



ANNUAL REPORT 2004

**To Ensure that Regulated Utilities Offer Efficient Service to
Consumers At Reasonable Cost**

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PUBLIC UTILITIES COMMISSION

ANNUAL REPORT 2004

The Public Utilities Commission is pleased to present its fourteenth Annual Report, in terms of Section 85 of the PUC Act No. 10 of 1999, for presentation to Parliament.

This report will serve to inform all concerning our activities during the year 2004, and also of our hopes and aspirations bearing in mind at all times the viability of the Utilities and the interests of the consumers.

The Commission is a body corporate established by virtue of the Public Utilities Commission Act No. 26 of 1990 which came into effect on 1st October 1990. This Act was amended in 1991 and 1994, and we are at present operating under Act No. 10 of 1999 which came into force on 1st October 1999.

The Commission presently consists of a Chairman, who is a full-time official, and three other Commissioners, who are appointed on a part-time basis. There is provision (Section 5 of the Act) for the appointment of four Commissioners, but the Commission has been functioning with only three since July 2001.

The present composition of the Commission:-

• Mr. Justice Prem Persaud C.C.H.	-	Chairman
• Mr. Badrie Persaud	-	Member
• Mr. John Caesar	-	Member
• Mr. Maurice Solomon	-	Member

Functions of the Commission

Mission

To ensure that regulated utilities offer efficient service to consumers at a reasonable cost.

Vision

To create an environment in which there is universal access to service in the public sector, as well as a high quality of service which are cost effective and beneficial to all stakeholders.

Objectives

To establish and enforce rules and procedures for the regulation of public utilities, commensurate with internationally accepted regulatory standards.

To promote and regulate the efficient long-term provision of utility services for national development consistent with Government policy.

To provide a fair environment conducive to business interest and investment in the public utilities sector, and in the interest of consumers.

To investigate and resolve in a timely manner complaints filed with the Commission against any public utility.

To carry out its functions/mandate in a fair, transparent and independent manner.

Functions

The functions of the Commission are regulatory, investigatory, enforcement and such others conferred on it by the Act. It shall also act in an advisory capacity to the Minister responsible for utilities on such matters concerning public utilities as are referred to it by the Minister.

The Commission also has the power to initiate and conduct investigations into the operations and standards of service of any public utility.

Public Utilities

The Act defines "public utility" as any person who or which owns facilities used to provide or provides the following services:-

- (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 oral, written, digital or any other form of messages or communications by telephone, wireless telephony, telegraphy; or wireless telegraphy, satellites, cable television, telecom service providers, pay telephone service providers, telecom resellers, internet and other telecom network service providers, radio common carriers or cellular mobile providers or any other method of transmission, currently offered to the public or offered as common carriage in the future.

The Minister may by order place any of the following services under the purview of the Commission, that is to say:-

- (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, any person who is not a public utility, who provides a service to a public utility only, or only to himself or his employees or tenants, where such service is not resold to or used by others, shall not be deemed to be a public utility.

The Minister had by order of the 31st July 2003 bought Water Supply services and Sewerage services under the purview of the Commission. Suppliers of retail delivery of water are not public utilities within the Act.

Telecommunications

Four licences have been granted by the Government to support entities to provide telecommunication service to citizens.

- A. **The Guyana Telegraph & Telephone Company Ltd (GT&T)** was incorporated in 1990 by the Government of Guyana. In January 1991 Atlantic Tele-network Inc. (ATN) acquired an 80% interest in the Company for US\$16.5 million, the remaining 20% interest was retained by the Government. The Company enjoys a monopoly to provide fixed or landline for 20 years with an option for renewal for another 20 years.

This company provides international and local telecommunication services, as well as mobile cellular services.

- B. **Caribbean Telecommunications Ltd (CTL)**
A licence was granted on 23rd April, 1996 for a period of 10 years to provide cellular service.

This Company, however, operates a services on the Corentyne. It had intended to provide service countrywide but has not concluded negotiations with GT&T for interconnection to enable it to extend its services. To improve its business and service to citizens we advised the management of CTL to hold discussions with GT&T with a view to interconnect and serve a wider area. To date, we have not been told what is the status of any discussion.

- C. **Caribbean Wireless Telecommunications Inc. (CWT)**

A licence was granted on 19th April, 2000 for 10 years to establish, operate and maintain a telecommunication apparatus in so far as it is comprised of a cellular radio telephone system. This company has not yet

introduced a service for the public. It is in breach of its licence and steps should be taken by the relevant authority to cancel the licence.

- D. **Cel*Star Guyana Inc.** was granted a licence in February 2001 and commenced operations in December 2004.

Commission's Activities

- ◆ During the year 2004 GT&T sought the approval of the Commission to introduce a telephone service in certain remote areas of the country, and for rates for such service. The service is referred to as "REMOTE AREA PHONES". The service is set up in areas where electricity is virtually non-existing, and the phones are powered by solar technology. The phones operate as call boxes and utilise calling cards.
- ◆ GT&T applied for a rate of \$34.01 per minute, but the Commission taking into account all the circumstances, and cost associated with the service allowed rate of \$20.00 per minute. There are no further access cost or local charge to make an international call for this service, save and except the current land line international rate as approved by the Commission.
- ◆ The Commission also granted an order for GT&T to offer, in addition to the existing service a minimum mobile prepaid account replenishment amount of five hundred dollars, with a life span of six months. This service, however, is limited to sales via the Debisys point of sale – also referred to as "C-Point". This is a mechanical instrument electrically operated.
- ◆ On 1st December 2004 the Commission granted an order in favour of Cel*Star Guyana Inc. to operate a cellular service and fixed rates for the several services it offered. This Company has applied for rates similar to those that GT&T was getting. The Commission pointed out this to the Management of Cel*Star Guyana who responded that they will not compete with GT&T on the rates but on the quality of service they intended to offer to the public.
- ◆ **Cel* Star Guyana** had signed an interconnection agreement with GT&T as early as March 2003. There apparently were delays in the setting up of the infrastructure, but when Cel*Star thought it was opportune and ripe to get going, GT&T threw a spanner in the works. Cel*Star Guyana had been involved in litigation concerning the bona fides of the Company and GT&T thought it inappropriate to continue business with a Company whose legitimacy was being challenged.

- ◆ Cel Star filed an application to the Commission for rates and GT&T raised an objection grounded on the fact of the litigation.
- ◆ The Commission considered the matter and referred it to the Court of Appeal under the provisions of Section 81 of the PUC Act for the opinion of the Court of Appeal. The Court of Appeal ruled that we shall continue to hear the application. The parties then mutually agreed to approach the High Court and the learned trial judge granted an order which in effect facilitated the continuation of the interconnection with Cel*Star Guyana.
- ◆ And we made an order for rates. Cel*Star commenced its operations in December 2004 offering cellular service facilities to the public. The granting of the Order by the Commission allowed for competition in the Cellular Market – and it was a difficult road we traversed to achieve this milestone.
- ◆ During the year, both GT&T and Cel*Star Guyana introduced GSM system. GT&T had been offering cellular services using the TDMA technology (**Time Divide Multiple Access**): On or about September 2004 it started to use the **GSM** technology (**Global System for Mobile**) to provide the cellular service. This is in addition to the TDMA technology. It is not really a new service but it is the same existing service using a different technology. The rates have not been affected by the introduction of this new technology. The TDMA system will eventually fade away when all consumers would have accessed the GSM service.

There has been a concern raised by the Consumers Association, echoing the claim by the new entrant to the Cellular Market, Cel*Star Inc., that the Commission shall forbear in monitoring the activities of the new company. It urged that this Company must be free to do as it pleases because the incumbent is already established and enjoys a large clientele.

We do not agree – In a competitive market a greater and tremendous responsibility must be shouldered by the Commission. The end of a monopoly situation (in the cellular service) does not mean the end of price regulation. We have to guard against predatory pricing - that is pricing of services below the incremental cost and not the fully distributed cost.

The Commission has an over riding interest in and concern for consumers' safeguards and at the same time to ensure the viability of the utilities. If left unchecked the competitor may be tempted to fix its rates so low that it will offset the quality of service it offers to the public, leading to its demise. This will in turn re-create the monopoly situation in which consumers will ultimately be the victims.

The Commission's function is to ensure that the incumbent carrier does not abuse its market power by discriminatory and predatory pricing, unreasonable terms of interconnection, unfair revenue sharing and so forth. The Commission may find itself needing to achieve at times, contrasting welfare, national interest and market goals. On the one hand it is supposed to protect the interests of consumers from whom it derives the legitimacy of its existence. On the other hand, it must respond to the policy of the Government, and it must also develop a good working relationship with the utility which it is supposed to regulate and from which it derives the information required to adequately perform its regulatory tasks. These contradicting mandates faced by regulatory bodies are not unique to developing countries. Variations of it have been experienced by agencies around the world since the early days of regulation [See Horwitz, R.B. (1989) *The Irony of Regulatory Reform* Oxford University Press.]

It is submitted that it is not now appropriate to grant the new entrant carte blanche forbearance of the regulatory regime, more especially where the market is not workable competitive. A high market share is a necessary but not a sufficient condition for market power. Other factors must be present to enable a dominant firm to act anti-competitively. "Market power" is the power to **unilaterally** set and maintain prices or other key terms and conditions of sales. The Commission has jurisdiction over the incumbent utility, and has to grant approval for prices.

Regulatory intervention is at hand to prevent the offering of bundled services which are not required by the new entrant. Other regulatory intervention can be imposed to prevent the dominant carrier from exploiting the competitor, or for example, restrictive conditions in interconnection agreements, etc.

We have in our previous 2003 Annual Report made reference to the teledensity factor which at the end of 2003 stood at 28% overall with 12.2% for landlines and 15.8% for cellular coverage. At the end of 2004 landlines increased by 10,587 to 103,267 and the cellular service from 118,658 to 150,852.

There is still a fair amount of persons requesting landline services, and GT&T appears willing to comply with and fulfil the wishes of the citizens. They have undertaken to provide an additional 10,000 lines across the several regions in the country.

Rates

The rates are fixed by a **rate of return methodology**. This involves calculating the utility's operating and capital costs. Then the rate of return is added. The licence issued to GT&T allows a rate of return of not less than 15%. This defines the total amount of revenue needed to carry on making a profit. From this figure the prices to be charged are calculated and fixed by the Commission.

There is, however, another formula used to fix prices. It is the **Price Cap Regulation**. This limits the amount to which prices can be increased or varied every

year to the rate of inflation minus or less a specific amount which the regulatory commission thinks the enterprise should be able to save by becoming more efficient.

Whatever method is used, however, some difficulties can be expected. Information asymmetry is likely to cause problems. The Regulator needs to be able to forecast costs and revenues as accurately as possible to regulate prices and profits. The Utilities are expected to exaggerate their costs and the need to increase capital investment, and to deflate their expected revenues.

It is also not unknown that a regulatory body does not have the necessary qualified or adequate staff to gather the necessary and relevant information to deal properly with the matter.

Price Caps on the other hand may have its own difficulties. If a utility manages to expand its market or becomes more efficient its profits will rise. But at a subsequent rate review the regulatory body may be tempted to reduce the rates. This will bring down the profits and must necessarily reduce the incentive of the utility to strive for greater efficiency.

The setting of the price cap is dependent on an apparent complicated system in which various factors are taken into account. Inflation and quality of service go hand in hand. But if a cap is set it allows competition within a range and consumers are likely to benefit both with respect to price and quality of service.

Rate of Return also has its advantages since it is relatively easy to understand. The difficulty is to ascertain and determine the true costs.

The Commission has used the rate of return methodology to determine the rates which GT&T charges its consumers. This is in conformity with the conditions set out in the licence granted to it. With the new entrant, Cel*Star, in the Market no great difficulty faced us since Cel*Star sought and obtained the same or similar rates GT&T enjoys. But to allow for true competition price cap may be more desirable since it will allow price fluctuation and quality of service, giving the consumers a choice of the provider.

Projections for the Future

The Government continues to make efforts to encourage the growth of telecommunication services at all levels as a means of facilitating access to a reliable, reasonably priced and advanced telecommunications services and advanced ICT's.

Whilst there are some complaints about the inadequate number of landlines in Guyana, it is a fact that the number has been increasing, albeit not as rapidly as consumers expect.

We have commitments from GT&T that it will complete land lines coverage of all of the densely populated areas by the end of year 2005. Among the areas to be serviced are Bloomfield and Liverpool on the Corentyne, Shieldtown on West Berbice, Land of Canaan, New Hope, South Friendship and Grove on the East Bank of Demerara and Cane Grove, Catherina, Adventure, Massiah, Planters Hall, Melanie, Bachelor's Adventure, Golden Grove/Haslington, on the East Coast of Demerara. GT&T has also indicated that it will extend the telephone access to many of the remote and interior areas (Remote Area Phones).

Internet usage is very significant in both homes and offices, and which can also be accessed via the internet cafes. There is also much interest in the establishment of call centres. One of the restricting factors is the lack of adequate bandwidth at comparatively reasonable price. This, among other factors, supports the call for a more concerted effort to effect early liberalisation of the international telecommunications service.

Information is the fundamental driver of increased productivity and competition. A competitive telecommunications infrastructure will provide the means of accessing and sharing information which will permit us to become advanced and economically competitive. A major objective of the reform of the telecommunication sector is to stimulate the growth of information-based industries for which our country can be an economically attractive location.

If there is an open telecommunications market many providers may well emerge in the cellular and other mobile markets. Competition may be more limited in the long distance markets, but a few other operators may well emerge.

We must not lose sight of the fact, however, that on the introduction of competition the incumbent monopoly operator will retain residual monopoly power for some extended period of time. This will especially be the case in certain market segments, for instance, the access network.

As part of the reform of the sector attention must be directed to the rapid growth in wireless telecommunication relative to the growth in landlines. The cost of providing access to voice and data networks using wireless technology is about one third of the cost for fibre optic or copper networks.

Because of the cost advantage wireless technologies offer more than a cost effective way to provide access to unserved areas. In the Caribbean, for instance, in the Dominican Republic, wireless coupled with VOIP – a standard which allows voice messages to be sent over the internet instead of using a dedicated phone line, has lowered the cost of calls by about forty percent.

In the United Kingdom, a Broadbased telephony firm, VONAGE is stepping up its efforts to provide an alternative to British Telecoms – According to the International Data Group, up to 11% of the UK Broadbased users will have a VOIP service by 2007. There are 650,000 customers in the United States and Canada, and adding 15,000 lines

per week. It is seen as a fixed line replacement rather than being Personal Computer (PC) based.

Wireless telecommunications seem to be the in-thing and it is expanding opening new vistas, for instance the ability to have e-mails read out over the telephone, the immediate transmission of a call to mobile phones, and to divert calls to someone when travelling or on holiday.

Underlying all of these, however, must be a competent, effective and dedicated legal system including of course, the personnel who perform judicial functions. Regrettably the Commission's function have been thwarted and stymied by the cavalier approach of the judges in the discharge of their duties. Many matters involving litigation in which the Commission is a party – in which injunctions have been granted restricting us from performing our duties and no attempt being made to expedite the hearings of these matters.

I had advocated earlier and will again urge that an appellate tribunal be set up – staffed with officers qualified and learned in regulatory matters to adjudicate in appeals involving the Commission. And the findings/rulings of this body be made final and not subject to appeal to the Courts.

Guyana Power and Light Inc.

This Corporation has maintained a regular service without any significant outages. Whatever interruptions there were have been generally as a result of maintenance works.

- ◆ A very sore question and one which the administration seems either incapable or reluctant to deal with is the contempt in which employees seem to hold consumers when enquiries are made.
- ◆ The consumers are generally prepared to honour their obligations but at times need clarification on certain aspects. They are told in no uncertain way to pay up what the bills show or else they will be disconnected. No answer or explanation is given and despite our several complaints to the head of the Management there has been no change. The public perception is that because it is a monopoly they can do what they like!!!
- ◆ Rates were maintained at the same level throughout the year as a result of our making orders for GPL to be granted the requisite increases for fuel, but to forego revenue by charging less than that computed according to the tariff formula and its Final Return Certificate.

An area of concern was the claim by GPL for an account termed “**Miscellaneous Charge**”. After much enquiries we were told that the charges represent amounts which were not reflected due to (a) faults in the meters and (b) consumers stealing electricity.

Many consumers do not pay for electricity consumed and this amounts to a very substantial amount. The Management of GPL apparently cannot find a solution to this problem. It is however totally unfair for paying consumers to bear the brunt of the cost for the electricity stolen and consumed without payment for same.

It all depends on the manner in which the rates are calculated. The Commission has no power or control since the formula for the fixing of the rates is spelt out in the licence and The Electricity Sector Reform Act (ESRA) No. 11 of 1999. Rates are determined to ensure that GPL recovers the amount expended in the generation of electricity, irrespective of the losses along the line by either technical or commercial means. It is therefore unfair and unreasonable for GPL not to make a determined effort to collect all sums due to it, and to prevent paying consumers being saddled with the obligation of others.

IDB PROJECT

On 28th September 2004 the Commission signed a Nonreimbursable Technical Cooperation Agreement No. ATN/MT-8193-GY with the Inter American Development Bank, acting in its capacity as Administrator of the Multilateral Investment Fund.

The grant is for up to five hundred thousand US Dollars, to finance the contracting of consulting services and procurement of goods necessary for the execution of a technical cooperation programme for strengthening electricity sector regulation in support of private investment.

The total counterpart resources required is estimated to be the equivalent of US\$233,000.00 of which up to half of the amount shall be provided in local currency.

GPL has planned to seek independent power producers to generate electricity for its business. This is permitted because GPL has a monopoly for five years from 1999 to solely produce generate and distribute electricity.

The Public Utilities Commission will have to oversee and approve the Power Purchase Agreement in which GPL may wish to enter.

GPL also expects to eventually purchase power from Guyana Sugar Corporation (Guysuco) but not before 2007. Guysuco is proposing to build a plant at Skeldon for the grinding of sugar cane, and expects to produce about 10MW of electricity generating same from bagasse. If this fructifies it will also encourage the upgrade of the transmission link on the Corentyne Coast. GPL expects to be supplied with about 10 MW from this source.

WIND POWER

There has been discussions with the Company Delta Caribbean N.V. with a view to establishing a wind farm at Hope Beach, East Coast Demerara with an installed capacity of about 12MW. It is projected that about 4MW may be available from this source. And again there may be an upgrade of the transmission lines on the East Coast Demerara between Hope and GPL's substation at Sophia, Greater Georgetown.

HYDRO POWER

There has been much interest generated by the possible supply of electricity via Hydropower. A licence has been granted by the Government to **Synergy Holdings Inc.**, a US based company headed by a Guyanese to develop hydropower at "Amalia Falls" in the Essequibo region. They apparently could not have obtained funding for the project slated to generate between 100 and 150 MW power.

A second group had been exploring the possibility to develop **2000 MW** of power at the Upper Mazaruni area. They hope to construct the infrastructure by 2007 and make power available by 2012 at a cost of US 2 cents or G\$4.00 per day.

A third undertaking at **Arisaru Fall** about 60 miles south/west of Bartica. This has a preliminary evaluation of generating about 400 MW.

A fourth company hopes to establish a plant at Turtuba Fall, Mazaruni, to produce between 300 and 600 MW. This Company aims to export its power to northern Brazil!

The rates GPL charges its consumers are astronomical – much greater than the countries in the Caribbean, and with a lower quality of service. If all the plans which both the Government/GPL have can come on stream there would be great relief to the citizenry.

Production, development and economic viability are all dependent on a cheap and reliable source of power. And if this could be provided there can be no limit to the progress the country can achieve. The cost of fuel is rising rapidly and there seems to be no hope in the immediate future for any significant reduction in prices. And experience has taught us that when prices go up some all – powerful influences tend to keep them up!!!.

In the last quarter of 2004 GPL submitted proposed amendments to its Standard Terms and Conditions, to incorporate relevant terms of the Project Agreement between the Government of Guyana and GPL on the Unserved Areas Electrification Programme that affect consumers. After consideration the Commission allowed the proposed amendments and directed that the utility provide fifteen (15) days notice for the amendments to become effective.

UNSERVED AREAS ELECTRIFICATION PROGRAMME

The Commission became aware that in October 2004 a loan of US\$27.4M made available to the Government by the Inter American Development Bank (IDB) for the Unserved Areas Electrification Programme (UAEP) became eligible for disbursement. The Commission participated in the official launch of the UAEP in December 2004. Under the UAEP electricity will be made available to over 30,000 households along the coast of Demerara. The programme also includes a hinterland electrification component and provide for institutional strengthening and capacity building of the sector agencies.

The responsibility for licensing public suppliers of electricity is vested in the Prime Minister who has responsibility for the electricity sector. In 2004 the Office of the Prime Minister was engaged in negotiations with Omai Services Inc. regarding the supply of electricity within Linden. Efforts were also being made to regularise the situation in Lethem by the licensing of the Lethem Power Company.

Guyana Water Inc. (GWI)

Guyana is engaged in an ambitious reform of its water sector. To address problems of institutional capacity in water service provision, the two utilities, namely, GEORGETOWN WATER & SEWERAGE COMMISSIONERS (GW&SC) and GUYANA WATER AUTHORITY (GUYWA) have been merged into a single entity called GUYANA WATER INC. In May 2002 His Excellency the President of the Republic assented to the **Water and Sewerage Act, No 5 of 2002** which provides for the ownership, management, control, protection and conservation of water resources, the provision of safe water, sewerage services and advisory services, the regulation thereof and for matters incidental thereto or connected therewith.

Severn Trent International, a foreign-based company selected after a competitive process has been brought in to manage the utility on a performance-based management contract..

The United Kingdom **DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)** is also offering assistance and has contracted a firm **CASTALIA** which is assisting with regulatory advice to this Commission. Among its objectives are to offer training to staff, creation of an effective complaints division, developing a regime to monitor and enforce customer service standards and licence indicators.

In July 2003 an order was made by the relevant Minister to bring Water Supplies and Sewerage Services under the purview of the Commission. And with effect from 1st August, 2003 we were charged with the responsibility for determining the rates to be paid

for the services, and also to monitor, regulate and enforce service quality. Concomitantly we deal with complaints which consumers file against the utility.

Under the provisions of Section 31 of the PUC Act we have the authority to make rules prescribing the quality and standards of service to be achieved and maintained by a public utility but this is subject to the condition (set out in Section 21 of the said Act) that in the event of a conflict between the licence under which GWI operates and any existing written law the licence shall prevail. The licence specifies the service standards to be maintained, but they can only be amended by mutual agreement between GWI and the Minister.

GWI has not filed any application for a rate review although we have been hearing that the rates collected are not adequate to provide the services they are called upon to provide.

Many areas have not received adequate supplies of water from time to time and one of the constraints is the cost of electricity to the utility. GWI has estimated the cost for the electricity consumed and which has to be paid to GPL is approximately 65% of the cost of production. The rate GWI is entitled to collect should total 100% operation costs and depreciation

OUTREACH

The Commission went out on outreach programmes during the year and visited consumers and interacted with them. We heard their complaints and concerns which assisted us in the discharge of our duties. **In April we went to Uitvlugt** on the West Coast of Demerara and had meaningful discussions. Representatives from GT&T were present and dealt with some of the issues raised. **In October we visited Berbice** and interfaced with consumers from New Amsterdam, the Central and Upper Courentyne. We also took part in Television broadcast and answered some questions called in by Consumers. **In November the Commission visited Bartica** and spent two days there. We met with consumers and their political representatives. We also had meeting with the Chamber of Commerce, and were involved in television programme dealing with the concerns of the citizens.

O O C U R

The **ORGANISATION OF CARIBBEAN UTILITIES REGULATORS** is a body made up of the Regulatory Commissions within the Caribbean. There are at the moment seventeen (17) members, Guyana being one of them. Our Chairman was elected the first Chairman and served for two years. In terms of the Articles of Agreement he had to demit office after serving for two consecutive terms, but was elected to serve as Secretary/treasurer at the elections in November. The next annual conference of this

body will be held in the Bahamas in November, 2005. Commissioners attended some of the workshops/seminars under the auspices of OOCUR.

TRAINING COURSES

The **PUBLIC UTILITIES RESEARCH CENTRE (PURC)** of the United States has been organising training sessions for Regulators world-wide. Commissioner John Caesar attended the two-week training. The course dealt with Electricity, telecoms and Water. Commissioners Badrie Persaud and Maurice Solomon are slated to attend a similar two-week course sponsored by PURC in Mid 2005. The sessions are held at the University in Gainesville, Florida, USA.

SCHOLARSHIP

Our Financial Analyst, Ms Jennifer Ganpatsingh, ACCA, who was also performing the duties as Secretary to the Commission on the death of the former Secretary, has been granted a one-year Chevening Scholarship by the British Government to do a Masters in Telecommunications. He applied for and was granted one year no pay leave to facilitate her taking up the offer of the Scholarship.


CONCLUSION

The year was, all in all, very fruitful. It saw some expansion in the Commission's work, which has laid the groundwork for it to embark on new and potentially exciting streams of work, e.g. preparing and monitoring Power Purchase Agreements. During the year the groundwork was also laid for the Commission to embark on building its capacity to take on new challenges offered by emerging competition in the telecommunications sector and the pending emergence of Independent Power Providers in the Power sector. Hopefully, the year 2005 will see the results of all that was put in train.

Our tasks are rather formidable and challenging. With limited resources at our disposal we have been able to achieve much for the benefit of all stakeholders. With financial and other forms of assistance we shall continue to press forward and expect to get the utilities to provide proper services for the benefit of all consumers. Our vision is focused to achieve our objectives, providing an environment conducive to business interests and investments, and in the interest of all consumers..

Respectfully submitted.

July, 2005.


CHAIRMAN
PUBLIC UTILITIES COMMISSION

FACTS FIGURES and STATISTICS

The following information is with respect to the Utilities as at the end of December, 2004.

GUYANA POWER & LIGHT INC

<i>Gross generation</i>	<i>514,911 MW hrs.</i>	<i>100 %</i>
<i>Loss Sales.....</i>	<i>293,085 MW hrs.....</i>	<i>56.90 %.</i>
<i>LOSSES.....</i>	<i>221,826 mw HRS.....</i>	<i>43.10 %</i>

COMPOSITION OF LOSSES

<i>TECHNICAL.....</i>	<i>92,683 MW hrs.....</i>	<i>18.00 %</i>
<i>COMMERCIAL.....</i>	<i>129,210 MW hrs.....</i>	<i>25.10 %</i>
	<i>221,893 MW hrs.....</i>	<i>43.10%</i>

ELECTRICITY GENERATED

<u>LOCATION</u>	<u>GROSS GENERATION (MW hrs)</u>	<u>%</u>
<i>CANEFIELD</i>	<i>50,183</i>	<i>9.70</i>
<i>No 53 Village</i>	<i>13,875</i>	<i>2.80</i>
<i>ONVERWAGT</i>	<i>20,230</i>	<i>3.90</i>
<i>KINGSTON</i>	<i>28,338</i>	<i>5.60</i>
<i>GARDEN-of-EDEN</i>	<i>69,187</i>	<i>13.40</i>
<i>VERSAILLES</i>	<i>18,860</i>	<i>3.70</i>
<i>ANNA REGINA</i>	<i>13,492</i>	<i>2.60</i>

WAKENAAM	1,056	0.20
LEGUAN	714	0.10
WARTSILA (Georgetown, Garden of Eden & Anna Regina)	294,187	57.10
<u>TOTAL</u>	514,978	<u>100.00</u>

CLASSIFICATION OF CONSUMERS

CATEGORY	TARIFF	CUSTOMER		ELECTRICITY SOLD	
		No.	%	MW Hrs.	%
Residential	A-	115,697	91	140,944	
Commercial	B-	10,710	8	55,418	
Industrial-Small	C	169	1	27,030	
Industrial-Large	D	172	1	67,426	
Street Lighting	E	52	-	2,267	
Total		126,800	100	293,085	

TELECOMMUNICATIONS

<u>GT&T-</u>	Landlines	-	103,267	
	Cellular Phones	-	150,852	
	Remote Area Phones	-	27 <u>locations</u>	
<u>Cel*Star-</u>	Cellular Service	-	Prepaid	- 5,763
	(Customers)		Postpaid	- 425

FIRES REPORTED DURING 2004.

LOCATION	REGIONS	TOTAL
<i>Barima/Waini</i>	1	<i>Nil</i>
<i>Pomeroon/Supernaam</i>	2	36
<i>Essequibo Islands/West Demerara</i>	3	73
<i>Demerara/Mahaica</i>	4	844
<i>Mahaica/Berbice</i>	5	5
<i>East Berbice Corentyne</i>	6	235
<i>Cuyuni/Mazaruni</i>	7	<i>Nil</i>
<i>Potaro/Siparuni</i>	8	<i>Nil</i>
<i>Upper Takatu/Upper Essequibo</i>	9	<i>Nil</i>
<i>Upper Demerara/Berbice</i>	10	35
Total		1228

CAUSES OF FIRES

<i>Suspected Arson</i>	13
<i>Electrical</i>	479
<i>Others</i>	562
<i>False Alarms</i>	174
Total	1228