



Supplementary Licences for the Natural Gas Sector

STATEMENT OF RESULTS AND FINAL DECISION

NGS 03/2026

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1. Introduction

The Utilities Regulation and Competition Authority (“URCA”) is the independent regulator and competition authority for the natural gas sector (“NGS”) in accordance with the Natural Gas Act, 2024 (NGA).

As the independent regulator of the NGS, URCA is responsible for, inter alia, developing the regulatory framework for the effective and efficient regulation of the NGS in accordance with the provisions of the NGA in a manner that is transparent and non-discriminatory. In particular, in exercise of its powers under section 8 of the NGA and pursuant to section 31 of the NGA, URCA is mandated to grant licences for all NGS activities in The Bahamas.

URCA developed an initial compendium of regulatory measures inclusive of licences, regulations, and codes that comprised the framework for the regulation of the NGS. On 1 October 2024, URCA published its Statement of Results and Final Decision on Licenses, Regulations and Codes for the Natural Gas Sector – URCA 02/2024¹ document which established the initial licences, regulations, and codes for the NGS in The Bahamas. URCA signalled in that Statement of Results and Final Decision document that it would update the initial regulatory measures from time to time.

URCA’s initial regulatory framework for the NGS has now been reassessed in order to determine whether the original licence categories remain fit for purpose and whether they adequately encompass the full range of activities contemplated under the natural gas regime. In undertaking this review, URCA has taken account of observations made by licensees and other stakeholders concerning the adequacy and clarity of the existing framework. URCA’s own assessment, reinforced by industry feedback, indicated that additional licence types are required to ensure that all elements of the natural gas value chain are properly regulated in accordance with the NGA. It also highlighted the need to refine and better distinguish certain existing categories, particularly the current import licence. URCA considers that it is in the public interest to revise and update its regulatory framework, especially insofar as it concerns the scope and structure of licences.

Accordingly, on 12 September 2025 URCA issued Consultation Document “The Utilities Regulation and Competition Authority supplementary licenses for the Natural Gas Sector in The Bahamas - NGS 06/2025²,” which set out its proposals for revising the existing

¹ https://urcabahamas.bs/wp-content/uploads/2024/09/URCA_NGS-Statement-of-Results-and-Final-Decision_FINAL-JH240924.pdf

² <https://urcabahamas.bs/wp-content/uploads/2025/09/URCA-Consultation-Document-12Sep2025-NGS-Licences-NGS062025.pdf>

Import Licence and for introducing two new licence types, namely the Terminal Construction Licence and the Pipeline Construction Licence. Interested parties were invited to submit comments on NGS 06/2025 on or before 12 October 2025. Following requests from industry participants and other stakeholders, URCA extended the deadline to 30 November 2025. URCA subsequently received responses from Shell and from the Florida-Caribbean Cruise Association (“FCCA”).

1.5 Structure of the remainder of this document

The remainder of this consultation document is structured as follows:

Section 2:	Outlines the legal basis and framework under which URCA has exercised its power;
Section 3:	Provides a summary and analysis of comments received and URCA’s final decision;
Section 4:	Schedule of amendments consequential to Consultation submissions;
Section 5:	Conclusion and Next Steps

2. Legal Framework

This section outlines the statutory and regulatory framework under which URCA has exercised its authority to establish the relevant licence categories.

Under section 7(1) of the NGA, and subject to the NGA and the Utilities Regulation and Competition Authority Act, URCA is charged with the general administration of the Act and is designated as the independent regulator for its purposes. Section 7(2) further requires URCA to exercise its functions and powers in accordance with both the NGA and the URCA Act.

Among the powers conferred on URCA under the NGA is the general authority under section 8(3)(g) to issue, suspend, vary and revoke licences. In addition to this general power, the Act also provides for specific licences that URCA may grant. In particular, section 31(1)(a)–(d) enumerates certain licensable activities, while section 31(1)(e) empowers URCA to determine any other activity within the natural gas sector as requiring a licence. The obligation for an entity to hold a licence, as it relates to these powers, is set out in section 17 of the NGA.

The licences which URCA has consulted on fall within these statutory provisions. The licence for the importation of natural gas is provided for under section 31(1)(a), while the licences for the construction, including the conversion of existing infrastructure, of LNG terminals and natural gas pipelines are covered under section 31(1)(b).

The cumulative effect of these provisions is to establish a clear statutory basis and mandate for URCA to introduce the licence types consulted upon.

3. Summary of Comments and URCA’s Responses

URCA sought the views from members of the public, licensees, and interested parties in relation to the documents under consultation. URCA hereby publishes a summary of the responses to the Consultation document, its analysis and comments on the responses, and its Final Decision. URCA has duly considered all written submissions proffered, however, URCA has not included every consideration in this Statement of Results and Final Decision. The absence of a response by URCA to any comment raised by a respondent does not indicate URCA’s agreement in whole or in part with the comment, nor does it suggest URCA’s lack of consideration or finding that the comment was without merit.

3.1 General comments received on the consultation

Respondent: Shell

Document Reference	Summary of Response	URCA’s Analysis & Comment	Final Decision
Unrestricted Import License & Commercial Only Import ³	Shell asked URCA to clarify whether the standard licence condition which mandates that although a licensee may engage in other business activities, it shall keep separate accounts for its different activities means that any additional demand identified after the initial project would be exempt from further tariffs or fees.	URCA notes Shell’s inquiry requesting clarification. The licence condition referred to relates to the requirement to keep separate accounts for any other business which a licensee engages in and this provision of the licence does not in of itself directly or indirectly indicate an exemption from further tariffs or fees.	No change required.
	Shell requested that URCA clarify whether the intention of the standard licence condition requiring that licensees ensure that at all times it has appropriate physical, financial and human resources and arrangements in place to enable the licensee to comply with licence conditions requires that all	URCA notes Shell’s inquiry and confirms that this licence condition, taken on its own, does not mandate that all resources be physically located within The Bahamas. URCA nevertheless reminds stakeholders that other provisions within the licence do impose localisation	No change required.

³ URCA notes that the responses provided by Shell in respect of the Commercial Licence were identical to those raised in the corresponding sections of the Unrestricted Licence. URCA has therefore addressed the comments relating to both the Unrestricted and the Commercial Licences together.

	<p>those resources are physically based in The Bahamas or whether those resources can be augmented with personnel or resources outside of The Bahamas.</p>	<p>requirements (such as the requirement to employ a compliance officer). Licensees are also obliged to comply with all applicable laws, including those relating to labour, environmental protection, and health and safety, pursuant to section 20(2)(vi) of the NGA when conducting licensed activities within The Bahamas.</p>	
	<p>Shell requested clarification from URCA regarding the timeframe within which URCA will review and determine whether to approve a licensee’s engagement in an allowed activity, where the licensee is already competent and the activity creates synergies with the authorised business.</p>	<p>URCA notes Shell’s request for clarification regarding the period within which URCA will review and determine an application to engage in an allowed activity that aligns with the licensee’s existing competencies and creates synergies with the authorised business. URCA is mindful that such applications should be dealt with in a manner that is proportionate to their complexity and the degree of regulatory scrutiny required. In that regard, URCA considers that a period of approximately forty (40) days from receipt of a complete application is an appropriate and reasonable timeframe for its assessment. URCA also emphasises that where further information is required, or where the proposed activity raises issues necessitating a more detailed examination, the licensee will be notified promptly and the review period adjusted accordingly.</p>	<p>URCA will amend this standard condition (including in the Carrier Only Licence) to include a clause reflecting that URCA will normally process applications of this nature within forty (40) days.</p>
	<p>Shell requested the inclusion of a confidentiality provision concerning URCA’s determination of whether agreements with a subsidiary or related enterprise are conducted on an arm’s length basis.</p>	<p>URCA acknowledges the commercial sensitivity of such determinations and considers it appropriate that information disclosed to or generated by URCA be, where appropriate, treated confidentially. URCA considers that there are existing statutory</p>	<p>No change required.</p>

		protections, in particular section 11 of the NGA, which provide guidance on confidentiality and sensitive information in relation to the regulator and licensee and therefore an insertion in the standard licence condition would be unnecessary.	
	Shell commented that the licence condition governing Contracts, which grants URCA the authority to make determinations regarding the terms of a contract when a licensee has failed to enter into one, is counterintuitive to the principles of fair competition and introduces additional risks. Accordingly, Shell has suggested that the condition be removed.	URCA notes Shell’s concern; however, it also observes that Shell did not elaborate on why it considers this provision (which is not a new requirement) to be counterintuitive to fair competition or inherently “risky.” A more detailed explanation from Shell would have been beneficial. In any event, URCA further notes that the determination process under the NGA provides affected parties with an opportunity to make representations, and URCA carefully considers the conditions it deems necessary in making any determination.	No change required
	Shell commented that the existing licence condition on developing a tariff methodology is overly complex and could lead to management difficulties and competitive inequalities. Shell suggested that a more minimal, simplified approach should be developed.	URCA thanks Shell for its comments. URCA has accepted Shell’s comment and will amend the licence requirement to one requiring principle-based tariff oversight emphasizing cost-reflectiveness, non-discrimination, transparency and predictability.	URCA will amend the licence condition to reflect a principle-based tariff oversight.
	Shell commented that, in relation to the licence condition covering National Interest Matters, a level of risk arises for investment in The Bahamas where the government may directly or indirectly manage the affairs of a business and that this licence condition raises a level of risk for investment.	URCA thanks Shell for its comment and notes its concern. URCA clarifies that this licence condition relates to a power conferred under Article 29 of the Constitution of The Bahamas, which is triggered only in circumstances where The Bahamas is at war or where a proclamation of emergency has been made by the Governor-General. Given that this licence	No change required

		condition seeks to provide appropriate guidelines for the exercise of a constitutional and statutory provision, URCA is obliged to make provision accordingly. However, in light of the preconditions necessary for the exercise of this power, URCA considers that Shell's characterisation of the licence condition is misplaced.	
Carrier Only Import	Shell provided no comment in relation to the Carrier Only Import Licence.	URCA notes that Shell has no comments in relation to carrier Only Import Licenses.	No change required.
Pipeline Construction	Shell offered grammatical corrections at section B-101 page 20: "... orders fs in force"	URCA notes and thanks Shell for pointing out a grammatical correction. Adjustment will be made.	URCA has corrected the grammatical error.
	Shell suggested that the requirement to provide monthly updates would be overly burdensome	URCA thanks Shell for its comments and notes its concerns. URCA considers that the licence condition appropriately requires the development of an initial plan, following which the Licensee will provide updates on progress. URCA considers this to be standard practice and not unduly burdensome. URCA further clarifies that the monthly reports need not be lengthy, provided that the initial construction plan has been submitted.	No change required.
Terminal Construction	Shell commented and suggested that the authorized business definition be amended to specifically include "pressurized pressure vessels or containers."	URCA notes and is thankful for Shell's comment and suggestion. URCA has no objection and will amend.	Amendment to the definition of authorized business

3.2 Responses received to Specific consultation questions

Respondent: Florida-Caribbean Cruise Association

Document Reference	Summary of Response	URCA's Analysis & Comment	Final Decision
Q1. Do you have any comments on the overall proposed licenses to supplement the regulatory structure for natural gas in The Bahamas?	<p>Global standards do not mandate that foreign-going vessels require special licenses to receive bunker fuel in port.</p> <p>FCCA seeks clarification on whether cruise vessels require licences to receive LNG bunker fuel in Bahamian waters.</p> <p>They outline two possible scenarios: -</p> <ul style="list-style-type: none"> i. Cruise Vessel #1 takes title to LNG bunker fuel before the delivery tanker enters Bahamian waters but does not take delivery until the delivery tanker pumps the product onboard Cruise Vessel #1. ii. Cruise Vessel #2 takes title once the LNG passes the bunker flange onboard their vessel while it is in Bahamian waters. <p>Are there any additional reporting or administrative requirements that must</p>	<p>URCA notes FCCA's comment and the concerns raised regarding the proposed licences intended to supplement the regulatory framework for natural gas in The Bahamas.</p> <p>URCA highlights that the current consultation relates specifically to licences, whereas this question pertains to natural gas transfer operations, which were the subject of consultation and subsequent regulations issued on 3 June 2025 (NGS 03/2025).</p> <p>While URCA considers that the question raised may not be directly applicable to the current consultation, it is useful to clarify that under NGS 03/2025, all natural gas transfer operations, including bunkering, may be conducted under a permit obtained from</p>	No change required.

	be fulfilled?	<p>the NGSTP in accordance with Section 19 of the regulations. Such permits cover the participation of all qualified vessels engaged in transfer operations. Therefore, in the context of this consultation, the question does not affect the licence proposals under consideration.</p> <p>Regarding administrative and reporting requirements, URCA notes that the NGT regulations provide guidance relevant to bunkering operations.</p> <p>URCA further proposes to issue a Determination to exempt vessels from obtaining an Importer Licence where LNG is carried in fuel tanks solely as incidental to vessel operations and not for the primary purpose of commercial importation or gain.</p>	
Q2. Do you think the obligations and rights of the licenses are sufficient and proportionate?	FCCA is unclear on the length of time it will take for suppliers and/or transporters to obtain a licence and how long the licences will be valid.	URCA notes FCCA's comment and concerns. URCA also recognises that the question raised in the consultation does not	No change required.

	<p>Their concern is that services will be interrupted while vessels await licensing issuance or renewal.</p> <p>They also wish to know the potential cost and material impact associated with licences.</p>	<p>affect the matters under consideration.</p> <p>URCA aims to process licence applications within 40 days of receipt of a full and complete submission.</p> <p>As set out in Section 27 of the consultation document, the maximum duration for a licence is 15 years from the commencement date. URCA does not anticipate any interruption in licence processing or renewal, provided that a complete and compliant application is submitted.</p> <p>URCA further highlights that the duration of an import licence (carrier only) shall not exceed 15 years.</p> <p>In addition, Section 33(1)(a) of the NGA provides that an application for renewal of a licence may be made no later than two years prior to the expiry of the licence term.</p> <p>Finally, in relation to the query regarding fees, URCA notes that all applicable fees are outlined in URCA's Fee Schedule, which</p>	
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Q3. Are there any aspects in relation to safety that you think are missing or could be enhanced?	No comment.	URCA notes that FCCA has no comments in relation to safety measures that are missing or that can be enhanced.	No change required.
Q4. Are there any situations you are currently facing, or are expected to be facing, that the proposed regulatory measures are not addressing and/or generate a conflict?	Concerns raised about government stakeholders mandating the use of unnecessary services (e.g. Fireboats, tugs, etc.) and restricting operators to a single or exclusive licensed bunker service provider.	<p>URCA notes FCCA’s comment and concerns regarding government stakeholders. URCA wishes to reiterate that FCCA’s response did not directly address the question as posed in the consultation document.</p> <p>URCA is not a government institution but an independent statutory regulator. Accordingly, URCA does not offer comments on matters relating to government stakeholders, as doing so would be inappropriate.</p> <p>With respect to the concerns raised about a single licensed bunker service provider under NGS Regulation 03/2025, URCA understands</p>	No change required.

⁴ [URCA-022025-Updated-2025-Fee-Schedule 10 Sept 2025.pdf](#)

		that by “licensed bunker agent,” FCCA is referring to a registered Natural Gas Transfer Service Provider (NGSTP). URCA directs stakeholders to the publicly available list of registrants and to the provisions of Regulation 03/2025, which provide clear guidance on this matter.	
Q5. Would you like to propose any alternative wording for any section of the proposed licences? If so, kindly submit same for consideration by URCA.	No Comment.	URCA notes that FCCA has no comments in relation to any alternative wording.	No change required.
Q6. Do you have any specific comments in relation to any of proposed licence documents? If so, please outline them.	No Comment.	URCA notes that FCCA has no comments in relation to any specific comments regard any proposed licence documents.	No change required.

4. Schedule of amendments consequential to consultation submissions

URCA’s Proposal in Consultation	Amendments consequential to submissions
<p>No clause addressing timeframe for URCA’s consideration of an approval</p>	<p>The following is inserted into condition <u>32 Authorised Business and Allowed Activities</u> of the Unrestricted Import Licence and condition <u>32 Authorised Business and Allowed Activities</u> of the Commercial Only import licence:</p> <p>“Where a licensee submits an application for approval of allowed activities in accordance with this condition, URCA shall review such application and shall use reasonable endeavours to issue a decision within forty (40) working days from receipt of a complete application. Where further information or clarification is required, or where the proposed activity raises issues requiring additional review, URCA shall notify the Licensee and the review period may be extended accordingly.”</p>
<p>36) Tariffs For Licensed Business</p> <p>The Licensee shall develop a tariff methodology (the “Tariff Methodology”) setting out the basis upon which the tariffs shall be derived for the provision of the Licensed Business. The Tariff Methodology and any proposed revisions thereto shall be submitted to URCA for approval together with a schedule of proposed tariffs (the “Tariff Schedule”) applicable to the Licensee’s Customers and their respective customers in such detail as URCA may reasonably require.</p> <p>The information referred to in Paragraph 134) shall be submitted by the Licensee to URCA for approval no less than sixty (60) calendar days, or any such period as stipulated by URCA, prior to the date on which the proposed tariffs set forth in the Tariff Schedule are proposed to be first levied.</p> <p>The Tariff Methodology and any proposed revisions thereto shall be developed taking into</p>	<p>The following is inserted into condition <u>36 Tariffs For Licensed Business</u> of the Unrestricted Import Licence and condition <u>36 Tariffs For Licensed Business</u> of the Commercial Only import licence:</p> <p>The Licensee shall, in respect of all liquefied natural gas imported and supplied under this Licence, set and maintain tariffs in accordance with the following principles:</p> <p>(a) Tariffs shall be just, reasonable, non-discriminatory, and reflective of the efficient costs of supply, including procurement, transportation, storage, and other operational costs.</p> <p>(b) Tariffs shall allow recovery of prudently incurred costs and provide a reasonable return on investment without resulting in undue or excessive charges.</p> <p>(c) The Licensee shall ensure that tariff structures and methodologies are transparent, documented, and made publicly available, together with sufficient information to enable</p>

<p>consideration the following guidelines:</p> <ul style="list-style-type: none"> a) the recovery of costs, together with a reasonable return to be determined by URCA having regard for the capital and operating costs incurred by the Licensee and any inherent risks associated with providing the applicable services; and b) the tariffs set forth in the Tariff Schedule or in any revision thereto for the provision of the Licensed Business do not give any cross-subsidy to, or receive any cross-subsidy from, any other business of the Licensee or of any Subsidiary Undertaking or Related Enterprises of the Licensee nor discriminate between any persons or class or classes of persons similarly situated. c) Cost allocation based on separate regulatory accounts that URCA may require the Licensee to maintain for regulatory reporting and tariff analysis. <p>The Licensee shall publish statements, in a form approved by URCA, setting out the basis upon which the tariffs for the Licensed Business will be levied with such detail as shall be necessary to enable any person to ascertain the tariffs to which he would become liable for the receipt of the Licensed Business.</p>	<p>scrutiny by URCA.</p> <ul style="list-style-type: none"> (d) Tariffs shall promote efficient consumption and the sustainable development of energy within the jurisdiction. (e) The Licensee shall obtain the prior written approval of the Regulator before implementing any new tariff or materially revising an existing tariff, providing such information as the Regulator may reasonably require to demonstrate compliance with this Condition. (f) URCA may, at any time, review, direct amendment to, or approve the Licensee’s tariffs to ensure continued compliance with the principles set out in this Condition. (g) URCA retains the right to audit cost submissions and request justification for tariff proposals base on business accounts separation to determine justifiable costs.
<p>101) In accordance with section 120 of the Act, the Government may directly or indirectly manage the affairs, business and property of the Licensee during any period in which Article 29 of the Constitution applies. In such an event, the Licensee shall allow the Government such access to or control of its property as required to permit the Government to meet its obligations under the special administration order during the period for which the order fs in force.</p>	<p>The correction is made to condition <u>29 National Interest Matters</u> by deleting the word “fs” which is a typographical error in the Unrestricted Import Licence, Commercial Import Licence and Pipeline Construction Licence:</p> <p>In accordance with Section 120 of the Act, the Government may directly or indirectly manage the affairs, business and property of the Licensee during any period in which Article 29 of the</p>

	<p>Constitution applies. In such an event, the Licensee shall allow the Government such access to or control of its property as required to permit the Government to meet its obligations under the special administration order during the period for which the order is in force.</p>
<p>“Authorised Business” means, in relation to a person to whom a Terminal Construction Licence has been granted, the activities which that person is authorised to undertake pursuant to such licence, namely the design, development, installation, testing and commissioning of liquefied natural gas terminal or facility. Without limitation, Authorised Business includes, mutatis mutandis: (a) the preparation and submission of site layouts and designs for LNG terminals, including the conduct of geotechnical and marine studies, dredging, piling and foundation works for storage tanks, jetties and berths; (b) the construction of LNG storage and regassification facilities, whether full containment, membrane or single containment, and the installation of vaporizers, compressors, boil-off gas handling systems, flare systems and gas metering skids, together with marine unloading arms, cryogenic piping, pumps and associated control systems; (c) the establishment of utility and safety systems to support terminal operations, including power, water and auxiliary services, and the installation of fire suppression, gas detection, emergency shutdown and spill containment systems; and (d) the testing and commissioning of LNG facilities, including cold commissioning, hydro-testing of tanks, leak detection tests and performance verification of storage and regasification systems, together with the safe introduction of LNG or natural gas into such facilities.</p>	<p>The following amendment made to condition 4 <u>Definitions and Interpretation</u> of the Terminal Construction Licence:</p> <p>“Authorised Business” means, in relation to a person to whom a Terminal Construction Licence has been granted, the activities which that person is authorised to undertake pursuant to such licence, namely the design, development, installation, testing and commissioning of liquefied natural gas terminal or facility. Without limitation, Authorised Business includes, mutatis mutandis: (a) the preparation and submission of site layouts and designs for LNG terminals, including the conduct of geotechnical and marine studies, dredging, piling and foundation works for storage tanks, jetties and berths; (b) the construction of LNG storage and regassification facilities, whether full containment, membrane or single containment, and the installation of vaporizers, compressors, boil-off gas handling systems, flare systems and gas metering skids, together with marine unloading arms, cryogenic piping, pumps, pressurized pressure vessels or containers and associated control systems; (c) the establishment of utility and safety systems to support terminal operations, including power, water and auxiliary services, and the installation of fire suppression, gas detection, emergency shutdown and spill containment systems; and (d) the testing and commissioning of LNG facilities, including cold commissioning, hydro-testing of tanks, leak detection tests and performance verification of storage and regasification systems, together with the safe introduction of LNG or natural gas into such facilities.</p>

5. Conclusion and Next Steps

With the publication of this Statement of Results and Final Decision, URCA formally concludes the public consultation on the Unrestricted, Commercial, and Carrier Import Licence.

Following further consideration, URCA has determined that it is prudent to propose additional terms and conditions for the Terminal Construction and Pipeline Construction Licences. Accordingly, URCA will undertake a further round of public consultation. As such, this Statement does not conclude the consultation process for the Terminal Construction and Pipeline Construction Licences for the natural gas sector in The Bahamas.

URCA considers these proposed regulatory measures to be aligned with the policy objectives set out in the Natural Gas Act.

URCA extends its appreciation to all respondents for their participation in the consultation process and for their submissions, which have provided valuable insight and contributed meaningfully to the development of an effective regulatory framework.

As a next step, URCA will simultaneously publish the following licence documents,

- **Liquified** Natural Gas (LNG) Importer Licence – Carrier Only, NGS 04/2026;
- Liquified Natural Gas (LNG) Importer Licence – Commercial Only, NGS 05/2026; and
- Liquified Natural Gas (LNG) Importer Licence – Unrestricted, NGS 06/2026;

as standalone instruments. In conjunction with this publication, URCA will revoke the existing standard conditions of the current Import Licence, NGS 03/2024.