



REGULATED INDUSTRIES COMMISSION

Protecting YOUR Interests



2015

**ANNUAL REPORT
& FINANCIAL STATEMENTS**

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LETTER OF TRANSMITTAL

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 2015

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, 2015.

Sincerely,



f/Chairman

CHAIRMAN'S REMARKS



Dr. Anne-Marie Mohammed, Chairman

The work of the Commission was interrupted during this year owing to the expiry of the respective terms of appointment of all Commissioners, with the exception of the Chairman, in October 2015.

Notwithstanding this interruption, a number of important decisions were taken to ensure that the work of the Commission could continue despite the expiration of the said terms of appointment.

The service providers which fall under the RIC's jurisdiction operate in an environment which is demanding on all aspects of their operations, as they seek to undertake projects and programmes intended to expand service delivery and to satisfy customers' needs. It is my continued view that legislative reform of the Regulated Industries Commission ("RIC") Act is necessary for the utility sectors and the public to benefit from effective regulation and to incorporate positive developments within the regulatory landscape.

The Commission has reviewed its legislation in order to draft fresh proposals to amend the RIC Act. These proposals are intended to strengthen the legislative framework within which the RIC operates and would

enable the Commission to become even more effective, as it carries out the mandate, as intended by its legislation. As always, these draft proposals to amend the governing legislation were developed based on RIC's practical experience, current regulatory practices both regionally and internationally and legal precedent.

The Commission also reviewed a number of its internal policies as it recognises the importance of keeping up to date with best practices and changing mores. This year also marked a change in leadership at the Executive level. Mr. Sherman Baksh took up the role of Executive Director, receiving the reins of stewardship from Mr. Glenn Khan, Deputy Executive Director. A number of new recruits also joined the organisation this year, injecting new life into a cross section of departments.

As always, the RIC was represented at the 13th Annual Conference of the Organisation of Utility Regulators held in the Turks and Caicos Islands in October 2015.

The theme of the Conference was "*Facilitating a Dynamic Regulatory Environment*" which as can be seen, mirrored the activities of the Commission during the year 2015, given the reviews and changes contemplated for the organisation.

I would like to thank my fellow Commissioners for the support they have provided to me as Chairman. I acknowledge the contributions of Ms. Liana Ramsahai-Achan, as former Deputy Chairman, with Ms. Debra Singh-Khan, Ms. Sunita Ganpat, Mr. Mark Dolsingh and Mr. Niegel Subiah as former Commissioners.

I wish to also commend the staff of the Commission for their dedication, diligence and continued commitment to the organization.

A handwritten signature in blue ink, appearing to read 'Sherman Baksh'.

f/Chairman



REGULATED INDUSTRIES COMMISSION

VISION

To be a world-class regulator

MISSION STATEMENT

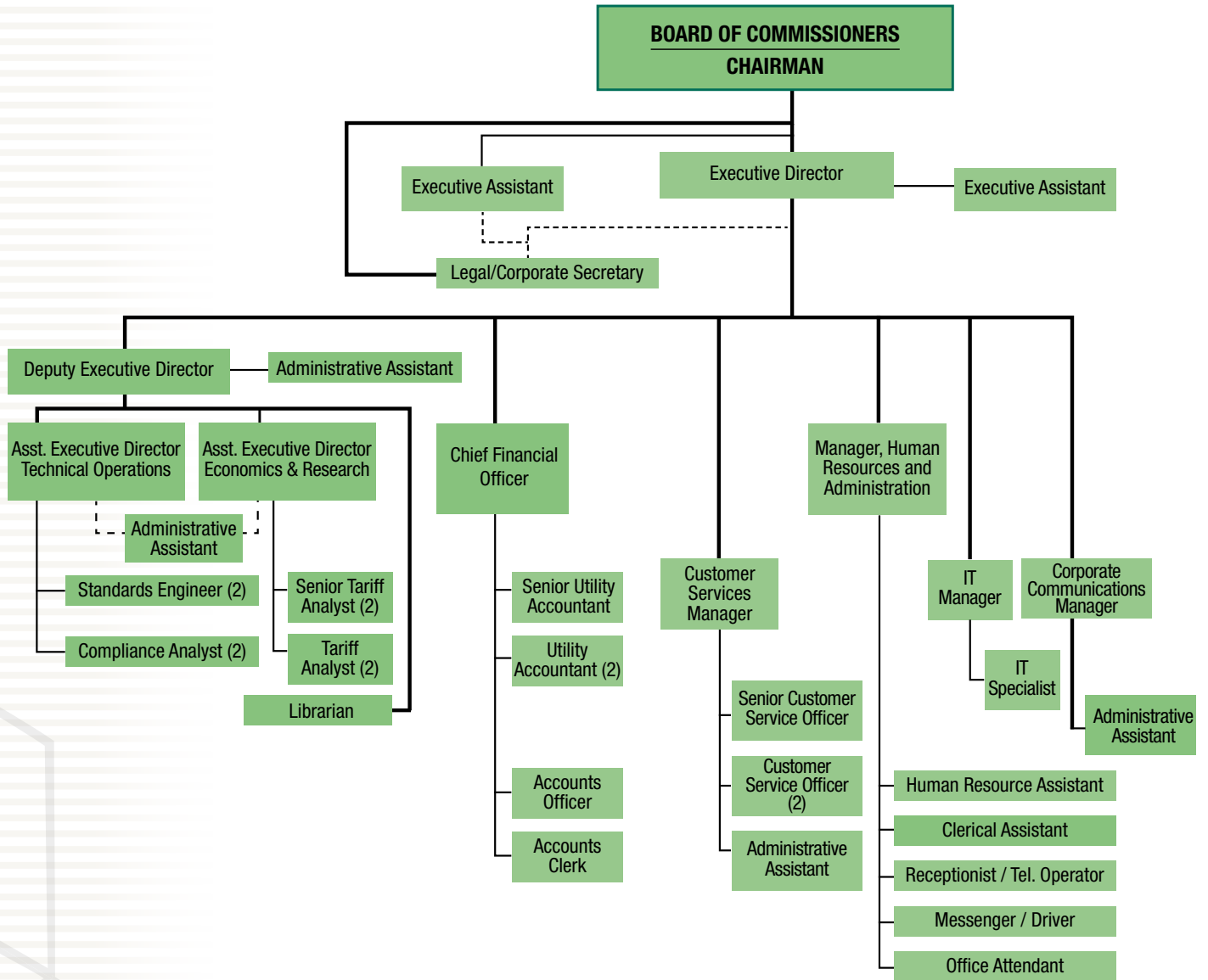
To ensure the promotion of the highest quality of utility services at fair and reasonable rates while building a credible regulatory regime that responds adequately to stakeholders concerns and also to ensure fairness, transparency and equity in the provision of utility services throughout the country.

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.

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ORGANIZATIONAL STRUCTURE



RIC AT A GLANCE

This, the thirteenth report of the Regulated Industries Commission, covers the activities of the RIC for the period January 1st to December 31st, 2015.

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

In 2015, the RIC continued its review of the RIC Act and its engagement with the Ministry of Public Utilities (MPU), with the aim of proposing appropriate amendments to the said Act. This became necessary as over the course of time, certain limitations arose with respect to the parent legislation which have negatively impacted the work of the Commission. The amendments that are being contemplated include enhancement of the RIC's coercive and enforcement powers and making certain regulatory instruments available for use in the regulation of the Sectors under its purview. The RIC is also seeking legislative amendments to enable the regulation of new services and service providers, as well as improve its consumer protection functions and clarify its rate setting powers.

The RIC continued its monitoring of the quality of service provided by two of the service providers under its purview, more specifically, the Trinidad and Tobago Electricity Commission (T&TEC) and the Water and Sewerage Authority (WASA). In the case of T&TEC, the RIC established Quality of Service Standards which are minimum standards that T&TEC are expected to meet in terms of service delivery. In 2015, T&TEC achieved 99% compliance in seven (7) out of the eight (8) categories under the Guaranteed Standards Scheme (GSS) and there was a noteworthy 78% reduction in the number of breaches under Guaranteed Electricity Standard (GES) 1 - Response and Restoration time. With respect to the Overall Standards, T&TEC achieved above 94% compliance in four (4) out of seven (7) categories. The RIC noted that T&TEC had difficulty achieving a similar level of compliance with the other three Overall Standards including street light maintenance, responding to customer queries and notifying customers of receipt of their GES 1 claims. In the case of WASA, the RIC developed similar Quality of Service Standards however, these were not implemented previously and the process of reviewing these Standards commenced in 2015. Notwithstanding, the RIC previously implemented several measures to assist in monitoring the service


provided by WASA, including the Emergency Notification and Response Management Plan, which continued to be utilized in 2015.

One of the functions of the RIC that is aimed at protecting consumers' interests, is the investigation of complaints by consumers upon their failure to obtain redress from service providers with respect to rates, billing and unsatisfactory service. In 2015, the RIC received over 2,200 complaints, the majority of which were lodged against WASA. The RIC was able to resolve 88% of the complaints received, most of them in favour of the customer. Seventy (70) customers benefitted from the recovery of TT\$530,000 in 2015, of which 85% was to WASA's account and the remainder attributed to T&TEC.

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. External engagement with the public was executed through a multi-faceted approach and one major conduit was the Outreach Programme (OP), which has both public awareness/education and complaints-redress components. A total of thirteen (13) outreach programmes were conducted across Trinidad and Tobago in 2015.

In July 2015, the RIC commenced a new strategic planning exercise as its last Strategic Plan expired at the end of 2014. With the assistance of external consultants, the RIC's Strategic Planning team comprising Management and Staff have made considerable progress and have developed a draft Plan with a strategic focus on achieving operational and service excellence. At the end of 2015, the draft Plan was being reviewed and it is envisaged that the Strategic Plan would be completed shortly.

SECTOR REPORTS



RIC is the economic regulator of the water, wastewater and electricity sectors in Trinidad and Tobago. One of its main functions as economic regulator is to ensure that the service providers in these sectors deliver an acceptable quality of service to customers at a reasonable cost, while operating on such terms that would allow them to earn sufficient return to meet their efficient expenditure and also finance necessary investment.

THE ELECTRICITY SECTOR
THE WATER / WASTEWATER SECTOR

THE ELECTRICITY SECTOR

The electricity sector consists of a government-owned, monopoly electric utility, the Trinidad and Tobago Electricity Commission (T&TEC), which purchases bulk power from three (3) independent power producers (IPPs) and delivers electricity to customers through its transmission and distribution network. T&TEC sells electricity on a retail basis to residential, commercial and industrial customers. The number of customer accounts totalled over 450,000 at the end of 2015, with residential customers accounting for more than 90% of that number. However, industrial and commercial customers account for roughly 70% of total electricity demand. The three independent power producers have a combined generating capacity of over 2,200 megawatts (MW), as recorded at the end of 2015. T&TEC also has its own generating assets located in Tobago, with a capacity of 85 MW that is used to supply electricity to the island. Electricity generation in Trinidad and Tobago is primarily produced from natural gas that is sourced locally and T&TEC sells over 8,000 gigawatt hours (GWh) annually.

QUALITY OF SERVICE STANDARDS FOR T&TEC

The RIC prescribes and publishes Quality of Service Standards (QSS) and monitors service providers to determine compliance with these standards. The QSS for the Electricity Transmission and Distribution Sector were first implemented in April 2004, and subsequently revised and published in the Trinidad and Tobago Gazette in December 2009. These standards comprise both

Guaranteed Standards and Overall Standards, and apply to the operation of T&TEC. Guaranteed Standards are those that set service levels which must be met by the service provider for every individual customer, whereas Overall Standards cover broader areas of service and generally relate to the reliability of service affecting a group of customers. Table 1 presents a description of the Guaranteed Standards, the required performance units, and the compensatory payment levels for each standard.

T&TEC'S PERFORMANCE UNDER GUARANTEED STANDARDS

There are eight guaranteed standards for T&TEC, and at this time, all but the first (GES 1) carry automatic compensatory payments for breaches¹ of the guaranteed standards. T&TEC's performance under the guaranteed standards for 2015 is presented in table 2.

Generally, T&TEC's performance under the guaranteed standards improved in 2015, as there was a 77% reduction in the number of breaches against the number recorded in 2014. A significant reduction in the number of breaches occurring under Guaranteed Standard, GES 1 (Response and Restoration Time) was the main contributor to this improvement. However, GES 1 still recorded the largest number of breaches (96%) in 2015. Generally, compliance rates were maintained at the previous levels across all the standards except GES 8 (Payments Owed under Guaranteed Standards), where performance continues to be low.

¹ A breach occurs for each incidence of non-compliance of the stipulated level of performance for a standard by the service provider.

Table 1: Guaranteed Standards

Code	Service Description	Performance Measure	Required Performance Units	Payments Per Customer
GES1	Restoration of supply after unplanned outage on the distribution system.	Time for restoration of supply to affected customers	Within 10 hours	\$60 (residential) \$600 (non-residential) For each further 12 hr period \$60 (residential) \$600 (non-residential)
GES2	Billing Punctuality (New customers)	Time for first bill to be mailed after service connection: (a) Residential (b) Non-Residential	60 days 30 days	\$50 for both residential and non-residential
GES3	Reconnection of service after payment of overdue amounts or agreement on payment schedule	Time to restore supply after payment is made (All customers)	Within 24 hours	Refund of reconnection fee for both residential and non-residential
GES4	Making and keeping appointments	Where required, appointments will be made on a morning or afternoon basis	24 hours notice of inability to keep an appointment with customers.	\$50 for both residential and non-residential
GES5	Investigation of Voltage Complaints	Time to visit, correct problem and notify affected customers	Within 24 hours, Correct within 15 working days.	\$50 (residential) \$600 (non-residential)
GES6	Responding to billing and payment queries	Provide a substantive reply	Within 15 working days	\$50 for both residential and non-residential
GES 7	New Connection of supply	Service drop and meter to be installed	Within 3 working days	\$50 for both residential and non-residential
GES 8	Payments owed under guaranteed standards	Time to credit compensatory payment.	Within 30 working days for non-residential and 60 days for residential.	\$50 for both residential and non-residential

Table 2: Compliance with Guaranteed Standards, 2015

Code	Service Description	Performance Measure	Compliance Rate (%)		
			2015	2014	2013
GES1	Response and Restoration Time after unplanned (forced) outages on the distribution system.	Time for restoration of supply to affected customers – within 10 hours	99.90	99.5	99.9
GES2	Billing Punctuality (new customers)	Time for first bill to be mailed after service connection:			
		(a) Residential – within 60 days	99.96	99.1	99.4
		(b) Non-Residential – within 30 days	96.90	98.6	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	99.96	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	100.0
GES5	Investigation of Voltage Complaints	(i) Response – All voltage complaints to be responded to within 24 hours.	99.9	99.7	99.9
		(ii) Rectification – All voltage complaints to be rectified within 15 working days.	99.7	99.1	100.0
GES6	Responding to Billing and Payment Queries.	Substantive reply within 15 working days.	100.0	100.0	100.0
GES 7	New Connection of Supply	Service drop and meter to be installed within 3 working days.	99.9	99.8	99.5
GES 8	Payments Owed under Guaranteed Standards	Time to credit compensatory payment: Residential – within 30 working days	0.0	1.0	0.0
		Non-Residential – within 60 working days	N/A	N/A	0.0

Table 3: Details of Breaches and Compensatory Payments due under the Guaranteed Standards, 2015

Standard	Number of Breaches	Penalty Payment (\$)	Minimum Payment Due (\$)	Total Number of Claims Submitted/Processed	Total Payments Made (\$)
GES 1	1,524	60	91,440	1	60
GES 2	8	50	400	8	400
GES 3	11	118	1,298	11	1,298
GES 4	0	50	0	0	0
GES 5	9	50	450	7	350
GES 6	0	50	0	0	0
GES 7	18	50	900	3	150
GES 8	18	50	900	2	0
TOTAL	1,588		95,388	32	2,258

T&TEC is not yet able to identify the individual customers who experienced breaches under GES 1 due to existing limitations with its outage management system. Hence, customers are still required to submit claims for breaches under this standard. The RIC estimates that at least \$95,388 would have been due in compensatory payments to customers, if claims were submitted/processed for all the breaches that occurred in 2015. Table 3 provides more details.

T&TEC'S PERFORMANCE UNDER OVERALL STANDARDS

Overall Standards cover areas of service where it is not appropriate or feasible to give individual guarantees, but where the expectation of stakeholders is that the utility will provide pre-determined minimum levels of service. These seven standards generally relate to the reliability of

service affecting a group of customers. Compliance rates for T&TEC's performance under the overall standards during 2015 are presented in table 4.

As was the case in 2014, T&TEC maintained full compliance 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 a marginal improvement in performance under OES 3 (Responding to Meter Problems), OES 4 (Prior Notice of Unplanned Outages) and the final position under OES6 (Response to Customer Queries/Requests). However, there was a decline in performance under the initial response of OES 6. Performance under OES 5 (Street Lights Maintenance) worsened for street light maintenance and improved for highway lights maintenance.

Table 4: Compliance with Overall Standards, 2015

Code	Service Description	Required Performance Measure	Compliance Rate (%)		
			2015	2014	2013
OES1	Frequency of Meter Reading	90% of industrial meters should be read every month	100.0	100.0	100.0
		90% of residential and commercial meters read according to schedule	100.0	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	100.0
OES3	Responding to Meter Problems	Visit or substantive reply within 10 working days 95% of the time.	94.7	87.6	85.5
OES4	Prior Notice of Planned Outages	3 days advance notice of planned outages 100% of the time	96.9	91.2	97.2
OES5	Street Lights Maintenance	Street Lights – within 7 working days	40.5	50.1	70.2
		Highway Lights – within 14 working days	88.5	85.6	90.7
OES6	Response to Customer Queries/ Requests (written)	Time to respond after receipt of queries: Initial Response – within 10 working days	84.2	95.2	89.6
		Final Position – within 30 working days	45.9	34.8	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	100.0

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 to customers in the specified areas. This is the sixth 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 improved significantly during 2015. In 2015, T&TEC paid 56% of the automatic compensatory payments on time, compared to only 26% in 2014. T&TEC has assured that all affected customers are eventually compensated, however the policies and systems involved in processing these compensatory payments still need to be revised and improved by T&TEC.

T&TEC is in the process of implementing an outage management system. This system will allow the utility to identify breaches under GES 1, and facilitate the implementation of automatic compensation to affected customers. T&TEC indicated that a pilot program has been implemented in the Central Distribution Area, and there will be a full roll-out to all distribution areas by the end of 2016.

The RIC is currently reviewing the QSS with plans to implement revised QSS in 2016. 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.

ELECTRICITY SECTOR REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN

The RIC requires service providers under its purview to report on events that may have a significant impact on their ability to provide service to their customers. The RIC published the document "Event Notification and Response Management Plan (ENRMP)" in May, 2004 to provide guidance to service providers (SPs) regarding the appropriate notification to the RIC of incidents and events which have affected, or are likely to have an adverse effect on, a large number of customers.

In the electricity sector, an event, as classified under the ENRMP, may include events leading to the risk/loss of life or injury to persons, any occurrence affecting the health or safety of the public or employees, any major failure of electrical and mechanical equipment, and the significant and unexpected loss of the supply of electricity or deterioration in the quality of the electricity supply.

There are three (3) SPs in the electricity sector that are 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. These are the Trinidad & Tobago Electricity Commission (T&TEC), Power Generation Company of Trinidad & Tobago (PowerGen) and Trinity Power Limited (TPL). There is another independent power provider to T&TEC, the Trinidad Generation Unlimited (TGU), however, this company does not currently fall under the purview of the RIC and is not required to report under the ENRMP.

The SPs reported a total of twenty (20) events for 2015 which was 100% greater than that reported for 2014. Most of the events reported in 2015 were as a result of the loss of electrical supply to large numbers of customers. The total number of events reported were comprised of the following: 60% were major electricity outages (12 events), 20% were house fires (causes still to be determined) and damages of T&TEC's plant and customers' property by third party (4 events), 10% were fatalities caused by electrocution (2 events) and 10% were related to equipment mal-operation (2 events).

There were twelve (12) significant unplanned electrical outages in 2015 which affected large numbers of T&TEC's customers as compared to six (6) in 2014. The most impactful of these events occurred on December 28, 2015 when the TGU Power Station in La Brea became separated from the electricity grid as a result of a nearby fault on the grid. This resulted in the partial loss of electrical supply to T&TEC, which affected approximately 130,000 customers throughout Trinidad and Tobago. These customers experienced outages of different durations as supply was gradually restored throughout the country. The electricity supply was restored to all affected customers within two hours and twelve minutes of the incident. Three (3) of the unplanned outages were related

to equipment malfunctioning at PowerGen’s Port of Spain B Station, where two (2) of those outages occurred in December 2015 as steps were being taken leading up to the planned de-commissioning of its power station, which was scheduled to take place in January 2016.

T&TEC reported two (2) incidents in which persons were electrocuted in 2015. One (1) fatality resulted when a person made indirect contact with T&TEC’s overhead lines in Arima, Trinidad while road paving works were being carried out. The tray of a truck came into contact with the T&TEC 12kV line when it breached the safe clearance of the 12kV line above the roadway. The victim

was electrocuted while operating the controls of another vehicle that made contact with the truck. The other fatal incident involved a victim who was electrocuted at home, and did not involve T&TEC’s infrastructure. There was one (1) reported non-fatal incident involving a T&TEC worker in 2014 in which he was severely burnt during the course of his duties. The worker remained hospitalized since that injury and passed away during this year from medical complications.

A summary of the events reported in the electricity sector for 2015 is shown in table 5 below.

Table 5: ENRMP – Summary Report for Electricity Sector, 2015

TYPE OF EVENT	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL	% of Total	No. of reports		
							T&TEC	PowerGen	TPL
Fatalities	0	0	2	0	2	10%	2	0	0
Equipment Damage/ Mal-operation	0	0	0	2	2	10%	0	2	0
Electrical Outages	0	4	3	5	12	60%	12	0	0
Other	1	1	1	1	4	20%	4	0	0
Total No of Events Reported	1	5	6	8	20	100%	18	2	0
% of Total	5%	25%	30%	40%		100%	90%	10%	0%

THE WATER / WASTEWATER SECTOR

The water/wastewater sector consists of a government-owned, monopoly utility, the Water and Sewerage Authority (WASA), which is solely responsible for the production, transmission and distribution of potable water, as well as for the treatment of non-industrial wastewater, in Trinidad and Tobago. WASA produces 83% of the water that it sells to its customers from surface sources and wells. The remaining 17% is sourced from two privately-owned desalination plants.

QUALITY OF SERVICE STANDARDS FOR WASA

One of the mandates of the RIC under the Act is to prescribe and publish Quality of Service Standards (QSS) and monitor service providers to determine compliance with these standards. The RIC has drafted QSS for WASA and is in the process of reviewing same. Once this is completed, the RIC will liaise with the Ministry of Public Utilities to have these published in the *Trinidad and Tobago Gazette*.

MAJOR CAPITAL WORKS IN THE WATER/WASTEWATER SECTOR

Construction works began on two wastewater projects under a multi-phase wastewater rehabilitation programme funded by a loan of US\$246.5 million from the Inter-American Development Bank (IDB). In April 2015,

WASA launched the Malabar Wastewater Project, which involves the construction of a US\$96 million state-of-the-art Wastewater Treatment Plant and Collection System to serve 100,000 persons. The plant has a treatment capacity of 40 million litres per day, and is being constructed by Sinohydro Corporation Limited of China. In May 2015, ACCIONA Agua of Spain, in partnership with Atlatec of Mexico, began work on the San Fernando complex. This project includes the construction of a 45 million litres per day Wastewater Treatment Plant and the laying of a network of sewerage piping. The project costs US\$102 million and will serve 111,600 persons.

WATER/WASTEWATER SECTOR REPORTING UNDER THE EVENTS NOTIFICATION AND RESPONSE MANAGEMENT PLAN

In the water utility sector, an event, as classified under the ENRMP, 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. The Water and Sewerage Authority of Trinidad and Tobago (WASA) is required to report such events to the RIC as soon as they occur, as well as to notify affected customers about the extent and duration of the impact.

WASA reported 36 events for the year 2015, representing an average of 9 events per quarter. The number of events reported for 2015 was 2.7% less than that reported for 2014. Most of the events reported in 2015 resulted in a significant loss of water supply to a large number of customers. Of the total number of events, 30.6% were the result of capital improvement works, 25% were due to emergency repairs, 25% resulted from maintenance activities and 8.3% were due to reduction in the amount of water supplied by desalination plants.

A summary of the number of events reported in 2015 by WASA is shown in the table 6 below.

Table 6: ENRMP – Summary Report for WASA, 2015

TYPE OF EVENT	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL	% of Total	AVERAGE Per Qtr
Maintenance	3	1	2	3	9	25	2.25
Reduction in Supply from Desalination Plants	0	0	1	2	3	8.3	0.75
Emergency Repairs	2	3	2	2	9	25	2.25
Capital improvement works	4	3	3	1	11	30.6	2.75
Excessive turbidity due to rainfall	0	0	0	0	0	0	0
Other	1	1	1	1	4	11.1	1
Total No of Events Reported	10	8	9	9	36	100	9

CUSTOMER SERVICES

Investigating complaints and facilitating relief, where necessary, is one of the RIC's core functions and this is achieved by investigating complaints from consumers regarding their failure to obtain redress from the Water and Sewerage Authority (WASA) and the Trinidad and Tobago Electricity Commission (T&TEC) with respect to rates, billings and unsatisfactory service.

In 2015, the RIC received 2,231 complaints as shown in Table 7, which represented a seven percent (7%) decrease in the number of complaints received when compared to 2014. These complaints were filed by 1,334 customers, 64% of whom accessed the service of the RIC for the first time. The RIC was able to maintain a relatively high resolution rate in 2015, having resolved 1,952 or 88%

The RIC has a statutory responsibility to ensure the fair treatment of consumers and service providers similarly placed. The RIC ensures that this is done through an objective assessment of each complaint. In 2015, 1,893 or 97% of the complaints that were resolved by the RIC, were in the favour of customers, as indicated in Figure 1.

The top three (3) complaint categories reported to the RIC in 2015 were Interruption in Pipe Borne Supply, Streets Lights - Repair & Installation and Request for Truck Borne Supply, which accounted for 728 (33%), 551 (25%) and 368 (17%) complaints respectively, as shown in Figure 2.

The disaggregation of complaints by SPs reveal that Street Lights - Repair & Installation, Request for Service

Table 7: Status of Complaints Received for 2013-2015

Status	2013	2014	2015	% Change
Number of complaints brought forward	697	467	521	12%
Number of complaints received	2469	2390	2231	-7%
Number of complaints withdrawn	36	20	14	-30%
Number of complaints resolved	2176	2042	1952	-4%
Number of complaints unresolved	257	328	265	-19%
RESOLUTION RATE	89%	86%	88%	2%
No. of outstanding complaints resolved	487	274	397	45%
Total number of complaints resolved	2663	2316	2349	1%
Total number of complaints outstanding	467	521	389	-25%

of the complaints received. There was also a decrease in the number of complaints withdrawn, which declined from twenty (20) in 2014 to fourteen (14) in 2015. There were several reasons for customers withdrawing their complaints including the resumption of service and/or the resolution of the matter between the time the complaint was lodged and RIC's intervention in the matter and, in some cases, there was a lack of required documentation from the customer for the RIC to process their complaint.

and the category "Other", which includes such complaints as tree trimming and sparking wires, were the most reported complaints against T&TEC for 2015. As shown in Table 8 below, they accounted for 66%, 9%, and 5% of the complaints respectively for this service provider. In addition, the category of Street Lights - Repair & Installation recorded the highest percentage increase of 111% when compared to 2014. This may have been attributable to a significant increase in the number of Street Lighting complaints due to challenges faced by

Figure 1: Status of Complaints Received in 2015

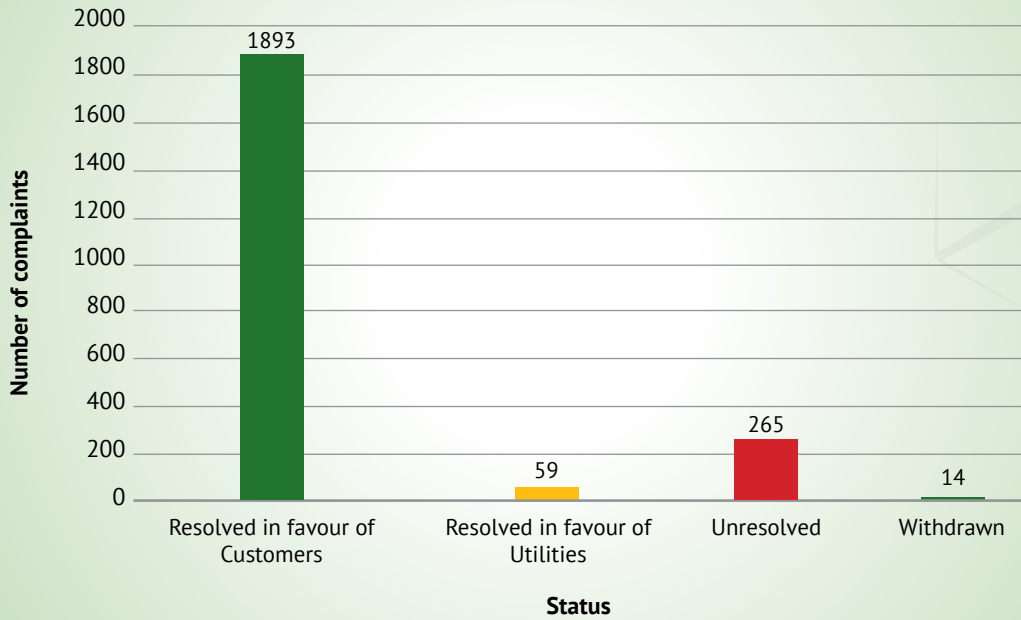
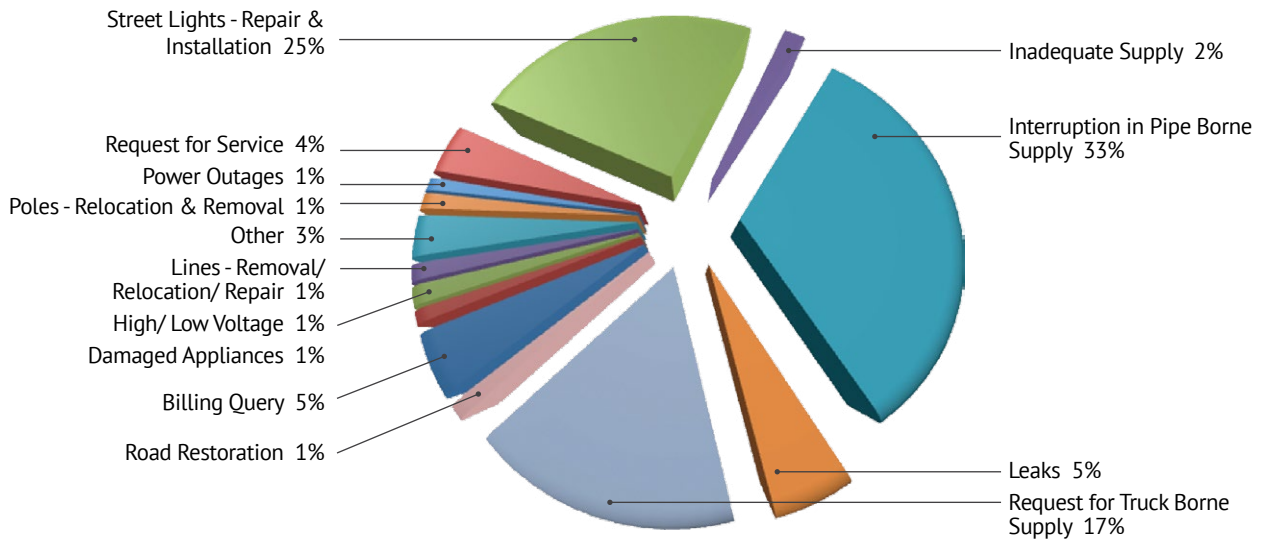


Figure 2: Distribution of Complaints in 2015, by Category



T&TEC's Public Lighting Department (PLD) to repair streetlights in a timely manner.

An analysis of WASA complaints indicated that Interruption in Pipe-Borne Supply, Request for Truck-Borne Supply and Leaks were the most reported complaints for 2015 and accounted for 52%, 26% and 8% respectively of the total number of complaints for WASA. The number of complaints for all of the categories showed significant decreases when compared to 2014. The Road Restoration category reflected the largest percentage decrease of 60% in 2015.

The number of complaints received by the RIC was disaggregated by geographic location and is shown in Figure 3.

The RIC reviewed the data in relation to complaints received for 2015 to determine which areas in the four (4) geographic regions in Trinidad were considered water stressed (worst served). This was determined by the accrual of all Interruption in Pipe-Borne Supply, Request for Truck-Borne Supply and Inadequate Water Supply complaints. Table 9 indicates the five (5) top areas (City/Town/Village) that are most affected in each region. The record shows that in the Central Region, complaints from Claxton Bay and Chaguanas decreased by 34% and 33% respectively, while complaints from Tortuga increased by 167%. In the North East Region, the number of complaints from Arima and Arouca decreased by 22% and 52% respectively. A review of the complaints from the North West Region, showed an increase in complaints from Santa Cruz by 6%, while those from San Juan and

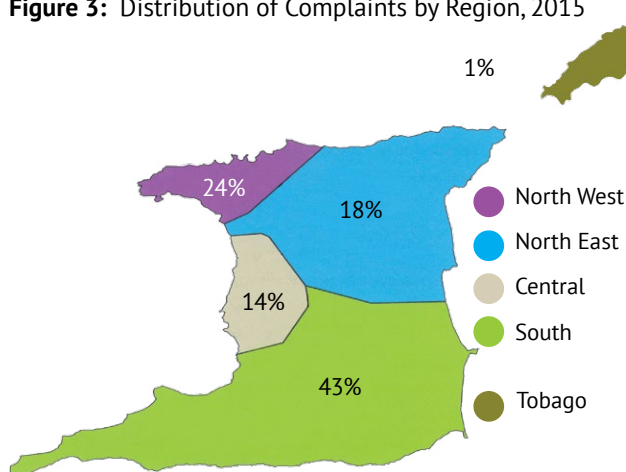
Table 8: Distribution of Complaints Received by Category and Service Provider for the period, 2013-2015

Service Provider	Complaint Category	2013	2014	2015	% Change
T&TEC	Billing Query	41	33	33	0%
	Damaged Appliances	59	40	23	-43%
	High / Low Voltage	26	34	33	-3%
	Lines - Removal/relocation/repair	57	39	29	-26%
	Other	45	55	39	-29%
	Poles - Removal & Relocation	40	35	29	-17%
	Power Outages	28	14	23	64%
	Request for Service	65	88	72	-18%
	Street Lights - Repair & Installation	89	261	551	111%
		450	599	832	39%
WASA	Billing Query	134	103	71	-31%
	Inadequate Water Supply	72	59	41	-31%
	Interruption in Pipe Borne Supply	863	834	728	-13%
	Leaks	203	169	113	-33%
	Other	66	59	33	-44%
	Request for Service	18	23	20	-13%
	Request for Truck Borne Supply	618	481	368	-23%
	Road Restoration	45	63	25	-60%
		2019	1791	1399	-22%
TOTAL	2469	2390	2231	-7%	

Table 9: The top 5 Water Stressed Areas in each Region, 2013-2015

Location	2013		2014		2015	
	Areas	Total	Areas	Total	Areas	Total
CENTRAL	Claxton Bay	62	Claxton Bay	67	Claxton Bay	44
	Freeport	19	Freeport	12	Tortuga	16
	Cunupia	14	Chaguanas	9	Chaguanas	6
	Chaguanas	11	Tortuga	6	California	3
	Las Lomas No. 1	10	Las Lomas No. 1	4	Carapichaima	3
NORTH EAST	Arima	44	Arima	27	St. Joseph	36
	D'Abadie	23	D'Abadie	25	Arima	21
	Talparo	15	Arouca	21	Brazil	11
	Brazil	11	Champ Fleurs	13	Arouca	10
	Arouca	9	Manzanilla	11	Talparo	10
NORTH WEST	Diego Martin	67	Santa Cruz	70	Santa Cruz	74
	Carenage	42	San Juan	47	Belmont	42
	St. Anns	36	Diego Martin	38	San Juan	37
	Glencoe	31	Maraval	34	St. Anns	33
	San Juan	25	Morvant	29	Maraval	32
SOUTH	Barrackpore	274	Barrackpore	202	Barrackpore	138
	Penal	136	Penal	152	Princes Town	105
	Princes Town	92	Princes Town	129	Penal	90
	Debe	91	San Fernando	36	Siparia	40
	Moruga	34	Debe	34	Moruga	29

Figure 3: Distribution of Complaints by Region, 2015



Maraval decreased by 21% and 6% respectively. The South Region has historically been the area from which the RIC has received the most complaints and 2015 was no exception. The region accounted for 43% or 946 of the complaints. Nevertheless, there was a general decline in the number of complaints recorded from this region in 2015. Analysis of the data showed a decrease in the number of complaints from Barrackpore, Princes Town and Penal by 32%, 19% and 41% respectively. The RIC will continue to monitor these trends and engage in discussions with WASA to improve the delivery of service to the identified worst served areas.

The RIC uses Key Performance Indicators (KPIs) in its complaints resolution process which allows stakeholders to assess its performance. Three (3) main KPIs that are used are:

- the percentage of complaints resolved;
- the amount of credit/rebate/compensation that is recovered; and
- adherence to internal service standards, especially response times.

Performance of the RIC against the first KPI was reported in Table 7 above. The second KPI is the quantum of credit/rebate/compensation that is recovered for customers who have lodged their complaints with the RIC. This KPI allows consumers to make their own assessment on the added value the RIC has brought in terms of protecting consumers' interests. Over the last three (3) years, the RIC has assisted in the recovery of \$4.43Mn dollars in credits/rebates/compensation and in 2015 alone, seventy

(70) customers benefited from the recovery of \$0.53Mn in credit/rebate/compensation. 15% or \$0.08Mn of this amount was credited by T&TEC to eleven (11) of its customers' accounts and WASA credited \$0.45Mn or 85% to fifty-nine (59) of its customers' accounts. The third KPI that the RIC utilises to measure the quality of its service delivery is its response time to complaints, based on its internal service standards. Table 10 highlights the RIC's performance during the period 2013 to 2015 against four (4) established standards.

The RIC assisted 113 walk-in customers in 2015, resulting in 57 complaints being processed. Interestingly, only two percent (2%) of the customers came to the RIC's office with an appointment and 100% compliance was achieved with its internal service standards. Additionally, all complaints submitted via letter, email and telephone were responded to within 10 working days.

Table 10: RIC's Internal Performance Standards, 2013 - 2015

Target Area	Standard	Performance Rating		
		2013	2014	2015
Response to Written Complaints	95% Within ten (10) working days.	100%	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	100%	100%	100%

CORPORATE COMMUNICATIONS

The major objectives of the RIC's Corporate Communications efforts are to educate and encourage the public to take a proactive role in the regulatory decision making process, to build and maintain a positive perception of the RIC in the public domain and to keep stakeholders informed of the work of the RIC. The RIC utilized a variety of communication tools to achieve these objectives in 2015.

Social Media

The RIC has a social media presence on Facebook, Twitter, You Tube and LinkedIn. These platforms are utilised to increase brand awareness and upload useful information about the functions of the RIC. Information about the RIC's line ministry as well as WASA and T&TEC are also uploaded on these platforms, which are updated on a daily basis. In 2015, the number of "likes" on RIC's Facebook Page increased by approximately 50% when compared to the previous year.

Newsletter – RIC News

The *RIC News* is a quarterly newsletter which is distributed to other regulatory bodies, agencies, community-based organisations, non-governmental organisations and all other affiliated organisations. This newsletter features informative technical papers on a range of regulatory issues, RIC events, human resource updates, customer service updates, training sessions/workshops completed by staff and other informative papers on the electricity and water sectors. The *RIC News* has a quarterly circulation of 2,100 copies.

Exhibits and Displays

The RIC utilizes every opportunity to participate in a number of external events to promote its work. The RIC took part in the UWI World of Work Workshop 2015 which took place over two days, 26th – 27th March, 2015. The first day was open to non-final year students seeking vacation employment and the second day was dedicated to final year students only. Companies and organisations from a variety of fields were invited to recruit students for either vacation or graduate employment. The RIC also used this occasion to educate the students about the role

and responsibilities of the RIC and the job opportunities available at the organisation.

Conferences

The RIC engaged in a number of initiatives to increase public awareness of the organization, while building staff capacity.

- ***UWI Conference of the Economy (COTE)***

The RIC participated in the seventh annual Conference of the Economy (COTE), which took place on Thursday 8th and Friday 9th October, 2015 at the University's Learning Resource Centre. The RIC supported this conference through Silver Sponsorship. COTE is an annual landmark event of UWI's Department of Economics at which findings from research and other studies are presented to inform stakeholders on economic and social policy. The theme for the 2015 conference was Managing Development in Caribbean Economies: The Key Role of Health and Social Security.

- ***13th Annual Conference of Caribbean Utility Regulators***

The RIC occupied the position of Deputy Chairman of the Organization of Caribbean Utility Regulators (OOCUR) for the past two years. During the period 27th -30th October 2015, the RIC's Chairman, Dr. Anne-Marie Mohammed and Executive Director, Mr. Sherman Baksh attended the Executive Council Meeting and Conference held in the Turks and Caicos Islands.

The 13th Annual OOCUR Conference was titled "*Facilitating a Dynamic Regulatory Environment*", and presenters articulated various perspectives on regulating the Information and Communications Technology (ICT), Water and Wastewater and Energy Sectors to address both current and future regulatory challenges.

Corporate Social Responsibility

As part of the RIC's Corporate Social Responsibility initiatives and Ministry of Public Utilities' 'Do Good' Project 2015, the RIC sponsored the Hoopla stall at the 8th Annual Just Because Foundation's Kiddi K, Children's

Walk Against Cancer which took place on Saturday May 2nd, 2015 at the Jean Pierre Complex. The Just Because Foundation is a non-profit charitable organization and its primary function is to provide emotional and practical support for parents and families whose children are affected with cancer. This service is provided without cost to the affected families. The Just Because Foundation also aims to generate greater awareness of childhood cancers.

The RIC's Hoopla stall was one of the more popular stalls that attracted participants of every age and raised thousands of dollars for the Foundation. The stall was also set-up, decorated and manned by the staff of the RIC.

HUMAN RESOURCES / ADMINISTRATION

Recruitment and Selection

Following the retirement of the Executive Director in 2014 the Commission advertised the vacant position in the local daily newspapers in March 2015. The position was subsequently filled and the new Executive Director commenced duties at the Commission with effect from June 01, 2015.

The position of Chief Financial Officer was advertised within the Commission and externally in the local newspapers. After conducting interviews of shortlisted candidates the Board of Commissioners appointed the then acting incumbent to the position of Chief Financial Officer in June 2015.

After conducting interviews for the position of Assistant Executive Director - Technical Operations, a Standards Engineer from within the Commission emerged as the successful candidate for the position and was appointed to the position with effect from March 01, 2015.

Other positions that were advertised and filled during 2015 included one Compliance Analyst for the Technical Operations Department and one Tariff Analyst for the Economics and Research Department. Three Utility Accountants were also hired for the Finance Department. One of these was the Commission's Accounting Officer who was appointed after being interviewed with other applicants for the position. One of the Utility Accountants did not complete the probationary period owing to personal challenges.

Resignations

During 2015, the Commission lost one of its Utility Accountants from the Finance Department through resignation.

Compensation Packages

The staff of the Commission continued to operate under expired remuneration packages. The commission's staff salaries and benefits expired on July 31st, 2013. Proposals that were submitted to the Commission's line Ministry by letter dated November 14th 2014 for the new period August 1st, 2013 to July 31st, 2016 remain outstanding to date.

Summer Internship Programme

The Commission developed and implemented a "Summer Internship Policy" in September 2015. The Policy is aimed at streamlining the recruitment process and clarifying the internal responsibilities for both interns and supervisors.

The Commission accepted two interns from the University of the West Indies to participate in the Summer Internship Programme for 2015, one second-year student pursuing a BSc, Management Studies and another a third-year student pursuing BSc, Mechanical Engineering. The second-year student pursuing BSc, Management Studies was assigned to the HR & Administration Department and the third-year student pursuing a BSc, Mechanical Engineering was assigned to the Technical Operations Department. While the interns were assigned to their specific sections, they were given exposure to other departments within the organization for short periods, to garner information and appreciate the work of the other departments.

Training

In light of the Commission's continued commitment to promote employees' effectiveness through training and development, staff members participated in a number of training programmes during 2015, both locally and abroad and through on-line programmes at recognized training establishments.

Foreign Training

During the first half of 2015, several members of staff attended foreign training programmes as follows:

- Conference on Net Metering and Utility Solar Rates hosted by the Electric Utility Consultants Inc. over the period January 26th – 28th in California, USA.
- One-week Utility Rate School hosted by the National Association of Regulatory Utilities Commission's (NARUC) over the period May 11th-15th in California, USA.
- Two (2) foreign-based online training courses offered by Public Utilities Research Centre (PURC) were completed by certain professional staff members.

The Executive Director (Ag.) attended two important conferences, as follows:

- ECTEL Conference held in St Lucia during the period May 11th to 13th, 2015.
- 6th World forum for Energy Regulators held in Istanbul, Turkey from May 24th to 28th, 2015.

The newly hired Executive Director attended the OOCUR 2015 Conference which was held in Turks and Caicos during the period October 27th to 30th, 2015.

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, the Arthur Lok Jack Graduate School of Business, Trinidad and Tobago Bureau of Standards and Areef Ali & Associates.

Group Life and Health Insurances

The Commission's Group Life Insurance and Group Health Insurance Plans were re-negotiated for another period without any rate increases.

Security Upgrade

In July 2015 the Commission upgraded its CCTV system and addressed certain security gaps that existed. The security enhancements have resulted in improved the safety of staff and the public while at the RIC's office.

Procurement

During 2015 a decision was taken to centralize the RIC's purchasing function to one department, which is now responsible for all purchases of goods and services for the Commission.

FINANCES OF THE RIC

The RIC derives its income through a Cess which is levied on the service providers that are listed in the First Schedule of the RIC Act. The Cess Order, which authorises the RIC to collect Cess from the regulated entities, was published in the Gazette on March 26th, 2015. The Cess Factor in 2015 was 0.35% of the cumulative revenue of the service providers under the RIC's purview. The actual amount of Cess paid by each service provider is itemized in table 11 below.

2015 was similar to the previous year, with the largest expense categories being Personnel and Accommodation, at 59.2% and 13.64% respectively. Overall expenditure was lower than budgeted for a number of reasons. The hiring of new staff was included in the 2015 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

Table 11: Cess Paid by Service Provider, 2015

Service Provider	TT\$ Amount
Trinity Power	488,002
The Power Generation Company of Trinidad & Tobago Limited	2,858,049
The Trinidad and Tobago Electricity Commission	10,143,772
The Water and Sewerage Authority	2,985,881
TOTAL	16,475,704

The declared surplus from the previous year is carried forward into the following year. In this regard, \$905,495 was carried forward as the surplus for the year 2014. Consequently, less Cess was requested from the service providers in 2015.

A Budget of \$17,381,199 for the financial year was approved by the Minister of Public Utilities, by Cess Order dated March 18th 2015. The RIC's actual expenditure in

breakdown of the main items of expenditure is presented in table 12 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.

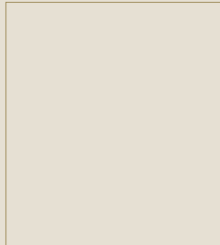
Table 12: Actual vs Budgeted Expenditure, 2015

	Budget (\$)	Actual (\$)
Personnel Expenditure	10,873,650	10,072,632
Accommodation	2,675,820	2,320,850
Consulting and Contracting	601,729	1,195,447
Training	640,000	450,739
Public Education, Promotion & Printing	425,000	484,821
Capital Expenditure and IT	990,000	1,274,999
Other Costs	1,175,000	1,214,615
TOTAL	17,381,199	17,014,103

COMMISSIONERS 2015



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 2015



Sherman Baksh
Executive Director
(June 1st 2015 –
December 31st 2015)



Glenn Khan
Deputy Executive Director
Ag. Executive Director
(January 1st 2015 –
May 31st 2015)



Rishi Maharaj
Assistant Executive Director
– Economics & Research



Derrick Phillips
Assistant Executive Director
– Technical Operations



Nadia John
Legal/Corporate Secretary



Shameel Khan
Chief Financial Officer
(June 1st 2015 –
December 31st 2015)



Helen Peru
Manager
– Human Resources and
Administration



Martin Haynes
Manager
– Information Technology



Mohan Chadee
Manager
– Customer Services



Driselle Ramjohn
Manager
– Corporate Communications





REGULATED INDUSTRIES COMMISSION

2015 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2015



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

**R E P O R T
O F T H E
A U D I T O R G E N E R A L**

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

FOR THE YEAR ENDED

December 31, 2015



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 DECEMBER 31, 2015

The accompanying Financial Statements of the Regulated Industries Commission for the year ended December 31, 2015 have been audited. The Statements comprise a Statement of Financial Position as at December 31, 2015, a Statement of Comprehensive Income, a Statement of Changes in Shareholders' Equity, a Statement of Cash Flows for the year ended December 31, 2015, and notes to the Financial Statements numbered 1 to 14.

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 February 19, 2019, 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.

13TH AUGUST, 2019
PORT OF SPAIN




LORELLY PUJUDAS
AUDITOR GENERAL

CONTENTS

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Statement of Financial Position	36
Statement of Comprehensive Income	37
Statement of Changes in Shareholders' Equity	38
Statement of Cash Flows	39
Notes to the Financial Statements	40



REGULATED INDUSTRIES COMMISSION

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of the **Regulated Industries Commission** ("RIC"), which comprise the statement of financial position as at **December 31, 2015**, the statement of comprehensive income and accumulated deficit and statement of cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information;
- Ensuring that the RIC 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 RIC's assets, detection/prevention of fraud and achievement of the operational efficiencies of the Entity;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations and;
- Using reasonable and prudent judgment in the determination of estimates.

In preparing these audited financial statements, management utilized the International Financial Reporting Standards for Small and Medium Sized Entities, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago.

Nothing has come to the attention of management to indicate that the RIC 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 18/2/14

Chief Financial Officer

Date 18/02/2014

Madan Ramnarine & Co.
Chartered Accountants

Suite 413, Upper Level, Centre Pointe Mall,
Ramsaran Street, Chaguanas, Trinidad, W.I.

Tel./Fax:665-1707
Email: m.ramnarineco@yahoo.com

**INDEPENDENT AUDITORS' REPORT TO THE COMMISSIONERS OF REGULATED
INDUSTRIES COMMISSION**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Regulated Industries Commission ("the Commission") which comprise the statement of financial position as at December 31, 2015, the statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the matter described in the Emphasis of Matter paragraph below, the financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs).

Emphasis of Matter

We were appointed auditors of the Commission on August 10, 2018, and thus could not verify the accuracy of the comparative information provided for the previous year. We have not received any correspondence indicating that these prior period figures contain any material misstatements.

Basis of 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 these financial statements in accordance with IFRS for SMEs 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 statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters relating 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.

Auditors' Responsibility 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 auditors' 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 aggregate, they could be reasonably expected to influence the economic decisions of users on the basis of these financial statements.

Madan Ramnarine & Co.

Chartered Accountants

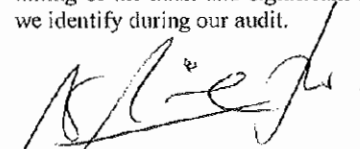
Suite 413, Upper Level, Centre Pointe Mall,
Ramsaran Street, Chaguanas, Trinidad, W.I.

Tel./Fax: 665-1707
Email: m.ramnarineco@yahoo.com

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



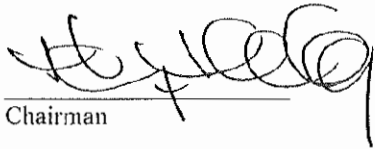
MADAN RAMNARINE & CO.
CHARTERED ACCOUNTANTS
CHAGUANAS, TRINIDAD.
February 19, 2019

STATEMENT OF FINANCIAL POSITION

	Notes	2015 \$	2014 \$
ASSETS			
Non-current assets			
Plant and equipment	3	<u>2,316,361</u>	<u>1,982,852</u>
Current assets			
Cash in hand and at bank	4	20,895,915	18,222,287
Accounts receivable and prepayments	5	<u>758,932</u>	<u>723,894</u>
		<u>21,654,847</u>	<u>18,946,181</u>
Total assets		<u>23,971,208</u>	<u>20,929,033</u>
CAPITAL & LIABILITIES			
Accumulated Funds			
Accumulated Funds – Government Grants	7	223	254
Retained Earnings		<u>22,843,614</u>	<u>20,418,501</u>
Total shareholders' equity		<u>22,843,837</u>	<u>20,418,755</u>
Current liabilities			
Accounts payable and accruals	6	<u>1,127,371</u>	<u>510,278</u>
Total equity and liabilities		<u>23,971,208</u>	<u>20,929,033</u>

The attached notes form an integral part of these financial statements.

On February 19, 2019, the Board of Directors of the Regulated Industries Commission authorised these financial statements for issue.



Chairman



Executive Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2015

	Note	2015 \$	2014 \$
INCOME			
Cess income		16,475,704	7,947,729
Other income	9	<u>117,979</u>	<u>139,437</u>
Total Income		16,593,683	8,087,166
EXPENSES			
Advertising and promotions		249,467	374,930
Allowances		194,330	158,299
Audit fees		60,000	66,000
Bank charges		2,557	2,533
Books and periodicals		--	1,375
Charitable contribution		9,778	6,795
Computer and maintenance		283,444	234,845
Staff welfare	10	8,315,373	8,586,262
Depreciation		443,130	547,979
Insurance		94,153	85,146
Loss on Disposal of Assets		12,173	104,595
Mail and postage		4,884	3,447
Catering		40,257	33,568
Motor vehicle maintenance		52,230	65,140
Office expenses		127,225	105,713
OCCUR expenses		115,346	91,307
Professional fees and legal fees		544,063	87,732
Remuneration to board members		390,277	507,514
Rent		2,320,850	2,331,000
Repairs and maintenance		23,074	16,137
Security and janitorial services		184,767	174,860
Subscriptions		23,743	121,768
Telephones		226,741	187,652
Training		<u>450,739</u>	<u>268,784</u>
Total Expenses		<u>14,168,601</u>	<u>14,163,381</u>
Total Comprehensive Profit / (Loss) for the year		<u>2,425,082</u>	<u>(6,076,215)</u>

The attached notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2015

	Retained Earnings	Accumulated Fund Government Grant Relating to P.U.C	Total
	\$	\$	\$
Year ended 31 December			
Balance at January 1, 2015	20,418,501	254	20,418,755
Total comprehensive (loss) for the year	2,425,082	--	2,425,082
Depreciation in P.U.C Assets	31	(31)	--
Balance at December 31, 2015	<u>22,843,614</u>	<u>223</u>	<u>22,843,837</u>
Year ended 31 December			
Balance at January 1, 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	41,581	(179)	41,402
Balance at December 31, 2014	<u>20,418,501</u>	<u>254</u>	<u>20,418,755</u>

The attached notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2015

Operating activities		
Total comprehensive profit / (loss) for the year	2,425,082	(6,076,215)
Adjustments for items not requiring an outlay of funds:		
Depreciation	443,130	547,979
Depreciation – Prior Period Adjustment	--	5,291
Prior Period Adjustment	--	41,402
Loss on Sale of Asset	12,173	104,595
Interest on Investment	<u>117,979</u>	<u>(139,257)</u>
Operating profit before working capital changes	2,998,364	(5,516,205)
(Decrease)/Increase in accounts payable and accruals	617,093	(1,591,516)
(Increase)/Decrease in accounts receivables and prepayments	<u>(42,969)</u>	<u>(53,676)</u>
Net cash flows generated from/(absorbed by) operating activities	<u>3,572,488</u>	<u>(7,161,397)</u>
Investing activities		
Acquisition of Fixed Assets	(788,812)	(444,980)
Proceeds from Disposal of Fixed Assets	--	79,329
Interest on Investment	<u>(110,048)</u>	<u>139,257</u>
Net cash flows (absorbed by) investing activities	<u>(898,860)</u>	<u>(226,394)</u>
(Decrease) / Increase in cash and cash equivalents	2,673,628	(7,387,791)
Cash and cash equivalents at beginning of year	<u>18,222,287</u>	<u>25,610,078</u>
Cash and cash equivalents at end of year	<u>20,895,915</u>	<u>18,222,287</u>
<u>Represented By:</u>		
Cash in Hand	3,000	3,000
Bank – Current Account	9,893,639	2,158,741
Bank – Money Market Fund Account	<u>10,999,276</u>	<u>16,060,546</u>
	<u>20,895,915</u>	<u>18,222,287</u>

The attached notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

1. Regulated Industries Commission was established in the Republic of Trinidad and Tobago by the Act of Parliament, Chapter 54:73, and commenced operations on June 1, 2000. During the financial year 2015, the Commission was located at Furness Building, corner Wrightson Road and Independence Square and subsequently relocated to 37 Wrightson Road, Port-of-Spain in June 2018.

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 for Small and Medium-Sized Entities (IFRS for SMEs) and under the historical cost convention.

b Functional and reporting currency

The financial statements are presented in Trinidad and Tobago dollars, which is the Commission's functional currency.

c Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS for SMEs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results could differ from the estimates.

d 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

d Plant and equipment (continued)

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.

e 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.

f Revenue recognition

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

g Foreign currency translation

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.

h 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.

i 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.

j Impairment

The carrying amount of the Commission's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in profit and loss whenever the carrying amount of an asset exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

k 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 Commission 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.

l Annuities

The Commission 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.

m Provisions

Provisions are recorded when the Commission 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.

n 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 December 31, 2015 the recorded values of all financial assets approximate their fair values and these financial instruments can be redeemed at any point in time.

o 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

2. **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 according to legislation.

3. **Plant and equipment**

	Motor Vehicle \$	Computer and Office Equipment \$	Office Furniture \$	Assets from PUC \$	Total \$
Year ended December 31, 2015					
Opening net book amount	458,598	1,161,890	362,111	255	1,982,854
Additions	587,000	146,184	55,626	--	788,810
Disposals	--	(4,902)	(7,271)	--	(12,173)
Depreciation charge	(147,983)	(247,078)	(48,069)	--	(443,130)
Closing net book amount	<u>897,615</u>	<u>1,056,094</u>	<u>362,397</u>	<u>255</u>	<u>2,316,361</u>
As at December 31, 2015					
Cost	1,324,220	3,846,846	1,275,186	6,441	6,452,693
Accumulated depreciation	(426,605)	(2,790,752)	(912,789)	(6,186)	(4,136,332)
Net book amount	<u>897,615</u>	<u>1,056,094</u>	<u>362,397</u>	<u>255</u>	<u>2,316,361</u>
Year ended December 31, 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>	<u>254</u>	<u>1,982,852</u>
As at December 31, 2014					
Cost	737,220	3,711,761	1,260,877	6,440	5,716,298
Accumulated depreciation	(278,623)	(2,549,870)	(898,767)	(6,186)	(3,733,446)
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, 2015

4.	Cash in hand and at bank	2015	2014
		\$	\$
	Cash in hand	3,000	3,000
	RBL Money Market	3,862,317	3,862,317
	Bank – Current Account	9,893,639	2,158,741
	RBL Money Market (Land)	7,136,959	7,081,686
	RBL Pooled Bond	--	5,116,543
		<u>20,895,915</u>	<u>18,222,287</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%.

5.	Accounts receivable and prepayments	2015	2014
		\$	\$
	Insurance	39,840	36,909
	Rental deposit	16,738	16,738
	Value added tax recoverable	465,423	368,145
	Copiers Maintenance Contract	--	24,322
	Contract Services	40,292	--
	HP Support Services	--	102,714
	TTPOST – PO Box Rental	--	620
	Refundable deposit – Furness (Trinidad) Ltd.	154,700	154,700
	Interest receivable	7,931	--
	Motor Vehicle Maintenance	2,141	--
	OCCUR Membership	31,867	19,746
		<u>758,932</u>	<u>723,894</u>

6.	Accounts payable and accruals	2015	2014
		\$	\$
	Gratuity provision	271,600	63,030
	Salary	2,500	148,498
	Other	853,271	298,750
		<u>1,127,371</u>	<u>510,278</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

7. Accumulated Funds – Government Grants - \$223

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 - \$31

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. Other income	2015	2014
	\$	\$
Interest from investments	117,979	139,257
PUC	--	180
	<u>117,979</u>	<u>139,437</u>
10. Staff welfare	2015	2014
	\$	\$
Staff functions	16,704	182,583
Uniforms	1,500	20,249
Carnival	--	55,852
Contract gratuities	208,600	208,946
Government contribution to NIS	315,196	292,290
Group health insurance	157,409	149,853
Group life insurance	96,894	95,653
Pension expense	499,727	496,184
Salaries	6,962,806	7,012,672
Other	56,537	71,980
	<u>8,315,373</u>	<u>8,586,262</u>

11. Key Management Compensation

Key Management personnel received compensation of \$3,642,566 (2014:\$3,761,447) for the year, in the form of short term, employment benefits and post- employment benefits. This is included in Staff welfare.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER, 2015

12.	Operating leases	2015	2014
		\$	\$
	Less than one year	2,284,800	2,284,800
	Between one and five years	<u>6,752,100</u>	<u>7,706,940</u>
		<u>9,036,900</u>	<u>9,991,740</u>

During the year \$2,284,800 (2014: \$2,284,800) was recognized as an expense in the Statement of Comprehensive Income in respect of leases.

13. Financial risk management

The commission's activities expose it to credit risk, compliance risk and reputation risk. The commission'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 commission 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 Commission 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 commission. The commission has an Audit Committee which does routine reviews on compliance.

(c) Reputation risk

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

14. Comparative information

Where necessary, comparative information is adjusted to conform with changes in presentation in the current period. These changes do not materially affect the financial statements.

ERRATA SHEET

**The Following Correction and Clarification Applies to:
Page 16 of the RIC's 2015 Annual Report and Financial Statements**

Section Heading: **The Water/Wastewater Sector**

Sub-heading: **Major Capital Works in the Water/Wastewater Sector**

Correction: Replaced “**US\$546.5 million**” with “**US\$246.5 million**” in the following sentence. *Construction works began on two wastewater projects under a multi-phase wastewater rehabilitation programme funded by a US\$246.5 loan from the Inter-American Development Bank (IDB).*



REGULATED INDUSTRIES COMMISSION

Protecting YOUR Interests

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

Tel: 800-4RIC (4742)
627-7820
627-0821
627-0503
625-5384

Fax: 624-2027

Email: ricoffice@ric.org.tt

www.ric.org.tt



YouTube

