



REGULATED INDUSTRIES COMMISSION

# RIC NEWS

January – March, 2014

ISSUE 1  
VOLUME: 11

## TACKLING HIGH ELECTRICITY CONNECTION COSTS:

*Trinidad and Tobago's New Approach*

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REGULATED  
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COMMISSION 

*Protecting YOUR Interests*

# Quarterly Complaints Report

## Consumer Complaints Get Resolved

### RIC's Complaints Report for 1st Quarter 2014

Status	Jan '14	Feb '14	Mar '14	Total
Number of complaints received	123	208	229	560
Number of complaints resolved	62	120	121	303
Number of complaints unresolved	61	88	108	257
Number of complaints withdrawn	0	0	2	0
Resolution rate for complaints received	50%	58%	53%	54%
No. of outstanding complaints resolved	33	82	34	149
Total number of complaints resolved	95	202	155	452

### REBATE/COMPENSATION AWARDED TO CUSTOMERS BETWEEN JAN-MAR 2014

**\$2,040,657.00**

### Our Customer Service Promise to You- The RIC will:

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

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

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# NEW RIC BOARD OF COMMISSIONERS



From left:  
Mr. Niegel Subiah - Commissioner,  
Ms. Debra Singh-Khan - Commissioner,  
Mr. Mark Dolsingh - Commissioner,  
Ms. Liana Ramsahai - Deputy Chairman,  
Dr. Anne-Marie Mohammed - Chairman,  
Mr. Harjinder Atwal - Executive Director of the RIC.

Missing:  
Ms. Sunita Ganpat - Commissioner.

A new Board of Commissioners was sworn in on 30th September, 2013 when they were officially presented with their Instruments of Appointment by Permanent Secretary Ms. Margaret Farray at the Ministry of Public Utilities on behalf of the Minister of Public Utilities Nizam Baksh.

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

With their varied interests and expertise, the Board of Commissioners is well-positioned to take on their new roles and create synergies to improve the

efficiency of the sectors under the purview of the RIC.

The new members of the RIC board, which took effect from October 8, 2013, are Liana Ramsahai new Deputy Chairman, Debra Singh-Khan and Mark Dolsingh. The two returning commissioners are Sunita Ganpat and Niegel Subiah. Dr. Anne Marie Mohammed was reappointed Chairman of the RIC Board.

### SCHEDULE OF OUTREACH PROGRAMME 2014

FEB	MAR	APRIL	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
OP Penal/Debe Regional Corporation	OP Siparia Regional Corporation	OP Chaguanas Borough Corporation	OP San Fernando City Corporation	OP Point Fortin Regional Corporation	OP Princes Town Regional Corporation	OP Arima Borough Corporation	OP Mayaro/Rio Regional Corporation	OP Couva/Tabaquite/Talparo Regional Corporation	OP Sangre Grande Regional Corporation	N/A
	*OP Tobago		*OP Tobago		*OP Tobago					

\*OP scheduled for Tobago quarterly

10 Corporations selected to conduct the CSD's Outreach Programme. Port of Spain City Corporation, Diego Martin Regional Corporation, San Juan/Laventille Regional Corporation & Tunapuna/Piarco Regional Corporation not included due to easy access to the RIC's office

Remember, the RIC is here to protect your interests!

# TACKLING HIGH ELECTRICITY CONNECTION COSTS:

## TRINIDAD AND TOBAGO'S NEW APPROACH – CASE STUDY

The World Bank 2014 Ease of Doing Business Report saw Trinidad and Tobago moving three spots up in the rankings from 69 out of 185 countries last year, to 66 out of 189. This country was also chosen as a case study on Electricity Regulation.

THIS CASE STUDY, developed by the Regulated Industries Commission (RIC) stated Trinidad and Tobago tackled high connection costs for industrial and commercial clients especially, by designing a fair scheme of capital contribution to resolve the issue of “free rider”(an issue that occurred when the first customer funded the entire construction works that benefited future customers). The new scheme was implemented through extensive collaboration among multiple stakeholders, including the RIC, T&TEC and entrepreneurs.

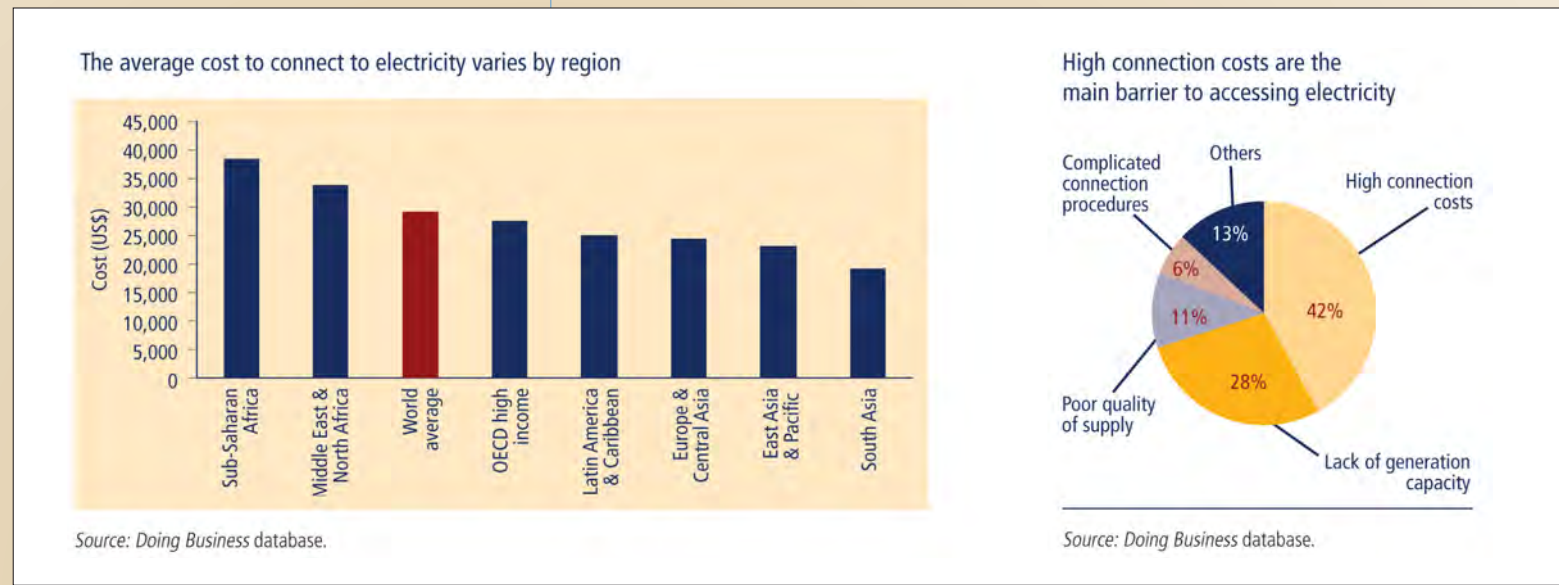
The Case Study also highlighted the fact that a 2009 World Bank report on regulators in Latin America and the Caribbean stated that Trinidad and Tobago's RIC ranks the highest in electricity governance.

The following is an extract of the World Bank's report on “Tackling High Electricity Connection Costs: Trinidad and Tobago's New Approach”: Trinidad and Tobago's strategy for lowering electricity connection costs focused on finding a fair scheme to allocate costs between new and future customers. In 2006 T&TEC—Trinidad and Tobago's public, regulated electricity utility—got complaints about the costs of connecting to electricity. The most controversial issue was the capital contribution. Where the distance of the customer was far from the network or the network was fully used and new capacity was required, extending the network would increase the overall cost.

Customers paid for extensions (less the offset of revenues from the connection in the third year) required to connect to the system. If another customer sought a connection the new customer would be able to use the assets funded by the first, resulting in free-rider problem. There was no mechanism to reimburse customers that had funded connection assets shared by others whose emergence was not anticipated at the time of original application.

The legal basis for the capital contribution imposed by T&TEC arose from the T&TEC Act, Chapter 54:70, which states that clients had to pay for new electricity connections if they were more than 60 feet away from the existing grid. T&TEC presented individual quotes to customers who had no basis to contest them should they want to. A customer requesting a new connection of 140 kVA for a warehouse located 150 metres away from the existing network had to pay more than \$8,000 in Port of Spain in 2009.

The RIC recognised that the capital contribution was contentious because the calculation of connection costs was complex and somewhat subjective. In 2006 the RIC established a working group to review capital contributions. The group was comprised of representatives from nongovernmental organisations, the Chamber of Industry and Commerce, Bureau of Standards, Ministry of Legal Affairs, Electricity Commission and the RIC.



The Capital Contribution Working Group adopted a comprehensive approach that examined procedures and acts regulating capital contributions and looked into what utilities in other economies were doing. Their research focused on whether there was a clear, formal capital contribution policy the issues addressed in the policy (such as for exemptions, reimbursement and dispute resolution) and the methods used to determine the capital contribution.

The group found that globally, service providers give users different ways to connect to electricity networks. One involves customers paying the total costs incurred as a result of connecting a new load to the system, including the costs of network reinforcement. Another involves customers paying only for the assets required to connect to a system, excluding the costs of extending and reinforcing the distribution system. A third option followed by a few service providers, where the costs of assets for a new connection are deemed part of the

general system and so are recoverable from all users through tariffs or system charges.

The Capital Contribution Working Group submitted its report to the Regulated Industries Commission in early 2007, and the report was widely circulated to stakeholders and the public. The document was finalized in 2008 and implemented by T&TEC in 2009/10, making connection costs fairer and more transparent.

The groups also made three main recommendations for Trinidad and Tobago that have been implemented:

- Introducing a reimbursement scheme. To ensure that connection costs are more widely spread across different users, assets eventually shared by customers connecting later must be reimbursed to initial customers by T&TEC.
- **Setting connection costs with revenue from electricity supply.** T&TEC is required to show that a connection

is not commercially viable without a capital contribution and that it should be no more than what it would cost to be commercially viable. This approach allows a balanced allocation of costs because a new connection is also a source of future revenue. But large industrial customers still bear the full capital costs of connecting to the network, and connection costs are small relative to the company's turnover.

- **Involving the private sector.** Customers can use T&TEC employees or contractors for conducting connection works. But T&TEC should prepare a list of prequalified contractors for customers, specify technical criteria and inform customers about the average costs of works in various areas. Many economies have opened their electricity markets to prequalified contractors — offering more options to customers and helping utilities meet the demand for new connections in a timely, cost-effective way.

As with any new policy, there was some resistance from the party administering the changes. T&TEC initially found it difficult to get its staff to support the new policy. Workers considered reimbursement the most burdensome issue because it required keeping records of the first client and subsequent ones, along with the works concluded for each. The task is tedious, as a detailed break-down of the works and associated costs is needed to identify future parts that benefit customers connected later. T&TEC upgraded its system to track new connections with the required details and provided training to implement the policy. The RIC also extensively publicised the new policy in major newspapers and met repeatedly with T&TEC leadership and distribution staff.

By 2013 T&TEC had implemented the regulator's recommendations. When installing new connections, the electricity company's engineers clearly mark the installed equipment and materials and link them with the customer's records in the utility's database. If new customers request connections, the utility personnel inspect the location and verify if the surrounding network has been marked earlier. Based on this information, T&TEC staff calculates how much should be reimbursed to previous customers. This reform has allowed for a broader distribution of connection costs in Trinidad and Tobago. It has also lowered the cost for connecting a standardised warehouse as measured by the getting electricity indicator. After the reform the cost of a connection for a small warehouse dropped by more than eight times, to less than \$1,000 in 2013.

# RIC SECURES OVER \$1.2 MILLION

## in Rebates for Customers

The Regulated Industries Commission (RIC) has successfully secured \$1,265,387.00 in rebates for utility customers during the period January 2013 to December 2013. These rebates were credited to the accounts of the *Water and Sewerage Authority (WASA)* and *Trinidad and Tobago Electricity Commission (T&TEC)* customers after investigations into individual complaints.

During this same period, the RIC resolved 89.4% (2176) of the 2,469 complaints received against WASA and T&TEC from members of the public. These complaints would have included situations where the bills were incorrectly calculated resulting from billing classification errors, inappropriate retroactive billing adjustments and claims for damage to appliance/equipment/property etc.

**Consumers have a right to receive a high quality of service from the service providers and to complain if this is not the case.** If consumers have complaints, they must first make contact with the Service Provider and give them the opportunity to resolve the problem. However, if the consumer fails to obtain redress or is dissatisfied with the decision of the Service Provider, the consumer can then file a complaint with the RIC.

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RIC staff listen attentively to Health Promotions Officer- Ms. Kathy Ann George

# RIC HEALTH SCREENING SESSION

Health and Safety in the workplace is a top priority for the RIC. The organisation has a fully functional Health and Safety Committee which has been charged with the responsibility of coordinating and administering all the Health and Safety activities at the RIC. The Committee is also responsible for ensuring that the RIC is in full compliance with all the regulations outlined in the *Trinidad and Tobago Occupational Health and Safety Act*.

AS PART OF THE RIC'S "Employee Health and Wellness Initiative" aimed at fostering the promotion of good health and the prevention of chronic illnesses among members of staff, the Corporate Communications Department, on behalf of the Health and Safety Committee, facilitated a Mental Health session which included three lectures on Stress, Anxiety and Interpersonal Relationships on Tuesday 18th March, 2014.

- The proposed outcomes of the interactive session were:
- To provide individuals with the knowledge of a variety of mental health conditions,
  - To present practical guidance on how best to manage someone who is experiencing mental distress,
  - To show how to sensitively signpost,
  - To show ways to cope and unwind after a challenging experience, and
  - To show how to build resilience and make the most of one's potential.

This session was conducted by the employees of the North West Regional Health Authority (NWRHA) in collaboration with the Psycho Social Rehabilitation Unit of the St. Ann's Psychiatric Hospital.

Staff indicated that they found the sessions to be very informative and useful and they are looking forward to future sessions.



Standards Engineer Connel Mottley presents a token of appreciation to Ms. Colleen Mc David of the North West Regional Health Authority.

Below: Mr. Mottley presents a token of appreciation to Dr. Stafford Pierre of the North West Regional Health Authority.

# RIC'S ANNUAL CARNIVAL LIME

The Regulated Industries Commission hosted its Annual Carnival Lime – ‘Masquerade’ on Thursday 20th February, 2014 at Capital Plaza Hotel – 360 Degrees Restaurant, Wrightson Road, Port of Spain.

Staff and invited guests were treated to exceptional performances from **Soca artiste Destra Garcia** and **Tripolians Steel Orchestra**.

Members of staff also got into the action with a monologue performed by **Daniel Ramsepaul** and a dramatic reading done by **Nadia Joseph**.



*Nadia Joseph presented a monologue.*

*Daniel Ramsepaul presented a monologue titled 'Give the youths a chance.'*



*Executive Director Mr. Harjinder Atwal and Senator the Honourable Emmanuel George pose for a picture with Destra.*



*Invited guests had a great time showing off their masks.*



*Live entertainment from Tripolians Steel Orchestra.*

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