,663</u>
Cash and cash equivalents at beginning of year	<u>25,610,078</u>	<u>24,967,415</u>
Cash and cash equivalents at end of year	<u>18,222,287</u>	<u>25,610,078</u>
<u>Represented By:</u>		
Cash in hand	3,000	3,000
Bank – current account	2,158,741	2,667,463
Bank – money market fund account	16,060,546	22,939,615
	<u>18,222,287</u>	<u>25,610,078</u>

The accounting policies on pages 7 to 9 and the notes on pages 10 to 14 are an integral part of these financial statements.



ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

a Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b Plant and equipment

Plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Motor Vehicles	-	25%
Computers	-	25%
Office Furniture	-	12.5%
Office Equipment	-	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Profits or losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

The commission has adopted the policy of expensing assets that fall below the cost of \$1,000.00, even though that asset may have a useful life in excess of one (1) accounting period.

c Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

d Revenue recognition

The commission is funded by CEFS income which is obtained from utility service providers and is calculated based on a percentage of their income.



ACCOUNTING POLICIES (Continued)

31 DECEMBER, 2014

e Foreign currency translation

i) Functional and presentational currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Trinidad and Tobago dollars ("TT\$"), which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equities are included in the fair value reserve in equity.

f Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable and accounts payable and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

g Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and funds held in Money Market Funds. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalent also include the bank overdrafts.

h Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the statement of comprehensive income.



ACCOUNTING POLICIES (Continued)

31 DECEMBER, 2014

i. Annuities

The company makes payments on behalf of its employees to deferred annuity plans. The deferred annuity plans are non-contributory by employees. A deferred annuity plan allows one to pay premiums and then receive a lump sum or series of regular payments at a preset future date, usually upon maturity of the plan or at retirement. The regular payments constitute net periodic costs for the year in which they are due and as such are included in staff costs.

j. Provisions

Provisions are recorded when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

k. Financial risk

For the purpose of these financial statements, financial assets include the money market fund, trustee pooled bond and certificate of deposit. All amounts are fixed with the application of simple interest on invested amounts. As at 31st December, 2014 the recorded values of all financial assets approximate their fair values and these financial instruments can be redeemed at any point in time.

l. Tax exempt status

By virtue of the Regulated Industries Commission Act, Chapter 54:73, Section 31, the commission is exempt from all stamp duties, customs duties, levies and other imposts on its income, profit or on assets which it acquires for its own use.

m. Leases

Contingent rents:

Contingent rents recognized as an expense or income, if material, shall be disclosed for each class of leases (i.e. operating and financing), FRS 17(31)(c,e), irrespective of whether the reporting entity is a lessee or lessor FRS 17(31)(c,d). The basis upon which the contingent rent payable was determined is required to be disclosed when the reporting is a lessee. FRS 17(47)(e)

Penalties for early termination;

Where such penalties are material, the following disclosure is suggested:

“ When a lease is terminated before the lease period expires, any payment made (or received) by the Group as penalty is recognised as an expense (or income) when termination takes place.”RRS 17(56)(b)

Regulated Industries Commission rents 11,900 square foot of office space at \$16 per square foot (190,400 VAT Exclusive) and 11 car park spaces at \$3,500 VAT Exclusive from Furness Trinidad Limited, totaling \$2,326,800 per year payable as monthly installments of \$193,800 VAT Exclusive.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2014

1 Incorporation and business activities

The Regulated Industries Commission was established by the regulated Industries Commission Act, Chapter 54:73. The purpose of the commission is to regulate the activities of utility service providers through a system of licensing.

2 Property, plant and equipment

	Motor Vehicle \$	Computer and Office Equipment \$	Office Furniture \$	Assets from PUC \$	Total \$
Year ended 31 December 2013					
Opening net book amount	686,239	1,408,173	354,928	541	2,449,881
Additions	--	345,607	34,669	--	380,276
Disposals	--	--	--	--	--
Depreciation charge	(171,560)	(336,945)	(46,519)	(67)	(555,091)
Closing net book amount	<u>514,679</u>	<u>1,416,835</u>	<u>343,078</u>	474	<u>2,275,066</u>
As at 31 December 2013					
Cost	981,330	3,866,230	1,196,964	11,945	6,056,559
Accumulated depreciation	(466,651)	(2,449,485)	(853,886)	(11,471)	(3,781,493)
Net book amount	<u>514,679</u>	<u>1,416,835</u>	<u>343,078</u>	<u>474</u>	<u>2,275,066</u>
Year ended 31 December 2014					
Opening net book amount	514,679	1,416,835	343,078	474	2,275,066
Additions	263,400	116,063	65,517	--	444,980
Disposals	(162,273)	(21,106)	(366)	(179)	(183,924)
Depreciation charge	(157,209)	(344,610)	(46,119)	(41)	(547,979)
Prior Period Depreciation	--	(5,291)	--	--	(5,291)
Closing net book amount	<u>458,597</u>	<u>1,161,891</u>	<u>362,110</u>	254	<u>1,982,852</u>
As at 31 December 2014					
Cost	1,082,457	3,961,187	1,262,115	11,945	6,317,615
Accumulated depreciation	(623,860)	(2,799,386)	(900,005)	(11,691)	(4,334,763)
Net book amount	<u>458,597</u>	<u>1,161,891</u>	<u>362,110</u>	<u>254</u>	<u>1,982,852</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2014

3	Bank – Money Market	2014 \$	2013 \$
	RBL Money Market	3,862,317	3,045,275
	RBL Money Market (Land)	7,081,686	7,016,342
	RBL Pooled Bond	5,116,543	8,031,401
	RBL Certificate of Deposit	—	4,846,598
		<u>16,060,546</u>	<u>22,939,615</u>

The Money Market Funds have been classified as a cash equivalent because management uses the account for working capital requirements. The interest rate at the year-end was 0.85%.

4	Prepayments	2014 \$	2013 \$
	Insurance	43,479	37,810
	Copiers Maintenance Contract	24,322	18,196
	Contract Services	-	25,724
	HP Support Services	96,144	-
	ITPOST – PO Box Rental	620	-
	OOCUR Membership	19,746	32,068
		<u>184,311</u>	<u>113,798</u>

5	Accounts Receivables	2014 \$	2013 \$
	Interest	—	39,560

6	Refundable Deposit	2014 \$	2013 \$
	Deposit of two (2) months' rent with Furness (Trinidad) Ltd.	154,700	154,700

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER, 2014

7 Accumulated Funds – Government Grants - \$248

This represents the balance in the government grants account with respect to the assets taken over from the former Public Utilities Commission. The government grant is accounted for in accordance with circular F 22/8/43 issued by the Ministry of Finance to all Government Institutions on 23rd July 1969.

8 Retained Earnings – Depreciation on P.U.C. Assets - \$225

An amount equivalent to the depreciation charge on assets taken over from the former Public Utilities Commission (PUC) was transferred from the Reserves Accumulated Funds – Government Grants to Retained Earnings. This measure, in effect, reimbursed the Regulated Industries Commission for the depreciation expense incurred on behalf of the PUC.

This method of depreciation used is in accordance with circular F 22/8/43 issued by the Ministry of Finance to all Government institutions on July 23rd July 1969.

(See Statement of Changes in Equity, Page 5)

9 Accounts Payables Other	2014	2013
	\$	\$
Advertising	76,281	49,928
Arrears of Increment	-	10,288
Audit Fees	121,000	112,654
Catering Christmas Lunch	-	9,172
Contract Services - Health and Safety Policy Documents	22,787	-
Donations	460	-
Gas Bills	2,865	-
Insurance	-	3,436
Janitorial	10,351	6,673
Mail and Postage	-	216
RIC's Outreach Programme	1,040	-
Security	7,920	23,220
Staledated Cheques	14,189	46,080
Office Equipment	300	253,967
Training for new Supervisors	2,750	-
Subscriptions	-	99,652
Telephone	<u>38,807</u>	<u>33,507</u>
	<u>298,750</u>	<u>648,793</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER, 2014

10	Other Income	2014 \$	2013 \$
	Interest from Investments	139,257	202,030
	Loss on Disposal of Assets	(104,595)	-
	PUC	180	-
	Other Receipts	<u>-</u>	<u>157,022</u>
		<u>34,842</u>	<u>359,052</u>
11	Miscellaneous Expenses	2014 \$	2013 \$
	Staff Functions	182,583	125,204
	Staff Welfare	71,980	61,920
	Carnival	55,852	-
	Catering	<u>33,568</u>	<u>18,435</u>
		<u>343,983</u>	<u>205,559</u>

12 Financial risk management

The company's activities expose it to credit risk, compliance risk and reputation risk. The company's overall risk management procedures employed manage the risks as discussed below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. Credit risk relating to accounts receivable balances are consistently managed and analysed for each client. Cash balances are held with reputable financial institutions and the company has actively sought to limit the amount of exposure to any single financial institution therefore minimizing credit risk arising from cash and cash equivalents.

The Company also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

(b) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Government of Trinidad and Tobago, as well as by the monitoring controls applied by the company. The company has an Audit Committee which does routine reviews on compliance.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 DECEMBER, 2014

(c) **Reputation risk**

The risk of loss of reputation arising from the negative publicity relating to the company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the company. The company engages in activities that bring awareness to its operations and therefore engender trust and minimize this risk.



REGULATED INDUSTRIES COMMISSION

Protecting YOUR Interests



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