



JT's Non-Confidential Response to
JCRA Regulatory Financial Reporting
Initial Notice

(JCRA 23/41)

22nd March 2024

1. Introduction

JT (Jersey) Limited, (“JT”) welcomes the JCRA’s non-statutory Final Decision (“NS Final Decision”) and Initial Notice on Regulatory Financial Reporting. We appreciate the collaborative approach adopted by the JCRA in working with JT at each stage of the consultation process and taking onboard JT’s feedback.

2. JT Comments on the NS Final Decision

As noted at 3.17, the JCRA has included the market group ‘Retail Voice’, which covers both fixed voice access and outgoing calls, for both residential and non-residential customers which reflects the historic SMP decision in relation to this market. While this market has changed significantly since it was last reviewed¹ and the SMP designation was allocated, the JCRA’s current Telecoms Market Review should facilitate the review of the “fixed voice access and outgoing calls market” examining the market in the context of the current and future services and the competitive constraints present in the market. JT has agreed to provide the JCRA with the retail voice market information in the confidential template (as per the Regulatory Financial Reporting – Template (the “template”) accompanying the NS Final Decision. JT welcomes the pragmatic approach adopted by the JCRA on this.

JT supports the JCRA’s approach to publication including the explanatory note and appreciate the pragmatic approach to the first year of reporting. The JCRA’s detailed review of JT’s first year regulatory financial report (supported by Frontier) is a proportionate way to provide stakeholders with the required confidence in JT’s statements without the burdensome requirements of audit, which is disproportionate, costly and time consuming. JT supports the provision of the first year’s published report after completion of the JCRA’s review. The JT Chief Financial Officer will sign the statements at the end of the review period once the final version is agreed. In subsequent years, JT will publish the public version of the template and the explanatory note at the same time as they are provided to the JCRA.

¹ JCRA decision T09J

Comments on the Regulatory Financial Template

Template Tab	Topic	Comment
MCE Statement	Calculation of MCE	For the avoidance of any doubt, the MCE for the first year (2023) will be stated as the year end capital employed balance as we have not calculated opening balances.
Capital Costs	Provision of GBV data	The GBV of assets is not used in the calculation of the MCE or P&L and provides no meaningful insight into the profitability of regulated markets. We are not aware of any other regulator that requires GBVs to be included in regulatory financial statements. We therefore consider that the provision of GBV data is a disproportionate effort to the benefits that this information will provide. Please can the JCRA explain the reasons why this information is included in the template, what it will be used for and the benefits it will bring.
Capital Costs	Asset life data	In the majority of categories, the asset life data will be a range of useful lives and may be difficult to calculate the average. We therefore question the usefulness of including this in the statement. Please can the JCRA explain how this information will be used.
Reconciliation	Relevant statutory accounts	The Reconciliation report will reconcile the regulatory reports against JT (Jersey) Limited's statutory accounts. The excel template explicitly states this however this is not explicitly stated in Direction 1 point 4 on the Initial Notice and we believe it should be for the avoidance of any doubt.