



UTILITIES REGULATION & COMPETITION AUTHORITY

**ANNUAL REPORT 2023 &
2024 ANNUAL PLAN**

**URCA 03/2024
30 APRIL 2024**

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INTRODUCTION

The Utilities Regulation and Competition Authority (URCA) presents the 2023 Annual Report and 2024 Annual Plan in compliance with section 41 of the URCA Act 2009. The Report, which must be published before the end of April each year, provides a detailed accounting of URCA's work, including its audited financial reports for the preceding year, and, following consultation with critical stakeholders, a work plan for the current year. This 2023 Annual Report is based around the theme "Toward a Digital Bahamas" and provides the following information:

- A report on the performance of URCA's regulated sectors during 2023;
- Highlights of the objectives that URCA accomplished during 2023;
- A report on URCA's fiscal performance for 2023, accompanied by URCA's Audited Financial Statements for the year; and
- URCA's performance against Key Performance Indicators (KPIs) for 2023.

Further, and in compliance with the requirements of the URCA Act, URCA's Draft Annual Plan for 2024 was first published in December 2023 for public consultation. Following consideration of the feedback from stakeholders during the consultation period, the final plan is included in this document. The plan provides an overarching strategic focus that considers regional and international trends in the regulated sectors, which can influence the achievement of URCA's work plan. The annual plan included in this document outlines the following:

- URCA's key projects for 2024, including its consultation schedule;
- The KPIs that URCA will use to measure its performance during 2024 and
- URCA's budget for the 2024 financial year.

The URCA Act also mandates that URCA arrange at least one oral hearing, during which the annual report and plan are presented, and questions answered. The hearing is scheduled for Thursday, 29 May 2024, and is open to all stakeholders.

These statutory requirements and practices ensure that URCA's work reflects its core values, i.e., fairness, integrity, accountability, transparency, one-team, people-centred and professionalism, and that its activities focus on URCA's mission of *"Improving lives through effective utility regulation."*

ABOUT URCA

URCA is an independent multi-sector regulator with responsibilities for the Electronic Communications Sector (ECS) and the Electricity Sector (ES). Established through the passage of the Utilities Regulation and Competition Authority Act 2009 (the URCA Act), with specific responsibilities outlined in the Communications Act, 2009 (Comms Act), URCA assumed responsibility for the regulation of the ECS in September 2009. The ECS comprises fixed and mobile telecommunications services, internet, pay TV, broadcasting, and management of the radiofrequency spectrum. With the passage of the Electricity Act, 2015 (EA), URCA's regulatory responsibilities were expanded to include the regulation of the generation, transmission, distribution, and supply of electricity throughout The Bahamas.

In addition to the governing legislation, URCA's responsibilities as a regulator are guided by the government's policies applicable to each regulated sector, namely the Electronic Communications Sector Policy (ECSP), National Spectrum Plan (NSP), and National Energy Policy (NEP).

Governance

URCA's corporate governance structure supports the key tenets of good governance: transparency, fairness, and accountability. URCA's activities are governed by a Board which should comprise four Non-executive Members, including the Board's Chairperson, and three Executive Members: The Chief Executive Officer (CEO), the Director of Utilities and Energy (DUE) and the Director of Electronic Communications (DEC). Non-executive Members are appointed by the Governor General, while the Executive Members are appointed by the Non-executive Members following a competitive selection process.

URCA's Board

Randol Dorsett – Chairperson

Paula Adderley – Non-executive Member

Brian Seymour – Non-executive Member

Carlton Smith – Chief Executive Officer

Jonathon Hudson – Director of Utilities and Energy

Rupert Pinder – Director of Electronic Communications

The CEO has overall executive responsibility for URCA's day-to-day activities, including overall strategy and responsibility for URCA's operational units, namely: Legal, Human Resources and Learning, Administration, Facilities, Finance, Data Governance and Records, and Corporate and Consumer Relations.

URCA is legally mandated to engage with the following Ministers of Government concerning its

mandate, and for the effective execution of that aspect of its work, governed by Government Policies:

- The Attorney General, who has overall responsibility for Government's relations with URCA, and with whom URCA engages in respect of its operations, including its budget and reporting, including financial statements and audits;
- The Minister with responsibility for the ECS in respect of matters outlined in the Comms Act, which include the ECSP, and specific activities related to the allocation and pricing of spectrum, public service broadcasting, and universal services; and
- The Minister with responsibility for the administration of the EA.

URCA is also occasionally required to engage with the Ministers of Government, responsible for licensees owned and operated by the Government.

The Audit Committee

An additional key component of the organisation's governance structure is the Audit Committee, currently chaired by Jacqueline Hunt-Farrington. The Audit Committee's work includes:

- Review of the monthly financial reports prepared by management;
- Review, monitoring and implementation of recommendations made by the internal and external auditors; and
- Review of the annual financial statements, including assessing the accounting policies.

The Audit Committee also oversees the internal auditor's work, whose work during the year continued to focus on and ensure the organisation's compliance with internal controls and external legal and regulatory requirements.

CHAIRPERSON'S MESSAGE

The past year was marked by significant milestones, strategic advancements, and, unfortunately, a poignant loss within our organization.

We review our journey with a deep sense of responsibility and hope, acknowledging both our achievements and the areas where we strive for improvement.

First and foremost, our thoughts turn to a beloved member of our URCA family, Clara Taylor-Bell, who unexpectedly passed away in September 2023. She served as our General Counsel and Board Secretary and as a beacon of strength and kindness. We offer our deepest condolences to Clara's family, friends, and all who were fortunate enough to know her. Her spirit and contributions will forever remain a part of URCA's foundation.

Amid this loss, we have also witnessed moments of growth. Jonathan Hudson's confirmation as DUE will bring renewed vigour and expertise to our mission. Rupert Pinder, a noted economist who has vast knowledge of the telecommunications industry, has also been confirmed as our DEC.

Both teams were shored up with additional expertise and resources to further our mission, leading to rigorous activity across both sectors.

In the ECS, we have made commendable progress against our 2023 Annual Plan, spearheading initiatives that reflect our commitment to innovation, accessibility, and quality. A significant milestone was delivering the new ECS Policy, setting the stage for a more inclusive and robust communications framework. Notably, URCA's recommendation to the Government of The Bahamas that the ECS was not yet ready for a third mobile operator provided certainty among licensees about competition over the medium term. This overarching policy document is a cornerstone for future growth, ensuring that our regulations evolve with technological advancements and societal needs.

The work done on Phase I of the Review of the Quality-of-Service Framework, focusing on Outage Reporting and Mitigation Regulations, marks a critical step towards enhancing service reliability and customer satisfaction. Our ongoing review of the Universal Service Obligations Framework embodies our determination to bridge the digital divide. This project is especially crucial for the Family Islands, where disparities in access to communication services persist.

As we forge ahead, the public consultation on 5G and our efforts to update telecommunications regulations represent critical steps towards a digitally inclusive society.

In the Electricity Sector, our achievements reflect a similar commitment to safety, sustainability, and consumer protection.

The successful completion of projects such as the Licensee Annual Plant Operation and Inspection and the development of Technical Standards for the Electricity Sector underscores our focus on ensuring a safe, reliable, and efficient energy supply. The Battery Storage Integration project and the review of Competition Guidelines and Rules in the energy sector pave the way for a more sustainable and competitive energy landscape. These initiatives are crucial for meeting the growing demand for renewable energy sources and ensuring that our regulatory frameworks support innovation and consumer interests.

Amidst these achievements, we are acutely conscious of consumers' challenges, particularly regarding Bahamas Power and Light's (BPL) fuel charge. The financial strain imposed by this charge has been a significant concern for many in The Bahamas. Our engagement with BPL and initiating the BPL Fuel Tariff review project in 2024, along with our efficiency audit, indicate our proactive approach to addressing these concerns. These efforts are part of our broader mandate to protect consumers and ensure fairness in utility pricing.

I extend my heartfelt thanks to our executive management, staff, and stakeholders for their dedication and hard work throughout the year. The path we continue upon is complex, filled with transformative promise, yet fraught with challenges. However, our collective commitment to service and innovation propels us forward.

As we look to the future, we will honour the memory of those we have lost by striving for excellence and continuing to make URCA a catalyst for positive change in our nation. At URCA, we are building a future that is brighter and more connected, fuelled by our shared commitment to the betterment of The Bahamas.

Randol Dorsett

CHIEF EXECUTIVE OFFICER'S REPORT

"Toward a Digital Bahamas"

Reporting on the year that was, we embrace our current theme, "Toward a Digital Bahamas", with a mix of solemn reflection and optimistic foresight. If The Bahamas is to reach the full potential dared to be dreamt of by our founders, it will be through the harnessing of technology that is transforming the world and adapting it to our circumstances.

The Bahamas is a unique environment and, therefore, requires a unique, though well-considered and benchmarked, regulatory approach. It is our intention that URCA extend its reach beyond the walls of our offices and bring regulators from other sectors to which we are ultimately connected into the fold of our discussions to help chart the best way forward for our country.

The past year has been a hallmark of resilience, innovation, and progress amidst challenges that have tested our resolve and commitment to the Bahamian people and our mission.

We join the chairman in expressing our deep condolences to the family of Clara Taylor-Bell. She is deeply missed, and her memory will inspire us to strive for excellence and compassion in our work.

Strengthening our leadership team, the Board approved the expansion of Executives, introducing two new positions as part of a revised organizational structure. Faith Johnson was promoted to Chief Finance Officer in 2023. Having previously served as Finance Manager, her intimate knowledge of URCA's financial inner workings and obligations will lead to greater efficiencies and accountability.

Dr Waldon Russell was promoted to Chief Operations Officer at the beginning of 2024. In 2023, he served as Special Assistant to the CEO, overseeing certain operations functions. In his new role, he has direct leadership responsibility for Administration, Information Technology and Facilities Management. He will work collaboratively with all department heads as we seek to improve our internal operations systems significantly, emphasising quality, performance, operations excellence, and organisational impact as measured by our productivity and performance metrics.

Last year was productive for URCA, having shaken off the last binds of the pandemic. It was marked by significant achievements across our strategic objectives, notably the successful completion of the Implementation of URCA's Operational Performance Indices (OPIs) and the Allocation of Indirect Costs. These milestones are a testament to our commitment to operational excellence and transparency.

Additionally, the serious work undertaken in redeveloping URCA's website represents our ongoing efforts to enhance stakeholder engagement, provide accessible, user-friendly

information and enhance the experience for licensees, consumers, and visitors.

In the ECS, we've been actively updating regulations to keep pace with The Bahamas' digital evolution, ensuring they remain robust and responsive. Initiatives launched in 2023, such as evaluating licenses and communication fees, underscore our commitment to fostering a competitive digital landscape.

Additionally, efforts to enhance consumer protection and support vulnerable groups through projects like "ICTs for Persons with Disabilities" demonstrate our dedication to inclusivity. URCA reaffirms its commitment to working with our stakeholder partners, inclusive of our major licensees, cross-sector regulators, the various disability organizations, and the government to ensure we can fully integrate vulnerable consumers, particularly differently abled consumers, into this rapidly evolving digital society.

Looking forward to 2024, URCA's digital transformation initiatives, including the implementation of new tools for operational efficiency, align with our overarching goal of contributing to a Digital Bahamas, promoting economic growth, and enhancing the quality of life for all Bahamians.

In terms of our regulation of electricity, we have seen parallel advancements, with an uptick in output due to the addition of resources and the completion of critical projects such as the Licensee Annual Plant Operation and Inspection regulations and the development of Technical Standards for the Electricity Sector. These efforts underline our dedication to ensuring the Electricity Sector's safety, reliability, and sustainability across The Bahamas.

The publication of major outages, power quality, and reliability standards represents our continued efforts to safeguard individuals and properties. This comprehensive approach to technical standards sets a new precedent for quality and safety in the energy sector. We have taken a significant step towards regulating self-supply standby systems by establishing a licensing framework for entities operating generation capacities over one megawatt. Recognising the transformative potential of Battery Energy Storage Systems (BESS), we've initiated a project to integrate this technology across the energy landscape.

As CEO of URCA, I am profoundly grateful for our team's dedication and hard work, collaboration with our stakeholders, and support from the Bahamian people. Together, we are not just navigating the digital transformation of our country; we are shaping it, ensuring that The Bahamas emerges stronger, more connected, and more prosperous, with greater access to more affordable and sustainable communications and electricity that will make a lasting impact on our nation and its people.

Carlton Smith

URCA'S ACHIEVEMENTS IN 2023

In 2023, URCA embarked on a transformative journey marked by strategic leadership appointments and the integration of specialised expertise into our workforce. Amidst the global shift towards normalisation post-pandemic, URCA embraced a return to full-time in-person operations, significantly accelerating our workflow and enhancing team collaboration.

This year has been pivotal in project completion and fostering an environment ripe for innovation and regulatory excellence. The final version of URCA's 2023 Annual Plan was published on 30 April 2023, together with URCA's Annual Report for 2022, in compliance with the statutory timeline.

In the 2023 Annual Plan, URCA set out several projects it intended to undertake within the proposed timelines. This past year, the induction of new leadership and sector-specific experts infused URCA with fresh perspectives and deepened our regulatory insights. Recognising the intrinsic value of our human capital, we have committed to an ongoing investment in training programs to equip our team with cutting-edge skills and knowledge. This focus on empowerment and capability enhancement has been crucial in navigating the complexities of our regulatory mandates and has laid a robust foundation for executing our ambitious 2024 Annual Plan.

Our initiatives in the ECS underscored our dedication to adapting regulatory frameworks to the evolving digital landscape. In the ES, our efforts were centred on enhancing regulatory oversight and embracing sustainable energy solutions.

Our engagements and consultations across both sectors have been instrumental in aligning our regulatory practices with the needs and expectations of a diverse range of stakeholders as we remained committed to inclusive and forward-thinking regulation throughout 2024.

The achievements of 2023 have reinforced our commitment to our mandates and set the stage for future innovations and advancements in electronic communications and electricity regulation.

PERFORMANCE AGAINST URCA'S 2023 ANNUAL PLAN

In the 2023 Annual Plan, URCA adjusted its approach to prioritising projects and reduced the structure to two tiers (Tier I, Tier II). The rationale for the placement of projects in a specific tier was as follows:

- Tier I projects are of significant importance and urgency to the regulated sectors; therefore, URCA sought to ensure that it directs all available resources to achieve Completion will be done by scheduled dates during the current year.
- Tier II projects are also significantly important to the organisation or the regulated sectors. URCA endeavoured to complete these projects in the shortest possible timeframe, though not in that given year. URCA did not commit to a scheduled date or specific trimester for the completion of Tier II projects for one or more of the following reasons:

There is heavy dependence on external stakeholder input or approval;

Uncertainty of the availability of adequate resources to complete the project in a specific timeline and

URCA has limited control over the completion date (e.g., approval is external to URCA).

URCA structures its year in trimesters, which are groups of four months: trimester 1 (T1), trimester 2 (T2), and trimester 3 (T3). It should be noted that in 2023 URCA faced challenges in project management, especially where public consultation and ministerial approval are mandatory. Consequently, in 2024, URCA plans to discontinue the tiered approach, and moving forward, only those projects for which URCA can specify definitive timelines will appear on the list of projects.

General Projects

While most of URCA's regulatory work relates to a specific regulated sector, URCA continuously seeks to achieve economies that can be realised through harmonised approaches between regulated sectors, reflected in regulatory measures with "General" applicability across sectors. URCA's organisational initiatives, including its Annual Report and Annual Plan, also fall into this "General" category. During 2023, URCA worked on the following general projects.

Implementation of URCA Organisational Performance Indices.

In mid-2022, URCA resumed implementing an OPI strategy developed with the assistance of best-in-class consultants. The objective was to complete the full implementation by the end of 2022, leading to a comprehensive report in early 2023. However, the COVID-19 pandemic and the loss of key personnel, including the respective directors of Electronic Communications and Utilities and Energy, caused significant delays. With these key positions filled, URCA has moved forward with its OPI strategy. The OPIs target various operational areas to improve public interest, stakeholder confidence, and organisational effectiveness and growth.

The phased implementation plan spans three years. In 2023, Governance-related OPIs were implemented to enhance regulatory governance within the ECS and ES. Subsequent OPIs, addressing strategic development, external engagement, and organisational facets, are slated for implementation in 2024.

This adjusted strategy renews URCA's focus on communication, stakeholder engagement, and a robust performance management framework to effectively measure and report on URCA's regulatory activities and outcomes.

Allocation of Indirect Costs

The URCA Act mandates that there be a comprehensive allocation of URCA's financial activities—spanning revenues, costs, and expenses across all regulated sectors, ensuring direct costs are appropriately assigned to specific sectors or proportionally distributed among them when they impact multiple sectors, and that indirect costs are allocated in a fair and transparent manner.

To adhere to these requirements, URCA initiated a project in the third trimester of 2023 to refine its approach to allocating indirect costs, drawing on the expertise of external consultants. This initiative led to the creation of an assessment tool using Activity-Based Costing (ABC), which was applied for the first time within the organization in T3 2023. The ABC model is designed to facilitate a reasonable and transparent distribution of expenses between both sectors.

The implementation of this model represents a significant step forward in ensuring URCA's compliance with its statutory mandate to allocate costs accurately and transparently among the sectors it regulates. URCA plans to conduct regular reviews of the ABC model's application to guarantee its ongoing relevance and effectiveness in meeting the organization's regulatory objectives.

Redevelopment of URCA's Website

The redevelopment of URCA's website was reimagined in 2023. The scope of the redesign expanded significantly to include the integration of licensing and payment functionalities into the website, aligning with the digital transformation goals across URCA's operations.

The inclusion of digital payments necessitated a comprehensive review of URCA's financial processes, integrating secure payment gateways to facilitate easy and secure transactions. The financial regulatory environment in The Bahamas moved less quickly than anticipated, pushing the project's timeline into the new year. URCA remains committed to achieving a 2024 launch date. The redevelopment of URCA's website reflects URCA's broader commitment to innovation, transparency, and service excellence.

Electronic Communications Sector Projects

The Electronic Communications Sector in The Bahamas is pivotal in connecting communities, empowering businesses, and facilitating access to information throughout the archipelago. In 2023, URCA made tremendous strides in tackling and completing the work volume in the 2023 Annual Plan. A summary of the ECS's achievements against the goals in the 2023 Annual Plan follows.

Review of Licences Due to Expire

This project commenced in the third trimester of 2023 and is expected to conclude in the third trimester of 2024. By the second trimester of 2024, URCA will have completed a comprehensive examination of all licenses granted in 2009, some of which are due to expire in 2024. This evaluation aims to assess the current relevance of the conditions specified in the licenses. After the internal assessment, URCA plans to engage in a public consultation to solicit opinions on any suggested license changes or updates. After incorporating accepted feedback from this consultation, URCA intends to grant and issue new licenses to eligible entities during the third trimester of 2024.

Review of Consumer Protection Regulations

The Consumer Protection Regulations, originally issued in 2014, underwent a review in 2023, resulting in an extended period of public consultation that ended in the third trimester. Following URCA's experience with handling consumer complaints since 2014, URCA recognized areas for improvement, prompting URCA to adjust the regulations accordingly. URCA will publish its Statement of Results and Final Decision along with the revised regulations in March 2024. URCA has committed to conducting regular reviews of the Consumer Protection Regulations every three to five years to ensure their continued relevance and effectiveness in safeguarding consumers.

Review of the Electronic Communications Sector Policy

In September 2023, URCA initiated a public consultation for the Draft ECS Policy. After this consultation, the Draft ECS policy was completed in the third trimester of 2023. The previous

policy remains in effect until the new policy is officially implemented.

Review of the Quality-of-Service Framework

In 2023, URCA substantively completed work on Outage Reporting and Mitigation Regulations for the Electronic Communications Sector as Phase I of the Review of the Quality-of-Service Framework. The regulations will establish the regulatory framework to ensure timely and standardised notification and reporting of major planned outages; major emergency planned outages and major unplanned outages to URCA by licensees¹. They will also set out duties to implement relevant industry best practices and standards to mitigate and remedy outages.

Review of Universal Service Obligations Framework and Implementation

URCA initiated this project on schedule in the third trimester of 2023. The project aims to tackle disparities in access to fundamental communication services throughout The Bahamas, acknowledging the vital role that electronic communications services play in facilitating engagement with the digital economy and society at large. URCA plans to outline the specifics of implementing the Universal Service Obligation (USO) and a possible framework for a Universal Service Fund (USF) after consultation. Given the multifaceted nature of this initiative, URCA deems it necessary to carry out several rounds of consultation exercises to gather evidence to determine the current state of access to broadband and other essential services throughout The Bahamas. This is especially in relation to vulnerable consumers, households in the Family Islands and institutions like public and church-operated schools, public libraries, and health care facilities.

Review of Retail Fixed Services, Including Pay Television

Since the last retail fixed market review was completed in 2014, there has been a need to review the retail fixed markets, which include retail fixed voice, broadband and pay television services. This project began on time and was substantively completed in 2023 but was hampered by delays in receiving the required information from major licensees. The review will assess the state of competition in those markets and whether existing regulations were still fit for purpose. The preliminary determination on this project is expected to be published in February 2024. After the consultation, URCA will consider all feedback and issue a Final Determination.

Spectrum Management Project

URCA reviewed the needs associated with the infrastructural upgrades and improvements necessary to reintroduce the effective triangular spectrum monitoring system on New Providence. The sourcing of equipment and personnel required to complete the rehabilitation delayed the project, but significant work was accomplished. It is expected that this project will be completed in 2024.

¹i.e., Licensees of URCA holding Individual Operating Licenses or Class Operating Licenses Requiring Registration that have established public electronic communications networks and/or provide public electronic communications services.

Public Service Broadcasting Framework

URCA has strived to develop a Public Service Broadcasting Framework for several years, however, successive government administrations have not indicated the direction in which they would like this framework to be pursued. Therefore, this project has been removed from the workplan, though URCA is ready to add the project back to its workplan once all the necessary elements are engaged.

Public Consultation on 5G

URCA adopted a phased approach to this workstream. Phase I focused on developing a widespread evidence-based understanding of the current and future demand and use cases for 5G in The Bahamas through stakeholder engagement. The consultation document was published in May 2023. Taking into account the feedback received during the consultation period, the Statement of Results and Next Steps on Phase I of the 5G Public Consultation was published in September 2023. Phase II of the 5G Public Consultation will commence in 2024 and will focus on supply-side related matters for 5G.

ICTs for Persons with Disabilities

In line with the sector policy objectives, URCA intends to implement regulations and other measures to make ICTs more accessible for persons with disabilities. Following several delays due to resource constraints, URCA restarted the ICTs for Persons with Disabilities project in 2023. To date, a comprehensive survey of the members of the differently abled community has been conducted, and preparations have started to issue a public consultation in 2024.

National Spectrum Plan 2024-27

As mandated under statute law, in consultation with the Minister responsible, URCA is revising the National Spectrum Plan, which serves as an all-encompassing guide for managing spectrum utilisation in The Bahamas. This crucial plan encompasses regulatory, technical, financial, and geographic considerations. The revision process was initiated in 2023, significantly benefiting from URCA's involvement in the World Radiocommunications Conference. The effort to revise the plan is ongoing and it is expected that the plan will be published before the end of 2024.

Review of the Code of Practice for Content Regulation

In 2023, representatives from URCA and the Content Regulation Industry Group (CRIG) concluded a review of the current Revised Code of Practice for Content Regulation, offering significant suggestions for its amendment. Based on this review, URCA plans to consult with stakeholders and interested entities in 2024. The aim is to create an updated Code that reflects The Bahamas' current societal mores, values and cultural realities while effectively reflecting the broadcasting industry's transformation and the growth of the online content sector over the last 30 years.

Electricity Sector Projects

In 2023, with increased resources in the ES, progress on the 2023 workplan greatly increased, with four of five Tier I projects completed within the expected period and both Tier II projects on track to meet their proposed completion timelines in 2024.

Licensee Annual Plant Operation and Inspection

In 2023, this ongoing project was a principal endeavour for URCA, aimed at guiding the execution of its duty to conduct regular inspections of licensees. URCA released its Statement of Results and Final Decision, along with the guidelines, in December 2023. These guidelines stipulate that inspections should minimise interference with the licensee’s operations and elucidate the inspection process, detailing the obligations of all parties involved. Additionally, they specify the various inspection types and further explain the licensee’s responsibilities in facilitating the inspection process.

Technical Standards for the Electricity Sector

Acknowledging the omission of essential technical supply standards in the Electricity Act, 2015 — standards crucial for safeguarding individuals and property across The Bahamas — URCA initiated a project to formulate technical standards for the Electricity Sector. The “Definition and Interpretation of a Major Outage” in Public Electricity Supplier and Authorized Public Electricity Supplier Licenses was released by URCA in March 2023. The project reached its conclusion with the publication of the “Standard for Power Quality and Reliability in Electric Power Systems” in December 2023.

Generation Licence

To ensure effective regulation in line with legal mandates, URCA crafted an expanded licensing framework that mandates that any entity intending to operate a generation capacity of over one megawatt (1 MW) solely for self-supply must secure a license from URCA. Initiated in October 2022, the project focused on several key areas the creation of a Generation License, revisions to the application procedure, and the formulation of license fees. Following a comprehensive public consultation, the Statement of Results and Final Decision and details regarding the Generation license, application methodology, and fee structure were published in December 2023.

Accounts Separation Guidelines

Public Electricity Suppliers and Authorized Public Electricity Suppliers must set up and uphold distinct accounts for their generation, transmission, and supply operations, mainly to assist in determining tariffs. Additionally, having separate accounts aids in evaluating and comparing the performance across different utilities. This initiative aims to guide licensees in the segregation of accounts. Significant efforts have been invested in this continuing project since 2022. The issuance of the consultation document is anticipated in the first trimester of 2024.

Battery Storage Integration

Battery Energy Storage Systems (BESS) offer numerous technical advantages that can enhance generation, transmission, and distribution networks. This project, initiated in 2022, aimed to

evaluate the technology and its applications and assess the sector's interest in such initiatives. After robust public consultation, published in November 2023, URCA found that the demand for battery energy systems, ranging from consumer to utility scales, is undeniable. However, public knowledge is limited. URCA's next steps for integrating BESS across residential, commercial, and utility sectors involve launching educational campaigns for customers, consulting with regulatory entities to update codes and standards, modifying regulatory frameworks to incorporate BESS, adjusting tariffs and payments, and setting regulations for BESS-grid interaction. For utilities, steps include establishing frameworks for grid services, setting technical standards, and incorporating BESS into resource planning.

Efficiency Audit

This project aims to evaluate BPL's performance through financial, operational, and quality of service metrics and benchmark it against comparable utilities both regionally and globally. This analysis will highlight areas for enhancement and create a foundation for monitoring BPL's ongoing progress. Intended to be incorporated into BPL's tariff assessment, the operational audit has commenced on schedule, with the data collection phase nearing completion.

Competition Guidelines and Rules for the Electricity Sector

This project aims to develop a regulatory framework focusing on evaluating and addressing anti-competitive agreements and practices, as well as reviewing and managing changes in the ownership of licensees. The updated guidelines introduce structural improvements for greater user accessibility and revise certain sections to conform to international best practices in both the ES and ECS. These revisions also consider possible market evolutions, such as network sharing and divestiture of tower assets in the ECS. Expert consultants were engaged in the first half of 2023, with work starting in the second trimester of the same year. The draft guidelines, issued for public feedback in December 2023, consolidate existing guidelines into a unified document. The project is slated for completion in 2024.

Summary of 2023 Outcomes

Table 1 below sets out URCA's performance against its 2023 objectives by trimester.

Table 1: Summary of 2023 Outcomes

PROJECT	PROPOSED START PERIOD	PROPOSED END PERIOD	STATUS AS OF 31 DECEMBER 2023
GENERAL PROJECTS			
Implementation of URCA OPIs	T1, 2020	T3, 2023	Completed.
Redevelopment of Website	T3, 2023	T1, 2024	Ongoing.
Allocation of Indirect Costs	T3, 2020	T3, 2023	Completed in T3, 2023.
URCA 2024 Annual Plan	T3, 2023	T3, 2023	Draft Annual Plan published 19 Dec 2023.
ELECTRONIC COMMUNICATIONS SECTOR TIER I PROJECTS			
Review of Licences Due to Expire	T3, 2023	T3, 2024	Ongoing.
Review of the Consumer Protection Regulations	T1, 2023	T3, 2023	Expected to be finalised and published in March 2024.
Review of the Electronic Communications Sector Policy	T1, 2023	T2, 2023	Completed and sent to Government T3, 2023.
Review of Quality-of-Service Framework	T1, 2023	T3, 2023	Phase I expected to be finalized and published in March 2024.
Review of Universal Service Obligations Framework and Implementation	T3, 2023	T3, 2024	Ongoing.

Review of Fixed Services, Including Pay TV	T1, 2023	T1, 2024	Prelim. Determination expected to be published in T1, 2024.
Spectrum Management Project	T1, 2018	T3, 2023	Expected to be completed in 2024.
Public Service Broadcasting Framework	T1, 2023	T3, 2023	Will not appear on the Annual Plan until further notice.
Public Consultation on 5G	T2, 2022	T3, 2023	Phase I (Demand Side) completed T3, 2023.
Review of Code of Practice for Broadcast Content	T1, 2023	T3, 2023	Completed.
ECS TIER II PROJECTS			
ICTs for persons with Disabilities (Tier II)	T2, 2018	T3, 2024	Ongoing.
National Spectrum Plan (Tier II)	T2, 2023	T2, 2024	Ongoing.
ELECTRICITY SECTOR (ES) TIER I PROJECTS			
Licensee and Annual Plant Operation and Inspections	T1, 2021	T3, 2023	Published December 2023. Completed.
Technical Standards for the Electricity Sector	T1, 2023	T3, 2023	Published December 2023. Completed.
Generation Licence	T1, 2023	T3, 2023	Published December 2023. Completed.
Accounts Separation Guidelines for ES	T2, 2023	T2, 2024	Consultation to be launched in T1, 2024.
Battery Storage Systems Integration	T1, 2022	T3, 2023	Published November 2023. Completed.
Guidelines for Assessment of Fines for Breaches	T2, 2021	T3, 2021	Published March 2023. Completed.

ES TIER II PROJECTS			
Efficiency Study Audit (Tier II)	T2, 2023	T1, 2024	Ongoing.
Competition Guidelines and Rules for the ES (Tier II)	T3, 2023	T2, 2024	Ongoing.

OTHER KEY INITIATIVES

URCA underscored its dedication to local, regional, and global cooperation and innovation through significant participation and engagements across the telecommunications and energy sectors. It also enhanced stakeholder engagement and public education, while continuing to deftly deal with legal matters. This chapter delves into some other key initiatives undertaken by URCA, highlighting its efforts in fostering international collaboration, advancing regulatory legal issues, and promoting sustainable solutions in the face of evolving global challenges.

International Participation and Engagement

As The Bahamas' delegated representative in the International Telecommunication matters, URCA continued to work collaboratively with other government agencies and Diplomats to ensure the country's regulatory process is informed by the international and regional discussions.

URCA's ECS regulatory experts and senior government officials represented The Bahamas at the World Radiocommunication Conference organised by the International Telecommunication Union (ITU) and held in the United Arab Emirates (UAE) from 15 November 2023 to 15 December 2023. The conference aimed to revise the ITU Radio Regulations to ensure interference-free global communications. URCA collaborated with the Organization of American States Inter-American Telecommunications Commission and the Caribbean Telecommunications Union to craft proposals to enhance regional economic and social development, including coordinating infrastructure deployment, harmonising the radio frequency spectrum, and facilitating ICT training and development strategies. The team also continued to support the Ambassador to the ITU and the Geneva Mission to strengthen the country's representation on the ITU Council.

In the ES, URCA, as part of its strategy to continually improve its regulatory capacity, is taking an intentional approach to exposing our regulators to the international energy discussions. The team played a crucial role in the IDB Caribbean Energy Dialogue, which included representatives from The Bahamas, Barbados, Belize, Dominican Republic, Guyana, Jamaica, Suriname and Trinidad and Tobago, providing a platform for discussing vital energy issues within the Caribbean, shaping regional energy policies, promoting sustainable energy solutions, and addressing energy challenges and opportunities within The Bahamas and the broader Caribbean region. URCA also renewed its regional collaboration with the Organization of Caribbean Utility Regulators at the end of 2023, which will afford URCA opportunities to collaborate and cooperate with regional and international colleagues on critical issues related to energy regulation.

URCA's international engagements in 2023 demonstrate the organisation's dynamic and multifaceted approach to shaping and adapting the ECS and ES to the evolving landscapes of telecommunications and energy regulation. These engagements are consistent with international industry standards and practices and reflect URCA's commitment to advancing regulatory practices and policies through cooperative and collaborative relationships with global and regional experts.

Educating and Supporting Our Stakeholders

In 2023, URCA's Corporate and Consumer Relations (CCR) enhanced its approach to consumer education, complaints handling, digital engagement, and community outreach.

Partnerships, like the one with the Bahamas International Film Festival, enriched the community outreach program, and celebrating Girls in ICT Day, garnered substantial participation and stakeholder approval. URCA also demonstrated its commitment to societal well-being through donations to numerous organisations.

A significant milestone was introducing and refining the Fresh Desk system for complaints handling. The system is a tool to better log complaints and inquiries, with ongoing updates further enhancing its effectiveness. CCR also headed the redevelopment of URCA's website.

In parallel to these digital strides, URCA's successful Digital Transformation Forum highlighted by keynotes from industry leaders and panels discussing various topics, from fintech innovations to cybersecurity, underscored URCA's role in steering the conversation on digital transformation. Radio appearances emerged as a key strategy for the department to disseminate information widely and interact with the public in real time. Webinars further expanded CCR's educational outreach, tapping into the growing appetite for online learning and engagement.

Complementing these digital initiatives were URCA's concerted efforts in community engagement, particularly through impactful visits to Bimini, Exuma, Long Island and South Andros. These visits were instrumental in bridging the gap between URCA and the communities it serves, facilitating direct dialogue, and addressing local concerns.

With the anticipated launch of the revamped website, insights gained from the Digital Transformation Forum, and continued community outreach efforts, URCA is set to embark on a new chapter, where digital innovation and community focus converge to redefine the consumer experience in The Bahamas.

Code of Practice for Broadcast Content Administration

The Content Regulation Industry Group (CRIG) meetings were held regularly and resulted in a review of the Code. Several recommendations were made to improve the clarity of prohibited content, use precise language, update definitions, and close any loopholes that subjective standards may have enabled, among other things. URCA will consider these recommendations in developing the Public Consultation on a Revised Code of Practice for Content Regulation.

Licensees must report to URCA the number and details of all Code Complaints. The results of those complaints must be published in the Annual Report. URCA investigated five Code complaints during 2023. Three complaints were not pursued; one was resolved between the parties, and another was upheld. Table 2 summarises these complaints.

Table 2: Broadcast Licence Code Complaints

2023 Broadcast License Code Complaints & URCA Investigations					
Programme	Licensed Service	Date	Type	Issue	Outcome
Freedom March	Verizon Media Group Ltd.	6 January 2023	Personal	Defamation	Not Pursued
Unfiltered	Paramount Systems Ltd.	30 January 2023	General	Multiple ²	Upheld
Beyond The Headlines	Verizon Media Group Ltd.	2 May 2023	Personal	Defamation	Resolved
Eyewitness News	Verizon Media Group Ltd.	1 December 2023	Personal	Due Impartiality	Not Pursued
Our News	Cable Bahamas Limited	1 December 2023	Personal	Due Impartiality	Not Pursued

Legal Matters

The Legal Department executed various legal responsibilities, encompassing litigation management, advisory services, facilitative functions, and risk management initiatives.

Litigation

Two pending legal matters concerning URCA's regulatory authority to act in the Port Area of Grand Bahama remain pending before the Supreme Court --

Grand Bahama Power Company v URCA – 2016/CLE/gen/FP/00137: This case, initiated by the Grand Bahama Power Company, contests URCA's jurisdiction to regulate various aspects of electricity functions within the port area, citing a potential violation of the Hawksbill Creek Agreement.

Cable Bahamas Ltd. et al v URCA—2017/CLE/gen/00823: This case questions whether Cable Bahamas's telephony and internet services within the port area are subject to URCA's licensing requirements.

Several matters were also litigated before the Utilities Appeal Tribunal (UAT) --

² <https://urcabahamas.bs/decisions/ecs-08-2023-final-determination-and-order-to-paramount-systems-ltd/>

Bahamas Power and Light Ltd. v URCA – UAT Appeal No. 001/2019 regarding Final Determination on s.74 Request to Provide Information and **Bahamas Power and Light Ltd. v URCA – UAT Appeal No. 001/2020** concerning New Providence Outages: Both appeals challenged regulatory decisions in the Electricity Sector and were resolved in 2023 without overturning URCA's initial decisions.

Cable Bahamas Ltd. v URCA – UAT Appeal No. 001/2022: This appeal contests a regulatory decision on the Quality of Service, and it remains pending in 2024 after case management in 2023.

Bakers Bay Utility Ltd. v URCA – UAT Appeal No. 001/2023: This appeal challenges a final determination made by URCA regarding unlicensed services. The matter remains pending before the UAT since its initiation in 2023.

Risk Management and Compliance

Alongside its litigation responsibilities, the Legal Department substantially advanced URCA's risk management and compliance initiatives through regular reviews of existing plans for risk management, mitigation, and compliance.

All internal audit findings from 2022 were successfully closed during the year. Furthermore, the revision and approval of the risk management policy in August 2023 demonstrated URCA's dedication to enhancing its risk management framework. Additionally, URCA began utilising a risk management software to enhance compliance efforts.

URCA's Legal Department navigated complex legal matters with diligence in 2023 and remains dedicated to upholding regulatory integrity and effective legal oversight.

SECTOR UPDATES

Electronic Communications Sector Update

This overview delves into the various segments of the market, highlighting recent trends, subscriber data, and the competitive landscape among service providers.

Mobile Services

The mobile services landscape in The Bahamas is predominantly served by two operators – Aliv and BTC. Figure 1 shows the mobile subscribership of those providers.

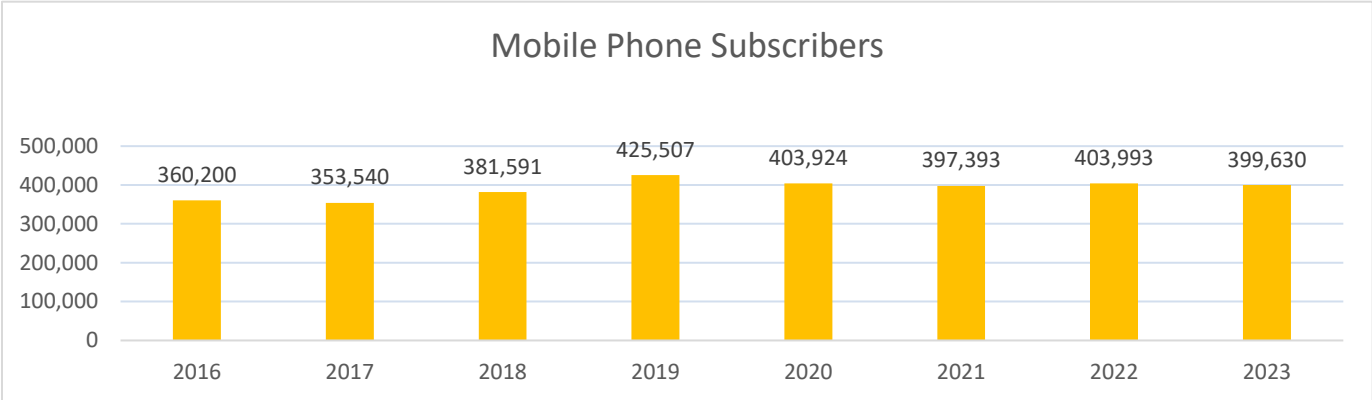


Figure 1. Mobile Phone Subscribers *URCA previously reported this category as mobile voice subscribers. The category name was changed to recognise that it consists of mobile voice and/or mobile data subscribers via a smartphone.

These numbers show the sector has witnessed a slight contraction in the number of mobile phone subscribers, decreasing from 403,993 in 2022 to 399,630 in 2023, a 1.08 percent reduction year-over-year. As illustrated, the number of mobile phone subscribers has remained steady since 2020 with minor fluctuations of less than 2 percent annually.

The mobile subscriber penetration rate experienced a marginal decline from 101.61 to 99.47 mobile voice subscriptions per 100 persons between 2022 and 2023.

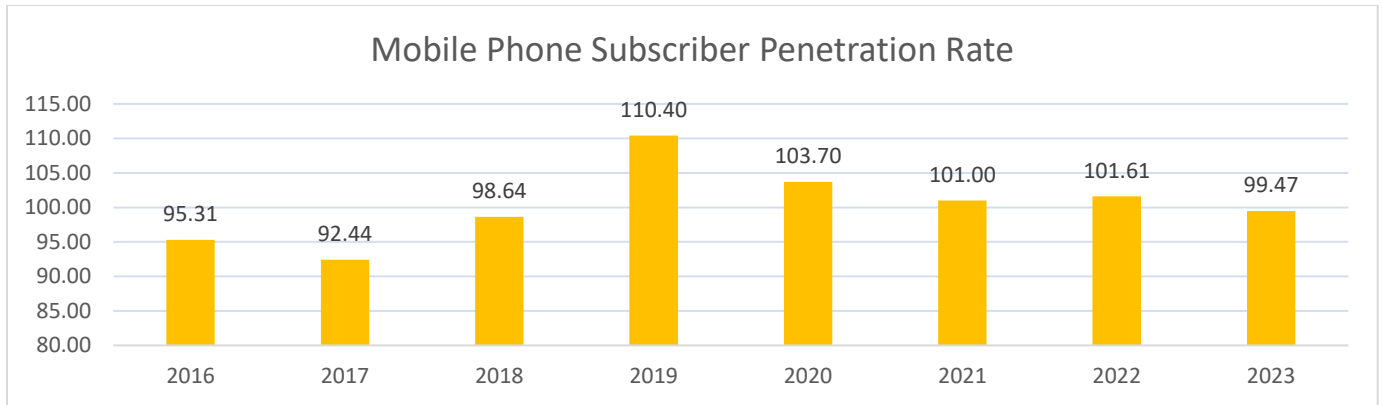


Figure 2. Mobile Phone Subscriber Penetration Rate

Retail Mobile Data Subscribers

Retail mobile data services represent a niche segment that caters to users who exclusively subscribe to mobile broadband, utilising devices such as laptops, tablets, or USB dongles with 3G/4G connectivity, rather than smartphones. Figure 3 shows this market remained relatively stable, suggesting a consistent demand for these services.

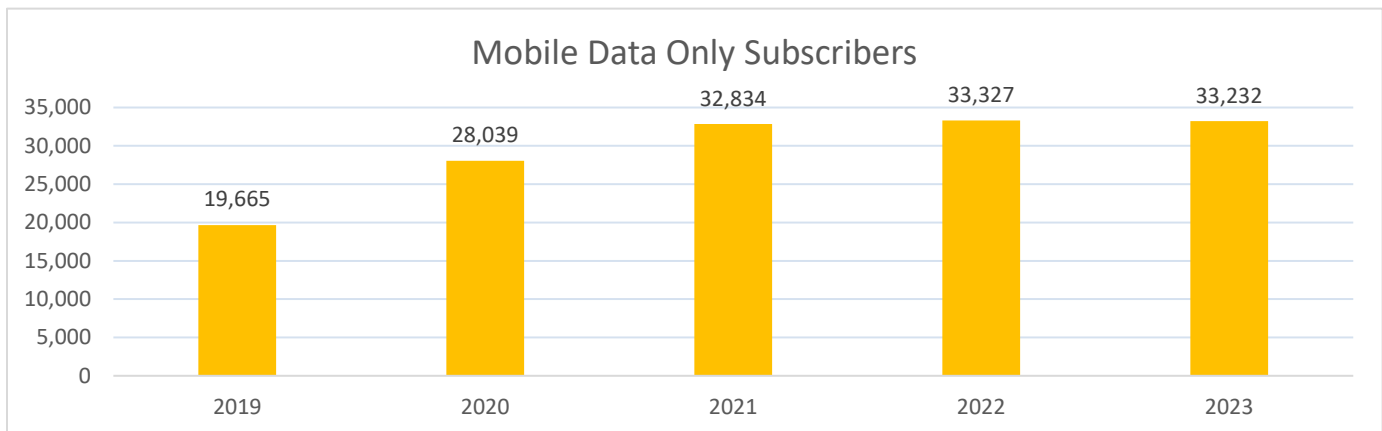


Figure 3. Mobile Data Only Subscribers

Fixed Services

BTC and Cable Bahamas remain the primary fixed broadband service providers. However, 2023 saw the entry of satellite internet service provider Starlink into the market. Cable Bahamas has significant market power in the provision of retail fixed broadband in New Providence, Grand Bahama, Abaco, and Eleuthera, while BTC has significant market power in all remaining islands where only BTC offers broadband services. Overall, fixed broadband subscribers increased by 13.22 percent from 84,022 subscribers in 2022 to 95,123 subscribers in 2023, representing the highest number of fixed broadband subscribers and the largest year-over-year increase since URCA has been tracking the information. The fixed broadband penetration rate increased to 23.68 subscriptions for every 100 persons.

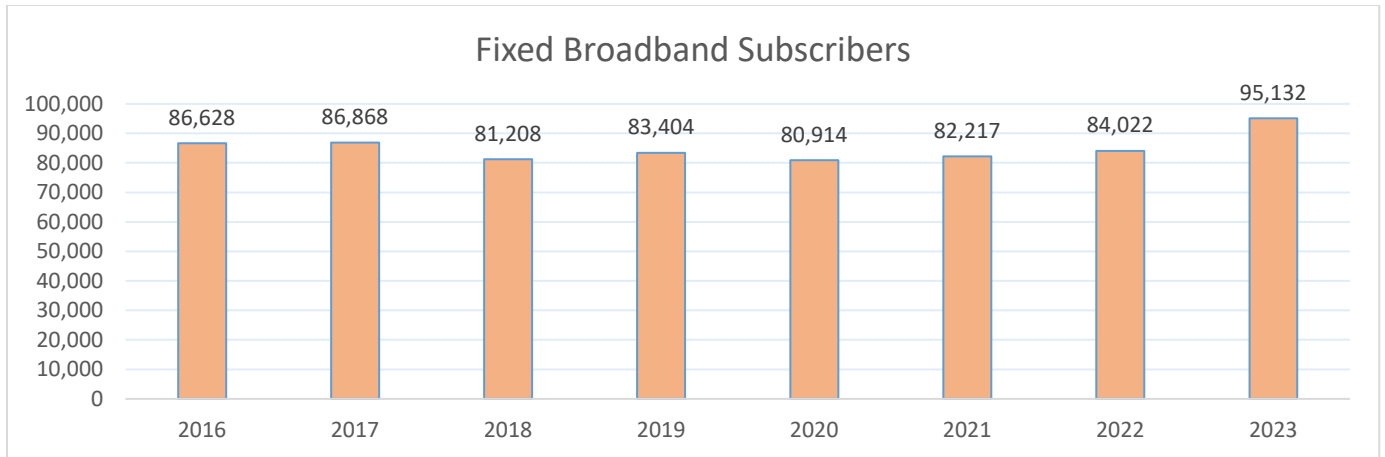


Figure 4. Fixed Broadband Subscribers

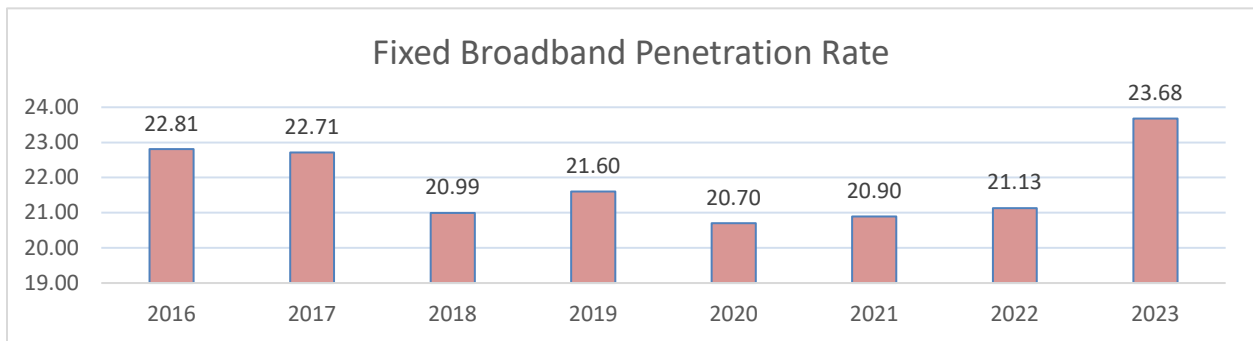


Figure 5: Fixed Broadband Penetration Rate

The use of landlines (fixed voice services) has seen an increase contrary to the global trend of declining use. The Bahamas recorded an 11.85 percent increase in fixed voice subscribers in 2023, the most significant rise since URCA began monitoring these metrics. This increase, suggests a return to pre-COVID usage patterns, underscoring the enduring value of landlines in certain segments of the population. The penetration rate for fixed voice services has also risen, from 21.75 to 24.08 subscriptions per 100 inhabitants.

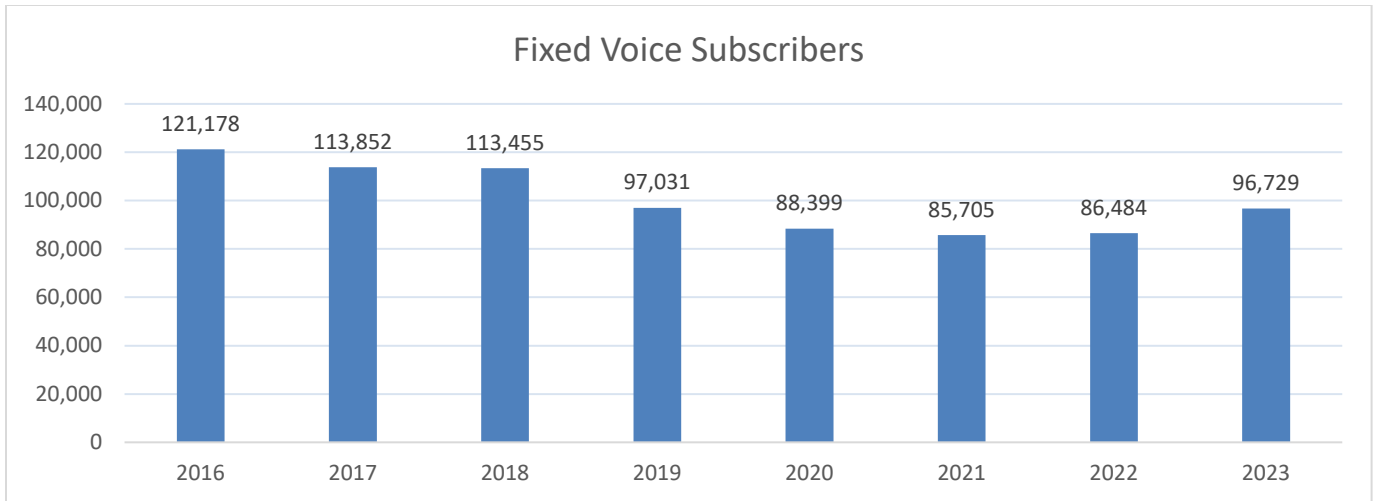


Figure 6. Fixed Voice Subscribers

Pay TV Services

The Pay TV sector, led by Cable Bahamas, with BTC also proving competitive, has experienced its first subscriber increase since 2017, growing by 4.9 percent..

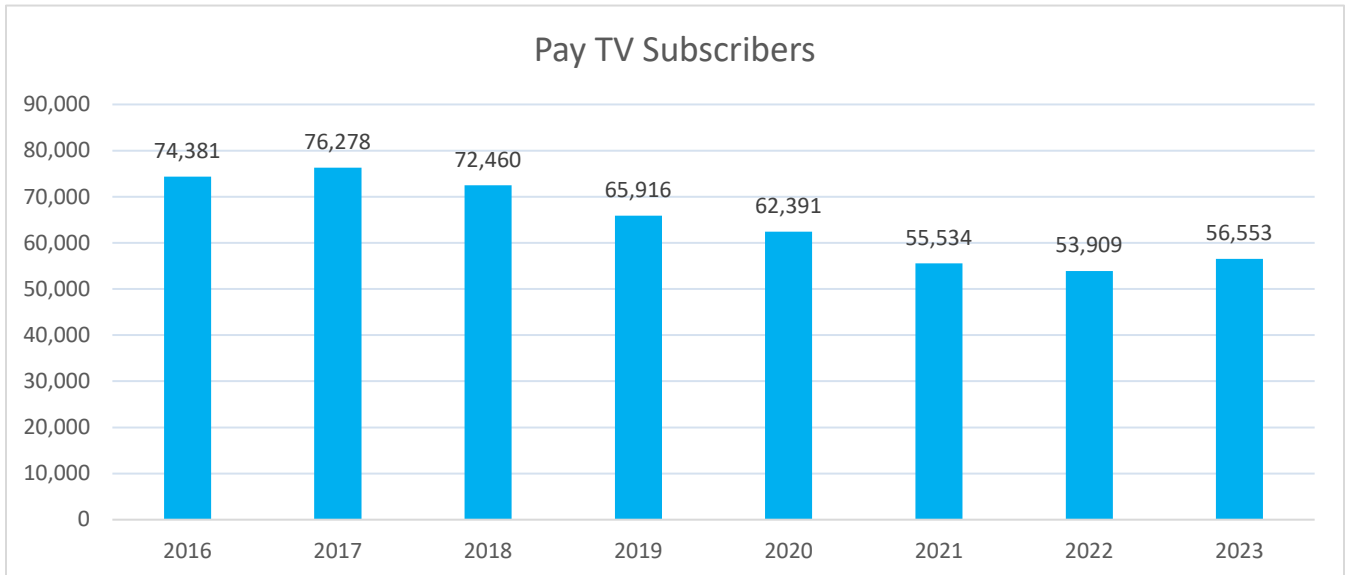


Figure 5. Pay TV Subscribers

Electricity Sector Update

URCA regulates electricity in the entire archipelago of The Bahamas, and even though there are still challenges to overcome the sector continues to grow and thrive and remains critical to quality of life in The Bahamas. The generation, transmission, distribution, or supply of electricity requires a licence from URCA, of which there are four – Public Electricity Supplier Licence (PESL), Authorized Public Electricity Supplier Licence (APESL), Independent Power Producer Licence (IPPL), and Generation Licence (GL).

The two public electricity suppliers are Grand Bahama Power Company in the Port Area and Bahamas Power and Light everywhere else in The Bahamas. An APESL allows other entities to operate in those areas. In 2023, Highborne Plantations Limited in Highborne Cay, Lextree Limited in Bell Island, and Cay Resorts Limited in Spanish Cay Abaco were granted APESLs. Table 3 below provides a list of all licensees in the ES.

Table 3. Register of Licensees in the Electricity Sector.

	Name of Licensee	Address of Licensee	Service Territory	License Type	Duration (Years)	License Commencement Date	License Expiration Date	License Number
1	Baker's Bay Utility Ltd.	Front Street, Marsh Harbour, Abaco, Bahamas	Baker's Bay Golf and Ocean Club, Great Guana Cay, Abaco	Authorized Public Electricity Supplier	25	21 December 2020	21 December 2045	APESL-20-0002
2	Bahamas Power and Light Company Limited	Blue Hill and Tucker Roads, Nassau, Bahamas	The Commonwealth of The Bahamas, except for the Port Area of Grand Bahama	Public Electricity Supplier	25	01 May 2018	01 May 2043	PESL-18-0001
3	Cay Resorts Limited	c/o Hon. Hubert A. Ingraham Chambers Caves Village West Bay Street Nassau, Bahamas	Spanish Cay, Abaco, Bahamas	Authorized Public Electricity Supplier	25	27 September 2023	27 September 2048	APESL-23-0003
4	Gekabi Chub Cay Utilities (2013) Ltd.	1425 Lake Front Circle, The Woodlands, Texas, United States	Chub Cay, The Berry Islands	Authorized Public Electricity Supplier	25	17 February 2020	17 February 2045	APESL-20-0001
5	Grand Bahama Power Company	The Mall Drive, Freeport, Bahamas	Grand Bahama	Public Electricity Supplier	25	01 May 2016	01 May 2041	PESL-18-0002
6	Highborne Plantations Limited	c/o Graham Thompson Sassoon House Shirley Street & Victoria Avenue Nassau, Bahamas	Highborne Cay, The Exuma Cays	Authorized Public Electricity Supplier	25	05 July 2023	05 July 2048	APEL-23-0002

7	Lexthree Ltd.	c/o Lennox Paton Building 3, Bayside Executive Park West Bay Street and Blake Road Nassau, Bahamas	Bell Island, The Exuma Cays	Authorized Public Electricity Supplier	25	23 March 2023	23 March 2048	APESL-23-0001
8	RAV Bahamas Ltd.	4 George St., Mareva House, Nassau, Bahamas	Bimini Bay Subdivision, North Bimini	Authorized Public Electricity Supplier	25	01 March 2022	28 February 2047	APESL-22-0001
9	St. George's Cay Power Company Ltd.	101 Power House Road, Russell Island, Eleuthera, Bahamas	St. George's Cay, Russell Island; West End Cay; Charles Cay; and Royal Island	Authorized Public Electricity Supplier	20	01 December 2018	01 December 2038	APESL-18-0003
10	Shell Bahamas Power Company Inc.	St. Andrew's Court, Frederick Street Steps, Nassau, Bahamas	Bahamas Power and Light transmission grid.	Independent Power Producer	15	05 October 2020	05 October 2035	IPPL-20-0001

Some exemptions to the license requirement exist. These include private standby generation with a capacity under 1 MW and renewable energy generation for non-utility use. In order to facilitate the renewable energy goals of the NEP, residential and commercial renewable energy frameworks have been developed to allow the installation and use of private renewable energy systems to offset the owner's needs and export any excess to the power grid. The vast majority of renewable energy systems in the country are photovoltaic, or solar systems. Table 4 provides a summary of the residential and commercial systems installed. Since 2022, there has been a 25 percent increase in the number of systems online and a 67 percent increase in the installed capacity; most of this occurred in New Providence as of 2022. Table 5 provides a summary of renewable and commercial energy systems by island.

Table 4. Summary of Residential and Commercial Renewal Energy Systems

	Number Online	Combined System Capacity, kW
Residential	283	2201
Commercial	92	8213
Total	375	10412

Table 5. Summary of Residential and Commercial Renewable Systems by Island

	Number Online	Combined System Capacity, kW
New Providence	345	8593
Abaco	10	445

Crooked Island	1	16
Eleuthera	11	150
Exuma	4	785
Long Island	3	25
Ragged Island	1	400
Total	375	10412

About 99 percent of the roughly 735 MW of installed generating capacity in The Bahamas is powered by liquid fossil fuel, with the remainder essentially powered by liquefied natural gas. Energy from renewable sources is insignificant at this time. The high cost of fuel and its negative impact on the environment are all the more reason that URCA is placing a greater focus on energy efficiency and the use of renewables.

PERFORMANCE METRICS

Key Performance Indicators 2023

URCA measures its effectiveness as a regulator through a variety of KPIs. Table 6 shows URCA's results against its established Key Performance Indicators for 2023.

Table 6: Summary of KPIs

Ref.	Category	Description	KPI Result 2023
S1	Statutory	Draft Annual Plan and Strategy published before the end of the financial year	Draft Annual Plan published on 19 December 2023
S2	Statutory	Annual Report and final Annual Plan published within four months of year-end	Annual Report 2023 and Annual Plan 2024 published on 30 April 2024
R8	Statutory	Licenses issued within: <ul style="list-style-type: none"> • 30 days – individual licences • 45 days – class licences 	58 1
R1	Regulatory	Final determinations are to be published within one (1) month from the closing date for comments on the Preliminary Determination	Yes
R2	Regulatory	Percentage of public consultations started within the period stated in the Annual Plan	ECS – 62.5% ES – 80%
R3	Regulatory	Time to publish results, decisions, and other regulatory measures after the close of consultation: <ul style="list-style-type: none"> 45 – 60 days 60 – 90 days >90 days 	45-60: 5 60-90: 1 >90: 6
R4	Regulatory	Number of complaints received	115
R5	Regulatory	Percentage of total complaints resolved	91%

R6	Regulatory	Complaints unresolved for >60 days	20.87%
R7	Regulatory	Average time taken to resolve complaints	Four days
R9	Regulatory	Volume of licences processed in the year	ECS ES 59 1
F1	Finance	Cost of Finance (% of OPEX)	8.61
F2	Finance	Period-end cycle time (Working days to close)	17 days
F3	Finance	Year-end cycle time (Working days to complete)	24 days
F4	Finance	Forecasting Accuracy	25%
F5	Finance	Cost of licensee invoicing	\$35.36
F6	Finance	Debtor Days	80.4 days
F7	Finance	Number of Creditor Notes and Adjustments	44
F8	Finance	Value of Creditor Notes and Adjustments	\$44,335
F9	Finance	Long outstanding debt (>90 days) as a percentage of total debt	100%
HR1	Human Resources	Cost of HR function (as a % of total operating expense)	8.23%
HR2	Human Resources	Cost of HR function per team member	\$8,276.62
HR3	Human Resources	Ratio of employees (full-time equivalent) to HR staff	12.6
HR4	Human Resources	Average days for the full-time team member invested in learning and development per year	10.11
HR5	Human Resources	Cost of learning and development activity as a percentage of payroll	0.83%
HR6	Human Resources	Cost of advisors as a percentage of total payroll	2.22%
HR7	Human Resources	Percentage of roles filled by permanent and contract staff	98%

HR8	Human Resources	Average lapse time (working days) from vacancy/advertisement occurring to the acceptance of an offer for the same post	120 days
HR9	Human Resources	Percentage of people in the role after 12 months of service	87.3%
HR10	Human Resources	The percentage of employees who left the organisation during the year.	10.4%
IT1	Information Technology	The cost of IT functions as a percentage of total expenditure.	1.31%
IT2	Information Technology	Percentage of Organisational ICT spending (investment in ICT infrastructure hardware across the organisation)	0.20%
IT3	Information Technology	Organisational ICT spending (investment in ICT infrastructure hardware across the organisation)	\$325.99
IT4	Information Technology	Percentage who can access the network and system remotely	100%

*** Figures are cumulative to the end of the trimester**

Licencing Statistics 2023

Please note that there were no Individual Operating Licences issued in 2023. Table 7 provides information on individual spectrum licences for 2023. Table 8 shows information on Class Spectrum Licences. Table 9 shows information on Class Operating Licences.

Table 7: Individual Spectrum Licences

Individual Spectrum Licence													
Month	Total Number of Application Forms Received	Total Number of Application Forms Processed within 30 days	Total Number of Application Forms Processed outside of 30 days	Total Number of Pending App Forms Processed from previous month (s)	Total Number of Incomplete Application Forms Processed from previous month (s)	Total Number of Days Taken to Respond to Rejected Application	Processing Time [Days]	Average Processing Time [Days]	Target (Percentage % of Application Forms Processed in 30 Days)	Pending	Incomplete	Rejected/ Dropped	Total Number of Licences issued
Application Forms brought forward from 2022										1			
Jan-23	0	0	0	0	0	0	0	0	0%	0	0	0	0
Feb-23	1	0	0	0	0	0	0	0	0%	1	0	0	0
Mar-23	0	0	0	0	0	0	0	0	0%	0	0	0	0
Apr-23	0	0	0	1	0	0	1	1	100%	0	0	0	1
May-23	0	0	0	0	0	0	0	0	0%	0	0	0	0
Jun-23	1	0	0	0	0	0	0	0	0%	0	0	0	0
Jul-23	1	0	0	0	0	0	0	0	0%	1	0	0	0
Aug-23	0	1	0	1	0	0	11	0	100%	0	0	0	1
Sep-23	1	0	0	1	0	0	1	0	100%	0	0	0	1

Oct-23	1	0	0	0	0	0	0	0	0%	1	0	0	0
Nov-23	1	0	0	1	0	0	16	16	100%	1	0	0	1
Dec-23	0	0	0	1	0	0	16	16	100%	0	0	0	1
TOTAL	5	1	0	4	0	0	45	9	100%	1	0	0	5

Table 8: Class Spectrum Licences

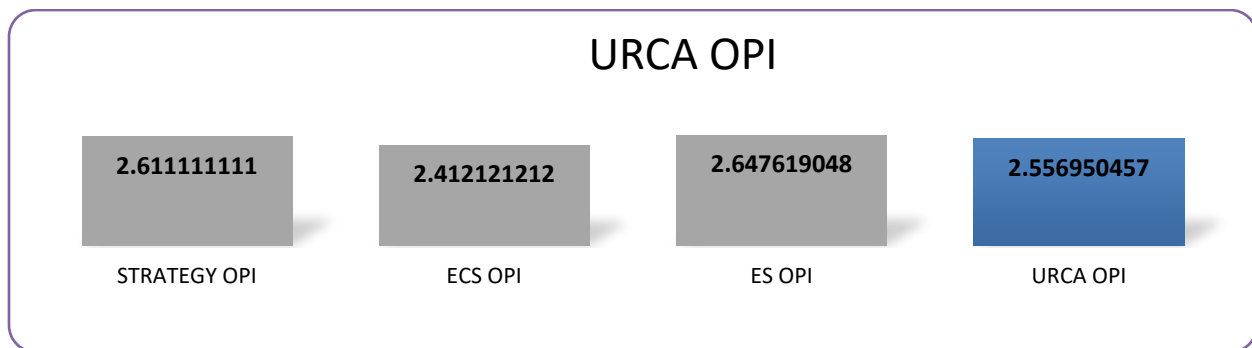
Class Spectrum Licence Requiring Registration													
Month	Total Number of Application Forms Received	Total Number of Application Forms Processed within Forty-Five (45) days	Total Number of Application Forms Processed outside of Forty-Five (45) days	Total Number of Pending Application Forms Processed from previous month (s)	Total Number of Incomplete Application Forms Processed from previous month (s)	Total Number of Days Taken to Respond to Rejected Application	Processing Time [Days]	Average Processing Time [Days]	Target (Percentage % of Application Forms Processed in Forty-Five (45) Days	Pending	Incomplete	Rejected or Dropped	Total Number of Licences issued
Application Forms brought forward from 2022										5			
Jan-23	7	0	0	4	0	0	72	18	100%	7	0	0	4
Feb-23	7	1	0	8	0	0	166	18	100%	6	0	0	9
Mar-23	8	2	0	5	0	0	160	23	100%	6	0	0	7
Apr-23	4	0	0	6	0	0	121	20	100%	4	0	0	6
May-23	3	2	0	4	0	0	120	20	100%	1	0	0	6
Jun-23	2	0	0	1	0	0	27	27	100%	2	0	0	1
Jul-23	2	0	0	2	0	0	50	25	100%	2	0	0	2
Aug-23	2	0	0	2	0	0	42	21	100%	2	0	0	2
Sep-23	6	3	0	1	0	0	50	13	100%	3	0	0	4
Oct-23	8	1	0	3	0	0	72	18	100%	7	0	0	4
Nov-23	5	1	0	7	0	0	150	19	100%	4	0	0	8
Dec-23	4	0	0	4	0	0	50	13	100%	4	0	0	4
TOTAL	58	10	0	47	0	0	1080	19	100%	6	0	0	57

Table 9: Class Operating Licences

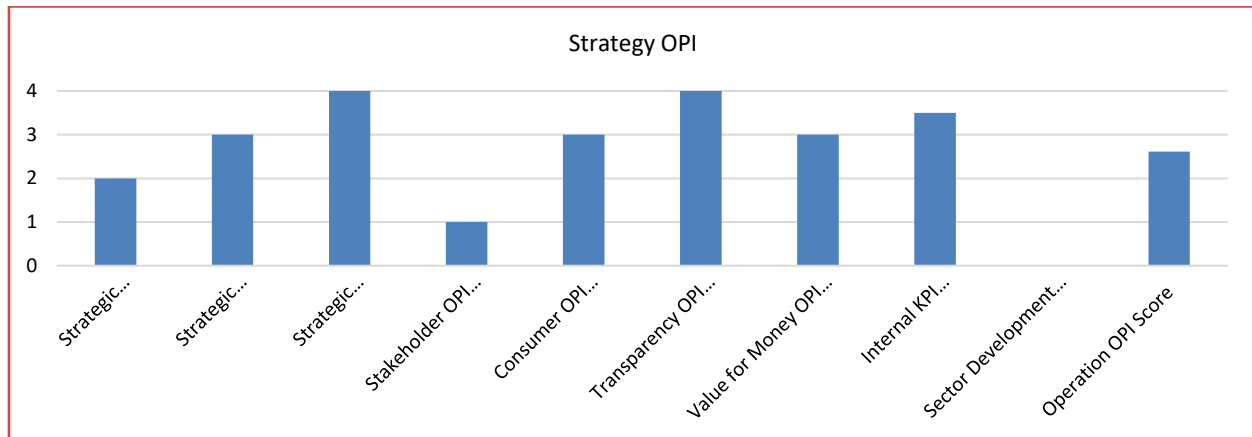
Class Operating Licence Requiring Registration													
Month	Total Number of Application Forms Received	Total Number of Application Forms Processed within Forty-Five (45) days	Total Number of Application Forms Processed outside of Forty-Five (45) days	Total Number of Pending Application Forms Processed from previous month (s)	Total Number of Incomplete Application Forms Processed from previous month (s)	Total Number of Days Taken to Respond to Rejected Application	Processing Time [Days]	Average Processing Time [Days]	Target (Percentage % of Application Forms Processed in Forty-Five (45) Days)	Pending	Incomplete	Rejected/ Dropped	Total Number of Licences issued
Application Forms brought forward from 2022										1			0
Jan-23	0	0	0	0	0	0	0	0	0%	0	0	0	0
Feb-23	0	0	0	0	1	0	0	0	100%	0	0	0	1
Mar-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr-23	0	0	0	0	0	0	0	0	0	0	0	0	0
May-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov-23	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec-23	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	1	0	0	0	100%	1	0	0	1

URCA Organisational Performance Indices

URCA, in its 2022 Annual Report and 2023 Annual Plan, stated its intention to report on the Organizational Performance Indicators (OPIs) in this Annual report. The report analyses the OPIs across three main areas: Strategic OPI, ECS Governance OPI, and ES Governance OPI, allowing URCA to gain insight into its performance against organisational strategy, operational efficiency, and regulatory governance. The ensuing insights will help URCA leverage its dynamic capabilities to better sense changes in its internal and external environment, seize opportunities to capitalise on its strengths, address weaknesses, mitigate risks and transform to address the changing dynamics of the sectors we regulate. In this inaugural report, we set the baseline for all Indices at 2 using a scale of 0 to 4. The bar charts below provide a detailed breakdown of the indicators contributing to the score.



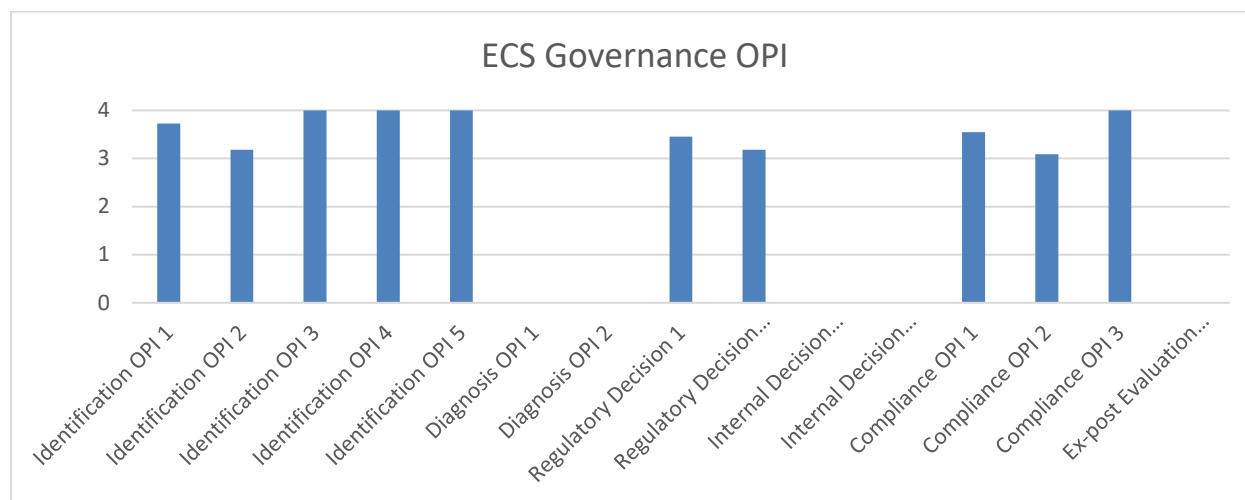
URCA OPI: For 2023, the URCA OPI is assessed as 2.56 out of 4. This score is marginally above the midpoint, indicating the opportunity to improve organisational strategy in certain ECS and ES governance areas. Our analysis suggests that focusing on strategy formulation, stakeholder engagement, sector development, internal decision-making, ex-post evaluations, and compliance enforcement could significantly improve URCA’s performance. The charts below provide greater insight.



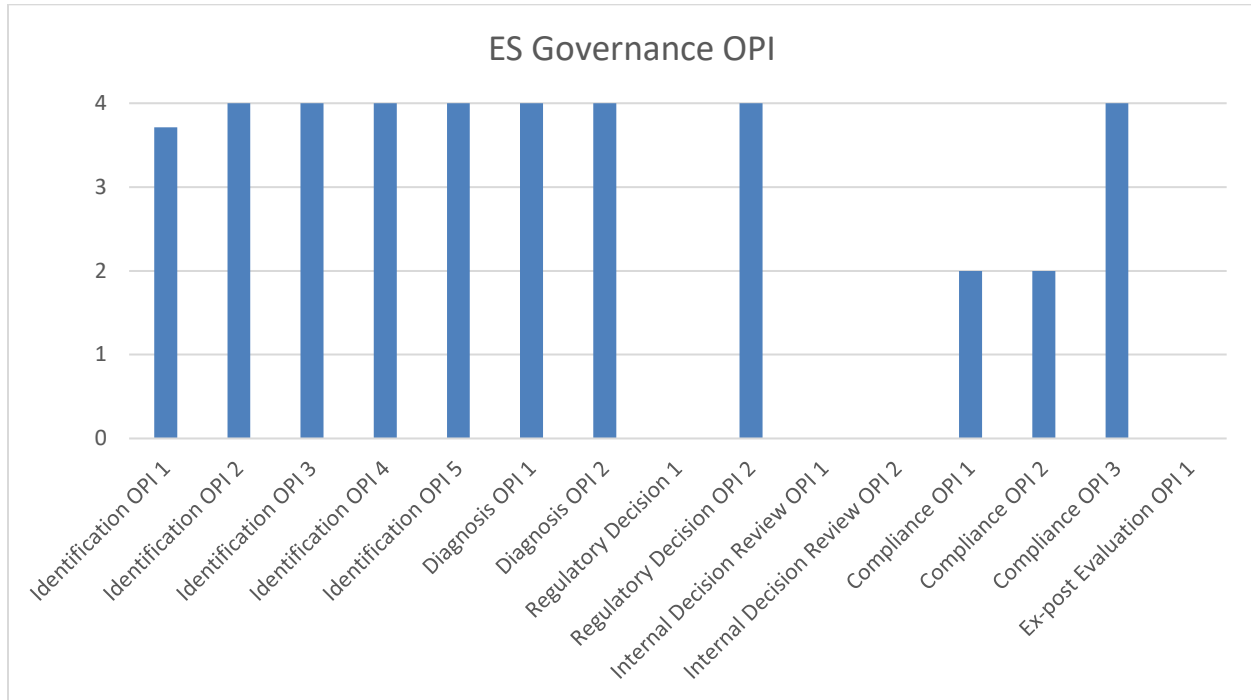
STRATEGY OPI: The Strategic OPI is an outcome-based OPIs that measures URCA’s effectiveness in strategic planning, stakeholder engagement, reporting, consulting, consumer and stakeholder perception, transparency and value-for-money delivery. It considers outcomes alongside policy objectives, consumer preferences, and industry needs. The aim is to encourage strategic thinking within the regulatory and operations teams, which could lead to better resource management. In 2023, URCA scored 2.61 out of 4.0

for the Strategy OPI. URCA's performance is mixed, with some areas in consumer relations, transparency, value-for-money and internal processes outperforming the other areas of strategic planning, stakeholder engagement, and sector development. Good performance in HR, Finance and IT KPIs, consumer engagement and value-for-money suggests an acceptable alignment between URCA's strategy and operational performance. A coherent strategy focused on long-term planning and sector development would address critical gaps.

Governance OPI: The Governance OPIs apply to the ECS and ES and measure how well URCA administers the regulatory cycle, which includes problem identification, problem diagnosis, regulatory decision-making, internal decision review, compliance enforcement and ex-post evaluations of regulatory measures and decisions. Specifically, the Identification OPI determines if an issue should be addressed, while the Diagnosis OPI analyses the intervention and outcome sought. Regulatory Decision OPI ensures the gathering of necessary information, timely consultations, and final decision-making. The Internal Decision Review OPI measures URCA's consistency in reviewing the decision against the original objectives and the team's regulation delivery using a post-project review. The Compliance OPI measures the extent to which licensees comply with the remedies, and the Ex-Post Evaluation OPI assesses the impact of regulatory interventions on consumers, stakeholders, and industry, considering the original identification and diagnosis stages.



ECS Governance OPI: URCA is assessed a 2.41 out of 4.0 score in the ECS Governance OPI. This score indicates the need to improve in those areas of the regulatory cycle that require URCA to explicitly state the rationale, justification, analysis and intended outcomes of interventions before the interventions commence. Other challenge areas include internal decision review, compliance enforcement and ex-post evaluation of regulatory interventions. This outcome highlights the need to consistently review the decision against the original objectives, conduct post-project reviews, and expeditiously assess and address non-compliance by licensees.



ES Governance OPI: The ES operation is assessed with a 2.65 out of 4.0 score. As the newest regulated sector, ES operations exhibit exemplary project identification and diagnosis performance, as defined above. We determined that there are difficulties centred around regulatory decision-making due to challenges with gathering critical information, timely production of consultations, and final decision-making. In Internal Decision Review, compliance and ex-post evaluation, the requirement to comply with this aspect of the OPIs has not yet been triggered and therefore a score of 0 was applied. URCA has not yet fully launched activity in that part of the regulatory cycle involving internal reviews, compliance enforcement and ex-post evaluations.

To summarise, URCA performs reasonably well, but our objective is to achieve exemplary performance by leveraging its dynamic capabilities. URCA currently demonstrates this aptitude in the regulatory cycle stages up to the final decisions and in operational efficiency in all areas except for long-term strategic planning for sector development. Using this assessment, URCA can identify the underlying reasons for the scores and implement targeted goals to improve our results.

Actual vs. Budgeted Expenditure

The tables below present URCA's actual expenditure against its budgeted expenditure for 2023.

ACTUAL VS BUDGETED EXPENDITURE			
CONSOLIDATED			
Category	Actual FY-2023	Budget FY-2023	B/(W)
Revenue	7,165,436	7,966,558	(801,122)
Other income	52,710	-	52,710
Total Income	7,218,146	7,966,558	(748,412)
Expenses:			
Staff Costs	3,212,153	3,195,457	(16,696)
Non-Executive Compensation	357,388	408,000	50,612
Executive Compensation	469,129	486,100	16,971
Professional Services	789,998	967,900	177,902
Conference, training and travel	636,153	650,900	14,747
Provision for doubtful accounts	404,237	650,000	245,763
Depreciation	389,710	274,100	(115,610)
General and Administrative Expenses	292,867	312,100	19,233
Premises Costs and Utilities	286,626	313,500	26,874
Information Technology	231,428	271,500	40,072
Consumer education and Public Relations	221,560	173,000	(48,560)
Office Services	144,569	264,000	119,431
Total Operating Expenses	7,435,818	7,966,557	530,739
Gain on disposal of PPE	2,849	-	2,849
Other comprehensive loss	(12,468)	-	(12,468)
Comprehensive Loss	(227,291)	-	(227,291)
Capital Expenditure	835,651	2,861,500	2,025,849

ACTUAL VS BUDGETED EXPENDITURE			
ELECTRONIC COMMUNICATIONS			
Category	Actual FY-2023	Budget FY-2023	B/(W)
Revenue	4,687,064	4,843,500	(156,436)
Other income	43,860	-	43,860
Total Income	4,730,924	4,843,500	(112,576)
Expenses:			
Staff Costs	1,981,631	1,903,185	(78,446)
Non-Executive Compensation	211,388	249,600	38,212
Executive Compensation	260,298	262,500	2,202
Professional Services	575,566	567,920	(7,646)
Provision for doubtful accounts	404,237	200,000	(204,237)
Conference, training and travel	388,037	439,600	51,563
Depreciation	331,254	232,985	(98,269)
General and Administrative Expenses	235,714	257,860	22,146
Premises Costs and Utilities	202,591	225,275	22,684
Information Technology	185,142	217,200	32,058
Consumer education and Public Relations	110,607	86,500	(24,107)
Office Services	108,307	200,875	92,568
Total Operating Expenses	4,994,772	4,843,500	(151,272)
Gain on disposal of PPE	2,849	-	2,849
Other comprehensive loss	(12,468)	-	(12,468)
Comprehensive Loss	(273,467)	-	(273,467)
Capital Expenditure	494,271	2,398,525	1,904,254

ACTUAL VS BUDGETED EXPENDITURE			
UTILITIES AND ENERGY			
Category	Actual FY-2023	Budget FY-2023	B/(W)
Revenue	2,478,372	3,123,058	(644,686)
Other income	8,850	-	8,850
Total Income	2,487,222	3,123,058	(635,836)
Expenses:			
Staff Costs	1,230,522	1,277,473	46,950
Non-Executive Compensation	146,000	163,200	17,200
Executive Compensation	208,831	233,600	24,769
Conference, training and travel	248,116	211,300	(36,816)
Professional Services	214,432	399,980	185,548
Consumer education and Public Relations	110,953	86,500	(24,453)
Premises Costs and Utilities	84,035	88,225	4,190
Depreciation	58,456	41,115	(17,341)
General and Administrative Expenses	57,153	54,240	(2,913)
Information Technology	46,286	54,300	8,014
Office Services	36,262	63,125	26,863
Provision for doubtful accounts	-	450,000	450,000
Total Operating Expenses	2,441,046	3,123,058	682,012
Gain on disposal of PPE	-	-	-
Other comprehensive loss	-	-	-
Comprehensive Income	46,176	-	46,176
Capital Expenditure	341,380	462,975	121,595

AUDITED FINANCIAL STATEMENTS

UTILITIES REGULATION AND COMPETITION AUTHORITY

**Audited Financial Statements for the
Year Ended December 31, 2023
and Independent Auditors' Report**

UTILITIES REGULATION AND COMPETITION AUTHORITY

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of:
Utilities Regulation and Competition Authority**

Opinion

We have audited the accompanying financial statements of Utilities Regulation and Competition Authority (the "Authority") which is comprised of the statement of financial position as at December 31, 2023 and the related statements of expenditure over income and other comprehensive expenses, changes in equity and cash flows for the year ended December 31, 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2023, and of its financial performance and its cash flows for the year ended December 31, 2023 are in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Commonwealth of The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our Auditors' Report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our Auditors' Report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

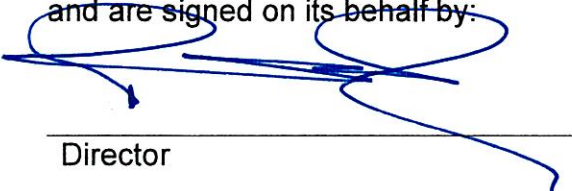
HLB Bahamas

March 27, 2024
Nassau, Bahamas

UTILITIES REGULATION AND COMPETITION AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

	<u>2023</u>	<u>2022</u>
ASSETS		
Non-current assets		
Property, plant and equipment (Note 7)	\$ 4,593,942	\$ 4,940,654
Current assets		
Cash on hand and at banks (Note 4)	2,015,168	1,137,875
Accounts receivable (Note 5)	995,191	1,381,965
Prepaid expenses and other assets	543,178	329,632
Total current assets	<u>3,553,537</u>	<u>2,849,472</u>
TOTAL ASSETS	<u>\$ 8,147,479</u>	<u>\$ 7,790,126</u>
LIABILITIES		
Non-current liability		
Pension liability (Note 6)	\$ 537,168	\$ 30,541
Current liabilities		
Accounts payable and accrued expenses	578,981	500,964
TOTAL LIABILITIES	<u>1,116,149</u>	<u>531,505</u>
NET ASSETS	<u>\$ 7,031,330</u>	<u>\$ 7,258,621</u>
NET ASSETS REPRESENTED BY:		
Contributed capital (Note 9)	\$ 1,537,891	\$ 1,537,891
URCA Fund:		
Not immediately required (Note 9)	3,356,639	3,695,880
Immediately required (Note 9)	2,136,800	2,024,850
TOTAL EQUITY	<u>\$ 7,031,330</u>	<u>\$ 7,258,621</u>

These financial statements were approved by the Board of Directors on March 27, 2024 and are signed on its behalf by:



 Director



 Director

The accompanying notes form an integral part of these audited financial statements.

UTILITIES REGULATION AND COMPETITION AUTHORITY
STATEMENT OF EXPENDITURE OVER INCOME AND OTHER COMPREHENSIVE
EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

	<u>2023</u>	<u>2022</u>
REVENUE		
Electronic communications operating license fees (Note 9)	\$ 4,687,064	\$ 3,985,589
Energy sector license fees (Note 9)	2,478,372	2,161,441
Telecommunications, radio communications, energy and other fees (Note 9)	<u>52,710</u>	<u>136,355</u>
Total revenue	<u>7,218,146</u>	<u>6,283,385</u>
EXPENSES		
Salaries and benefits	4,038,671	3,718,124
Legal, professional and consultancy fees	789,997	795,392
Provision for doubtful accounts	404,237	34,807
Depreciation (Note 7)	389,710	376,223
Training	306,622	70,136
Travel	290,176	42,035
Information technology	231,428	198,166
Office services	211,954	240,909
Premises occupancy costs	175,486	181,600
Advertising and public relations	174,752	84,332
Professional membership	154,964	574,183
Premises repairs and maintenance	111,140	112,753
Communications	53,189	93,070
Donations	46,808	11,150
Regulatory conference hosting	39,355	-
Automotive maintenance	17,329	13,487
Interest charges (Note 8)	-	3,411
Total expenses	<u>7,435,818</u>	<u>6,549,778</u>
OPERATING LOSS	\$ <u>(217,672)</u>	\$ <u>(266,393)</u>

(Continued)

The accompanying notes form an integral part of these audited financial statements.

UTILITIES REGULATION AND COMPETITION AUTHORITY
STATEMENT OF EXPENDITURE OVER INCOME AND OTHER COMPREHENSIVE
EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

	<u>2023</u>	<u>2022</u>
OTHER INCOME		
Fines	\$ -	\$ 669,496
Interest income	-	8,360
Gain on disposal of assets	<u>2,849</u>	<u>-</u>
Total other income	2,849	677,856
EXPENDITURE OVER INCOME (INCOME OVER EXPENDITURE)	(214,823)	411,463
OTHER COMPREHENSIVE EXPENSE		
Item that will not be reclassified subsequently to profit or loss:		
Remeasurement of pension asset (Note 6)	<u>(12,468)</u>	<u>(40,043)</u>
COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	\$ <u>(227,291)</u>	\$ <u>371,420</u>

(Concluded)

The accompanying notes form an integral part of these audited financial statement.

UTILITIES REGULATION AND COMPETITION AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

	<u>URCA FUND</u>			
	<u>Contributed Capital</u>	<u>Not immediately required</u>	<u>Immediately required</u>	<u>Total</u>
Balance as at January 1, 2022	\$ 1,537,891	\$ 3,134,310	\$ 2,215,000	\$ 6,887,201
Excess of income over expenditure – ECS (Note 9)	-	262,022	-	262,022
Excess of income over expenditure – ES (Note 9)	-	149,441	-	149,441
Funds not required for immediate use	-	190,150	(190,150)	-
Other comprehensive expenses (Note 6)	-	(40,043)	-	(40,043)
Balance as at December 31, 2022	1,537,891	3,695,880	2,024,850	7,258,621
Excess of expenditure over income – ECS (Note 9)	-	(263,848)	-	(263,848)
Gain on disposal of property, plant and equipment	-	2,849	-	2,849
Excess of income over expenditure – ES (Note 9)	-	46,176	-	46,176
Funds not required for immediate use	-	(111,950)	111,950	-
Other comprehensive expenses (Note 6)	-	(12,468)	-	(12,468)
BALANCE AS AT DECEMBER 31, 2023	\$ 1,537,891	\$ 3,356,639	\$ 2,136,800	\$ 7,031,330

The accompanying notes form an integral part of these audited financial statements.

UTILITIES REGULATION AND COMPETITION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenditure over income (income over expenditure)	\$ (214,823)	\$ 411,463
Adjustments for:		
Depreciation (Note 7)	389,710	376,223
Provision for doubtful accounts	404,237	34,807
Interest expense	-	3,411
Gain on sale of property, plant and equipment	(2,849)	-
(Increase) decrease in operating assets:		
Accounts receivable	(17,463)	(822,328)
Prepaid expenses and other assets	(213,546)	769,877
Pension asset	-	(13,599)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	78,017	(970,911)
Pension liability	494,159	30,541
Net cash provided by (used in) operating activities	917,442	(180,516)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note 7)	(42,998)	(835,651)
Proceeds from the sale of property, plant and equipment	2,849	-
Net cash used in investing activities	(40,149)	(835,651)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt principal repayments (Note 8)	-	(185,056)
Interest paid (Note 8)	-	(3,411)
Net cash used in financing activities	-	(188,467)
Net increase (decrease) in cash on hand and at banks	877,293	(1,204,634)
Cash on hand and at banks at the beginning of the year	1,137,874	2,342,508
Cash on hand and at banks at the end of the year	\$ 2,015,168	\$ 1,137,874

The accompanying notes form an integral part of these audited financial statements.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

1. GENERAL INFORMATION

Utilities Regulation and Competition Authority (hereinafter referred to as the “Authority”) was established on August 1, 2009, as a corporate body, under the Utilities Regulation and Competition Authority Act, 2009. The principal office of the Authority is located at Frederick House, Frederick Street, P.O. Box N 4860, New Providence, Bahamas.

The functions of the Authority are to: i) regulate the electronic communications sector (hereinafter referred to as the ECS) to further the interests of consumers in accordance with the electronic communications policy objectives; ii) regulate the energy sector (hereinafter referred to as the ES) in accordance with the goals, objectives and principles underpinning the national energy sector policies; iii) to represent the Government of the Commonwealth of The Bahamas (hereinafter referred to as the “Government”) in regional and international organisations as provided for in the legislation; iv) charge and collect licence fees from regulated entities in accordance with relevant legislation, including billing and collecting communications license fees and spectrum fees on behalf of the Government; and v) perform any other duties or functions assigned to it under relevant legislation.

The ECS is regulated by the Authority in accordance with the Communications Act, 2009 (hereinafter referred to as the “Communications Act”) and the Electronic Communications Sector Policy. With the passing of the Electricity Act 2015 and the URCA (Amendment) Act 2015, on January 28, 2016, the Authority commenced regulating the ES in addition to the ECS. As the independent regulator of the ES, the Authority is responsible for the development of a regulatory regime which governs the generation, transmission, distribution and supply of electricity throughout The Bahamas as well as encourage an environment that promotes renewable energy.

The Authority has a responsibility to ensure that funds related to and expenses attributable to each regulated sector are separated. The financial performance of the Authority is the result of the regulation of both the ECS and ES. The results of operations of both sectors are allocated to “the Fund”. It should be noted that the regulation of other sectors of The Bahamas economy may be added to the Authority’s responsibility as determined by the Government, and consequent to the passing of legislation governing the regulation of any such sectors.

The Authority decisions are appealable to the Utilities Appeal Tribunal, which was formed pursuant to the Utilities Appeal Tribunal Act, 2009. The Authority is also responsible for billing and collection of the tribunal fee on behalf of the tribunal, through which the tribunal is funded.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (“IASB”) and are presented in Bahamian Dollars (“\$”), the Authority’s reporting currency. They have been prepared under the historical cost convention. The preparation of financial statements in conformity with the IFRS for SMEs requires management to exercise its judgment in the process of applying its accordance accounting policies. It also requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Notes 3(c), 3(e), 3(f), 3(g), and 3(h).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Cash on hand and at banks

Cash on hand and at banks include cash on hand and demand deposits.

b. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at year-end exchange rates are recognized in the statement of expenditure over income and other comprehensive income.

c. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

It is the Authority’s policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Financial instruments (Continued)

The Authority's financial assets include account receivables and cash and bank balances as they are held with the objective to collect contractual cash flows. They are included in current assets, except for maturities greater than 12 months after the reporting date.

Account receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of income over expenditure and comprehensive income.

If in a subsequent period, the amount of the provision decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the provision account. When an account receivable is uncollectible, it is written off against the provision for doubtful accounts. Subsequent recoveries of amounts previously written off are credited to the statement of income over expenditure and other comprehensive income.

Financial liabilities:

Financial liabilities of the Authority are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs.

The Authority's financial liabilities include accounts payable and long-term debt. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

d. Prepayments

Prepayments are carried at cost less amortized portion. These typically comprise of prepaid management fees and administration fees.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of expenditure over income and other comprehensive expenses during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Information system	3 – 5 years
Vehicles	5 years
Furniture and office equipment	5 years

The useful life of the Authority's property, plant and equipment and the depreciation methods are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets. When an asset is retired or disposed of or is permanently withdrawn from use and no future economic benefit is expected, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in the statement of expenditure over income and other comprehensive expenses.

Gains and losses arising on the disposals of equipment are determined as the difference between the sales proceeds and the carrying amount of the asset sold and is recognized in the statement of expenditure over income and other comprehensive expenses.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable. If there is an indication that the carrying values exceed the estimated recoverable amount, the assets are written down to their estimated recoverable amount.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Income and expense recognition

Revenue is measured based on the consideration that the Authority expects to be entitled to in a contract with a licensee.

Licence fees

Revenue from licensing activities is recognised over the period of the applicable licence and is assessed based on licensee revenue recognition criteria which includes consideration of whether the licensee has the intent or ability to pay the bill when it becomes due

In instances where the Authority has commenced determination procedures against licensees, but revocation has not been completed, the amounts billed during the year have not been recognised in the statement of financial position.

Certain licence fees are fixed, and others are based on the revenues of the licensees. For licence fees based on licensee revenue, the Authority makes an estimate of the fee based on the latest available financial information of the licensee and recognises any increase or decrease in that estimate upon receipt of the final revenue amounts of the licensee for the applicable licence period. The applicable revenues for fee purposes are those earned in the licensee's fiscal year ending within the licence period.

All other income and expenses are recognised on the accrual basis of accounting.

Fines

Under Section 109 of the Communications Act and Section 72 of the Electricity Act, the Authority has the power to impose fines on licensees in instances where a licensee contravenes a provision of either Act, a licence condition, or regulatory and other measures. When an infraction occurs, the Authority can impose fines on the licensee up to ten percent (10%) of its relevant turnover. Once a Final Determination and Order is issued, the Authority recognizes revenue associated with fines as other income. Fines imposed are subject to appeals that are presented for adjudication before the Utilities Appeal Tribunal ("the Tribunal").

For the year ended December 31, 2023, fines amounting to \$669,496 that were assessed and ordered against licensees in accordance with the provision of the said Act for the year ended December 31, 2022, is still currently under appeal before the Tribunal.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Pension benefits

The Authority operated both defined contribution and defined benefit pension plans in 2022. In December 2022, the defined benefit plan was closed to new entrants and contributions have ceased.

Effective 2016, all new hires' participation in the defined contribution pension plan is mandatory. The defined contribution plan requires that contributions by the Authority equals a stipulated percentage of each participant's salary. The defined benefit plan requires contributions, determined by periodic actuarial calculations, to be made to a separately administered fund.

A defined contribution plan is a pension plan that defines the amount of the contributions to be made by the plan sponsor (Authority) and participant (employee). These contributions are placed in individual accounts maintained at a financial institution to the credit of the participant. The participant determines how the funds are invested and any amount that the participant receives on exiting the plan is not guaranteed but is determined by the quantum of contributions made by both sponsor and participant, vesting rules of the plan and how well the credited funds have been invested and the return of the investment.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The asset/liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating the terms of the related pension liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in salaries and benefit expense in the statement of expenditure over income and other comprehensive expenses.

The costs of providing benefits for the defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Pension benefits (Continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive expenses in the period in which they occur.

Past-service costs are recognised immediately in salaries and benefits expense, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Payments to the defined contribution plan are recognized as an expense when employees have rendered service entitling them to the contributions.

h. Provisions

Provisions for restructuring costs and legal claims are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

i. Taxation

The Authority is established under the laws of the Commonwealth of The Bahamas and therefore, is not subject to income, capital gains or other corporate taxes.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Fiduciary activities

The Authority collects certain fees from licensees on behalf of the Government. The assets associated with these activities include cash held by the Authority and receivables owed by the licensees to the Government and are excluded from the Authority's statement of financial position, as they do not belong to the Authority.

Under the Communications Act, the Authority is responsible for the granting of class spectrum licences requiring registration; enforcing conditions attached to such licences; billing and collecting fees consequential thereto and remitting all spectrum licence fees to the Consolidated Fund through the Ministry of Finance. Based on the Government directives, the Authority enforces collection of amounts owed by licensees to the Government. Funds held in bank accounts resulting from the billing and collection activities of government fees at December 31, 2023 were \$417,565 (2022: \$438,884).

The Authority and the Bahamas Maritime Authority (BMA) signed a memorandum of agreement effective August 30, 2010 in which there was a delegation of authority from the Authority to BMA to issue spectrum licences to maritime vessels registered under the Bahamian flag on behalf of the Authority.

Under the terms of the memorandum, BMA will bill, collect and remit spectrum fees on behalf of the Authority for the Government. Additionally, under the terms of this memorandum neither party will be compensated for the services performed regarding the billing, collection and remittance of spectrum fees on behalf of the Government.

k. Segment reporting

The Authority uses as its basis for segmentation and reporting, the results of operations and the financial position of its separately managed business components for which management review the financial results.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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4. CASH ON HAND AND AT BANKS

Cash on hand and at banks are comprised of the following balances:

	<u>2023</u>	<u>2022</u>
Cash at banks	\$ 2,013,168	\$ 1,135,875
Cash on hand	2,000	2,000
Total cash on hand and at banks	<u>\$ 2,015,168</u>	<u>\$ 1,137,875</u>

5. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
<i>Accounts receivable</i>		
Electronic communications	\$ 1,636,607	\$ 1,647,337
Energy	638,746	648,888
	<u>2,275,353</u>	<u>2,296,225</u>
<i>Provision for doubtful accounts</i>		
Electronic communications	(1,097,089)	(731,187)
Energy	(183,073)	(183,073)
	<u>(1,280,162)</u>	<u>(914,260)</u>
Accounts receivable, net of provisions	<u>\$ 995,191</u>	<u>\$ 1,381,965</u>

Movements in provision for doubtful accounts are as follows:

	<u>2023</u>	<u>2022</u>
As at January 1	\$ 914,260	\$ 879,453
Increase in provision for doubtful accounts		
electronic communications	365,902	34,807
As at December 31	<u>\$ 1,280,162</u>	<u>\$ 914,260</u>

6. PENSION BENEFITS

During 2023, the Authority funded a defined contribution pension plan (hereinafter referred to as the "DC Plan"). In 2022, the Authority funded both a defined benefit pension plan (hereinafter referred to as the "DB Plan") and DC Plan. The DB Plan was established for the provision of pension benefits to the members of the DB Plan. During 2016, the DB Plan was amended to allow active participants the option to transfer to the newly created DC Plan and was closed to new participants. Sixteen (16) active participants voluntarily transferred from the DB Plan to the DC Plan.

**UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Bahamian Dollars)

6. PENSION BENEFITS (CONTINUED)

During 2021, the DB Plan was amended to allow active members to transfer to the DC Plan and pensioners to each receive a single lump sum as settlement for future pensions from the DB Plan. Effective December 31, 2022, the DB Plan was discontinued. One deferred member retains an entitlement to a future pension payment based on the terms outlined in his fixed term employment contract. An actuarial valuation was performed by an independent actuary as of December 31, 2023.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	5.50%	5.50%
Future salary increases	n.a.	n.a.

Mortality rates have been taken from the 1994 Group Annuity Mortality Table.

The following tables summarize the components of net pension benefit expense and the funded status and amounts recognized in the statement of financial position for the pension plan as determined as of the date of the last actuarial review.

	<u>2023</u>	<u>2022</u>
Current service cost	\$ -	\$ 20,468
Loss due to settlement	-	-
Administrative costs	5,595	11,812
Net interest income	21,263	(414)
Total included in salaries and benefits	<u>\$ 26,858</u>	<u>\$ 31,866</u>

The pension plan asset is analysed as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets	\$ -	\$ 473,802
Present value of benefit obligations	<u>(537,168)</u>	<u>(504,343)</u>
Liability in the statement of financial position	<u>\$ (537,168)</u>	<u>\$ (30,541)</u>

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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6. PENSION BENEFITS (CONTINUED)

Movements in the asset in the statement of financial position comprise:

	<u>2023</u>	<u>2022</u>
(Liability) asset as of beginning of the year	\$ (30,541)	\$ 26,444
Pension benefit expense	(26,858)	(31,866)
Amount recognized in other comprehensive loss	(12,468)	(40,043)
Contributions by the Authority	-	14,924
Refund to the Authority	<u>(467,301)</u>	<u>-</u>
Liability as of end of the year	<u>\$ (537,168)</u>	<u>\$ (30,541)</u>

Movements in the present value of the benefit obligations comprise:

	<u>2023</u>	<u>2022</u>
Present value of benefit obligations as of the beginning of the year	\$ 504,343	\$ 626,757
Interest cost	27,740	30,078
Current service cost	-	20,468
Actuarial gain on benefit obligations	5,085	27,750
Benefits paid	<u>-</u>	<u>(200,710)</u>
Present value of benefit obligations as of the end of the year	<u>\$ 537,168</u>	<u>\$ 504,343</u>

Movements in the fair value of plan assets comprise:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets as of beginning of the year	\$ 473,802	\$ 653,201
Expected return on plan assets	6,476	30,492
Contributions	-	14,924
Administrative costs	(5,595)	(11,812)
Actuarial loss on plan assets	(7,382)	(12,293)
Benefits paid	-	(200,710)
Refund to the Authority	<u>(467,301)</u>	<u>-</u>
Fair value of plan assets as of beginning of the year	<u>\$ -</u>	<u>\$ 473,802</u>

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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6. PENSION BENEFITS (CONTINUED)

The major categories of plan assets are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ -	\$ 521,617
Fixed deposit	-	-
Bahamas government bonds	-	-
Other fixed income securities	-	-
Preferred shares	-	-
Total cash and investments	<u>\$ -</u>	<u>\$ 521,617</u>

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Benefit obligations as at December 31, 2023 due to 1% change in the discount rate and future salary increases are shown below:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	1% p.a. Increase	1% p.a. Decrease	1% p.a. Increase	1% p.a. Decrease
Discount rate	\$ (63,670)	\$ 75,557	\$ (64,410)	\$ 79,956
Future salary increases	\$ -	\$ -	\$ -	\$ -

- If deferred member lived one year longer, the benefit obligation would be \$581,908 (2022: \$548,532).
- The duration of the benefit obligation is 12.3 (2022: 13.2) years.

The DC Plan is responsible for making full pension payments to public officers transferred to the Authority for their period of employment in the public service and the PUC (that is, the pension will be based on combined employment with the public service, the PUC and the Authority).

**UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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(Expressed in Bahamian Dollars)

6. PENSION BENEFITS (CONTINUED)

The Authority has the right to claim reimbursement from the government for pension payments made to these persons in relation to the period of employment in the public service. Currently, no pension payments are being made to these persons.

Defined Contribution Plan

The Authority established a defined contribution plan during 2016. Employees are required to contribute a minimum of 5% and the Authority contributes 10%. The Authority's contributions totaled \$124,733 (2022: \$128,225) and there were 21 (2022: 24) participants in the DC Plan at December 31, 2023.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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7. PROPERTY, PLANT AND EQUIPMENT

	<u>Land</u>	<u>Building</u>	<u>Information system</u>	<u>Vehicles</u>	<u>Furniture and office equipment</u>	<u>Total</u>
COST						
Balance as at December 31, 2021	\$ 1,313,500	\$ 4,356,587	\$ 2,122,068	\$ 187,080	\$ 655,120	\$ 8,634,355
Additions	-	547,168	244,901	-	43,582	835,651
Disposals	-	-	(72,954)	-	(14,624)	(87,578)
Balance as at December 31, 2022	1,313,500	4,903,755	2,294,015	187,080	684,078	9,382,428
Additions	-	-	6,757	-	36,682	43,439
Adjustments	-	(441)	-	-	-	(441)
Disposals	-	-	-	-	(12,991)	(12,991)
Balance as at December 31, 2023	\$ 1,313,500	\$ 4,903,314	\$ 2,300,772	\$ 187,080	\$ 707,769	\$ 9,412,435
ACCUMULATED DEPRECIATION						
Balance as at December 31, 2021	\$ -	\$ 1,336,178	\$ 2,057,447	\$ 162,916	\$ 596,588	\$ 4,153,129
Depreciation	-	274,835	61,915	12,499	26,973	376,223
Disposals	-	-	(72,954)	-	(14,624)	(87,578)
Balance as at December 31, 2022	-	1,611,013	2,046,408	175,415	608,937	4,441,773
Depreciation	-	281,843	73,957	9,999	23,912	389,710
Disposals	-	-	-	-	(12,991)	(12,991)
Balance as at December 31, 2023	\$ -	\$ 1,892,856	\$ 2,120,365	\$ 185,414	\$ 619,858	\$ 4,818,492
NET BOOK VALUE						
Balance as at December 31, 2023	\$ <u>1,313,500</u>	\$ <u>3,010,458</u>	\$ <u>180,407</u>	\$ <u>1,666</u>	\$ <u>87,911</u>	\$ <u>4,593,942</u>
Balance as at December 31, 2022	\$ <u>1,313,500</u>	\$ <u>3,292,742</u>	\$ <u>247,606</u>	\$ <u>11,665</u>	\$ <u>75,141</u>	\$ <u>4,940,654</u>

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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8. LONG-TERM DEBT

The Authority entered into a long-term financing agreement with First Caribbean International Bank (FCIB) in 2017 for \$1,000,000 to assist with the purchase of the Authority's current premises, Frederick House. The term of the debt was 5 years with a 10-year amortization at an interest rate of Bahamian Dollar Prime (currently 4.25%) and was secured by Frederick House. This long-term financing agreement ends in 2022 and interest charges amounting to \$3,411 and principal payment amounting to \$185,056 were recognized on this loan in 2022.

In October 2022, the Authority entered into another long-term financing agreement with FCIB to assist with the renovation of Frederick House. The term of the debt was for 5 years with a 10-year amortization at 4.5% interest and secured by Frederick House. No draw down of funds occurred at 31 December 2023.

After December 31, 2023, the Authority withdrew from the financing agreement with CIBC. The Authority entered a demand term loan with Bank of the Bahamas Limited (BOB) for \$2,000,000 to facilitate the renovation and improvement of Frederick House. The term of the debt is 10 years at an interest rate of .25% over the Nassau prime rate (currently 4.25%). During the renovation period (9 months) interest-only payments will be made. Additionally, the Authority obtained a \$500,000 operating overdraft facility to assist with funding operating expenses while awaiting the payment of licence fees. The facility is for one (1) year and at an interest rate of .5% over the Nassau prime rate (currently 4.25%). Both facilities are secured by Frederick House.

9. OPERATING SEGMENTS – FUND BALANCES

Contributed capital

The net assets transferred to the Authority were designated as contributed capital based on legislation enacted at the time; and revenue earned from transferred deferred revenue relating to regulatory activities no longer performed or from which fees are no longer earned by the Authority, net of any expenses associated with the net assets transferred from the PUC, are allocated to contributed capital.

Utilities Regulations and Competition Authority Fund (URCA Fund)

Under the Communications and Electricity Acts, charges and fees levied by the Authority are to be determined to: cover the annual budgeted costs of its functions under the Communications and Electricity Acts; recover any deficit from previous years; and take into account any surpluses.

**UTILITIES REGULATION AND COMPETITION AUTHORITY
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9. OPERATING SEGMENTS – FUND BALANCES (CONTINUED)

Utilities Regulations and Competition Authority Fund (URCA Fund) (Continued)

As disclosed in Note 1, the Amendment Act (2013) repealed and replaced section 37 of the principal Act with the following conditions relative to the Electronic Communications Fund (EC Fund): monies paid into the EC Fund that are not immediately required by the Authority are to be considered surplus funds; the Minister of Finance at the end of the financial year may authorize the Authority to reserve from the surplus funds such sums as the Minister may determine; subject to the aforementioned, at the end of each financial year the Authority shall pay into the Consolidated Fund all surplus funds standing to the credit of the Authority.

The Amendment Act (2013) also repealed section 40 of the Principal Act, which provided for the Authority to impose sufficient fees and charges to carry out its duties including anticipated costs for the forthcoming financial year and allowed it to retain surplus funds to be applied for subsequent years.

The CEO assesses the performance of the operating segments of the Authority. Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions. The CEO considers the business based on the following operating segments.

- Electronic communications sector;
- Energy (Electricity) sector

The operating segments derive their revenue primarily from license fees issued to sector participants. All of the Authority's business activities and operating segments are reported within the above segments. The segment information provided to the CEO for the operating segments, (which also represent the reportable segments) is as follows:

UTILITIES REGULATION AND COMPETITION AUTHORITY
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9. OPERATING SEGMENTS – FUND BALANCES (CONTINUED)

Utilities Regulations and Competition Authority Fund (URCA Fund) (Continued)

2023

DESCRIPTION	Electronic Communications	Energy (Electricity)
Revenue	\$ 4,687,064	\$ 2,478,372
Other income	43,860	8,850
Total income	<u>\$ 4,730,924</u>	<u>\$ 2,487,222</u>
Expenses:		
Staff costs	\$ 2,453,317	\$ 1,585,353
Professional services	575,566	214,432
Conference, training and travel	388,037	248,116
Depreciation	331,254	58,456
General and administrative services	235,714	57,153
Premises occupancy costs	202,591	84,035
Information technology	185,142	46,286
Consumer education and public relations	110,607	110,953
Office services	108,307	36,262
Provision for doubtful accounts	404,237	-
Total expenses	<u>4,994,772</u>	<u>2,441,046</u>
Excess of (expenditure over income) income over expenditure	\$ (263,848)	\$ 46,176
Gain on disposal of property, plant and equipment	2,849	-
Other comprehensive loss	(12,468)	-
Opening Fund Balance – January 1, 2023	5,633,385	87,345
Closing Fund Balance – December 31, 2023	<u>\$ 5,359,918</u>	<u>\$ 133,521</u>

2022

DESCRIPTION	Electronic Communications	Energy (Electricity)
Revenue	\$ 3,985,589	\$ 2,161,441
Other income	761,616	52,595
Total income	<u>4,747,205</u>	<u>2,214,036</u>

(Continued)

UTILITIES REGULATION AND COMPETITION AUTHORITY
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9. OPERATING SEGMENTS – FUND BALANCES (CONTINUED)

Utilities Regulations and Competition Authority Fund (URCA Fund) (Continued)

2022

DESCRIPTION	Electronic Communications	Energy (Electricity)
Expenses:		
Staff costs	\$ 2,281,949	\$ 1,436,175
Professional services	582,569	212,822
Depreciation	316,956	59,267
General and administrative services	668,581	107,574
Premises occupancy costs	205,911	88,442
Information technology	158,388	39,778
Consumer education and public relations	47,741	47,741
Office services	109,485	38,821
Conference, training and travel	78,796	33,975
Provision for doubtful accounts	34,807	-
Total expenses	<u>4,485,183</u>	<u>2,064,595</u>
Excess of income over expenditure	262,022	149,441
Other comprehensive loss	(40,043)	-
Opening Fund Balance – January 1, 2022	5,411,406	(62,096)
Closing Fund Balance – December 31, 2022	\$ <u>5,633,385</u>	\$ <u>87,345</u>

Prior to January 1, 2017, the Authority's fund consisted of surplus funds that have been accumulated since the commencement of operations of the Authority. These surplus funds at December 31, 2016 totaled \$3,175,638 are assigned to the ECS and until January 1, 2017 was included in the financial statements as the ECS fund.

The Authority will determine, at the end of each financial year, whether any fund balances include amounts that are required in respect of existing contracts, planned projects and other commitments which are anticipated to arise and become payable during the first quarter of the following year. Such amounts will be designated as funds immediately required by the Authority. As at December 31, 2023, \$2,136,800 (2022: \$2,024,850) has been designated as funds immediately required. Additionally, under section 40 of the Communications Act, the Authority was to retain any excess sums collected for application to the following financial year(s). In previous years, 2009-2012 (prior to the repeal of section 40), the Authority utilized surpluses in the fund to amend charges and fees in subsequent years levied on the licensees by the Authority.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONTINUED)
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10. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise: i) Government ministries and departments; ii) Government corporations and agencies; iii) entities controlled by the Government; iv) entities in which the Government has a significant ownership interest; and v) key management personnel. Balances and transactions with related parties, not otherwise disclosed in the financial statements, are as follows:

	<u>2023</u>	<u>2022</u>
<i>Assets</i>		
Cash at banks	\$ 752,323	\$ 588,241
Accounts receivable	421,923	614,865
	<u>\$ 1,174,246</u>	<u>\$ 1,203,106</u>
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 8,629	\$ 14,980
<i>Revenue</i>		
Electronic communications operating license fees	\$ 2,214,883	\$ 1,917,331
Energy sector licence fees	2,357,943	2,072,492
Telecommunications, radio communications, energy application and other fees	6,000	500
	<u>\$ 4,578,826</u>	<u>\$ 3,990,323</u>
<i>Expenses</i>		
Salaries and benefits	\$ 73,764	\$ 76,920
Communications	25,956	35,541
Premises occupancy costs	70,319	96,291
	<u>\$ 170,039</u>	<u>\$ 208,752</u>
<i>Other expenses</i>		
Donations	3,001	10,000
Training	1,085	1,456
	<u>\$ 4,086</u>	<u>\$ 11,456</u>

Key Management Compensation - Key management personnel comprise the members of the Board, the chairman of the Audit Committee and members of the Executive Committee. The executive members of the Board and 4 (2022: 2) other members of the Authority's management constitute the Executive Committee. Compensation of key management personnel for the year for salaries and other short-term benefits amounted to \$1,073,744 (2022: \$956,505).

UTILITIES REGULATION AND COMPETITION AUTHORITY
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11. COMMITMENTS AND CONTINGENCIES

Contingencies

The Authority is party to several legal cases involving its major licensees in the electronic communications sector, including a related party. In most instances, the cases involve breaches of the Telecommunications Act and Telecommunications Sector Policy, or challenges against the rulings by the Authority brought by licensees. Costs associated with these legal cases are uncertain and will depend on whether the Authority is successful, which is not possible to predict. Accordingly, no provisions have been made in these financial statements relative to the legal proceedings.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments utilized by the Authority include the recorded financial assets and liabilities, and their estimated fair values approximate their carrying value due to the relatively short-term nature of these instruments.

13. CAPITAL MANAGEMENT

The Authority's objectives when managing capital are to: i) safeguard its ability to continue as a going concern; and ii) maintain a capital base sufficient to support the expected expansion of its regulatory powers and associated operations.

14. POST COVID-19 EFFECTS

The effects of novel coronavirus ("COVID-19") pandemic have diminished during the year as the State of Emergency that has existed since 2020 ended at the end of 2021. To mitigate residual adverse effects of restrictions in working capital of licensees, the Authority continued in 2022 and plans to extend to licensees an opportunity to participate in an URCA fee installment payment plan in 2023. Licensees electing to participate in this plan are allowed to settle the fee in monthly installments without incurring interest charges so long as the payments are made as agreed. In the event the licensee does not abide by the agreement, the unpaid fees become payable and interest charges are assessed on outstanding balances.

At the statement of financial position date, the Authority has not experienced a significant impact to its financial performance or operations.

UTILITIES REGULATION AND COMPETITION AUTHORITY
NOTES TO THE AUDITED FINANCIAL STATEMENTS (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Bahamian Dollars)

15. SUBSEQUENT EVENTS

Management has evaluated the possibility of subsequent events existing in the financial statements through March 27, 2024, the date financial statements were made available to be issued. Management has determined that there is a non-adjusting subsequent event disclosed in Note 8 that requires disclosure in the financial statements.

2024 ANNUAL PLAN

Structure of the Annual Plan

URCA is pleased to present the 2024 Annual Plan. This plan outlines URCA's strategy for meeting the objectives of the Communications Act, 2009 (Comms Act) and the Electricity Act of 2015 (Electricity Act).

- Section 2 of the plan outlines URCA's strategy for achieving the objectives of the Comms Act and the Electricity Act and details the key focus areas that URCA will prioritise in 2024.
- Section 3 outlines URCA's broad priorities for 2024 and 2025. These priorities support achieving URCA's overall objectives and will help guide the organisation's activities over the next few years.
- In Section 4, URCA has identified a series of key performance indicators (KPIs) against which it will measure its performance during 2024. These KPIs are designed to provide a clear understanding of URCA's progress towards achieving its objectives and will be used to inform decision-making and resource allocation.
- Section 5 outlines URCA's proposed budget for the 2024 financial year. This includes details of the level of remuneration to be received by staff and non-executive and executive members of the Board. The proposed budget has been developed to ensure that URCA has the resources to achieve its objectives while maintaining financial sustainability.
- Finally, in Section 6, URCA describes all the 2024 projects, including a brief progress update for all projects carried over from the 2023 workplan.

Overall, URCA's 2024 Annual Plan provides a clear and comprehensive overview of the organisation's plans for the upcoming year. The plan is designed to support URCA's ongoing efforts to regulate and promote competition in the utilities sector in a manner that benefits consumers and supports economic growth.

Strategic Outlook for 2024

In 2024, URCA will further crystallise its vision of becoming a globally respected regulator, championing the interests of the people in The Bahamas and the sectors it regulates. This vision contemplates the creation of a digitally inclusive society and envisages an archipelagic nation with a renewed commitment to National Development. This vision will catalyse URCA's development of a new five-year Strategic Plan, which will articulate strategic objectives, ensure alignment with Government policies and the national development vision, embrace URCA's knowledge acquired through international conferences and engagements, and establish an approach to execute the plan and measure progress.

In pursuit of those objectives, URCA will embark on a journey to adhere to the provisions of the URCA Act, Comms Act, Electricity Act, the ECSP, NEP, and other relevant public policies. The aim is to align URCA's strategic priorities with these policies, ensuring regulatory actions are coordinated with the goals and objectives set by the Government of The Bahamas in any regulated sector under the terms of these laws. This approach will enhance the transparency and accountability in URCA's decision-making processes while maintaining its independence and prioritising the long-term needs of the Bahamian public and economy.

Furthermore, URCA will balance industry stakeholders' needs with those of consumers when setting its priorities. URCA aims to keep its strategic priorities responsive to evolving societal needs and expectations by adopting a proactive stance towards public engagement and stakeholder consultation.

URCA will also commit to achieving operational excellence and driving digital transformation in 2024. Operational excellence will be pursued through continuous improvement of internal processes, ensuring efficiency and effectiveness in all aspects of URCA's work. This will involve implementing best practices, fostering a culture of innovation, and leveraging data to make informed decisions.

As for digital transformation, URCA aims to leverage innovative technology to enhance its regulatory functions. This includes modernising its IT infrastructure, adopting digital tools for better data management and analysis, and leveraging digital platforms for improved stakeholder engagement. Through this digital transformation, URCA aims to become a more agile and responsive regulator, capable of meeting the evolving needs of the Bahamian public and economy in the digital age.

Moreover, URCA will periodically review its strategic priorities to stay relevant and align with changing societal needs and expectations. This approach involves monitoring emerging trends and issues, engaging with external experts and thought leaders, and conducting research and analysis to inform decision making.

Priorities for 2024-2025

In this section, URCA sets out the priorities of URCA for 2024 and 2025. The priorities in this section reflect and advance the ECS Policy and the National Energy Policy. Therefore, if necessary, URCA may adjust these priorities to remain in step with any sector policy published by the Government of The Bahamas in any regulated sector under the terms of the Comms Act, the Electricity Act or any relevant law.

Projects Carried Over from 2023

Reflecting upon the commitments outlined in our 2023 Annual Plan, URCA takes great pride in our significant progress. We have made substantial headway with an ambitious agenda of diverse projects. Our team's dedication and commitment have been instrumental in completing two out of our three general projects.

For the Electricity Sector (ES), URCA has marked a milestone by accomplishing five of the six projects targeted for completion in 2023 (with the sixth project being substantially complete) underscoring our unwavering commitment to driving energy sector reforms.

For the ECS, URCA completed three out of the four projects slated for completion within the year. URCA made commendable progress on the majority of the projects launched in 2023 that were scheduled for completion in 2024. The Review of the Universal Service Framework was unable to begin due to the need for the Government to publish the new ECS Policy 2024 – 2027. Although this project was listed in the 2023

Annual Plan, it is now listed as a project with a 2024 start date and is not included as carryover projects due to the aforementioned circumstances beyond URCA’s control. We will transition three unplanned (meaning they were originally scheduled for completion in 2023) and eight planned (on schedule to be completed in 2024) carry-over projects into 2024. Table 1A and Table 1B list the unplanned and planned carryover general, ECS, and ES projects that will transition to the 2024 Annual Plan.

Table 1A: Unplanned Carryover Projects from the 2023 Workplan

General Projects Carried Over to 2024	Electronic Communication Sector Projects Carried Over to 2024	Electricity Sector Projects Carried Over to 2024
Website Re-Development	None	Accounts Separation Guidelines

Table 1B: Planned Carryover Projects from the 2023 Workplan

General Projects Carried Over to 2024	Electronic Communication Sector Projects Carried Over to 2024	Electricity Sector Projects Carried Over to 2024
None	Review of Licences Due to expire	Efficiency Study of BPL
	Review of the Quality-of-Service Framework	Competition Guidelines for the ES
	Review of Fixed Services, including Pay TV	
	Spectrum Management Project	
	ICTs for persons with Disabilities	
	National Spectrum Plan 2024-2027	

URCA remains confident that its team, backed by strategic planning, will successfully bring these projects to fruition in the coming year. URCA is unyielding in its dedication to ensuring reliable, affordable, and sustainable energy and electronic communications for all Bahamians.

URCA General Priorities for 2024-2025

As URCA approaches its 15th anniversary, it reflects on its tremendous strides since its inception. Initially acting as the regulator of the Electronic Communications Sector, URCA evolved into a multi-sector regulator with the assignment of electricity. This evolution was a testament to URCA's adaptability, a vital quality as it navigates the post COVID-19 landscape.

Recognising the need for strategic adaptability, URCA has initiated an organisational review and re-evaluation of its strategic priorities. While the core tenets of the 2017 Strategic Plan still hold relevance, the experiences and lessons gleaned during the pandemic necessitate this review.

In 2023, URCA successfully focused its projects and initiatives on several key areas, including developing a revised Strategic Plan. This new plan builds on the foundation laid by URCA's 2017 Strategic Plan,

establishing new, fit-for-purpose priorities that align with our vision and mission.

Capacity building remains a priority for URCA. We continue to invest in developing our human resource capital, focusing on building capacity through an intentional and structured learning and growth initiative. We are committed to developing career utility regulators and employing an intentional approach to employee retention through a revised recruitment process and structured succession planning.

URCA also recognises the importance of international collaboration. We continue to expose our employees to international meetings and conferences and support the country’s representation in various organisations such as the International Telecommunication Union (‘ITU’), Inter-American Telecommunication Commission (‘CITEL’), Caribbean Telecommunications Union (‘CTU’), Canada’s Energy and Utility Regulators (‘CAMPUT’), and National Association of Regulatory Commissioners (‘NARUC’). We also encourage telecommunications and electricity operators to participate in these international gatherings.

We are committed to prioritising the needs of residents in unserved and underserved communities throughout the Family Islands in both the electronic communications and electricity sectors. To this end, we have expanded URCA’s collaborative regulatory approach initiated in 2021. We aim to have broader engagement with a wide array of stakeholders to explore diverse perspectives on critical issues.

Regarding performance measurement, we have fully implemented URCA’s Organizational Performance Index (OPI). This tool effectively measures URCA’s impact on the regulated sectors, providing invaluable insights for continuous improvement.

Looking ahead to 2024, URCA is focused on the theme “Towards a Digital Bahamas.” This requires a proactive, collaborative, and engaging approach to foster the evolution of new, digitally integrated societies across the archipelago. This vision for the new Bahamas is informed by Government policies and supported by the regulated sectors. It positions The Bahamas to demonstrate its global leadership among Small Island Developing States (SIDS). Table 2 provides a detailed list of general projects that URCA’s leadership team will undertake or progress in 2024, addressing the abovementioned general priorities. The year is divided into four-month periods, i.e., trimesters 1, 2, and 3 referred to as T1, T2, and T3.

Table 2: List of 2024 General Projects

Project	Proposed Start Period	Proposed End Period	Consultation Publication Date	Final Decision Publication
General Projects				
Digitalisation of Operational Processes	T1-2024	T3-2024	N/A	N/A

Implementation of Integrated Electronic Document Management Tool	T1- 2024	T3-2024	N/A	N/A
Redevelopment of URCA's website	T3-2023	T2-2024	N/A	N/A
Draft Annual Plan 2025	T2-2024	T1-2024	T3-2024	T1-2025

Government and International Relations Priorities for 2024-2025

In alignment with the National Energy Policy 2013-2033 and the ECS Policy 2024-2027, URCA will prioritise the following areas in terms of government and international relations for 2024-2025:

- **Continued Regulatory Enhancement:** URCA will continue promoting the regulatory regimes introduced in 2009 and 2015 to liberalise the electronic communications and energy sectors. This will include further refinement of the URCA Act, Comms Act and Electricity Act to accommodate changes in technology and market conditions.
- **Promotion of Renewable Energy:** Keeping pace with international trends, URCA will prioritise promoting renewable energy. The International Energy Agency forecasts significant growth in renewable capacity, particularly in distributed solar PV. URCA will work with the Government and international partners to support similar trends in The Bahamas, aligning with the NEP's goal of becoming a world leader in sustainable energy opportunities.
- **Addressing Climate Change and Decarbonization:** The global power and utilities industry faces increased pressure around decarbonisation and adopting cleaner energy sources. In response, URCA will work with the Government to review and update legislation and policies to encourage decarbonisation in The Bahamas' energy and communication sectors.
- **Ensuring Affordability and Reliability:** As the power sector evolves, ensuring reliable, affordable, and sustainable energy remains a key challenge. URCA will work with the Government to ensure that policies and regulations support these objectives, particularly in increasing energy costs and the ongoing recovery from the pandemic.
- **Strengthening International Collaboration:** Given the global energy and communication challenges, URCA will prioritise international collaboration. Options include sharing best practices with similar organisations in other countries, participating in international forums, and collaborating on international projects related to energy and communication technology.

Human Resource and Learning Priorities for 2024-2025

For 2024, the Human Resource and Learning Department (HRL) of URCA has established a set of objectives to drive the organisation towards its strategic goals. These objectives include aligning HR strategies with the broader business plan to boost employee satisfaction and productivity, thus enabling teams to contribute effectively towards the company's strategic goals. This alignment also aims to enhance their influence and decision-making power within the organisation.

Key objectives include further strengthening of leader-employee relationships to optimise outcomes; a reassessment of the organisational culture to establish an efficient workflow aligned with the strategic plan; and re-evaluating external recruitment strategies and internal career development pathways attract and retain essential talent. To actualise these objectives, URCA has identified five key priorities centred around fostering a positive work environment and nurturing employee development.

- Priority one is to enhance the effectiveness of leaders and managers by equipping them with necessary training, resources, and support, thereby directly influencing team performance, employee satisfaction, and overall business success.
- Priority two focuses on organisational culture, a critical factor in success. The HRL department will strive to create and maintain a positive, inclusive, and productive culture that aligns with URCA's values and goals; boosting employee engagement, productivity, and retention.
- Priority three is talent management to encompass the attraction, retention, and development of top talent within the organisation. This will be achieved through improved recruitment processes, competitive benefits and compensation packages, professional development opportunities, and a positive work environment.
- Priority 4 is change management. With organisations continuously evolving, HRL will prepare, support, and guide individuals and teams within URCA to understand and adapt to these changes, which could involve technological, process, or organisational structure shifts.
- Priority five is employee engagement. HRL will concentrate on strategies that increase employee engagement since engaged employees are more productive, more stakeholder-centric, and less likely to leave the organisation. These strategies may include recognition programs, feedback mechanisms, and growth opportunities.

These five HRL priorities are crucial for URCA's success in 2024 and beyond. By focusing on developing effective leaders and managers, cultivating a positive organisational culture, managing talent effectively, adapting to change efficiently, and enhancing employee engagement, HRL will ensure that URCA is well-positioned for future success.

Corporate and Consumer Relations Priorities for 2024-2025

URCA is committed to fostering a competitive environment for utility services, protecting the interests of consumers, and supporting The Bahamas' economic development. This commitment forms the foundation of our 2024 Annual Plan, designed to enhance stakeholder engagement, improve communication, and

streamline our operations while upholding the highest standards of transparency and accountability.

Stakeholder engagement is the cornerstone of our plan. We believe that open dialogue and collaboration are essential for achieving our goals. To this end, we will continue to host Stakeholder Forums and Oral Hearings. These platforms allow us to listen to our stakeholders, understand their concerns, and work collaboratively towards solutions.

Transparency is another key element of our corporate and consumer relations strategy. Our commitment to this principle will be reflected in our comprehensive Annual Report. This document will explain our past year's activities, achievements, and challenges. It will also serve as a roadmap for the future, outlining our plans and priorities for the coming year.

Communication is at the heart of our operations. We will launch monthly podcasts and quarterly public newsletters to enhance communication. These platforms will allow us to share important updates, industry insights, and consumer education materials with a wider audience. Internally, we will reimagine the quarterly newsletters for our staff to keep them informed and engaged.

Consumer education is another priority for us. We plan to expand our digital consumer education initiatives and continue supporting the Girls in Information and Communication Technologies (ICT) initiative. These efforts aim to empower consumers and promote diversity in the ICT sector.

Efficiency is crucial for our operations. We plan to restructure our complaints handling and financial processes to improve efficiency. We will also host one or more major Digital Transformation Forums to discuss emerging digital trends and their implications for our operations.

As we celebrate our 15th anniversary in September 2024, we will launch a new marketing campaign and organise special events. This milestone allows us to reflect on our journey and look ahead. We will also explore website redevelopment options and assess the need for a refreshed brand identity.

Continuous learning is essential in our industry. To foster this, we will organise bi-monthly webinars on industry topics. We will also conduct engagements in the Family Islands to develop tailored solutions that meet the unique needs of these communities.

In conclusion, our 2024-2025 corporate and consumer relations priorities reflect URCA's unwavering commitment to stakeholder engagement, transparency, communication, consumer education, and operational efficiency. We are confident these initiatives will help us achieve our mission and contribute significantly to The Bahamas' economic development.

Electronic Communications Sector Priorities for 2023-2024

The priorities of the ECS have been aligned with those set out in the ECS Policy. A major priority is to facilitate the expansion of emerging technologies and the enhancement of connectivity throughout The Bahamas. One way in which URCA hopes to facilitate this is by administering the Communications Licence

Fee reduction mechanism where licensees can apply for a reduction in their annual Comms Licence fee once qualifying investments are made. URCA will also explore supply side issues impacting infrastructure deployment. Another priority objective is to reduce the digital divide by improving access to basic communications services with the review of the Universal Service Obligations (USO) and an assessment of the merits of a Universal Service Fund (USF). URCA will continue to prioritize consumer protection in the sector with the promotion of the revised Consumer Protection Regulations, by implementing measures to improve access to ICTs for Persons with Disabilities, and examining sector specific issues as they arise. Additionally, quality of service remains an ongoing priority as URCA will continue to monitor service providers to ensure they deliver high quality services to customers.

Table 3 contains the list of 2024 ECS projects and proposed publication dates for consultations and final decisions.

Table 3: The List of 2024 Electronic Communication Sector Projects and Anticipated Key Publication Dates

Project	Proposed Start Period	Proposed End Period	Consultation Publication Date	Final Decision Publication Date
Review/Consultation of Licences due to expire in 2024	T3 -2023	T3-2024	T1-2024	T2-2024
Consultation on 5G - Focus on Supply Side Issues	T1-2024	T3-2024	T3-2024	T3-2024
Review of the Quality-of-Service Regulations for Electronic Communications Networks and Services in The Bahamas (ECS 42/2016)	T1-2024	T3-2024	T3-2024	T3-2024
Consultation on Universal Service Obligations (USO) and process for designation of USP process for designation of USP	T2-2024	T2-2025	T1-2025	T2-2025

Review of Fixed Market Services and Pay Television	T3-2022	T3-2024	T3-2024	T3-2024
National Spectrum Plan 2024-27	T2-2023	T2-2024	T2-2024	T2-2024
ICTs for Persons with Disabilities	T2-2018	T3-2024	T3-2024	T3-2024
Consultation on the Code of Practice for Content Regulation	T1-2022	T3-2024	T2-2024	T3-2024

N.P. The description of each of the 2024 projects is set out in Section 6.2 of this Plan.

Overall, these projects are essential in achieving the ECS policy's objectives and ensuring the growth and the development of a robust and inclusive ECS in The Bahamas.

Electricity Sector Priorities for 2024-2025

The ES 2024 priorities and projects have been designed to align with the objectives of the Electricity Act and the NEP. The ES priorities focus on strengthening the regulatory frameworks, with projects like the Bahamas Power and Light (BPL) fuel tariff review/audit to ensure compliance with the law. ES priorities also promote competition within the electricity sector, in line with the Electricity Act's emphasis on fostering competition. Additionally, the priorities address the need for safe, reliable, and affordable energy, ensuring consumers receive value for money. The focus on sustainable, efficient, and environmentally friendly energy further aligns with the goals of the NEP, focusing on increasing energy efficiency and demand-side management within the sector. Consumer protection measures are enhanced through projects such as development of consumer protection plans for all licensees. Furthermore, the strategy advances the NEP's goal of promoting renewable energy by analysing cost and performance data for existing renewable energy projects to determine the return on investment and assess the effectiveness of renewable energy frameworks in incentivising uptake. Overall, the ES 2024 Priorities and Projects aim to push forward the vision for a robust and sustainable energy sector in The Bahamas. Table 4 includes the list of 2024 ES projects and publication dates for consultations and final decisions.

Table 4: The List of 2024 Electricity Sector Projects and Anticipated Key Publication Dates

Project	Start Period	End Period	Consultation Publication Date	Final Decision Publication Date
Accounts Separation Guidelines	T3-2023	T2-2024	T1-2024	T2-2024
BPL Fuel Tariff Review/Audit	T1-2024	T3-2024	T2-2024	T3-2024

Analysis of RE Cost and performance data for Existing Projects	T1-2024	T3-2024	T2-2024	T3-2024
Energy Efficiency and demand side management	T1-2024	T3-2024	T2-2024	T3-2024
APESL Consumer Protection Plans	T1-2024	T3-2024	T2-2024	T3-2024
Review of BPL Consumer Protection Plan and Customer Contract Documents	T1-2024	T3-2024	T2-2024	T3-2024
Revision (consolidation and updating) of RE Frameworks	T1-2024	T3-2024	T2-2024	T3-2024
Review and Revision of the Licensing Process	T1-2024	T3-2024	T2-2024	T3-2024
Review and revision of the Licensee Reporting Requirements	T1-2024	T3-2024	T2-2024	T3-2024
Review of Legislation and National Energy Policy	T1-2024	T2-2024	T2-2024	T2-2024
Competition Law Guidelines	T3-2023	T2-2024	T1-2024	T2-2024
BPL Efficiency Audit	T2-2023	T1-2024	T3-2023	T1-2024

N.P. The description of each of the 2024 projects is set out in Section 6.3 of this Plan.

Table 4 outlines a series of projects that align with the objectives of the Bahamas Electricity Act 2015 and the following goals of The Bahamas National Energy Policy 2013-2033:

- Goal 1: Bahamians will become aware of the importance of energy conservation, use energy wisely and continuously pursue opportunities for improving energy efficiencies, with key economic sectors embracing eco-efficiency.
- Goal 2: The Bahamas will have a modern energy infrastructure that enhances energy generation capacity and ensures that energy supplies are safely, reliably, and affordably transported to homes and communities and the productive sectors on a sustainable basis.
- Goal 3: The Bahamas will be a world leader in the development and implementation of sustainable energy opportunities and continuously pursue a diverse range of well-researched and regulated,

environmentally sensitive, and sustainable energy programmes built upon our geographical, climatic, and traditional economic strengths.

- Goal 4: The Bahamas will have a dynamic and appropriate governance, institutional, legal and regulatory framework advancing future developments in the energy sector underpinned by high levels of consultation, citizen participation, and public-private sector partnerships.

Each project listed in Table 4 advances specific policy goals and promotes efficiency, sustainability, fairness, and consumer protection in the energy sector.

Key Performance Indicators for 2024

Section 41 of the URCA Act requires URCA to publish a series of key performance indicators (KPIs) against which it shall measure its performance during the forthcoming year in the Annual Plan. Tables 5.1-5.5 in this section identify the KPIs that URCA will use to measure its performance in 2024.

Table 5.1: URCA’s 2024 Statutory/Regulatory KPIs

Statutory/Regulatory
Was the Draft Annual Plan & Strategy published before the end of the financial year? YES/NO
Was the Annual Report and final Annual Plan published within four months of year-end? YES/NO
Were Final Determinations published within one month from closing for comments on Preliminary Determination? YES/NO
Percentage of public consultations started within the period stated in the Annual Plan.
Time to publish results, decisions, and other regulatory measures after the close of consultation: 45-60 days 60-90 days >90 days
Consumer Complaints
Number of complaints received
Percentage of total complaints resolved
Complaints unresolved for >60 days and (%)
Average time taken to resolve complaints (in calendar days)
Licenses issued within:
30 days - individual licences

45 days - class licences
Volume of claims processed in the year

Table 5.2: URCA's 2024 Finance KPIs

Finance
Cost of the Finance function as a percentage of total operating expenditure (in B\$)
Period-end cycle time (working days to close)
Year-end cycle time (working days to complete)
Forecasting accuracy
Cost of Licensee invoicing (in B\$)
Debtor Days
Number and Value of Creditor Notes and Adjustments
Long outstanding debt (>90 days) as a percentage of total debt

Table 5.3: URCA's 2024 HR KPIs

HR
Cost of HR function (as a % of total operating expense)
Cost of HR function per employee (in B\$)
The ratio of employees to HR staff
Annual average learning and development days per employee
Cost of learning and development per employee (in B\$)
Annual employee sick days per year (in working days)
Average tenure (in calendar days)
Average recruitment cost (in B\$)
% of employees receiving an annual performance appraisal

Table 5.4: URCA's IT 2024 KPIs

IT

Cost of IT functions as a percentage of total expenditure (in B\$)
Organisational ICT spending (investment in ICT infrastructure & hardware across the organisation) (in B\$)
Percentage who can access the network and system remotely

Table 5.5: 2024 URCA OPIs

URCA OPI
Strategic Development OPI
Governance of Regulations OPI
External Engage and Organization Efficiency OPI

As shown in Tables 5.1 – 5.5, URCA will continue to evaluate its effectiveness the same as in previous years through (1) identification and adoption of appropriate KPIs based on statutory requirements and regulatory and management best practices; (2) measurement and monitoring of those KPIs; and (3) publication of the results in the Annual Report on its operations and performance. In 2024, URCA will track its performance using the URCA OPIs and include them in URCA's 2024 Annual Report, which URCA will publish by the end of April 2025.

Budget for Fiscal Year 2024

This section sets out URCA's budget based on its target activities for the fiscal year 2024. It includes the level of remuneration to be received by the staff and non-executive and executive members of the Board in 2024.

Overview

URCA will ensure that it has sufficient finances to meet its regulatory mandate and will ensure that it delivers the best possible service to its stakeholders. In so doing, URCA will also ensure that it fully accounts for its activities as required by Section 41(1)(b) of the URCA Act.

URCA's 2024 Budget is separated into discrete budgets for the ECS and the ES in accordance with section 39 of the URCA Act. These budgets have anticipated the level of expenditure necessary to provide regulatory supervision of both sectors. As such, the budget seeks to recover the same through the imposition of fees on licensees in the ECS and the ES in accordance with section 92 of the Communications Act 2009 and section 54 of the Electricity Act 2015.

In line with URCA's Indirect Cost Allocation Policies and Procedures, any costs that cannot be directly attributable to either ECS or ES have been allocated using URCA's Activity Based Costing (ABC) model to ensure a 'reasonable and transparent' split of costs between ECS and ES, as required by Section 39 of the URCA Act.

The combined budget for URCA's activities (including both ECS and ES regulation) is set out in Table 6.1 below, as compared with budgeted expenditure for the two preceding years.

Table 6.1 - URCA Budget 2024

Category	2022	2023	2024
Staff Costs	3,117,637	3,195,457	3,614,937
Non-Executive Compensation	184,000	408,000	349,000
Executive Compensation	473,773	486,100	532,363
Professional Services	640,000	967,900	1,251,600
Conferences, Training, and Travel	72,521	572,900	487,323
Field Operations	24,000	78,000	85,200
Premises Costs and Utilities	212,200	313,500	563,200
Consumer Education and Public Relations	276,000	173,000	147,500
Office Services	182,700	264,000	219,000
Information Technology	210,500	271,500	330,700
General and Administrative Expenses	857,000	962,100	1,639,900

Total Operations Expenditure (OPEX)	6,250,331	7,692,457	9,220,723
Depreciation	447,670	274,100	296,350
Total Operating Budget Recovered through URCA fees	6,698,001	7,966,557	9,517,073
Capital Expenditure	532,400	2,861,500	3,085,935

Overall, URCA increased its 2024 operating budget (excluding depreciation) by approximately 20 percent compared to 2023. Some of the key changes are explained below:

- Notwithstanding an increase in URCA’s staff count (1) anticipated for Budget Year (BY) 2024, increases in base pay and the attendant increases in benefits (health insurance, pension and gratuity costs) are the main drivers for the increase of 13 percent in staff costs. Non-Executive compensation decreased in BY 2024 due to the settlement of legal action brought by the former Non-Executive Director in the previous year. In BY 2024, there is budgetary provision for the settlement to two (2) Non-Executive Directors. Executive compensation increased by 10 percent due to the confirmation of the Executive Director, a nominal increase in base pay and associated benefits.
- Budgeted spending on Professional Services in 2024 will increase by 29 percent year over year due to new regulatory projects (specifically in the Electricity Sector) and continuation to completion of 2023 projects. Regulatory projects, including various surveys, reviews, market assessments, and continued litigation before the Utilities Appeal Tribunal (UAT) and Court for adjudication.
- Spending on Conferences, Training and Travel will decrease by 15 percent, notwithstanding the resumption of participation at international and regional regulatory forums and allocation for hosting two (2) regulatory conferences during the year. In this budget year, there is a decrease in the training budget year over year due to positive results of past years’ training initiatives and the plans in BY 2024 to assess future training requirements based on employee development plans and identified knowledge and performance gaps.
- Field Operations (previously included in travel) increased by 9 percent due to increased monitoring of sector activities to ensure regulatory compliance by licensees. The operations which previously concentrated primarily on the ECS, with the ES initiating its monitoring activities in 2023, will receive greater organisational focus as a vital aspect of the regulatory process.
- Premises costs and utilities increased significantly by 80 percent year over year due to repairs planned for Frederick House, budgeting for an anticipated increase in utility rates, and continued preventative maintenance projects.
- Consumer Education and Public Relations budgetary allocation will be reduced by 15 percent due to major campaign activities and public relations initiatives embarked upon in 2023, which resulted in scaled-down activities for 2024.
- Office services decreased by 17 percent due to reduced finance costs and employee engagement activities.
- Information Technology is budgeted to increase by 22 percent due to acquiring additional productivity enhancement software licences and increased costs associated with external IT support.

- General and administrative expenses increased by 71 percent due to increased bad debt due to continued non-payment of major licensees; in the prior year, bad debt was under budget, thereby requiring recovery of the deficit in the current year.
- URCA's Capital Expenditure budget is anticipated to increase year over year as major capital projects. Specifically, Frederick House Infrastructure Improvement and smaller projects, such as replacing the elevator and generator, are deferred from 2023 to 2024.

Electronic Communications Sector Budget 2024

Table 6.2 summarises URCA's 2024 budget for its regulatory activities in the ECS compared to its budget for the preceding two years.

Table 6.2 - ECS Budget 2024

Category	2022	2023	2024
Staff Costs	1,793,176	1,903,185	2,211,981
Non-Executive Compensation	110,400	249,600	204,723
Executive Compensation	226,788	262,500	283,435
Professional Services	601,200	567,920	547,545
Conferences, Training, and Travel	40,834	404,600	366,469
Field Operations	-	35,000	73,200
Premises Costs and Utilities	144,330	225,275	336,941
Consumer Education and Public Relations	78,000	86,500	87,800
Office Services	137,700	200,875	137,358
Information Technology	168,400	217,200	199,054
General and Administrative Expenses	465,984	457,860	691,917
Total Operations Expenditure (OPEX)	3,766,812	4,610,515	5,140,423
Depreciation	380,520	232,985	174,589
Total Operating Budget Recovered through URCA fees	4,147,332	4,843,500	5,315,013
Capital Expenditure	452,540	2,368,525	2,863,225

Further explanation of each expense category in the ECS budget is set out below:

- Total operating expenditure (OPEX), exclusive of depreciation, is anticipated to increase in 2024 by 12 percent compared to the previous year due to continued efforts to promote the policy objectives of the ECS.
- Overall staff costs for the ECS have increased by 16 percent due to the increased base pay and associated staff benefits. There is no provision for an increase in staffing levels expected in the ECS during 2024; however, effective succession planning, and continued efforts are being made to cross-train professional staff in both sectors.
- Professional services expenditure is anticipated to decrease by 4 percent over the previous year's budget allocation due to the effects of carryover regulatory projects continuing into 2024, including scheduled market assessments, surveys, reviews, and litigation related to the ECS.
- Conferences, training, and travel have decreased by 9 percent, notwithstanding continued in-person attendance at conferences, hosting high-level and cross-sector regulatory forums, and staff participating in training opportunities. With the advent of virtual participation, the intention is to increase the utilisation of that option.
- Field Operations (previously included in travel) increased significantly due to the resumption of monitoring activities of spectrum licensees through on-site visits and utilisation of fixed tower apparatus.
- General and administrative expenses, which include regulatory membership and related activities, are budgeted to increase due to the additional bad debt charged for a major licensee that has not paid the assessed fee due to litigation.

Electricity Sector Budget 2024

Table 6.3 summarises URCA's 2024 budget for its regulatory activities in the ES compared with its budget for the preceding two years.

Table 6.3 - ES Budget 2024

Category	2022	2023	2024
Staff Costs	1,324,461	1,277,473	1,402,956
Non-Executive Compensation	73,600	163,200	144,277
Executive Compensation	246,985	233,600	248,928
Professional Services	38,800	399,980	704,055
Conferences, Training, and Travel	31,687	168,300	120,854
Field Operations	24,000	43,000	12,000
Premises Costs and Utilities	67,870	88,225	226,259
Consumer Education and Public Relations	138,000	86,500	59,700
Office Services	45,000	63,125	81,642

Information Technology	42,100	54,300	131,646
General and Administrative Expenses	451,015	504,240	947,983
Total Operations Expenditure (OPEX)	2,483,518	3,081,943	4,080,299
Depreciation	67,151	41,115	121,761
Total Operating Budget Recovered through URCA fees	2,550,669	3,123,058	4,202,060
Capital Expenditure	79,860	462,975	222,710

Explanations of changes in the major expense categories are as follows:

- Total operating expenditure (OPEX), exclusive of depreciation, is anticipated to increase in 2023 by 32 percent when compared to the prior year, notwithstanding continued efforts to contain costs whilst ensuring the regulatory mandate of the Utilities and Energy sector is adequately addressed.
- Staff Costs are anticipated to decrease by 10 percent as the human resource element in the Utilities and Energy Department due to the rebalancing of indirect staff costs.
- Professional services expenditures are anticipated to increase significantly by 76 percent due to four (4) major regulatory projects planned, continuation of 2023 projects and budget allocations for continued litigation.
- Conferences, training, and travel costs are budgeted to decrease due to the previous years' participation in upskilling staff through participation in training and conference opportunities to meet and align with long-term sector strategies.
- General and administrative expenses are budgeted to increase due to the additional bad debt charged for a major licensee who has not paid the assessed fee due to litigation.

Project Descriptions and Progress Updates

Descriptions and Progress Updates on 2024 General Projects

In our 2023 Annual Plan, URCA committed to working on three General Projects. Those projects were:

- Implementation of URCA OPIs
- Allocation of Indirect Costs
- Redevelopment of URCA's Website

We completed the Implementation of the OPIs and Allocation of Indirect Costs for the ECS and ES and made significant process with the redevelopment of our website.

In 2024, URCA will complete the redevelopment of its website and add three new projects to the list of general projects. The new projects aim to digitally transform the organisation's operations and formulate the work plan for 2025. The list of 2024 projects include:

- Digitalisation of Operational Processes;
- Implementation of Integrated Electronic Document Management Tool;
- Redevelopment of URCA's website; and
- Draft Annual Plan 2025.

A description of those projects is provided below:

Implementation of Integrated Electronic Document Management Tool

URCA has announced plans to undergo a digital transformation process in 2024. The first phase of this process will involve the implementation of an Integrated Electronic Document Management Tool. With this tool, URCA can centralise document storage, retrieval, and collaboration, improving document management, and increasing productivity.

Digitalisation of Operational Processes

URCA's Digital Transformation process is currently in Phase 2, which involves digitalising several operational processes. The project aims to leverage technology to enhance efficiency, streamline workflows, and improve overall operations within URCA. Digitalising operational processes will involve automating manual tasks, reducing paperwork, and optimising workflows using digital tools and technologies. By doing so, URCA can enhance its operational efficiency, improve service delivery, and adapt to the evolving digital landscape.

Redevelopment of URCA's Website

URCA will complete the redevelopment of its website in 2024. In doing so, we aim to take several actions to improve the user experience, update the technology and design, add new features and functionalities, make it more accessible and mobile-friendly, align it with the latest web standards and best practices, and regularly update its content and information to ensure its relevance and usefulness to stakeholders and the public. By taking these actions, URCA aims to provide effective utility regulation and improve lives in The Bahamas.

URCA 2025 Annual Plan

Section 41 of the URCA Act instructs URCA to publish an Annual Plan. The publication of the Draft Annual

Plan marks the fulfilment of the requirement. URCA intends to publish the final version of its 2025 Annual Plan and the 2024 Annual Report by the end of April 2025.

Description and Progress Update on 2024 Electronic Communications Sector Projects

In the 2023 Annual Plan, URCA committed to several projects, including the review of licenses due to expire, Consumer Protection Regulations, the ECS Policy, quality of service obligations framework, Universal Service framework and implementation, Market Review of Retail Fixed Services (including Pay Television), Spectrum Management, Public Service Broadcasting Framework, Public Consultation on 5G, and ICTs for Persons with Disabilities. URCA added a review of the Revised Code of Practice for Content Regulation to the 2023 work plan after the publication of the Annual Plan due to microeconomic changes. In 2023, URCA completed the review of consumer protection regulations, quality of service framework, and the public consultation on 5G (demand side). The draft ECS Policy was also submitted to the government for approval and publication in the National Gazette after being drafted and consulted on by URCA. The remaining projects in the ECS 2024 work plan include both planned and unplanned carryover projects that were initially described in the 2023 Annual Plan. URCA progressed these projects in 2023 and now provides revised descriptions below.

Review of Licences Due to Expire in 2024

URCA proposes to complete its comprehensive review of licences due to expire by the second trimester 2024 and conduct a public consultation relative to any proposed amendments and/or modifications to the licences. Consequential to the consultation process, URCA will issue new licences accordingly during the third trimester of 2024.

The work in 2024 follows the work started in the third trimester 2023, where URCA commenced its internal review of all of the licences that have been issued since 2009. The review was to determine whether the conditions contained in the existing licences are still fit for purpose.

Review of the Electronic Communications Sector Policy

The existing ECS Policy expired in March 2023. The Comms Act requires the Minister to publish a sector policy in the Gazette setting out the strategic aims of the Government for meeting the electronic communications policy objectives. URCA has completed the Draft ECS Policy, and it has been forwarded to the government.

Review of the Network Quality of Service Regulations

In 2024, URCA will commence its review of the Quality-of-Service Regulations for Electronic Communications Networks and Services in The Bahamas (ECS 42/2016) as another workstream within the scope of URCA's review of the Quality-of-Service Framework for the electronic communications sector. URCA considers that a review of the regulations is appropriate due to the passage of time since its application in 2016 and the evolution of networks and services in The Bahamas and globally.

Review of Universal Service Obligations and Universal Service Fund

This workstream was listed in URCA's 2023 Annual Plan and has been revised in the Draft ECS Policy 2024-27. This workstream aims to address the inequities in access to basic communications services in The Bahamas. This is in recognition of the importance of electronic communications services as a crucial enabler for participation in the digital economy and society.

URCA, after consultation, will determine the details of the USO implementation and access to the USF. As there are multiple components to the workstream, URCA considers it appropriate to conduct more than one consultation exercise.

Market Review of Retail Fixed Services (including Pay Television)

Given the time since elapsed since the 2014 retail fixed market review, a new review was needed. The review assessed the state of competition in the markets for retail fixed voice, broadband, and pay television services and whether existing regulations are fit for purpose. The project commenced in the third trimester of 2022 and is expected to be completed in 2024. The project required a significant amount of data from both The Bahamas Telecommunications Company Limited ('BTC') and Cable Bahamas Limited ('CBL'). Because of this, the project was hampered by numerous delays as a result of both operators asking for extensions to submit the required data and the need to clarify submissions. There were also challenges with the reliability and accuracy of some of the operator data. URCA published the Preliminary Determination on 28 February 2024. Following two rounds of consultation, URCA will prepare and issue its Final Determination.

Spectrum Management Project: National Spectrum Plan 2024-27

Pursuant to Part V of the Comms Act, URCA is set to revise the National Spectrum Plan, a comprehensive framework governing the use of spectrum in The Bahamas. The plan is vital and addresses issues of regulation, technical, financial and geographic considerations.

Public Consultation on 5G – Focus on Supply Side

URCA will commence Phase II of its Public Consultation on 5G. URCA's objective is to engage with licensees and the Government of The Bahamas to: (i) identify and address the regulatory and supply side issues relevant to the rollout of 5G in The Bahamas; and (ii) development of a regulatory framework to facilitate the rollout of 5G in The Bahamas.

ICTs for Persons with Disabilities

Following several delays due to resource constraints, URCA has restarted the ICTs for Persons with Disabilities project. To date, a comprehensive survey of the members of the differently abled community was conducted and preparations have started to issue a public consultation in 2024. In line with the sector policy objectives, URCA intends to implement regulations and other measures that will make ICTs more accessible for persons with disabilities.

Consultation on the Code of Practice for Content Regulation

In 2023, URCA and representatives of the Content Regulation Industry Group (CRIG) completed a review

of the existing Code of Practice for Content Regulation. In 2024, following the review, URCA will conduct a consultative process with stakeholders and interested parties to develop a Code that is fit for purpose, taking into account the changes and or evolution of the broadcasting industry.

Description and Progress Update on 2024 Electricity Sector Projects

In the 2023 Annual Plan, URCA committed to undertaking seven ES-related projects. The regulatory team in the electricity sector completed all the projects scheduled for completion in 2023. In 2024, the ES Team has included 11 projects in its workplan. These include:

The BPL Fuel Tariff Review/Audit

This project aims to determine how the BPL fuel tariff is calculated and whether charges to customers since 2021 comply with the law and regulatory frameworks. This project aligns with URCA's mandate to ensure efficiently incurred costs, consumer protection, and efficient operation, per the Electricity Act sections 37(2) (k) and (m) and sections 38(1) (a), (d), (i), (j), and (k). By reviewing and auditing fuel tariffs, URCA can ensure that energy prices reflect reasonably incurred costs and are fair to consumers therefore supporting Goal 2 of the NEP.

The Analysis of Renewable Energy Cost and Performance Data for Existing Projects

This project involves selecting representative renewable energy projects to determine the return on investment being achieved. By analysing these projects' cost and performance data, URCA can identify successful strategies and areas for improvement, helping to guide future sustainable energy development. This project advances Goal 3 of the NEP to make The Bahamas a world leader in sustainable energy opportunities.

Energy Efficiency and Demand Side Management

This project aims to identify activities and develop a time-bound plan to establish and promote energy efficiency and demand-side management programs by licensees. By managing demand and promoting energy efficiency, URCA can help reduce energy consumption and promote more sustainable use of resources. This project aligns with Goal 1 of the NEP, which aims to make Bahamians aware of the importance of energy conservation and efficiency.

Consumer Protection Plans for Authorized Public Electricity Suppliers

This project aligns with Goal 2 of the NEP by ensuring that energy supplies are safely and reliably transported to consumers. By protecting consumers, URCA can ensure that the energy sector operates fairly and transparently.

The Review of BPL Consumer Protection Plan and Customer Contract Documents

This project involves reviewing BPL's consumer protection plan to ensure it is fit for purpose and amending it where necessary. Similarly, the contracts signed between BPL and its customers will be reviewed to ensure they are fair in representing the interests of both parties. Compliance with Electricity Act section 40, Consumer protection and Electricity Act sections 37(2)(k), 38, and 9(1) (j) will be ensured. This project aligns with Goal 2 of the NEP by ensuring consumer protection within the energy sector.

The Revision (consolidation and updating) of Renewable Energy Frameworks

This project aims to produce a single cohesive framework for renewable energy projects that are not utility scale. By updating and consolidating renewable energy frameworks, URCA can ensure that The Bahamas continues to pursue diverse, well-researched, and environmentally sensitive sustainable energy programs. This project advances Goal 3 of the NEP by supporting sustainable energy development.

Review and Revision of the Licensing Process

This project aims to improve the current process for persons applying to participate in the electricity sector. It will take advantage of lessons learned since the first licenses were issued five years ago. The revised process will provide greater clarity on the requirements and approval criteria and standards, among other things.

Review and Revision of the Licensee Reporting Requirements

The project involves reviewing and amending (where necessary) the licensee reporting requirements to ensure they add value to the sector in providing information to aid in decision making without being burdensome. URCA can promote a dynamic and appropriate governance, institutional, legal, and regulatory framework in the energy sector by ensuring all stakeholders are held accountable through reviewing and revising reporting requirements therefore supporting Goal 4 of the NEP.

The Review of Legislation and National Energy Policy

This project involves reviewing and proposing amendments to the Electricity Act and NEP. This project directly supports all four goals by ensuring that the legislation and policy align with The Bahamas' energy sector's current needs and future goals.

Competition Law Guidelines

This project aims to establish the regulatory framework to assess and enforce anti-competitive agreements and practices per Part XI of the Electricity Act 2015. It also assesses and accommodates a change in control of a licensee as per Part XII of the Electricity Act 2015. This project supports Goal 4 of the NEP by promoting a fair and competitive energy sector.

The BPL Efficiency Audit

This project assesses the performance of Bahamas Power and Light (BPL) using financial, operational, and quality of service indicators. By identifying areas where BPL can improve its energy efficiency, promoting conservation and wise use of energy resources, this project supports Goal 1 of the NEP.