

Public Utilities Commission **Annual Report**

Report on the Commission's Operations for the year ending **December 31, 1997.**

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 Act came into effect on the 1st October, 1990. This Act was subsequently amended by Act No. 10 of 1991, which came into effect on the 22nd April, 1991, and by Act No. 14 of 1994, which came into effect on the 19th September, 1994.

COMPOSITION OF THE COMMISSION

Pursuant to section 5(1) of the Act, as amended, "the Public Utilities Commission ... consist of a Chairman and four (4) other members ... 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 upon him by section 5(1) and (3) of the Act, the Minister of Trade, Tourism and Industry Mr. Michael Shree Chan re-appointed the following Commissioners with effect from 14th March, 1997, Mr. Pamadath J. Menon, A.A., Mr. John Willems and Mr. Hugh K. George. Two new commissioners were appointed to replace Mr. Errol Hanoman who resigned and Mr. A.M.B Sankies and they are Mr. Chandraballi Bisheswar and Mr. Badrie Persaud. Mr. Pamadath J. Menon, A.A. was re-appointed Chairman.

The newly constituted Commission was therefore comprised of the following members:

Mr. Pamadath J. Menon, A.A	-	Chairman
Mr. John Willems	-	Member
Mr. Hugh K. George	-	Member
Mr. Chandraballi Bisheswar	-	Member
Mr. Badrie Persaud	-	Member

The new members of the Commission were sworn into office on the 14th March, 1997.

THE FUNCTIONS AND RESPONSIBILITIES OF THE COMMISSION

QUALITY AND COSTS OF SERVICE OFFERED BY THE UTILITIES.

The Public Utilities Commission is a regulatory body created by statute. Its functions 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.

The Public Utilities Commission is also vested with powers to investigate and enforce and its decisions and orders "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.

While protecting the public's interest, the Commission needs to ensure that the Utilities earn a sufficient level of profits to guarantee their continuance as viable entities. This level of profits is usually agreed before hand with the utility.

UTILITIES AFFECTED 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 the telephone, telegraphy 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.

In summary, the functions of the Public Utilities Commission (PUC), in keeping with the provisions of the Act No. 26/1990, as amended, 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 of the Commission flow from the aforementioned four areas, with the Commission having the power to initiate and conduct investigations into the operations and standards of service of any public utility and, if necessary, to take over the management of the utility for specified periods and in certain circumstances provided for in the Act, as amended.

ADMINISTRATIVE ORGANISATION OF THE COMMISSION

During the year 1997, there was no change to the full-time staff structure of the Public Utilities Commission (PUC). The full-time staff therefore continued to be the following:

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

The four other Commissioners served on a part-time basis.

With the exception of the Chairman, the Financial Analyst, one of the Confidential Secretaries and a Cleaner, all of the full-time staff were seconded from the former Ministry of Public Utilities.

During the year under review, it was not necessary for the Public Utilities Commission to exercise its statutory authority pursuant to section 18 of the Act, as amended, to retain the services of professional persons, with the approval of the Minister, and determine the remuneration payable to such persons and their other terms and conditions of appointment.

The services of the Police Department were utilised to provide guard duty at the public hearings in keeping with the provisions of section 19(1) of the PUC Act 1990, as amended, which states that "For the purposes of any inquiry or examination conducted by it or in the performance of any of the functions conferred on it by this Act, the Commission may, with the consent of the appropriate authority, utilise the services of any public officer or other employee of the Government."

UTILITIES UNDER THE AUTHORITY OF THE PUC IN 1997.

In 1997, the utilities which fell under the regulatory umbrella of the Public Utilities Commission (PUC) were the Guyana Electricity Corporation (GEC) and the Guyana Telephone and Telegraph Company Limited (GT&T).

OPERATIONS DURING 1997.

GT&T

There was a total of seventeen (17) public hearings during the year in relation to the Guyana Telephone and Telegraph Company Limited (GT&T), which resulted in the making of five (5) Orders by the Public Utilities Commission (PUC).

Order No. 1/1997 was in respect of Advisory Fees paid or agreed to be paid by the GT&T to the Atlantic Tele-Network, Inc. (ATN). This Order was made on the 2nd January, 1997.

Order No. 2/1997 was in respect of Promissory Notes executed by the GT&T in favour of the Atlantic Tele-Network, Inc. (ATN) and the failure of GT&T to furnish information requested by the Public Utilities Commission (PUC). This Order was made on the 13th March, 1998.

Order No. 3/1997 was in respect of Complaints by certain persons regarding the failure by the GT&T to provide telephone service to them. This Order was made on the 25th September, 1997.

Order No. 4/1997 was in respect of an Application by Caribbean Telecommunications Limited for interconnection arrangements with the facilities of GT&T and the application by the Caribbean Telecommunication Limited for approval of rates for the mobile cellular telephone service proposed to be provided by it. This Order was made on the 27th October, 1997.

Order No. 5/1997 was in respect of the Setting of a new Expansion Plan for Telecommunications in Guyana to be implemented by the GT&T. This Order was made on the 29th October, 1997.

The public hearings were held on the following dates during the year, namely the 15th January, 1997; the 25th February, 1997; the 21st April, 1997; the 28th and 29th July 1997; the 28th and 29th August, 1997, the 4th and 8th September, 1997, the 9th, 10th, 11th and 13th October, 1997; the 10th and 13th November, 1997; and the 1st and 2nd December, 1997.

Guyana Electricity Corporation

There were a total of five (5) public hearings during the year in relation to the Guyana Electricity Corporation (G.E.C), which resulted in the making of an Order by the Commission on the 12th December, 1997.

The G.E.C. Order was in respect of an Application by the G.E.C for approval to execute three mortgages and two debentures in favour of Blue and White Power Financing.

The public hearings were held on the following dates during the year, namely the 9th and 30th January, 1997; the 13th February, 1997; the 20th October, 1997; and the 18th November, 1997.

CONSULTANCIES AND ADVISERS

1. The Georgetown Consulting Group Inc. of Connecticut, U.S.A, continued to assist the Commission with its review of GT&Y's tariff filing with the objective of setting permanent rates for the utility.
2. Additionally, the Georgetown Consulting Group Inc. also continued with its assistance to the Commission in relation to other specific regulatory matters, as had been done during the previous year, 1996, namely:
 - (a) a complete investigation and review of the organisation of the GT&T;
 - (b) a chart of Accounts for GT&T; and
 - (c) filing requirements for GT&T.

These assignments are still ongoing.

3. Mr. Aston Chase, S.C. and his associates entered appearance in the High Court and Court of Appeal in matter involving the Public Utilities Commission (PUC) and the two utilities, GT&T and G.E.C.

CONSUMER COMPLAINTS

1. Complaints were made by members of the public against the GT&T. Several of these complaints were in respect of applications for the provision of telephone service. There were also complaints in respect of the disruption of service, transfer of service and billing queries.
2. Complaints made against the G.E.C continued to be in relation to the quality of the service being provided by the utility, as well as in respect of losses suffered due to damage to electrical appliances on account of the poor quality of electricity supply to consumers.

CONSUMERS/CONSUMER REPRESENTATION

1. Telephone subscribers and consumers of electricity continued to demonstrate their interest in and awareness of the work of the Public Utilities Commission (PUC), as well as in utility regulation. This interest and awareness was manifested in letters to the press, participation in and radio programmes, and in complaints and requests for assistance addressed to the PUC.
2. The Public Utilities Commission (PUC) continued to grant recognition to the two consumers organisations in matters before it and to make awards of appropriate compensation in deserving cases on the completion of the adjudicating process.

CONCLUSION

During the year under review the public perception of the Commission continued to improve. The Chairman, Mr. P.J. Menon, A.A. continued to quietly address the issues raised by and on behalf of both GT&T and G.E.C, as well as consumers concerns.

The consumers organisations continued to regard the Commission (PUC) as the agency vested by legislation with the authority to ensure justice and fair play for consumers, while at the same time guaranteeing fair, reasonable and just returns in the case of the telephone utility, which must itself adhere to the agreements and undertakings made to provide a satisfactory and continuous universal service to the public.