



**Summary of Proceedings
Public Hearing**

**Joint Select Committee on Local Authorities, Service Commissions and
Statutory Authorities (including the THA)**
held on Friday February 2nd, 2018

Subject Matter: Inquiry into the Efficiency and Effectiveness of the Regulated Industries Commission (RIC).

Objectives of the Inquiry

The objectives of the inquiry are as follows:

- i. Assess the efficiency of the operations of the RIC at this time.
- ii. Assess the effectiveness of the RIC in promoting greater efficiency of services in public utilities.
- iii. To determine the adequacy of the current legislative framework governing the operations of the RIC

Venue: The hearing was held on Friday February 2nd, 2018 from 10:15 a.m. to 12:09 p.m. in the J. Hamilton Maurice Room, Mezzanine Floor, Office of the Parliament, Tower D, The Port of Spain International Waterfront Centre, 1A Wrightson Road, Port-of-Spain.

Committee Members

The following Members were present:

- Mr. H.R Ian Roach (Chairman)
- Ms. Ramona Ramdial, MP (Vice Chairman)
- Mr. Esmond Forde, MP
- Dr. Lovell Francis, MP
- Mr. Nigel De Freitas
- Ms. Khadijah Ameen

- ix. No person or entity has approached the RIC for a License to produce renewable energy;
- x. There are 39 existing positions within the RIC inclusive of 7 vacancies, 2 of which are being filled by internal staff;
- xi. The public may submit complaints to the Customer Service Department of the RIC if dissatisfied with the response of the utility service provider;
- iv. The RIC's complaints resolution rate is 85%;
- v. The RIC is funded by the Cess which is a levy or tax on the service providers and can range between \$16 to \$17 million per annum;
- vi. Public consultations for the WASA rate review is set for July/August 2018 and the potential areas where consultation meetings will be convened by the RIC are as follows:
 - o Point Fortin;
 - o San Fernando;
 - o Chaguanas;
 - o Port of Spain;
 - o Tobago.
- vii. The RIC's financial statements for 2014 were audited and its 2013 Annual report completed. The Commission plans to bring its financials up-to-date by the end of the year;
- viii. Competition between the service providers only exist in the Power Generation sector;
- ix. The Minister of Public Utilities is responsible for issuing licenses to any Utility company that came into existence after the establishment of the Act. However the formulation of a Licensing Framework is a collaborative effort between the Ministry and the RIC and it is set to commence in February 2018;
- x. Based on a rate review exercise the RIC recommends rates to the service provider who has the discretion to implement or apply the RIC's recommendations;
- xi. The foreign utility regulators which are used by the RIC as benchmarks are Australia, United Kingdom as well as the Organisation of Utility Regulators;
- xii. An initiative which would expands the use of Solar panels is being conceptualised. This initiative is being spearheaded by the Ministry of Energy and Energy Affairs;
- xiii. The RIC has submitted a proposal for the amendment of the RIC Act to the Ministry of Public Utilities;
- xiv. The initiation of a renewable energy initiative due to Trinidad and Tobago's obligation under the Paris Accord, which states that 10% of this country's energy must be derived from renewable sources by 2020;

The following are the main issues highlighted during discussions with **the Ministry of Public Utilities**:

- i. Renewable energy is on the legislative agenda for future implementation;
- ii. The possible reduction of electricity use through the increased use of renewable energy;
- iii. If implemented rates adjustments will apply to both residential and commercial customers;
- iv. The Ministry is currently reviewing the Quality of Service Standards for WASA;
- v. The need for a plan of action to guide the transformation of public utilities in this country;
- vi. A Rapid Repair Team is being established by the Ministry of Public Utilities in order to address any malfunctions within their operations;
- vii. The role of Consumer Service Committees (prescribed by Section 24 of the Act) is to *inter alia* engage consumer groups regarding the standards of service provided by service providers and to ensure complaints are addressed;
- viii. The modalities for granting a license for a new and or potential service provider are formulated through collaboration between the Ministry and the RIC.
- ix. The Ministry has completed its review of the RIC's amendments however further action of the amendments was suspended as the Ministry's strategic plan was not finalised and the RICs initiatives must be aligned to this strategic plan;
- xii. The following recommendations were submitted to the Ministry in order to strengthen the the RIC's complaints system:
 - o Revision of the RIC Act;
 - o Broadening the scope of complaints;
 - o Issuance of regulatory instruments; and
 - o Discretion to investigate matters, enforce decisions and mechanisms for appeals.

The hearing can be viewed on our YouTube channel via the following link:
<https://youtu.be/Df3hsqcvvCY>

Contact the Committee's Secretary

You may contact the Committee's Secretary at jsclasasc@tpparliament.org or 624-7275 Ext. 2283