

LEGAL NOTICE NO. 282

REPUBLIC OF TRINIDAD AND TOBAGO

THE REGULATED INDUSTRIES COMMISSION ACT  
No. 26 OF 1998

NOTICE

NOTICE is hereby given that in accordance with section 49(1) of the Regulated Industries Commission Act, No. 26 of 1998, the Trinidad and Tobago Electricity Commission (“the Commission”) has given written notice to the Regulated Industries Commission requesting a review of the tariffs presently being charged to its customers.

A summary of the Existing and Proposed Rates appears in Table 1 overleaf:

**TABLE 1**  
**SUMMARY OF PROPOSED AND EXISTING ELECTRICITY RATES 2004-2008**  
**ASSUMING CROSS SUBSIDIZATION**

	2003	Customers Existing	Rates	2004	2005	2006	2007	2008
				\$/kWh/KV	\$/kWh/KV	\$/kWh/KV	\$/kWh/KV	\$/kWh/KV
				A	A	A	A	A
<b>BASE CHARGE</b>								
<b>RATE A</b>								
1 - 500kWh	132,767		0.2196	0.2145	0.2170	0.2220	0.2270	0.2320
501 - 1,500kWh	146,717		0.2196	0.3100	0.3125	0.3175	0.3225	0.3275
>1,500kWh	31,258		0.2196	0.4450	0.4475	0.4500	0.4525	0.4550
<b>RATE B</b>	32,573		0.2346	0.3135	0.3160	0.3210	0.3260	0.3310
<b>RATE B 1</b>	N/A	N/A	N/A	0.4140	0.4190	0.4240	0.4290	0.4340
<b>RATE D1</b>	1,622		0.2371	0.1910	0.1960	0.2010	0.2060	0.2110
				21.75	62.00	62.25	62.50	62.75
<b>RATE D2</b>	667		0.2216	0.1815	0.1840	0.1865	0.1890	0.1915
				21.75	60.50	60.75	61.00	61.25
<b>RATE D3</b>	26		0.1386	0.1140	0.1165	0.1190	0.1215	0.1240
				26.08	54.00	54.25	54.50	54.75
<b>RATE D4</b>	N/A	N/A	N/A	0.1140	0.1165	0.1190	0.1215	0.1240
				52.00	52.25	52.50	52.75	53.00
<b>RATE D 5</b>	N/A	N/A	N/A	0.1590	0.1615	0.1640	0.1665	0.1690
				30.00	30.25	30.50	30.75	31.00
<b>RATE E 1</b>	1		0.1310	0.1050	0.1075	0.1100	0.1125	0.1150
				23.60	51.00	51.50	52.00	53.00
<b>RATE E 5</b>	1		0.1310	0.0920	0.0945	0.0970	0.0995	0.1020
				23.60	46.00	46.50	47.00	48.00
<b>Street Lighting</b>	396		1.05	1.48	1.52	1.57	1.62	1.67
<b>OTHER CHARGES</b>								
				\$	\$	\$	\$	\$
<b>Bi-monthly Customer Charge Rate A</b>				4.00	4.00	5.00	6.00	8.00
<b>Bi-monthly Customer Charge Rate B</b>				20.00	40.00	42.00	44.00	46.00
<b>Bi-monthly Customer Charge Rate B 1</b>				N/A	0.00	0.00	0.00	0.00
<b>Fuel Charge</b>				N/A	N/A	0.003419	0.010595	0.009486
<b>Exchange Rate Adjustment (ERA) Charge</b>				N/A	N/A	N/A	N/A	N/A
<b>Power Purchase Agreement/kWh</b>				N/A	0.0052	0.0076	0.0112	0.0160

**NOTES:**

- 1) The Fuel charge and ERA charge have been included in the base charge in 2004. This amounts to \$0.0449/kWh, \$0.0247/kWh and \$0.0054/kWh, respectively.
- 2) It is assumed the exchange rate remains fixed at \$6.30TT for the 5-year period 2004-2008.

**BREAKOUT TABLES FROM TABLE 1**

**TABLE A  
RATE A - RESIDENTIAL**

YEAR	EXISTING RATES														
	2004			2005			2006			2007			2008		
TARIFF	1-500kWh	501-1500kWh	>1500kWh	1-500kWh	501-1500kWh	>1500kWh	1-500kWh	501-1500kWh	>1500kWh	1-500kWh	501-1500kWh	>1500kWh	1-500kWh	501-1500kWh	>1500kWh
TT CURRENCY	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FIXED CHARGES *															
Customer Charge	4.00			4.00			5.00			6.00			8.00		10.00
USAGE CHARGES **															
1. ENERGY															
Base Energy Rate per kWh	0.2196	0.2196	0.2196	0.2145	0.3100	0.4450	0.2170	0.3125	0.4475	0.2220	0.3175	0.4500	0.2270	0.3225	0.4525
Fuel Charge per kWh															
Exchange Rate															
Adjustment per kWh															
Power Purchase Agreement/kWh															
2. DEMAND															
Maximum Demand Charge per kVA per month															

Frequency of billing - every two months

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

**TABLE B**  
**RATE B – COMMERCIAL**

YEAR	EXISTING RATES		2004		2005		2006		2007		2008	
	B	B1	B	B1	B	B1	B	B1	B	B1	B	B1
<b>TARIFF</b>												
<b>TT CURRENCY</b>												
<b>FIXED CHARGES *</b>												
Customer Charge	20.00	N/A	40.00	0.00	42.00	0.00	44.00	0.00	46.00	0.00	48.00	0.00
<b>USAGE CHARGES **</b>												
<b>1. ENERGY</b>												
Base Energy Rate/ per kWh	0.2346	N/A	0.3135	0.4140	0.3160	0.4190	0.3210	0.4240	0.3260	0.4290	0.3310	0.4340
Fuel Charge per kWh	N/A	N/A	N/A	N/A	0.003419	0.003419	0.010595	0.010595	0.009486	0.009486	0.013152	0.013152
Exchange Rate Adjustment per kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Power Purchase Agreement kWh	N/A	N/A	0.0052	0.0052	0.0076	0.0076	0.0112	0.0112	0.0160	0.0160	0.0187	0.0187
<b>2. DEMAND</b>												
Maximum Demand Charge per kVA per month	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Frequency of billing - every two months

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

**TABLE C**  
**RATE D1 - D2 - LIGHT INDUSTRIAL**

YEAR	EXISTING RATES		2004		2005		2006		2007		2008	
	D1	D2	D1	D2	D1	D2	D1	D2	D1	D2	D1	D2
TARIFF												
TT CURRENCY	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FIXED CHARGES *</b>												
Customer Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>USAGE CHARGES **</b>												
1. ENERGY												
Base Energy Rate												
per kWh	0.2371	0.2216	0.1910	0.1815	0.1960	0.1840	0.2010	0.1865	0.2060	0.1890	0.2110	0.1915
Fuel Charge												
per kWh	N/A	N/A	N/A	N/A	0.003419	0.003419	0.010595	0.010595	0.009486	0.009486	0.013152	0.013152
Exchange Rate												
Adjustment per kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Power Purchase Agreement /kWh	N/A	N/A	0.0052	0.0052	0.0076	0.0076	0.0112	0.0112	0.0160	0.0160	0.0187	0.0187
2. DEMAND												
Maximum Demand Charge												
per kVA per month	21.75	21.75	62.00	60.50	62.25	60.75	62.50	61.00	62.75	61.25	63.00	61.50

Frequency of billing – monthly

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

**TABLE D**  
**RATE D3 - D5 - HEAVY INDUSTRIAL**

YEAR	EXISTING RATES					2004					2005					2006					2007					2008				
	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5	D3	D4	D5			
<b>TARIFF</b>																														
<b>TT CURRENCY</b>																														
<b>FIXED CHARGES *</b>																														
Customer Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>USAGE CHARGES **</b>																														
<b>1. ENERGY</b>																														
Base Energy Rate per kWh	0.1386	N/A	N/A	0.1140	0.1140	0.1590	0.1165	0.1165	0.1615	0.1190	0.1190	0.1640	0.1215	0.1215	0.1665	0.1240	0.1240	0.1665	0.1215	0.1215	0.1665	0.1240	0.1240	0.1665	0.1240	0.1240	0.1690	0.1690		
Fuel Charge per kWh																														
Exchange Rate Adjustment per kWh																														
Power Purchase Agreement /kWh																														
<b>2. DEMAND</b>																														
Maximum Demand Charge per kVA per month	26.08	N/A	N/A	54.00	54.00	30.00	54.25	54.25	30.25	54.50	54.50	30.50	54.75	54.75	30.75	55.00	55.00	30.75	54.75	54.75	30.75	55.00	55.00	31.00	53.00	53.00	31.00	31.00		

Frequency of billing – monthly

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

**TABLE E**  
**RATE E - HEAVY INDUSTRIAL**

YEAR	EXISTING RATES		2004		2005		2006		2007		2008	
	E1	E5	E1	E5	E1	E5	E1	E5	E1	E5	E1	E5
TARIFF												
TT CURRENCY	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FIXED CHARGES *												
Customer Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
USAGE CHARGES **												
1. ENERGY												
Base Energy Rate per kWh	0.1310	0.1310	0.1050	0.0920	0.1075	0.0945	0.1100	0.0970	0.1125	0.0995	0.1150	0.1020
Fuel Charge per kWh	N/A	N/A	N/A	N/A	0.003419	0.003419	0.010595	0.010595	0.009486	0.009486	0.013152	0.013152
Exchange Rate Adjustment per kWh	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Power Purchase Agreement /kWh	N/A	N/A	0.0052	0.0052	0.0076	0.0076	0.0112	0.0112	0.0160	0.0160	0.0187	0.0187
2. DEMAND												
Maximum Demand Charge												
Maximum Demand Charge per kVA per month	23.60	23.60	51.00	46.00	51.50	46.50	52.00	47.00	52.50	47.50	53.00	48.00

Frequency of billing – monthly

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

**TABLE F  
STREET LIGHTING**

YEAR	EXISTING RATES	2004	2005	2006	2007	2008
<b>TARIFF</b>		STREET-LIGHTING				
<b>TT CURRENCY</b>	\$	\$	\$	\$	\$	\$
<b>FIXED CHARGES *</b>						
Customer Charge	N/A	N/A	N/A	N/A	N/A	N/A
<b>USAGE CHARGES **</b>						
<b>1. ENERGY</b>						
Base Energy Rate per kWh	1.05	1.48	1.52	1.57	1.62	1.67
Fuel Charge per kWh	N/A	N/A	0.003419	0.010595	0.009486	0.013152
Exchange Rate Adjustment per kWh	N/A	N/A	N/A	N/A	N/A	N/A
Power Purchase Agreement per /kWh	N/A	0.0052	0.0076	0.0112	0.0160	0.0187
<b>2. DEMAND</b>						
Maximum Demand Charge per kVA per month	N/A	N/A	N/A	N/A	N/A	N/A

Frequency of billing – monthly

\* See "BASE CHARGE" under Table 1

\*\* See "OTHER CHARGES" under Table 1

Pursuant to section 49(2)(a)(iii), the Commission has advanced the following as reasons for the review:

- Uneconomic Tariff Structures
- Escalating Fuel and Bulk Power Purchase Costs
- Financial Constraints
- High levels of Receivables

Additionally, the Commission has pointed out that the success of the socio-economic plans of the country as embodied in the Commission's Shareholder's Vision 2020, rests heavily on the Commission's ability to maintain and improve its level of service and to continue to provide the country with a reliable, safe and adequate supply of quality electricity. In this regard, at the current level of tariffs, the Commission is already unable to cover its costs of operations and generate a return to finance future expansion as stipulated by the Trinidad and Tobago Electricity Commission Act, Chap. 54:70.

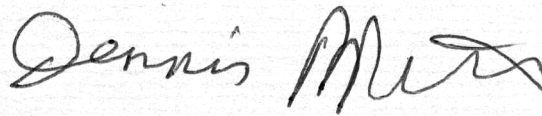
The forecast revenues and expenditures are shown in the Table 2 below:

**TABLE 2**  
**INCOME STATEMENT**  
**FORECAST 2004-2008 WITH TRUE COST AND RATE INCREASE**

Description	Forecast 2004	Forecast 2005	Forecast 2006	Forecast 2007	Forecast 2008
Sales – kWh	6,121,000,000	6,413,000,000	6,656,000,000	6,804,000,000	6,960,000,000
Average Revenue per kWh -cts	28.07	29.16	30.18	30.49	31.95
<b>INCOME</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sales of Electricity	1,718,248,398	1,870,253,171	2,008,764,933	2,074,857,349	2,173,749,131
Other Income	149,239,118	151,655,885	153,012,445	154,369,003	155,752,693
<b>TOTAL INCOME</b>	<b>1,867,487,516</b>	<b>2,021,909,056</b>	<b>2,161,777,378</b>	<b>2,229,226,352</b>	<b>2,329,501,824</b>
<b>EXPENDITURE</b>					
Generation	1,227,959,492	1,334,322,917	1,453,841,214	1,501,708,140	1,580,878,052
Transmission	12,298,338	12,818,889	13,181,164	13,403,749	13,788,707
Distribution	214,117,056	211,033,657	213,018,107	214,844,417	216,876,603
Administration & General	124,195,243	129,037,521	130,100,838	130,261,910	131,401,529
Depreciation	80,411,289	82,201,905	84,202,635	86,764,661	89,332,308
Interest	88,954,923	107,000,000	107,000,000	107,000,000	107,000,000
<b>TOTAL EXPENDITURE</b>	<b>1,747,936,341</b>	<b>1,876,414,888</b>	<b>2,001,343,957</b>	<b>2,053,982,878</b>	<b>2,139,277,199</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>119,551,175</b>	<b>145,494,168</b>	<b>160,433,421</b>	<b>175,243,474</b>	<b>190,224,625</b>
Rate Base	1,594,015,721	1,939,922,212	2,139,112,234	2,336,579,630	2,536,328,354
Return on Rate Base - %	7.50	7.50	7.50	7.50	7.50

The Commission propounds that the proposed rates take effect immediately upon determination by the Regulated Industries Commission or six months from the date of this notice, whichever is earlier.

Dated this 7th day of September, 2005.



*Chairman*  
Regulated Industries Commission