

## Regulatory Authority issues consultation on Regulatory Accounting Instructions

The Regulatory Authority (the “Authority”) has issued a consultation on the regulatory accounting reporting instructions that will apply to electricity sector licensees.

Currently, the Authority requires licensees to prepare separate accounts for each licensed business unit – which should also be separate from any unregulated business. For example, the Bermuda Electric Light Company Limited (“BELCO”) is required to report separate accounts for each of their bulk generation and transmission, distribution & retail (“TD&R) business units. This separation would also include separation from its parent company, Ascendant Group.

A spokesman for the Authority said: “The Authority requires this separation as it helps to set the retail tariffs as well as to assess the economic profitability of licensees. The financial reporting instructions also require several disclosures for greater transparency regarding licensees’ operations.”

“Providing separated accounts also helps the Authority to fulfill its core functions, including the protection of interests of end users with respect to the affordability of electricity, to promote economic efficiency and sustainability in the generation, transmission, distribution and sale of electricity and to promote competition.”

The Authority is asking for feedback from members of the public, businesses in the electricity sector and any other interested parties.

A full copy of the consultation document can be found on the Authority’s website: [Regulatory Authority Consultation Link](#) . More information can be obtained from Jozelle Escolastica who can be contacted on [electricity@RAB.bm](mailto:electricity@RAB.bm), referencing ‘Comments on Regulatory Accounting Instructions for the Electricity Sector’.

The extended closing date feedback is 5pm on March 14, 2018.

**ENDS**

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