



REGULATED INDUSTRIES COMMISSION

RIC NEWS

January - March 2011

ISSUE: 1
VOLUME: 8



NEW RIC BOARD OF COMMISSIONERS APPOINTED

From left to right: William Rajnauth, Mark Seepersad, Dr. Anne-Marie Mohammed, Chairman, Brian Nedd, Niegel N. Subiah, Deputy Chairman, Sunita Ganpat and Rawle Raphael.

In this Issue

- P.2 - SECOND REGULATORY CONTROL PERIOD - Electricity Sector
- P.2 - Become a Fan on Facebook
- P.3 - NEW RIC BOARD OF COMMISSIONERS APPOINTED
- P.4 - PEOPLE & PARTICIPATION - Obtaining a broad range of views
- P.6 - SYMPOSIUM SERIES
- P.7 - Quarterly Complaints Report
- P.8 - Complaints Corner
- P.8 - Save Money on Your Next Electricity Bill

REGULATED
INDUSTRIES
COMMISSION

Protecting *YOUR* Interests

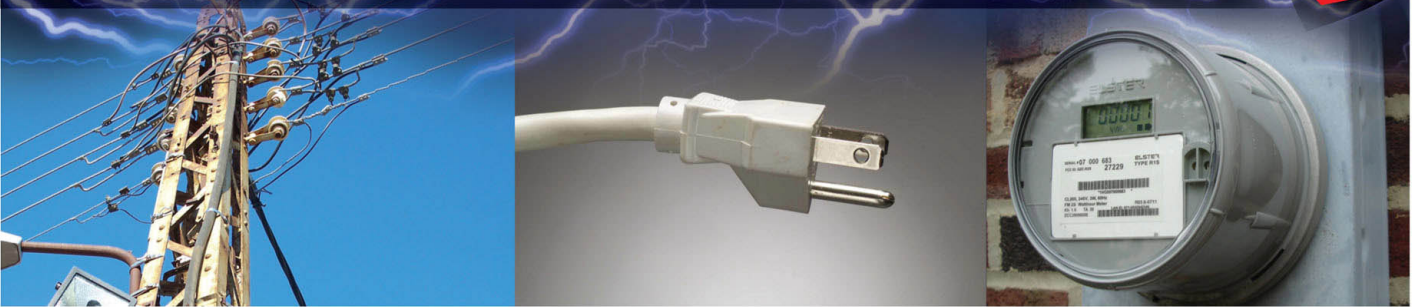
www.ric.org.tt

SECOND REGULATORY CONTROL PERIOD

Electricity Transmission & Distribution Sector - 2011-2016

CHEAT SHEET

This paper is a concise version of a detailed paper available on the RIC's Website.



Recently the RIC sought the public's view on its proposed framework and approach to be utilized during the second price control review for the Electricity Transmission and Distribution sector, when the RIC will set charges for the period June 01, 2011 – May 31, 2016.

This is the second time that the prices for the electricity transmission and distribution services would be reviewed under Incentive-based regulation. This exercise was last undertaken in 2006 with the release of the RIC's Final Determination (Rates and Miscellaneous Charges) for the Electricity Transmission & Distribution Sector and it was the first time that T&TEC had its pricing proposal subjected to RIC's independent scrutiny. At that time, the RIC established a process that facilitated transparency of information, public consultation and effective participation before arriving at a decision. That initial control review period began on June 01, 2006 and comes to an end on May 31, 2011.

This second time around, the RIC is again required to assess the Trinidad and Tobago Electricity Commission's (T&TEC) submission for price review against the principles in the RIC's Act. Specifically, the Act requires the RIC to ensure that "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" (Section 6). The RIC must also be satisfied that the interests of customers are taken into account and that prices provide appropriate signals about the cost of providing service.

The first step in the review process is the submission of the service provider's Business Plan detailing fully its forecasts of expenditure and revenue requirements for the regulatory period. These must reflect efficient costs of supply, and the proposed programme of capital works must be deliverable over the regulatory control period. The forecasts of demand must be reasonable and reflect the best available information. Broadly, the RIC's approach to this review consists of three steps. The first step involves establishing the service standards/outputs. The second step involves assessing each of the key components of revenue to ensure that the service provider earns sufficient revenue to deliver services. The final step involves determining tariffs to meet the revenue requirement and the mechanism for controlling changes in the tariffs over the regulatory period.

Become a **FAN** on **facebook**



LIKE



If you're a big fan of having useful information available at your finger tips, then you'll appreciate the RIC's newly created Facebook Page. Through the use of Facebook Pages, the RIC has created its own dedicated page or profile where customers and stakeholders alike can write on our wall and interact with us. The page offers a steady stream of advice on electricity and water-related customer complaints that the RIC can help to resolve as well as tips on unsafe practices to be avoided in the home and workplace as part of its Home Safety Initiative.

The RIC's personal profile creates a formal web presence on Facebook that's visible to search engines, essentially offering a new way and another channel for customers to make contact with the RIC. The RIC's profile page will be put to good use as the intention is to create events, start discussions and even post polls and video content. **We hope you'll become a 'Fan' soon.**

Simply search for 'Regulated Industries Commission' on Facebook or Check us out at:
<http://www.facebook.com/pages/Regulated-Industries-Commission/>

800-4RIC (4742)



Appointees: The new members of the Board of Commissioners of the Regulated Industries Commission are (from left to right) **William Rajnauth**, **Mark Seepersad**, **Dr. Anne-Marie Mohammed**, *Chairman*, **Brian Nedd**, **Niegel N. Subiah**, *Deputy Chairman*, **Sunita Ganpat** and **Rawle Raphael**.

NEW RIC BOARD OF COMMISSIONERS APPOINTED

The Regulated Industries Commission's (RIC) new 7-member Board of Commissioners was sworn in on Monday 21st February 2011 when they were officially presented with their Instruments of Appointment by the President of the Republic of Trinidad and Tobago. The new board will serve for a period of three years. At the helm is the Chairman Dr. Anne-Marie Mohammed along with Commissioners Mr. William Rajnauth, Ms. Sunita Ganpat, Mr. Rawle Raphael, Mr. Mark Seepersad, Mr. Brian Nedd and Mr. Niegel N. Subiah.

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

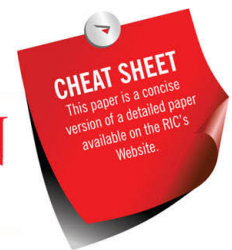
- Ensure as far as is reasonably practicable, that the services provided by a service provider operating under prudent and efficient management will be on terms that will allow the service provider to earn sufficient return to finance necessary investment;
- Monitor service providers and conduct checks to determine their compliance with the standards for service;
- Establish the principles and methodologies by which service providers determine rates for services; 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.

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



PEOPLE & PARTICIPATION

OBTAINING A BROAD RANGE OF VIEWS



The RIC's focus continues to be on engaging effectively with consumers and all other stakeholders to inform its decision-making process. Considering that customers/stakeholders are at the centre of the RIC's decision-making. The RIC is proposing a number of actions to help the RIC to enhance customers/stakeholders participation. Emulating the involvement techniques used in other jurisdictions, the proposed actions detailed in the paper "Stakeholder Involvement in Regulatory Decision-Making" include:

- *Determining appropriate ways to engage with consumers and other stakeholders;*
- *Simplifying the price setting process, reducing the amount of technical information involved and making information more accessible and easier to understand;*
- *Identifying core issues that the RIC should engage consumers/stakeholders on;*
- *Involving customers earlier in the price control process, as this should allow their views to be incorporated more effectively in the decision-making process, as well as allowing more time to enable a fuller discussion and engagement with customers and other stakeholders;*
- *Considering appropriate timing for engagement;*
- *Seeking to expand the list of stakeholders who might help the price setting process (e.g. large industrial group);*
- *Working closely with the Shareholder (Government), large industrial customers, NGOs, Tobago House of Assembly, Parliament and a range of other household and business stakeholders; and*
- *Targeting workshops and seminars to particular interest groups.*

As indicated above, the RIC will also encourage the service provider to provide opportunities for consumer engagement on an on-going basis. As a public utility, customers are service provider's shareholders and they should be involved in key decision-making and there are certain expectations about how the service provider communicates with the public and is held accountable for its activities.

Currently, there is a reflex aversion to disclosure and for a closed rather than an open style of operation. Consultation should be at the heart of good policy development. Openness and real dialogue with the public are extremely beneficial to service providers to gain and keep public support, as well as to move closer to their customers/stakeholders. In this regard, the RIC will encourage service providers to:

- *Consult with the public on proposals for, and the undertaking of any significant activity in the exercise of their core functions. In fact, the service providers must ensure that those affected by their infrastructure and construction projects are fully consulted and informed about these activities. This will provide a sense of ownership and stewardship over the process and resulting decisions;*

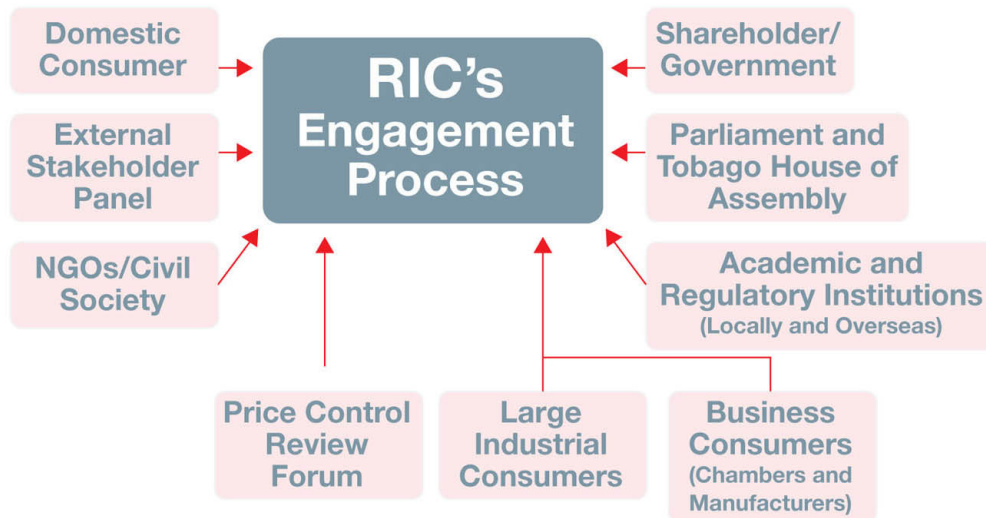
800-4RIC (4742)



- Use their websites to promote openness and to facilitate knowledge about, and participation in, its core activities by:
 - making information and documentation available on the website;
 - making the website more interactive, especially to e-mail queries; and
 - identifying prominent sections dealing with the service providers' planning and developing activities (on-going and completed); and
- Demonstrate that their business plans have been discussed with their customers and network users and that due regard has been given to the views expressed during this process.

The RIC is of the view that there is a role for the service providers to play in actively engaging with their customers on an on-going basis, not just during price reviews.

FIGURE 1: RIC'S PROPOSED ENGAGEMENT PROCESS



In addition, the RIC's "traditional" consultation process will be improved by making information more accessible and easier to understand, and potentially by targeting workshops and seminars to particular interest groups. The RIC will ensure that its consultative process is linked to the use of specific indicators to evaluate the success of the programme. This approach will include a mix of logistical indicators to determine whether the communication programme is on target and within budget, in addition to monitoring indicators which measure the immediate impact of the communication activities.

SYMPOSIUM SERIES:

RIC INTRODUCES TOUGH TRANSPARENCY & ACCOUNTABILITY MEASURES FOR SERVICE PROVIDERS



Focused: Executive Director, Harjinder S. Atwal outlines the RIC's transparency tools and accountability measures to members of the audience.

Richard Joseph, Chairman Trinidad & Tobago Transparency International applauds the RIC's prudence and endorses many of the proposed tools and measures.

On Friday 25th February 2011 the Regulated Industries Commission (RIC) shared its initial thinking on regulatory mechanisms to improve transparency and accountability when the Commission launched the first in a series of public education symposia under its Symposium Series at the Crowne Plaza Hotel. At this first symposium, entitled "Advancing Transparency & Accountability in the Electricity, Water and Wastewater Sectors" the RIC highlighted the transparency tools and accountability measures it proposes to adopt to improve its capacity to monitor service providers' actions and promote equitable access to utility services. The feature address "Toward Greater Transparency & Accountability in State-owned Utilities" was delivered by the Honourable Emmanuel George, Minister of Public Utilities who underscored that the Ministry "endorses any measure that will allow the public utilities in T&T to become more accountable for their performance and make them more transparent in their operations."

The matter of transparency and accountability has become increasingly relevant as evidenced by many governments, advocacy groups and international agencies dedicating substantial resources to identifying and deterring corrupt practices. Having oversight responsibility for the electricity, water and wastewater sectors the RIC has taken a leading role in shaping these sectors by promoting good governance and ensuring that there is an adequate level of transparency and accountability. This is apparent by the specific tools the RIC proposes to introduce in six broad areas namely, Consultation, Information disclosure, Openness: making service providers answerable to consumers, Ethics and Integrity, Promoting assessment and monitoring and Institutional and governance arrangements.



Dion Abdool, Chief Corporate Officer, WASA details the service provider's proposed measures in response to RIC mechanisms.



Glenford Cyrille, Acting General Manager shares T&TEC's perspective on the proposed tools and measures that will be introduced.



Hazel Brown, Coordinator of the Network of NGOs for the Advancement of Women comments on the RIC's initiatives.

THE RIC'S PROPOSED MEASURES POSTULATE A NUMBER OF RADICAL MECHANISMS WHICH INCLUDE AMONG OTHERS:

- Making information dealing with planning and development activities available to the public via the service provider websites;
- Providing quarterly revenue and expenditure statements in accordance with guidelines established by the RIC and making these accessible to the public and the media;
- Providing information on key performance indicators, including the number of complaints. This information is to be provided with bills at least twice per year and should detail the service providers' effectiveness in dealing with those complaints;
- Declaring all foreign trips and expenses incurred by Board Members and management annually;
- Disclosure of the identity of all contractors, the value of the contracts and the main evaluation criteria used to select the contractor;
- Codes of conduct for staff; and
- Holding of annual public meetings to allow the public to question the Board and the CEO.

By adopting these specific proposals the RIC believes that service providers can gain credibility and trust, thereby enhancing support from stakeholders. Commenting on the RIC's measures, Minister George indicated these "would represent a complete shift in the paradigm under which the utility sector has operated in T&T. It involves a movement from insularity...to one of openness...it is a movement from self service to service of the people." Additionally, representatives of the service providers as well as a number of respected and influential agencies, including Transparency International of T&T, also expressed their appreciation of the proposed interventions.

As a regulator, the RIC holds that transparency and accountability are hallmarks of good regulation. The RIC leads by example by creating self-imposed guidelines similar to the requirements being suggested for service providers. The full document is available on the RIC's website.



Quarterly Complaints Report

OCTOBER - DECEMBER 2010

COMPLAINTS REPORT FOR 4TH QUARTER for 2010

STATUS	OCT '10	NOV '10	DEC '10	TOTAL
Number of complaints received	234	259	291	784
Number of complaints resolved	103	123	214	440
Number of complaints unresolved	131	136	77	344
Number of complaints withdrawn	0	0	0	0
RESOLUTION RATE FOR COMPLAINTS RECEIVED	44%	47%	74%	56%
No. of outstanding complaints resolved	100	158	547	805
Total number of complaints resolved	203	281	761	1,245

REBATE/COMPENSATION AWARDED TO CUSTOMERS BETWEEN OCTOBER 1, 2010 TO DECEMBER 31, 2010 **\$139,090.00**



COMPLAINTS CORNER

WHEN MAKING A COMPLAINT:

As a consumer you have the right to a high standard of service quality from the utility providers, and in instances of breaches in established standards, you may be entitled to a compensatory payment from the service provider.

IF YOU ARE REQUESTING COMPENSATION:

- Include your compensation request in your original complaint;
- Indicate what compensation you are seeking and why;
- Ensure your request is reasonable in light of the problem you have experienced;
- Send any evidence you may have to support your request such as copies of receipts, letters or bills; and
- Explain fully how the problem you have experienced has affected you. Has it caused you distress, inconvenience, injury, or cost you money?



save money on your next electricity bill



For residential customers, conserving electricity has become all the more important. To conserve energy, a customer can seek out ways to use electricity more efficiently. Here are some ways to reduce your electricity consumption and lower your bill without spending a lot of money:

REFRIGERATORS: Do not open your refrigerator door needlessly. By getting into the habit of removing and replacing several articles at once, you will reduce the loss of cold air.

UNPLUG: Unplug your chargers when you're not charging. Most homes are full of little plastic power supplies to charge cell phones, PDA's, digital cameras, cordless tools and other personal gadgets. Keep them unplugged until you need them.

ELECTRIC STOVES: Use a pressure cooker to conserve energy when cooking foods that take a long time, such as

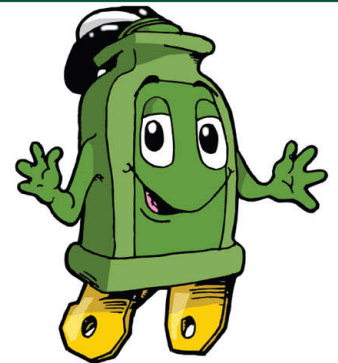
beef and pork.

SMALL APPLIANCES: Using small kitchen appliances instead of the stove can save energy. Toasters, electric grills and skillets, slow cookers, and electric coffee pots usually require less energy than the stove when used correctly.

IRONS: Iron large batches of clothing at one time to avoid wasting energy reheating the iron several times.

POWER TOOLS: A faulty tool will not work properly and can waste electricity. Repair or replace promptly.

MEET PLUGGIE



Our Home Safety Expert

- Never attach an extension cord to the wall with nails or staples.
- Ensure power strips, cords and surge suppressors are designed to handle the loads for their intended use.

BACKCHAT!

We welcome
BACKCHAT
at the RIC!

Visit the discussion page on our website at www.ric.org.tt or search for the 'Regulated Industries Commission' on Facebook or email us at comments@ric.org.tt and share your views or concerns today.

It's the ideal place to spark debate, solicit feedback or to simply post a comment about the quality of service you receive from utility Service Providers.

REGULATED INDUSTRIES COMMISSION

1st & 3rd Floors, Furness House, Cor. Wrightson Road & Independence Square, Port-Of-Spain.P.O. Box 1001

• Website: www.ric.org.tt • Email: ricoffice@ric.org.tt
• Tel: 800-4RIC (4742) / 627-7820 / 627-0821
/ 625-5384 / 627-0503 • Fax: 624-2027

RIC NEWS WELCOMES YOUR VIEWS & COMMENTS.
Contact: Ms. Denise Caesar - Corporate Communications Manager
E-Mail: caesard@ric.org.tt or comments@ric.org.tt