

**PUBLIC UTILITIES COMMISSION**  
**Annual Report 1996**

**REPORT ON THE OPERATIONS OF THE COMMISSION FOR THE**  
**YEAR ENDED DECEMBER 31, 1996**

**Establishment of the Commission**

The Public Utilities Commission is a body corporate established under the PUBLIC UTILITIES COMMISSION (PUC) ACT No. 26 of 1990, which came into effect on 1<sup>st</sup> October, 1990.

**Composition of the Commission**

Under section 5 (1) of the Act the Commission is made to "consist of a chairman and four other members to be appointed by the Minister from among persons appearing to the Minister to be qualified as having had experience of, and shown capacity in, matters pertaining to the functions of the Commission."

In keeping with the powers conferred on him under section 5 (2) of the Act the Minister, the then deputy Prime Minister (Public Utilities) R.H.O. Corbin, appointed the following persons to be commissioners with effect from 14<sup>th</sup> March, 1991:

Mr. Joseph A. Tyndall, CCH	-	Chairman
Mr. John Willems, A.A	-	Member
Mr. Hugh K. George	-	Member
Mr. Errol Hanoman	-	Member
Mr. A.M.B. Sankies	-	Member

for a term of three years as stipulated by section 6 of the Act.

The life of the first Commission came to end in March. The Minister of Trade, Tourism and Industry, Mr. Shree Chan appointed a new Commission with effect from March 14, 1994. While the four member of the outgoing

Commission were reappointed Mr. Pamadath J. Menon, A. A. was appointed as the new Chairman to replace Mr. Joseph Tyndall A.A.

The new Commission, therefor comprised of the following members

Mr. Pamadath J. Menon, A.A.	-	Chairman
Mr. John Willems, A.A.	-	Member
Mr. Hugh K. George	-	Member
Mr. Errol Hanoman	-	Member
Mr. A.M.B. Sankies	-	Member

### **THE FUNCTIONS AND RESPONSIBILITIES OF THE COMMISSION**

#### **Quality and Costs of Services Offered by the Utilities**

The Public Utilities Commission is a regulatory body the functions of which include ensuring a satisfactory quality of service from public utilities to consumers, as well as monitoring the provision of that service to ensure it is provided at a reasonable cost. To be able to do this the Act confers on it regulatory, investigatory and enforcement powers and stipulates that the decisions and orders of the Commission "shall be fair in accordance with the Act and other applicable laws in operation in Guyana and, subject to any rule of law or provision of this Act relating to the burden of proof, based on the evidence presented to the Commission."

#### **Returns to the Utilities**

The Commission is bound by the Agreement between the Government of Guyana and Atlantic Tele-Network (ATN) to ensure that the Guyana Telephone and Telegraph Company Ltd. earns a minimum of fifteen (15%) percent rate of return on capital dedicated to public use.

The Guyana Electricity Corporation's (GEC) rate of return is not under the purview of the Commission.

#### **Utilities Covered by the PUC's Regulatory Powers**

The PUC Act applies to every utility engaged in:

- a. The production, generation storage, transmission, sale, delivery, furnishing or supplying, directly or indirectly to or for the public, of electricity.
- b. The conveyance or transmission of messages or communications by telephone, telegraph or wireless telegraphy.
- c. Any other services specified by the Minister, by order, being any of the following services:-
  - i carriage of passengers, in motor buses or hire cars;
  - ii airport and airline services;
  - iii carriage of goods for hire or reward by goods vehicles;
  - iv lighterage or cargo handling;
  - v dockage, wharfage or related cargo services, and
  - vi water supply services, except retail deliveries.

However, during the period under review the provision of the PUC Act 1990 only applied to the utilities described under (a) and (b) above, i.e the Guyana Electricity Corporation (GEC) and the Guyana Telephone and Telegraph Company Ltd (GT&T) respectively.

In summary, the functions of the PUC, in keeping with the provision of the Act No. 26/1990, are as follows:-

- a. to determine and fix the rates which the public is entitled to pay;
- b. to monitor, scrutinise and approve of the public utility's investment programme;
- c. to ensure that the utility provides and maintains a safe, adequate and efficient standard and quality of service at a reasonable cost to consumers;
- d. to support the financial viability of the utility, with regard to both the ability of the company to earn reasonable, agreed profits and the avoidance of the utility and its customers from carrying too great a burden of debt.

All other detailed functions and responsibilities flow from the above-mentioned four areas with the Commission having the power to initiate and conduct investigations into the operations and standards of service of any public utility.

## **ADMINISTRATIVE ORGANISATION OF THE COMMISSION**

During the year the staff of the Commission continued to be the following persons:-

The Chairman  
 The Secretary  
 Financial Analyst  
 2 Technical Assistants  
 2 Confidential Secretaries  
 1 Secretary/Typist  
 1 Assistant Accountant  
 2 Office Assistants, and  
 2 Cleaners.

Apart from the Chairman, the Financial Analyst, one of the Confidential Secretaries and a Cleaner, the rest of the staff were all seconded from the former Ministry of Public Utilities, while the other Commissioners served on a part-time basis.

*Chart*

## **UTILITIES UNDER THE AUTHORITY OF THE PUC IN 1996**

In 1996 the utilities which fell under the regulatory umbrella of the PUC were the Guyana Electricity Corporation (GEC) and the Guyana Telephone and Telegraph Company Limited (GT&T).

## **OPERATIONS DURING 1996**

### **Guyana Telephone and Telegraph Company Ltd**

#### **Application**

Application dated June 10, 1996 by which the GT&T requested permission from the Commission to round off all charges to the nearest dollar since cents had ceased to be legal tender.

### **Guyana Electricity Corporation**

There was no application from the GEC for the year.

Hearings  
**Guyana Telephone and Telegraph Company Ltd**

The Acting Secretary of the PUC issued Notices for the following hearings:-

1. Hearing on Monday April 15, 1996 which dealt with (a) Compliance with the Commission's Order of January 26, 1996 in respect of telephone services provided to customers, long outstanding applications for telephone service, priority allocation for the provision of telephone service, complaint of non-provision or inadequate provision of telephone service in certain areas, (b) Telephone service for the island of Wakenaam, and (c) Approval of the New Expansion and Development Programme.
2. Hearing of May 13, 1996 which dealt with complaints about non-provision of telephone service to customers, the absence of a subsisting Expansion and Development Plan and the need for both GT&T and the Commission to deal with other in good faith.
3. Hearings of June 12, 1996, dealt with the following matters: (a) Out of turn allotment of telephone service, (b) The readjustment of telephone bills in light of the withdrawal of cents from the local currency market, (c) The matching of calls by subscribers for the refund of the zonal charges GT&T was ordered to refund, and (d) A review of the progress of GT&T's new Expansion and Development Plan.
4. Hearings were held on August 28, 1996 dealing with (a) the recovery of arrears in respect of calls made to the USA, Canada, the UK and Antigua, and (b) other matter relating to the availability of lines and line plant, audiotext services and ATN's Annual Report.
5. Hearings of December 12, 1996, which dealt with (a) the Advisory Fees which were being paid by GT&T to ATN and (b) the Promissory Notes which had been executed by GT&T in favour of ATN for periods beyond one year.

### **Guyana Electricity Corporation**

1. Hearing on April 22, 1996 in respect of (1) complaints about the use of electricity for industrial purposes from lines which were intended for domestic purposes which resulted in unstable supplies to residential premises, (2) the legality of estimated billing by the GEC, (3) the payment of costs to complainants by GEC for the adjournment of hearings on account of the absence of their attorney, (4) overcharge on bills for electricity supplied by the GEC (5) discrepancies with the billing for kilowatts hours consumed and charged to customers (6) whether the Commission was authorised under s.27 of the PUC Act to award compensation for the inconvenience and hardship caused because of the persistent blackouts over extended periods and the failure of the GEC to carry out its statutory and contractual obligations.
2. Hearing of April 30, 1996 which focussed on (1) the illegal generation and selling of electricity with the city of Georgetown since GEC was the only entity authorised to generate and sell electricity, (2) the appointment of an independent investigator to verify the findings of GEC's investigation of complaints (3) the time frame for GEC's switching from billing from estimates to billing for actual power used, (4) the supply of electricity by GEC to GNEC/GNIC for foundry operations, (5) specific complaints against GEC by consumers for damage to their equipment because of faulty electricity supply, (6) the idea of a claims committee comprising members of GEC, PUC and the Consumer Bodies to deal with complaints by consumers for losses suffered, whether the Commission can award damages without proof of loss or damage suffered where there is inconvenience and hardships caused by blackout or non-supply of electricity over a protracted period of time.
3. Hearing of May 20, 1996 at which the issues raised were: (1) legal arguments by counsels for the GEC, the Consumers' Bodies with respect to the extent of the obligation of the GEC to provide an adequate, efficient and safe supply of electricity, (2) the liability of the GEC to pay compensation for the hardships inconvenience and similar difficulties experienced by consumers as being different from the cost of repairing damaged equipment, and (3) the constitution of the proposed claims committee.

4. At the hearing of July 8, 1996 the matters dealt with were: (1) a claim by Dr. Mangal and Ms. Princess Booker, Mr. George Brown and Mr. Nigel Hughes for damage to their appliances and television sets because of faulty electricity supply. At this hearing GEC also requested more time to name their two representatives for the claims committee.
5. A hearing was held on July 10, 1996 at which complaints were heard from (1) the University of Guyana Computer Centre for damage to their equipment, (2) GNIC which was taken as heard, (3) Guyana Stores Ltd in respect of three of their divisions.
6. Hearing of July 22, 1996 at which the claims of Dr. Mangal, Mr. Liburd, Ms. Booker and Mr. Browne were heard. Also called and outlined was a claim by Mr. Victor Pitt. In relation to GNIC's claim the Counsel gave an explanation of the status of the foundry. GEC was also requested to produce before the Commission copies of the agreement for the supply of electricity, which is normally entered into with consumers. They were also asked to check on what happens to complaints filed with the entity.
7. Hearing of July 24, 1996 dealt with the non-submission of GEC's short-term plan to the Commission as was requested by Order of the Commission, the Guyana Stores claims, the UG Computer Centre complaint and a complaint from Mr. Brian Chin. The Chairman also alluded to the need for a more simplified procedure to sort out all claims.
8. Hearing of August 7, 1996 at which the Counsel for GEC spoke of the possibility of resolving some of the claims outside of the hearing process. He then advised that Dr. Mangal was spoken to and is amenable to a settlement, and that negotiations were also going on with other claimants with a view to settling their claims. The claims by Messrs. Browne and Booker were called and put down to another date. The Commission also acknowledges receipt of GEC's short-term development plan.
9. At the hearing of August 27, 1996 GEC's Counsel reported that the claims made by Dr. Mangal, Mr. Nadir, Guyana Stores Mr. Brian

Chin, Mr. Fitt, Mr. George Browne and Mr. Keith Scott. Mr. Scott raised the question of GEC acceptance of liability in relation to his claim. Evidence was also taken in the matters of Ms. Booker's and Mr. Nigel Hughes's claims. Other matters dealt with were the issues of OMAI and the transformer installation. Mr. Liburd's claim and a complaint by GPC.

10. Hearing of December 18, 1996 at which matters relating to the request by GEC for the Commission to approve its granting two mortgages and two debentures to Blue and White Power Financing were taken.

### **Decisions and Orders Issued by the Commission during 1996**

This was also an extremely busy year for the Commission particularly as its work related to the GT&T. As a consequence a number of Orders were issued. These were as follows:-

GT&T

1. Order dated January 26, 1996 by which GT&T was ordered to submit to the Commission on or before March 8, 1996 its criteria for the allocation of telephones on a priority basis, and that where applicant had applied to the GTC, before the operation of that corporation were transferred, that those applications should be treated in accordance with the dates on which they were received.
2. Order dated August 5, 1996 ordering the GT&T to provide telephones out of service only to certain categories of persons of whom they were advised. GT&T was further ordered to investigate allegations of corruption and if there is any truth in them to root them out, and report the steps taken to the Commission.
3. Order dated September 24, 1996 which ordered that (1) the rounding off will be made only in respect of the total amount due under any bill issued by GT&T, (2) amounts of fifty cents and below shall be ignored and amount of fifty-one cents and above are allowed to be rounded off to one dollar, (3) no rounding off will be required when payment is made by cheque or debit card, and (4) GT&T shall not discontinue the present



practice of accepting payment by cheque or debit card without the permission of the PUC.

4. By Order dated October 1, 1996, GT&T was ordered (1) to allocate and connect the unallocated lines in existence between those allocated by August 24, 1996 and the total switch capacity of 54,470, (2) to allocate and connect a further 8,303 lines being the difference between GT&T's stated switch capacity and ATN's declared subscribers in its report as at December 31, 1995 to the SEC of 62,773, (3) to submit to the PUC before the 7<sup>th</sup> of every month a report setting out the progress made in the previous month in implementing orders (1) and (2), that the PUC will separately consider to what extent Condition 1.1 of the licence granted to GT&T has not been fulfilled by GT&T and, if so, what should be the penalty to be imposed on it for the same.
5. By Order dated November 21, 1996 the PUC rejected GT&T's claim that it could not satisfy the Order of October 1, 1996 and ordered GT&T to pay \$5,000.00 as costs to the Guyana Consumer's Association.
6. Order dated November 21, 1996 rejected the Caribbean Telecommunications Limited's objection to the provision of wireless local loop telephone system by the GT&T.
7. Order dated November 25, 1996 ordered GT&T to (1) within 10 days establish an escrow account in a bank in Georgetown and deposit an amount of \$26,980.37 in it, (2) to, within 2 months, refund to any subscriber in respect of telephone calls to Antigua, the USA, Canada and the UK the excess surcharge recovered by GT&T from him, (3) in the case of Canada and the UK GT&T shall be entitled to adjust the excess amount recovered towards any amount that may have fallen due because of the adjustment of the \$US/SDR exchange rate as per Order dated December 21, 1993, and (4) file a statement with the GT&T before January 7 and February 7, 1997 in respect of the refunds made the preceding month.

\$26,980,437.00

8. Order dated November 25, 1996 ordered GT&T to (1) establish an escrow account in a bank in Georgetown within 10 days and deposit a sum of \$2, 998,687.74 in it, (2) within 6 weeks send cheques to 3, 904 persons entitled to refund on account of zonal charges collected by GT&T without authority at their last known addresses, and (3) report in respect of the progress made on or before February 7, 1997.

GEC

**Consultants/Advisers**

- i Lynch Associates Limited continued its assignments on behalf of the Commission for the greater part of the year. These included verification and/or confirmation of arrears of uncollected revenues and of accounting rates to destinations other than Antigua, Canada, UK and the USA, etc., etc.
- ii The Georgetown Consulting Group Inc. of Connecticut U.S.A, at the request of the PUC, assisted the Commission with a review of GT&T's tariff filing and advised it on how to proceed with the matter of setting temporary rates.
- iii The Georgetown Consulting Group Inc. was also requested to assist the Commission with other specific regulatory matters including (a) a Complete Investigation and Review of the Organisation of GT&T; (b) a Chart of Accounts for GT&T and (c) Filing requirements for GT&T. These assignments were brought forward from the previous year, but still were not commenced.
- iv Mr. Peter Britton, Sc, the PUC Legal Advisor, executed his functions for a part of the year, giving advice and entering appearance in court on matters involving the PUC and GT&T. Mr. Vidyanand Persaud became Legal Advisor to the Commission after Mr. Peter Britton withdrew.

Mr. Britton, or (later) Mr. Persaud, was present at the Hearings conducted by the Commission.

## Consumers Complaints

1. Complaints were made by members of the public against the GT&T. A large number of these related to appeals for the provision of telephone services to which GT&T was unable to satisfy.
2. A number of complaints were also received by the Commission on the quality of service provided by the GEC. Some of these related directly to demands for compensation for losses suffered through the general instability of the power supply.

## 6. Consumers/Consumer Representation

- i. Telephone subscribers and other consumers continued to heighten their interest in the work of the PUC and in regulation. They continued to demonstrate this by numerous letters to the press as well as participation in relevant radio programmes and an increased number of complaints and requests to the PUC itself.
- ii. The PUC continued to grant recognition to the two consumer organisations in the matter before it and to award appropriate compensation on the completion of the process.

## Conclusion

The year 1996 was a very busy one for the Commission. There was a noticeable increase in Hearings concerning GEC. For the first time there were hearings to listen to consumers claiming for compensation against the GEC because of damage to equipment and property <sup>due to</sup> ~~because of~~ faulty electricity supply.

The number of hearings concerning GT&T <sup>was</sup> ~~was~~ less than the previous year, <sup>never</sup> but the less the issues were very important ~~ones~~.

One of the main issues that arose in the press concerning GT&T was, the audiotext calls. The Commission was forced to respond to this matter, as they were to other matter<sup>s</sup> that arose during the year.

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To strengthen the Commission, the services of a Financial Analyst was retained.

Throughout the year the Commission sought to carry out its mandate as prescribed by the PUC Act 1990, ensuring that consumers' rights were safeguarded and that GT&T obtain the rate of return as specified in their Licence/Agreement. The Commission also tried to ensure that the Utilities under its purview provided satisfactory and continuous service to the public in keeping with their agreements and undertakings.