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PUBLIC UTILITIES COMMISSION
Annual Report 1998

REPORT ON THE COMMISSION'S OPERATIONS FOR THE YEAR ENDING
DECEMBER 31, 1998.

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. The 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 (10) of the Act, as amended, "The Public Utilities Commission.... consist of a Chairman and four 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"

By 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, A.A., and Mr. Hugh K. George. Two new commissioners, Mr. Chandraballi Bisheswar and Mr. Badrie Persaud were also appointed to replace Mr. Errol Hanoman and Mr. A.M.B. Sankies.

The new members of the Commission were sworn into office on the 14th March, 1997 for a three (3) years term.

The Commission comprised of the following members.

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

THE FUNCTIONS AND RESPONSIBILITY OF THE COMMISSION

QUALITY AND COST 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 the Commission 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 provisions 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 its continuance as a viable entity. 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 producing, 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.

In summary, the functions of the PUC, in keeping with the provisions 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.

ADMINISTRATIVE ORGANISATION OF THE COMMISSION

During the year the full-time staff of the Commission were as follows:-

Chairman
 Secretary
 2 Financial Analysts
 1 Law Officer
 1 Administrative Officer
 2 Confidential Secretary
 2 Computer Operators/Typist
 1 Assistant Accountant
 2 Office Assistant
 2 Cleaner
 1 Driver

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

Of the full-time staff, five were seconded from the former Ministry of Public Utilities. There are the Secretary, the Assistant Accountant, one of the Confidential Secretaries and both Office Assistants.

It was necessary during the reporting year 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. Two such persons were retained, Ms. J. Ganpatsingh – an ACCA graduate and Mr. J. Phillip Neri: BSC (Computer Science).

During the later part of the year, the service 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 purpose 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 employees of the Government.”

UTILITIES UNDER THE AUTHORITY OF THE PUC IN 1998.

In 1998, the utilities which fell under the regulatory umbrella of the Public Utilities Commission (PUC) were the Guyana Telephone and Telegraph Company Limited (GT&T) and the Guyana Electricity Corporation.

OPERATION DURING 1998

GT&T

There was a total of fifteen (15) public hearings during the year in relation to the Guyana Telephone and Telegraph Company Limited (GT&T), resulting in the making of two (2) Orders by the Public Utilities Commission (PUC)

Order No. 1/1998 was in respect of Tariff Notice 1/1997 filed by GT&T. This Order granted temporary rates in respect of this Notice, and was made in the 27th January, 1998.

Order No. 2/1998 was in respect of the Order dated 27th January, 1998, made by the Public Utilities Commission fixing temporary rates for services provided by the Guyana Telephone and Telegraph Company

Limited. This Order amended the local rates and some of the service charge granted in Order No. 1/1998. This Order was made on the 27th March, 1998.

The Public Hearings were held on the following dates during year, namely the 26th January, 26th February, 23rd March, 11th August, 12th August, 13th August, 18th August, 28th October, 2nd November, 3rd November, 10th November, 17th November, 18th November, 8th December, 9th December, and 15th December, 1998.

GUYANA ELECTRICITY CORPORATION

There was a total of twenty-one (21) public hearings during the year in relation to the Guyana Electricity Corporation (G.E.C.), which resulted in the making of four (4) Orders by the Public Utilities Commission.

Order No. 1/1998 was in respect of an application by G.E.C. to review the decision of the Public Utilities Commission (PUC) dated 12th December, 1997. The application was dismissed by the Commission. This Order was made on the 23rd April, 1998.

Order No. 2/1998 was in respect of a complaint by Brain D. Bacchus against the Guyana Electricity Corporation (G.E.C.). This Order granted compensation and cost to the complainant. This Order was made on the 22nd September, 1998.

Order No. 3/1998 was in respect of a complaint by Keith Scott against the Guyana Electricity Corporation (G.E.C.) This Order awarded compensation and cost to the complainant. The Order was made on the 22nd September, 1998.

Order No. 4/1998 was in respect of a complaint by R. Sookraj & Sons against the Guyana Electricity Corporation (G.E.C.). The complainant was awarded compensation and cost by this Order, which was made on the 18th November, 1998.

The public hearings were held in the following dated during the year, namely the 28th January, 1998, 17th March, 16th, 17th, 23rd, 24th and 30th June, 1998, 1st, 8th, 14th, 15th, 21st, 22nd, 28th and 29th July, 1998, 4th, 5th and 19th August, 1998, 10th September, 1998, 27th October, 1998 and 1st December, 1998.

CONSULTANCIES AND ADVISERS

1. The Georgetown Consulting Group Inc., of Connecticut, USA, continued to assist the Commission with its review of GT&T'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, namely:
 - a. Complete investigations 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. To help with the Commission investigation of GT&T's operation, two additional consultants were employed for short a period of time. Mrs. Jennifer Ganpatsingh, ACCA graduate was contracted to investigate GT&T's accounts system and Mr. Jude Philip Nesi, BS Computer Science was contracted to investigate GT&T's Computer System.
4. Mr. Aston Chase, S.C., and his associates entered appearance in the High Court and Court of Appeal in matters involving the Public Utilities Commission (PUC) and the two utilities, GT&T and GEC.

CONSUMER COMPLAINTS

(GT&T)

1. Throughout the year there were complaints made by the consuming public against the GT&T. Most of the 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.
The Commission dealt with approximately one hundred (100) documented complaints, together with orally made complaints during the year 1998.

G.E.C.

2. Complaints continued to be made against the GEC in relation to losses suffered by consumers because of damages to their electrical appliances due to poor quality of electricity supplied by the utility, as was as billing queries. The former comprising the greater number of complaints.

During the course of the year the Commission dealt with approximately fifty (50) complaints, inclusive of those which were made orally.

PUC / GEC SMALL CLAIMS COMMITTEE

At a public hearing on the 30th April, 1996, the Chairman made the suggestion of the Consumer's representative, GEC's representatives and the PUC sitting together to hear and determine consumer complaints and decide on compensation, so as to have a speedier process for settling some claims.

On the 8th March, 1998, a letter was sent to the GEC proposing the establishment of the Committee. The GEC was asked to have the proposal discussed at Board and Management levels and to respond to the proposal.

After clarifications as to the terms and conditions for the operation of the Committee by both the GEC and the PUC, the GEC on 31st August, 1998 wrote accepting the proposals and requested to be informed of the date for the first meeting of the committee.

On the 17th September, 1998, notice was given to the GEC by the Commission of the date for the First / Inaugural meeting of the Committee in the Boardroom of the Commission. The list of complaints to be dealt with was attached to the Notice.

The first meeting of the PUC / GEC Small Claims Committee was held on Tuesday, 29th September, 199, in the Boardroom of the Public Utilities Commission.

MEETING OF COMMITTEE

The members of the PUC / GEC Small Claims Committee are:-

- Mr. Allan W. L. Wilson, PUC - Law Officer / Convenor
- Mr. Lancelot Mc Caskey, PUC - Financial Analyst I
- Mrs. Maxine A. Nestor, GEC - Corporate Secretary
- Mr. Edgar Adams, GEC - Senior Transmission and Distribution Engineer.
- A representative of the Commercial Department or System Control of GEC.

Other members from the PUC and GEC may from time to time attend the meetings of the Committee and participate as members of the committee in the deliberations.

MEETINGS HELD

As at the end of December 1998, the committee has met on three occasions, namely:-

1. 29th September, 1998
2. 27th October, 1998
3. 24th November, 1998.

By agreement the committee has been scheduled to meet on the last Tuesday of every month.

ACHIEVEMENTS

The committee has to date addressed the first fifteen (15) claims that were passed over to it by the Commission.

Of those claims, two (2) were withdrawn; three (3) were dismissed; five (5) have been agreed on as regards settlement and are being settled; three (3) remained to be settled and two (2) were not proceeded with.

CONCLUSION

The year review was not a smooth one for the Commission. The Commission at the start of the year did not find favour with the consuming public, after it granted the Guyana Telephone and Telegraph Company Limited (GT&T) a temporary rate increase. Later the Commissions reduced some of the rates and decided to examine the accounts of GT&T closer before granting permanent rates. This led to a number of public hearings at which the Commission as well as the public were able to gain a better understanding of the financial operation of GT&T.

During the year the media focused constantly on PUC matters related to GT&T. The Commission was forced to make use of the media to educate the Public as to its functions and on occasions to correct misinformation. At the end of the year under review the Commission's public image had improved, due mainly to the efforts of its Chairman, Mr. P. J. Menon.

Though public attention during the year was focussed on GT&T, the Commission addressed a number of consumer's complaints against the GEC. A number of consumers were granted compensation and awarded cost against the GEC by the Commission.

The year under review saw the Consumers Group fully supporting the works of the Commission and expressing their confidence in the fair and impartial workings of the Commission.

In order to better understand and deal with the complex matter regarding proper regulations of Public Utilities Commission had from time to time during the year sent Commissioners, as well as Officers on overseas courses to become acquainted with these matters, in order to better serve the consuming public and the utilities that come under the PUC's jurisdiction.

In the coming year the Commission looks forward to harmonious relationships with the GT&T and GEC and the continuing support of the Consumer Organisations in ensuring the rights of the consumers are safe guarded. This Commission continues to be ever aware of its duty to consider the rights of the consumer, government and the utility when issuing any Order.