

REGULATED INDUSTRIES COMMISSION

RIC NEWS

October – December, 2020

ISSUE 4
VOLUME: 17



RIC COMMENCES PRICE REVIEWS FOR T&TEC AND WASA

IN THIS ISSUE

- Quarterly Complaints Report 2
- Press Release – RIC Commences Price Reviews for T&TEC and WASA 3
- Balancing Interests: Facts on the RIC’s Approach to Rate Setting 4-6
- Stages of the RIC’s Price Review Process 7
- RIC Virtual Holiday Celebrations 8

REGULATED
INDUSTRIES
COMMISSION 

Protecting YOUR Interests

Quarterly Complaints Report

Consumer Complaints Resolved

RIC'S COMPLAINTS REPORT FOR 4th QUARTER 2020

Status	OCT –20	NOV –20	DEC–20
Number of complaints received	258	199	291
Number of complaints resolved	105	106	169
Number of complaints unresolved	153	93	122
Resolution rate for complaints received	41%	53%	58%

**REBATE / COMPENSATION AWARDED
TO CUSTOMERS BETWEEN OCT – DEC, 2020**

\$60,197.00

OUR CUSTOMER SERVICE PROMISE TO YOU – THE RIC WILL:

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

**IF YOU HAVE A COMPLAINT, YOU MUST FIRST MAKE CONTACT WITH THE SERVICE PROVIDERS (I.E. WASA AND T&TEC)
AND GIVE THEM THE OPPORTUNITY TO RESOLVE THE PROBLEM**

#37 Wrightson Road, Port of Spain, Trinidad, WI
P.O. Box 1001

Tel: 800-4RIC (4742) • Fax: 624-2027

Website: www.ric.org.tt Email: complaints@ric.org.tt

**REGULATED
INDUSTRIES
COMMISSION** 

Protecting *YOUR* Interests

PRESS RELEASE

RIC COMMENCES THE PRICE REVIEW PROCESS FOR T&TEC AND WASA

THE REGULATED INDUSTRIES COMMISSION (RIC) WISHES TO ADVISE THAT IT HAS BEGUN THE PRICE REVIEW PROCESS FOR BOTH THE TRINIDAD AND TOBAGO ELECTRICITY COMMISSION – T&TEC (ELECTRICITY TRANSMISSION AND DISTRIBUTION SECTOR) AND AND THE WATER AND SEWERAGE AUTHORITY - WASA (THE WATER AND WASTEWATER SECTOR).

The first phase of Price Review Process commences with the release of the RIC's "Information Requirements: Business Plan Document", which specifies the information that the Service Providers (T&TEC and WASA) must submit in order for the RIC to undertake the Review. This will be followed by the publication of the RIC's Framework and Approach Document, which will provide broad details about the process that the RIC will follow in conducting the Review.

The second phase includes the release of various Consultative Documents which will present the RIC's views on key areas that impact various aspects of rate determination, such as quality of service.

The third phase entails the release of the RIC's Draft Determination for public consultation after reviewing the Service Providers' Business Plan/Pricing Proposal. The RIC will conduct open public consultation sessions during this period.

Finally, the RIC will publish its Final Determination after reviewing all comments and concerns raised during the public consultation.

Under the RIC Act, No. 26 of 1998, the RIC has the legal responsibility and authority to determine rates and tariffs for T&TEC and WASA. RIC also has a duty to consult with service providers and representatives of consumer interest groups as part of its statutory remit.

As an impartial and independent body, the RIC remains committed to fulfilling its mandate of protecting consumer interests while ensuring that the service provider has adequate resources to provide a reasonable quality of service to all customers.

BALANCING INTERESTS: FACTS ON THE RIC'S APPROACH TO RATE SETTING



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

A: The RIC Act mandates the RIC to:

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

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

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

What is the RIC's approach to Rate Setting?

- A:** The RIC's duty entails setting price limits/controls. The RIC utilises incentive regulation to set prices, which is in keeping with the RIC Act. Incentive Regulation allows Service Providers (SPs) to reduce costs and improve efficiency. Since the method caps prices or revenues SPs are free to earn as much as they can by operating efficiently. To ensure that SPs do not increase profits by lowering the quality of service, the RIC establishes and enforces performance standards (Quality of Service Standards).

What guides the RIC in any Rate Setting exercise?

- A:** In setting rates, the RIC must ensure that:
- SPs are able to finance efficient investment, cover efficient operating costs and earn an appropriate return on investment all while delivering specified outputs, inclusive of meeting performance standards; and
 - The interests of consumers are taken into account by enabling the highest quality of service at the lowest feasible costs. The prices that are set provide appropriate signals about the cost of providing service.

RIC ACT SECTION 6
According to the RIC Act

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

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

- A:** To educate and empower stakeholders, particularly consumers, the RIC engages in a Consultative Process that entails seeking public comments on the methodology the RIC would use to set rates for the SP. The RIC gives consideration to all views. However, its final decision will balance the interests of all stakeholders.

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

The methods include:

- National and Public Consultation;
- Workshops, Presentations and Outreach Activities;
- Newspaper Advertisements, Press Releases, Newsletters and Brochures;
- Website for online consultation;
- Focus Groups and Community Meetings;
- Social Media; and
- Direct emails

How do stakeholders benefit from the RIC’s approach to consultation on rate setting?

A: The RIC’s approach affords stakeholders:

- More direct opportunities to participate, explain their positions and share their viewpoints.
- The ability to understand and influence what the service provider is proposing to deliver and to judge for themselves whether they would receive value for money.
- Greater certainty about what factors are taken into consideration when arriving at prices that they would be charged for the next five-year period.
- Information to enable them to manage their own consumption more effectively.

Why is there a need to consider a Rate Adjustment annually?

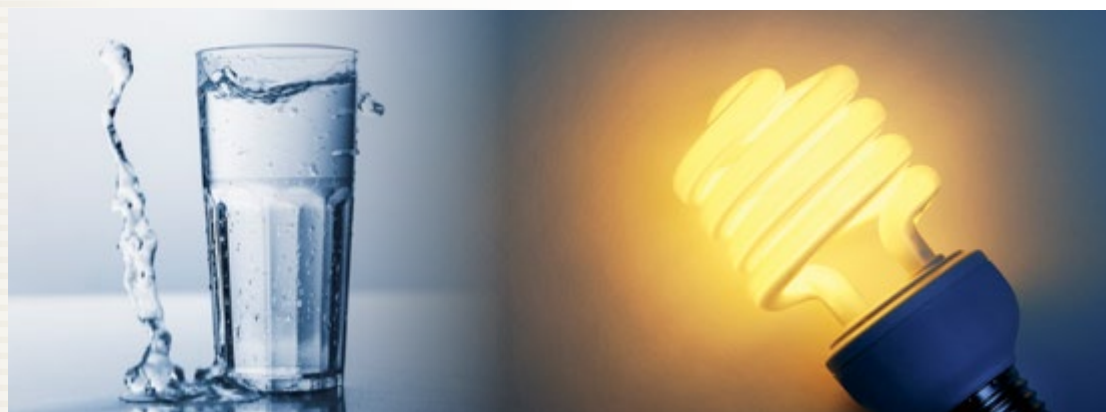
A: The RIC uses a 5-year forecast of revenue and expenditure to design rate adjustments rather than implement large rate increases. Annual rate adjustments (increases or decreases) serve as a more transparent and predictable price-setting mechanism and benefits consumers as it provides rate stability.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

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

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

- Through consideration of lifeline tariffs which allow for affordable rates for a minimum amount of a utility service that is accessed;
- By making recommendations on the structuring of targeted subsidies to ease the burden on these groups;
- By providing avenues of redress for poor service or for meeting special needs.
 - For example, Codes of Practice are implemented - these Codes are essentially a set of customer-related standards, policies, procedures and practices that SPs should consistently apply in dealing with specific consumer issues.

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





REGULATED INDUSTRIES COMMISSION

Protecting *YOUR* interests

RIC's ONGOING PRICE REVIEW PROCESS FOR T&TEC AND WASA

The Regulated Industries Commission (RIC) commenced the process of Price Reviews for the Trinidad and Tobago Electricity Commission - T&TEC (Electricity Transmission and Distribution Sector) and the Water and Sewerage Authority - WASA (the Water and Wastewater Sector) in December 2020.

The Price Review process consists of THREE PHASES which are detailed below:

First Phase

Informing the public of the process that the RIC will follow to conduct the Price Reviews. This entails the publication and circulation of the following RIC documents:

- **"Framework and Approach for the Price Review"**, which outlines the RIC's overall approach to the Price Review and the major issues that will be considered; and
- **"Information Requirements: Business Plan 2021-2026"**, which details the information that the Service Providers (WASA and T&TEC) must submit to the RIC for these Reviews.

Second Phase

Informing the public on the key regulatory considerations which will influence the decisions reached by the RIC at the end of the review process. Various consultative documents detailing the RIC's views will be published and circulated. All stakeholders and the public are encouraged to comment and provide feedback on published documents within the time frame given. The RIC will carefully consider the feedback received from all parties.

One key area of concern is the quality of service provided by the utilities. The Quality of Service Standards for T&TEC have been in place for sometime and are reviewed as needed. The RIC is also in the process of establishing Standards for WASA which will address, among other things:

- provision of a minimum water supply to customers;
- the time taken to resolve customer complaints;
- the time taken for new connections to be completed; and
- the time in which the supply of water is restored after an unplanned interruption.

Third Phase

Informing the public of the RIC's decisions in the document **"Draft Determination (Rates and Miscellaneous Charges)"** for the respective Service Provider. This document is prepared after the RIC reviews the respective Service Provider's Business Plan/ Pricing Proposal. It is then published and circulated to the public. The RIC's decisions are reached, by also taking into consideration the feedback received from stakeholders in the second phase.

All stakeholders (private and public) will be encouraged to comment and provide their invaluable feedback to the respective Draft Determination document. This phase will also include face to face and/or virtual public consultation sessions between the RIC and various stakeholders during this period.

The RIC concludes the Price Review process by reviewing all comments and concerns raised by stakeholders and the public concerning the respective Draft Determination. The RIC will then publish and circulate the document **"Final Determination (Rates and Miscellaneous Charges)"**.

As an impartial and independent body, the RIC remains committed to fulfilling its mandate of protecting consumer interests while at the same time ensuring that the Service Provider has adequate resources to provide the highest quality of service to all customers at efficient cost. At the same time the RIC is cognizant of the need to ensure that the poor and other vulnerable groups have access to these services at rates they can afford.

FOLLOW US:



OFFICE ADDRESS:

Regulated Industries Commission
#37 Wrightson Road, Port of Spain, Trinidad, W.I. P.O.Box 1001

EMAIL ADDRESS: ricoffice@ric.org.tt

CALL: 625-5384 / 625-3655 / 627-7820

TOLL FREE: 800-4RIC (4742)

RIC *Virtual Holiday Celebrations*

Due to the COVID-19 Pandemic, *Divali* celebrations at the RIC were a bit different this year. The RIC hosted a virtual Divali celebration via Microsoft Teams on Wednesday 11th November 2020. The Corporate Communications Department (CCD) invited members of staff to join this virtual meeting where a religious prayer was given by one of our Hindu members of staff. Staff were treated to a quarantine dance cover that was done by the Zee TV Shiv Shakti Dance Company. The CCD also gave a little history on the significance of Divali.



The RIC's *Christmas celebrations* were also affected by the new normal. The RIC hosted a virtual Christmas celebration and Long Service Award Ceremony via Microsoft Teams on Friday 11th December, 2020. The Corporate Communications Department honoured some exemplary individuals who would have given 15 years and 20 years of dedicated service to the RIC. Staff also had the opportunity to engage in online games and a door prize was drawn virtually.



On the left, Mr. Martin Haynes honoured for 20 years of service and on the right, Mr. Daramdeo Maharaj honoured for 20 years of service to the RIC.

Missing: Ms. Karleen Mangru who received her award for 15 years of service to the RIC.