

PRESS RELEASE

Final Determination On Fees For The Electricity Sector In The Bahamas (ES 03/2016)

The Utilities Regulation and Competition Authority (URCA) has published its Final Determination On Fees For The Electricity Sector In The Bahamas - ES 03/2016 (the Final Determination) in furtherance to its Preliminary Determination On Fees For The Electricity Sector In The Bahamas – ES 01/2016 (the Preliminary Determination). Copies of the Final Determination and Preliminary Determination may be downloaded from URCA's website at: <http://www.urbahamas.bs/download/014396600.pdf>

What is the Final Determination document about?

The Final Determination primarily sets out the types of fees to be levied by URCA in relation to the Electricity Sector (ES). It also summarises and responds to the written submissions received by URCA from interested parties to its Preliminary Determination and sets out the reasoning behind the decisions made by URCA under the Final Determination.

What type of fees will URCA levy?

URCA will levy the following fees and charges in relation to the ES:

- (i) fees for the processing of any application to URCA;
- (ii) fees for providing copies of documents;
- (iii) annual URCA fees, based on the licensee's relevant turnover for the year in question;
- (iv) fees for the processing of merger applications; and
- (v) the Tribunal fee.

URCA may also levy charges for the following where the services are not covered above:

- (i) charges for services rendered by URCA in the performance and exercise of its functions and powers;
- (ii) fees for adjudications and orders; and
- (iii) fees and charges for administration services rendered by URCA in the performance and exercise of URCA functions and powers under the EA.

Why is URCA levying fees?

The primary role of URCA is the regulation of the ES in accordance with the goals, policy objectives and principles underpinning the national energy and electricity sector policies. To achieve this, URCA must charge fees to the licensees in the ES to cover the costs which URCA incurs that relate to the regulation of the ES.

URCA clarifies that this Final Determination document sets out the types of fees and charges URCA may levy in relation to the ES, but it does not specify the level of those fees and charges or the methodology that will be used by URCA to calculate such fees. URCA will publish the level of fees to be charged and the methodology used to calculate such fees in the URCA Fee Schedule document that will also be published on the URCA website.

Who will be required to pay fees?

The fees levied by URCA in relation to the ES are primarily charged on licensed entities in the sector. However, there are certain sector related fees that URCA may charge on an ad hoc basis to other persons such application fees or fees to provide copies of URCA documents.

How will fees be charged?

The fees and charges determined and levied by URCA must be set on an objective, non-discriminatory, transparent and proportionate basis.

When will the fees come into effect?

The types of fees that are set out in the Final Determination shall come into effect from the date of the issuance of the Final Determination.

URCA will subsequently publish the level of fees for each type of fee, which will take effect on the date specified in the URCA Revised Fee Schedule.

Both documents will be published on the URCA website at:

<http://www.urbahamas.bs/consultations.php?cmd=byconsultation&consultation=49>.