

BELIZE ELECTRICITY LIMITED  
ANNUAL REPORT

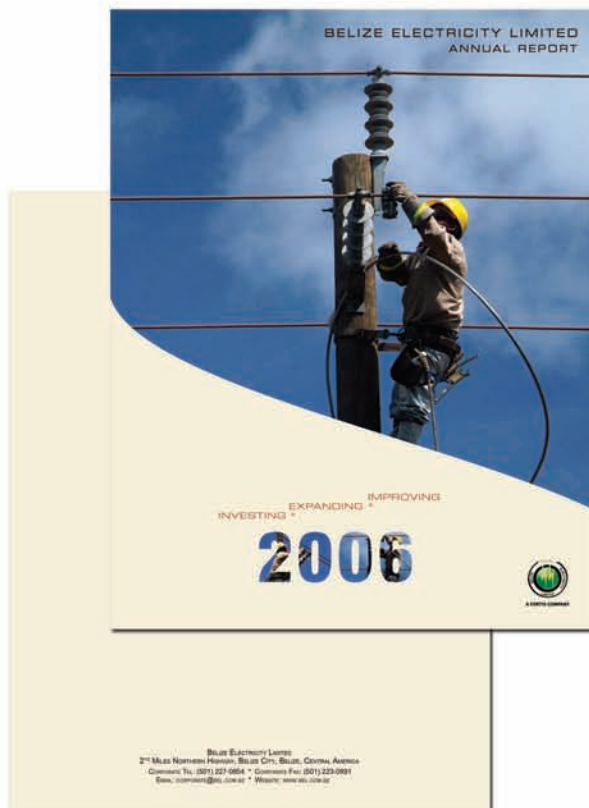


INVESTING \*      EXPANDING \*      IMPROVING

2006



A FORTIS COMPANY



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## ABOUT THE COVER

Despite the challenges of coping with high oil prices, BEL remained focused on its Capital Investment Program in 2006. Numerous achievements were made under the Power V Project, including the \$4.8 million upgrade of the Southern Transmission Line to 69kV from 34.5kV. Featured on the cover is a BEL Lineman working on the Southern Transmission Line.

For BEL, investing in the Southern Transmission Line and other projects is all about meeting our customers' needs. We have been continuously expanding our power systems to improve the service we provide.

# Country Profile

**GEOGRAPHY** - Belize is located in Central America, bordered in the North by Mexico, in the South and West by Guatemala and in the East by the Caribbean Sea. Inner coastal waters are outlined by coral reefs and cayes (islets) that extend almost the entire 174 mile length of the country, which is 68 miles at its greatest width. The City of Belmopan, located in the Cayo District, is the country's capital.

**HISTORY** - Belize, the only English-speaking country in Central America, was known as British Honduras until 1973. It achieved independence from Great Britain on September 21, 1981 and is considered to be culturally both Caribbean and Central American.

**PEOPLE** - Belize's population is estimated at approximately 300,000 comprised of diverse ethnicities including Creole, Mestizo, Garinagu, Mayas, East Indian, Chinese and Mennonite. English is the official language, however English Creole, Spanish, Garifuna and Maya are widely spoken. Spanish is also taught in primary and secondary schools.

**GOVERNMENT** - Belize is a parliamentary democracy which recognizes Queen Elizabeth II as the constitutional Head of State, represented by a Belizean Governor General. A Prime Minister and Cabinet make up the Executive Branch of government while a 29-member elected House of Representatives and a 12-member appointed Senate form a bi-cameral legislature.

**ECONOMY** - The Belizean dollar has been pegged to the United States dollar at a fixed rate of US\$1 to BZ\$2 since May 1976. The main industries are tourism, sugar, citrus, fisheries and banana. A fledgling oil industry produces approximately 2,500 barrels a day.

## TOURIST ATTRACTIONS

- The longest coral barrier reef in the Western Hemisphere
- Historical Mayan Ruins including Xunantunich, Caracol and Altun Ha
- Numerous underground caves such as Che Chem Ha and Barton Creek Caves
- The world's only Jaguar Preserve located in the Cockscomb Basin
- Over 200 cayes featuring exotic dive and snorkeling sites



## CORPORATE PROFILE

Annual Comparison (In Belize thousands of dollars)	2006	2005
Operating Revenues	149,577	120,540
Earnings applicable to Shareholders	26,084	18,883
Total Assets	408,953	373,673
Shareholders' equity	262,566	173,531

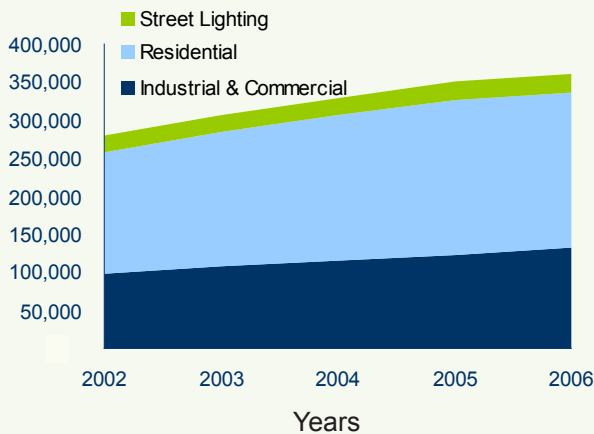


Corporate Headquarters, Belize City, BELIZE

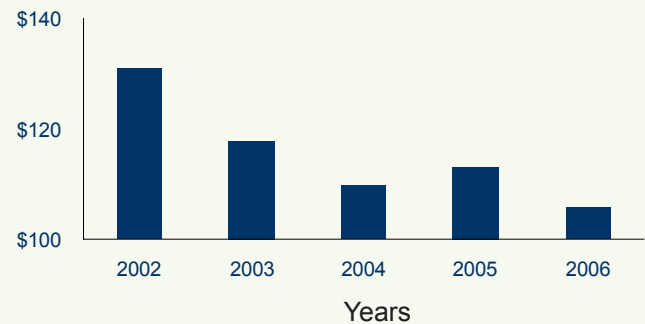
Belize Electricity Limited (BEL) is the primary distributor of electricity in Belize, Central America. Serving a customer base of approximately 71,000 accounts, the Company meets a peak demand of 67 MW from multiple sources of energy including power purchases from Belize Electric Company Limited (BECOL), owner and operator of the Mollejon and Chalillo Hydroelectric Facilities, from Comisión Federal de Electricidad (CFE), the Mexican state-owned power company and from its own diesel-fired and gas-turbine generation. All major load centers are connected to the country's National Electricity System, which is interconnected with the Mexican National Grid, allowing the Company to optimize its power supply options. Fortis Inc. holds a 70.2 per cent interest in BEL.

## FINANCIAL HIGHLIGHTS

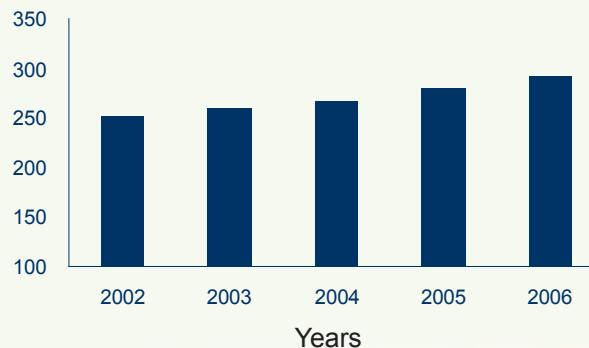
SALES (In Megawatt hours)



OPERATING COST per Megawatt hour sold (excluding cost of power)



CUSTOMERS PER EMPLOYEE



## REPORT TO SHAREHOLDERS

The year 2006 was a milestone year for Belize Electricity Limited (BEL). After two years of struggling with sharp increases in cost of fuel and the cost of purchased power, tariffs were adjusted at the beginning of the year, putting the Company back on a sustainable path. With a tariff reflecting the true cost of power in place, we turned our attention to improving liquidity to continue delivering on our mandate: **Investing, Expanding and Improving.**

In June, we completed a successful share offering, doubling our share capital and raising \$66.9 million. The proceeds from the offering were used to pay off expensive short-term debts, most of which were incurred to

help meet the excess cost of power in the previous years. As a result, the debt ratio was reduced from 51 per cent at the end of 2005 to 33 per cent at the end of 2006, while our cash position improved from a negative \$7.4 million to a positive \$14.2 million. The resulting reduction in finance charges, coupled with 2.8 per cent sales growth, helped to improve return on net fixed assets from 9.6 per cent in 2005 to 10.5 per cent for the year 2006. Although earnings improved from \$18.9 million to \$26.1 million, the 10.5 per cent achieved return is still below the target of 12 per cent and maximum allowed rate of 15 per cent set by the PUC.



*“With improved financial performance, we invested \$32 million in expanding and improving our service delivery.”*

With improved financial performance, we invested

\$32 million in expanding and improving our service delivery. Customers enjoyed an 11 per cent reduction in the duration of outages while our active street lighting program saw the addition and/or replacement of more than 1,300 street lights. At the same time, initiatives to implement better e-services and investments in our billing and customer information systems allowed us to considerably enhance our customers’ interaction with the Company. Another major achievement was the upgrade of the Southern Transmission Line to 69 kV from 34.5 kV, which significantly improved the quality of service to customers in southern Belize. These efforts led to an improvement in our customer approval rating to 84.1 per cent in 2006 from 83.5 per cent in 2005.

2006 was the first full year of performance for the Chalillo Hydroelectric Facility, which was commissioned into service in September 2005. With the storage facility in place, hydroelectric production increased by 160 per cent while the average cost of hydroelectric power from Belize Electric Company Limited (BECOL) was reduced by 18 per cent. In addition, the storage gave us the flexibility to maximize the use of economic power from Comisión Federal de Electricidad (CFE) of Mexico, and minimize the use of high cost peak power from CFE and from our diesel generating plants and the Westlake Generating Plant. As a result, the cost of power per kWh was reduced by 8 per cent and the Rate Stabilization Account was reduced from \$29 million at the end of 2005 to \$19 million by the end of 2006. Chalillo’s excellent performance has helped to avoid further rate increases, and once the Rate Stabilization Account has been zeroed, the benefits of the Chalillo Facility will flow through directly to customers.

In August, a new Power Purchase Agreement was signed with CFE. Under the new agreement, the price of firm energy was increased by 22 per cent but with Chalillo on line, we were able to reduce the firm capacity from 25 MW to 15 MW and purchase more economic energy from CFE during off peak periods, mitigating the effect of the increase in the price of firm energy. The new contract with CFE is for two years and BEL continues to seek more economic sources of supply to meet the growing demand.

The completion of Hydro Maya Limited's 3.4 MW hydro facility in the Toledo District was delayed due to heavy rains, but came on line in February 2007. The biomass project owned by Belize Cogeneration Energy Limited (BELCOGEN), a subsidiary of Belize Sugar Industries, has also been delayed and is now expected to come on line in 2009. Upon completion, BELCOGEN will provide BEL with up to 16 MW of capacity and energy, with 13.5 MW being firm capacity. Meanwhile, in early 2007, we signed a new Power Purchase Agreement with BECOL for a third hydro development at Vaca. Vaca, to be built on the Macal River, is an 18 MW development 2.5 miles below the Mollejon Facility. The project has received environmental approval and should be on line in late 2009. These projects will add 37 MW of new in-country supply over the next two years, ensuring that we can continue to meet the full demand with local sources, thus assuring reliable supply.



Hydro Maya's 3.4 MW power plant on the Rio Grande in the Toledo District came on line in February 2007.



Employees inspecting Oil Spill Kit at the Magazine Road compound in Belize City.

Despite our efforts, our safety performance did not meet expectations as one life-changing vehicle accident seriously injured one of our linemen. Even with our on-going Public Safety Campaign, there was also a marked increase in public contacts, some of which resulted in electrocutions. These incidents are a somber reminder of the importance of working safely to ensure that our employees return safely to their families at the end of each day and the need to continue public education in the safe use of our services.

A second audit of our Environmental Management System was done during the year. Results indicate that we remain on track to making our operations ISO 14001 compliant by 2008 and confirm that we have addressed all the recommendations of the previous years' audit. Recommendations for our continued improvement were also made and accepted.

In August, we began negotiations with the Belize Energy Workers Union to develop a new agreement to replace the existing one. Although drawn out, negotiations have been cordial. Management will remain focused on negotiating for a labor agreement that is fair to all the stakeholders while maintaining the good labor relations that have been developed over the last five years.

In closing, we acknowledge the contributions of former Director Mr. Fernando Coye. Mr. Coye served the Company in many engineering and senior managerial capacities before serving as a government appointed director. Mr. Coye retired as a director in May 2006. We welcome Mr. Dylan Reneau, who was appointed to the Board by the Social Security Board. We sincerely thank Mr. Coye for his contributions and we look forward to the contributions from Mr. Reneau. We also once again say a big thank you to all our employees who continue to work tirelessly in our quest to make BEL the best service company in Belize. We thank you, our shareholders, for the unwavering confidence you have shown over the years and trust that you will continue to find your interest in BEL most rewarding.



A handwritten signature in black ink, appearing to read 'L. Young', written over a white background.

Lynn Young  
President and Chief Executive Officer  
Belize Electricity Limited



A handwritten signature in black ink, appearing to read 'Robert Usher', written over a white background.

Robert Usher  
Chairman of the Board  
Belize Electricity Limited

## MANAGEMENT DISCUSSION AND ANALYSIS

### EARNINGS

Earnings for the year increased to \$26.1 million from \$18.9 million in 2005 while earnings per share decreased to \$0.48 from \$0.59 as a result of the share issue completed in June. On June 19, 2006, BEL closed the ordinary share offering made to shareholders on May 19, whereby shareholders were entitled to acquire one ordinary share for each ordinary share they held. Proceeds from the issue amounted to \$66.9 million and were used to repay overdraft facilities, long-term debt and other local and inter-company debt. The issue placed us on a firm financial footing with a solid balance sheet that allows us to pursue urgent capital expansion and maintenance plans. Coupled with dividends reinvested by shareholders during the year under the Company's Dividend Reinvestment Plan (DRIP), a total of 35,816,477 ordinary shares were issued during the year, diluting the earnings per share.

As a result of the share issue, finance charges decreased by 32 per cent or \$3.2 million, which positively impacted earnings. Earnings were also positively impacted by the 11 per cent increase in tariffs which took effect July 1, 2005, offset somewhat by higher operating expenses, taxes and loss on foreign exchange. The cost of doing business increased in 2006 due to increases in labor related costs, insurance, licenses, fees and other general expenses.

During 2006, the US dollar weakened against the Euro by approximately 11.4 per cent contributing to a \$646 thousand loss on exchange booked in 2006 as compared to a \$617 thousand gain on exchange recorded in 2005.

On February 1, 2007 a final 5.5 cents per share dividend was paid to shareholders bringing the total dividends paid for the year ended December 31, 2006 to 22 cents per share, a 10 per cent increase over prior year.

### ENERGY REVENUES AND SALES

Energy revenues increased by 24.1 per cent to \$149.6 million from \$120.5 million in 2005. Energy sales for the year grew by 2.8 per cent to 360 GWh from 350 GWh in 2005. Energy revenues grew in direct proportion to energy sales plus the 11 per cent increase in tariffs which took effect July 1, 2005 and the 13 per cent cost of power tariff increase which took effect January 1, 2006.



The sales increase was mainly driven by a 6.7 per cent growth in commercial sales. Sluggish economic growth in the country and higher energy cost contributed to relatively low overall sales growth as energy consumption on a per customer basis decreased 0.5 per cent from 2005. Energy sales were boosted somewhat by growth in the Company's customer base, which grew by approximately 3.4 per cent to 70,957 customer accounts as at December 2006, from 68,635 customer accounts as at December 2005.

## EXPENSES

Cost of power increased by 35.1 per cent to \$91.3 million from \$67.6 million in 2005. As required by the electricity regulations, cost of power expense is regulated by the Public Utilities Commission (PUC) to stabilize rates to customers. For the period January 1, 2006 to June 30, 2006 the reference cost of power was \$0.255 per kWh and for the period July 1, 2006 to December 31, 2006 the reference cost of power was \$0.253 per kWh. Variances between actual and the reference cost of power are credited or debited to the Cost of Power Rate Stabilization Account (CPRSA). For the year 2006, actual cost of power was \$4.6 million below the reference cost of power which reduced the CPRSA. \$2.6 million in interest was also deferred to the CPRSA against a \$7.8 million recovery resulting in a net decrease of \$9.8 million in the CPRSA as compared to the ending balance in 2005. The Company's Rate Stabilization Accounts also include a Hurricane Cost Rate Stabilization Account (HCRSA) that had a balance of \$0.7 million as at December 31, 2006.

Power purchased from Comisión Federal de Electricidad (CFE), the Mexican state owned power company accounted for 50 per cent of total energy supply as compared to 63 per cent in 2005, while power purchased from the Mollejon and Chalillo Hydroelectric Facilities, increased to 43 per cent of total energy supply as compared to 17 per cent in 2005. Hydro production more than doubled to 178 GWh as compared to 68 GWh in 2005 due to the contribution of the Chalillo Facility. BEL supplied the remaining 7 per cent of its energy requirements from its diesel-fired generation facilities.

For the year, the cost of power purchased from CFE remained stable at \$0.16 per kWh while cost of power purchased from BECOL decreased by 18 per cent from \$0.21 per kWh to \$0.17 per kWh due to the operation of the Chalillo Facility. Energy from BECOL exceeding 100 GWh is purchased at \$0.12 per kWh.

Operating expenses increased by 6.7 per cent as compared to 2005. This was mainly as a result of increased licenses and fees, increased line maintenance, higher employee costs and new customer services and loss reduction initiatives. General increases in the cost of goods and services, including medical insurance, also impacted operating expenses.

Business tax increased 29 per cent over 2005 as a result of the increase in revenues on which the tax is calculated.

## CAPITAL EXPENDITURE

Having strengthened our balance sheet with \$66.9 million injection of new equity, we then focused on our Capital Investment Program and by year's end had spent \$32 million on capital projects as compared to \$25 million spent in 2005. The Power V Project got fully underway in 2006 while system improvements and expansions to support housing, tourism and other private developments continued at a rapid pace. The Power V Project is a three-year initiative involving transmission and distribution system expansions, as well as improving business processes and meeting specialized equipment needs. We brought on line a new Customer Information and Billing System in the first quarter of 2006 and during the last quarter, plans were finalized to implement a Customer Automated Call Distribution and Voice Response System. Another major accomplishment under the Power V Project was the \$4.8 million upgrade of the Southern Transmission Line to 69 kV from 34.5 kV, which was completed in November 2006.

A total of \$10.4 million was drawn down during the year from Scotiabank (Belize) Limited to help finance the Company's 2006 capital expenditures. \$16 million remains to be drawn down from this loan to assist with the completion of the Power V Project.



In 2006, BEL carried out numerous projects under its Capital Investment Program aimed at system improvement and expansion. Above, work being carried out on the distribution line in Hattieville.

Proceeds from the current Series 3 debentures and from reinvested dividends complemented loan funds in supporting the Company's Capital Investment Program. \$4.3 million was received from the issue of Series 3 debentures and \$6.5 million in dividends was reinvested during the year. The Company also fully repaid its short-term debt during the year, paid \$4.7 million net in dividends after dividend reinvestment by shareholders and invested the remaining cash from the share issue in interest bearing short-term deposits.



A new Customer Information and Billing System came on line in 2006 under the Power V Project. This system is helping BEL to better meet the individual needs of customers.

## REGULATION

BEL is regulated under the amended Electricity Act, the Public Utilities Commission Act, and the Electricity (Tariffs, Charges and Quality of Service Standards) Bye-laws of 2005 (Tariff Bye-laws). The Company's license to generate, transmit, distribute and supply electricity in Belize expires in 2015. Under the terms of the license, the Company has the right of first refusal on any subsequent license grant.

Under the Tariff Bye-laws, the average electricity tariff is separated into three components, a fixed component to cover overhead expenses and provide the Company with a reasonable return on investment (Value Added of Delivery), a variable component that reflects the cost of electricity, and a deferred cost of power recovery or rebate component.

Pursuant to the Tariff Bye-laws, the Company established a Cost of Power Rate Stabilization Account (CPRSA) effective January 1, 2000, designed to normalize changes in the price of electricity due to fluctuating fuel costs. The CPRSA stabilizes electricity rates for consumers while providing the Company with a mechanism that permits the recovery of its costs of electricity over time. At December 2006, the balance in the CPRSA was \$18.4 million, down from \$28.2 million as at December 2005. Effective July 1, 2002 a Hurricane Cost of Power Rate Stabilization Account (HCRSA) was established pursuant to the Tariff Bye-laws to normalize storm reconstruction costs impacts on consumers. At December 2006, the balance in this account was \$0.7 million as compared to \$1 million at December 2005.

The Company entered its first Full Tariff Review Proceeding with the PUC for the Full Tariff Period July 1, 2005 to June 30, 2009, on March 2, 2005 as required by the Tariff Bye-laws. At the conclusion of the Full Tariff Review Process, a final tariff decision was issued on July 14 for an 11 per cent tariff increase that became effective for the period July 1, 2005 to June 30, 2006. This increase took the average tariff from \$0.35 per kWh to \$0.39 per kWh by increasing the Cost of Power and Value Added of Delivery components of the tariff from \$0.175 to \$0.21 per kWh and from \$0.14 to \$0.162 per kWh, respectively, while reducing the Rate Stabilization Account recovery component of the average tariff from \$0.034 to \$0.018 per kWh.

On December 19, 2005 revised Tariff Bye-laws were enacted. These revised Tariff Bye-laws allow for interim tariff increase applications to meet rapidly increasing cost of power in a timelier manner. On December 20, 2005 BEL filed an application to the PUC for a Threshold Event Review Proceeding as provided for in bye-law 35(1) of the Tariff Bye-laws, which is a review mechanism established to provide for the recovery of excess cost of power outside of the normal review proceedings. The PUC issued its final decision on December 31, 2005 for a 13 per cent increase in tariffs from \$0.39 per kWh to \$0.441 per kWh to take effect on January 1, 2006. This tariff decision increased the Cost of Power component of the tariff by \$0.045 to \$0.255 per kWh and increased the Rate Stabilization Account recovery component of the tariff by \$0.006 to \$0.024 per kWh. The Value Added of Delivery component of the tariff was not impacted by this tariff decision.

On March 31, 2006, the Company filed its annual tariff review application for the Annual Tariff Period July 1, 2006 to June 30, 2007 proposing that the average tariff and its components be kept the same. The PUC issued its final decision on May 9, 2006 keeping the average tariff the same at \$0.441 per kWh. The Cost of Power component of the tariff was decreased to \$0.253 per kWh while the Rate Stabilization Account recovery component and the Value Added of Delivery component of the tariffs were kept the same. An Annual Correction component of \$0.002 per kWh was introduced for differences in actual costs and sales as compared to projections as required under the tariff setting regulations.

## OUTLOOK

The outlook for 2007 is positive. Electricity demand growth is expected to rebound somewhat to approximately 4 per cent. Economic growth is expected to improve, driven mainly by the performance of the agricultural processing, aquaculture and tourism sectors. This, coupled with planned additions of new loads to the system, in the tourism and aquaculture industries, will contribute to higher sales growth in 2007.



Aerial view of San Ignacio Town in the Cayo District. Tourism activity in San Ignacio and surrounding areas is robust.

## HIGHLIGHTS

- In June 2006, BEL raised \$66.9 million through its equity offering, placing the Company in a sound financial position.
- The Company initiated and completed several reliability improvement projects countrywide.
- BEL improved its Customer Satisfaction Rating to 84.1 per cent in 2006.
- BEL successfully upgraded the Southern Transmission Line to 69 kV from 34.5 kV.
- A new Power Purchase Agreement with Comisión Federal de Electricidad (CFE) went into effect on August 21, 2006.
- A new Customer Information and Billing System was implemented in February.



Southern Transmission Line upgraded to 69kV from 34.5 kV in 2006.

## OPERATIONS

### ELEVATING OUR CUSTOMER CARE PROCESSES

Our business success relies heavily on the quality of the service we provide our customers. Elevating our customer care processes in 2006 ensured that we maintained customer confidence and satisfaction in our service as reflected in a Customer Satisfaction Rating of 84.1 per cent for the year.

In February 2006, we brought on line a new Customer Information and Billing System, which is helping us to better serve the individual needs of customers. The system offers more advanced options in managing and processing customer bill information.

With the development of new software systems, we are delivering improved electronic versions of electricity bills to customers via e-mail. The revised e-bills replicate the easy-read format of the hard copies and we are now also able to notify customers via e-mail of approaching due dates for bill payments.

A revised Service Installation Manual was launched to acquaint licensed wiremen involved in the installation of electrical services with BEL's standards. This will also help to expedite the safe connection of new customers requesting services.

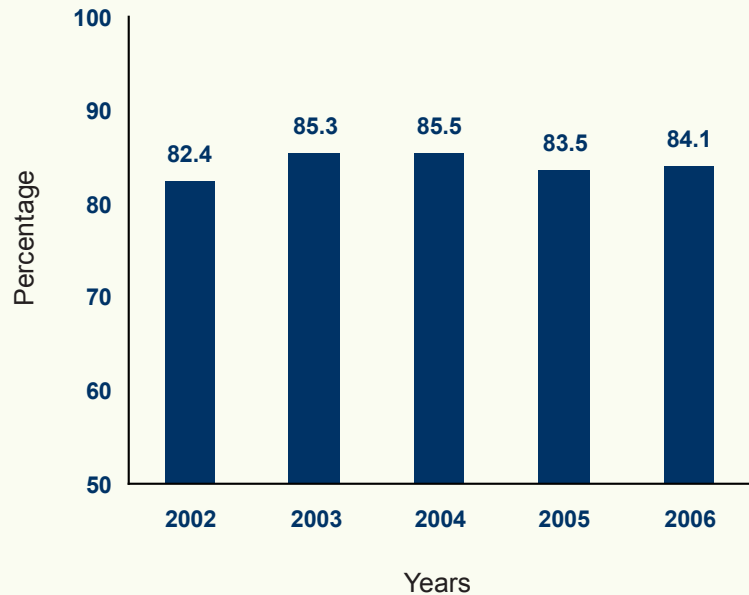
In doing our part to make the communities we serve safer, over 1,300 street lights were repaired or replaced countrywide. This initiative remains an on-going one into 2007.

Our investment in smaller bucket trucks is positively impacting our customer care processes as we continue to improve our response time to service difficult to reach premises.

BEL is continuously seeking ways to ensure that interaction with our service is efficient and convenient for customers. In 2006, the Company finalized plans to install an Interactive Voice Response and Automated Call Distribution System which will allow faster responses to customer queries and offers more flexibility in terms of information retrieval. The system is scheduled to go live in early 2007.

The success of our customer focused initiatives in 2006 reflects the high value our employees place on service excellence. Their commitment will enable us to continue performing at high standards in 2007.

CUSTOMER SATISFACTION RATING



## INVESTING IN POWER SYSTEMS

Amongst our greatest accomplishments in 2006, was the successful upgrade of the Southern Transmission Line to 69 kV from 34.5 kV. This \$4.8 million initiative is helping us to deliver improved service quality and reliability to customers in the area and reduce system losses. We are now better able to support the growing tourism, agriculture and aquaculture industries in southern Belize as we can comfortably meet their fast growing power supply and quality demands.

The Southern Transmission Line upgrade was a major subcomponent of BEL's Fifth Power Development (Power V) Project. Power V aims at improving service quality and reducing the frequency of power outages by upgrading and expanding substation, transmission and distribution systems countrywide.

Under Power V, we constructed just over 58 miles of new power lines. Additionally, new line extensions were built to connect several housing and tourism development projects, upgrades were completed to the Army Camp substation in Ladyville and several feeders in that municipality were rebuilt.

Managing system losses was a critical focus of our investment initiatives in 2006. Results from a Loss Reduction Study provided guidance on measures to further curb system losses. In addition to power line upgrades, the Company doubled efforts to inspect meters with assistance from sister companies Newfoundland Power and Caribbean Utilities Company. Revenue recovery consequently increased by 300 per cent over 2005. We will aggressively continue with meter inspections in 2007.



Employee inspecting meter as part of the System Losses Reduction Program.

## INVESTING IN OUR HUMAN RESOURCES



BEL invests heavily in the training and development of its employees.

Central to our operations is the recognition that a competent and committed workforce is our greatest asset. Accordingly, employee development continues to be a high priority. During the year, linemen continued to be trained in live line maintenance methods. This training equips the employees with the skills to work on energized power lines, which benefits customers as the number of planned power outages is reduced.

Customer Service Representatives participated in training on Service Excellence during which they reviewed best approaches to customer care processes. A key concept, First Contact Resolution, was also introduced during the year, which sets out to ensure that customer inquiries are effectively addressed on the first contact with an employee of the Company.





Under BEL's First Contact Resolution philosophy, the Company aims to ensure that customer inquires are effectively addressed on the first contact with an employee of the Company.

Under the First Contact Resolution initiative, employees, including those outside the Customer Care Department, are developing a greater sense of responsibility to deliver solutions to customer needs. In 2007 and beyond, heavy emphasis is being placed on training employees to work by the First Contact Resolution philosophy.

## ENERGY FOR PROGRESS

On August 21, 2006, a new Power Purchase Agreement with CFE went into effect. Under the new agreement, the Mexican utility now provides BEL with 15 MW of firm capacity and up to 40 MW on an economic basis if no firm energy has been utilized. While the unit cost of firm energy has increased due mostly to escalating oil prices, BEL has the option to purchase economic energy, if available and cheaper, before firm energy.



The Chalillo Hydroelectric Facility exceeded expectations in 2006. BECOL's energy production for the year was 178 GWh compared to a projected 150 GWh.

The Chalillo Hydroelectric Facility positively impacted electricity rates in 2006. The facility exceeded expectations by producing 178 GWh for the year compared to a projected 150 GWh. Consequently, about 43 per cent of energy supply was met with hydroelectricity compared to 17 per cent in 2005. Savings amounted to approximately \$8 million in direct energy cost, since Chalillo was commissioned in September 2005. This has helped to avoid rate increases to customers even though oil prices remained high.

Energy sourced from high cost diesel generators and purchased from CFE was reduced by 63 per cent and 17 per cent, respectively.

During the year, the National Environmental Appraisal Committee approved the Environmental Impact Assessment for the proposed Vaca Hydroelectric Facility. Vaca, which will feature an 18 MW power house, was the lowest cost option submitted in response to BEL's 2005 Request for Proposals for a new source of power. Construction will begin in 2007, pending other regulatory approvals.

At year's end, Hydro Maya's 3.4 MW hydroelectric facility was near completion and came on line in February 2007. Hydro Maya is located on the Rio Grande in the Toledo District and is contributing to stabilizing electricity rates in Belize.

After experiencing some delays, Belize Cogeneration Energy Limited's (BELCOGEN) plant is now scheduled to come on line in 2009. Upon completion, BELCOGEN will provide BEL with up to 16 MW of capacity and energy, with 13.5 MW being firm capacity.

BEL will continue to seek the most cost efficient, reliable and environmentally friendly sources of energy to meet Belize's growing demand.

## SAFETY AND HEALTH - OUR SHARED PRIORITIES

Every aspect of our operations is carried out within the framework of safety and health. We are committed to ensuring that employees return home safely to their families each day and also that we protect the customers we serve.

Aimed specifically at customers in 2006, were a series of public presentations on electrical safety. These presentations will continue in 2007.

For employees, Defensive Driving, Preventing Eye Injury, First/Aid CPR with a focus on electrical shocks, were some of the training sessions held in 2006. *Get Movin'* is a major initiative of the Safety and Health Program and under its scope, employees walked 10 miles in support of the Belize Cancer Society's efforts to raise awareness of breast cancer during Cancer Week in May .

A Drug Free Workplace Policy was launched which responds to the high-risk nature of the electric utility business and reflects the priority with which the Company treats the health and safety of employees and customers.



Employees exercising under the Company's *Get Movin'* Program, which promotes healthy living.

## CARING FOR OUR ENVIRONMENT

Our care for the environment was the thrust behind several of our community initiatives in 2006. Amongst them, was our participation in the Belize Paper Recycling Program, under which we contributed over 9,700 pounds of used paper. BEL remains a proud participant of this program in 2007.

On World Oceans Day, June 8, 2006, the Company carried out a comprehensive clean up of the Magazine Road lagoon in Belize City. Upon completion, a sign was erected warning

of a fine for dumping waste in the lagoon and area residents were provided with garbage bins.

With Punta Gorda now connected to the National Electricity Grid, the diesel generating plant in that municipality was decommissioned as of January 2007. This is contributing to a cleaner environment by reducing emissions and risks from oil spills.



Employees cleaning the area around the Magazine Road lagoon in Belize City. (Top)



Employee participating in the Paper Recycling Program. (right)

## DELIVERING ON OUR SOCIAL COMMITMENT



BEL sponsored the Living with Hope Foundation in 2006. Public Relations Officer Vonetta Burrell (right) presenting cheque to program Chairperson Dolores Balderamos Garcia.

Through our Community Investment Program, BEL supported several initiatives aimed at raising awareness of HIV/AIDS. The Company became a sponsor of the Living with Hope Foundation, which campaigns to improve the living conditions of persons infected with HIV/AIDS in Belize. For the Belize Red Cross Society's "Faces" campaign, we printed HIV/AIDS educational messages on electricity bills.

During the year, BEL employees willingly rode for a similar cause during a bike rally, organized by the Women's Department, aimed at supporting women and girls living with HIV/AIDS.

Employees again demonstrated their interest in addressing social issues, by donating over \$6,000 to give holiday treats to deserving families during the Christmas season. The Company matched the employees' donation, allowing them to distribute toys to the children of these families and warm breakfast to the homeless on Christmas morning.

The Company was proud to be a sponsor of the country's first ever School Band Fest Competition. Over 10 primary and high schools participated in the event, which served to develop young musical talent and promote wholesome activities for our youth.

BEL teamed up with the National Garifuna Council to help preserve the Garifuna culture by sponsoring the National Garifuna Cultural Explosion. This event showcased cultural food, dance and clothing. For the second consecutive year we also sponsored the National "Brokdong" Song Competition, which promoted the talents of local artists as they performed traditional folkloric Creole songs.



BEL employees and their families participated in the 2006 bike rally in support of the Women's Department.



BEL was a proud sponsor of the first ever School Band Fest Competition in 2006. Public Relations Officer Diana Forman (right) presenting first place trophy for the independent band category to Angie Mai of the Succotz Festival Drum Corp.



BEL awarded eight additional tuition scholarships to students in 2006 to attend the University of Belize. President and CEO Lynn Young (left), with the 2006 scholarship recipients.

Under our Annual Scholarship Program, we awarded eight additional tuition scholarships to students pursuing Associate and Bachelor Degree studies at the University of Belize. This program is now in its 6<sup>th</sup> year, bringing the total number of students who have benefited to 47. We also introduced a scholarship for Belizean students to pursue engineering at Memorial University of Newfoundland (MUN) in Canada. One Belizean student is now pursuing an engineering degree at MUN through this scholarship program, which will be offered every two years.

IMPROVING  
EXPANDING  
INVESTING

# BELIZE ELECTRICITY LIMITED

## Independent Auditor's Report and Financial Statements

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ENDED DECEMBER 31, 2006 AND 2005**

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For Years Ended  
December 31, 2006 and 2005



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of  
Belize Electricity Limited:

Audit & Risk Advisory

Business Solutions

Outsourcing

Real Estate

Corporate

Paralegal

We have audited the accompanying balance sheets of Belize Electricity Limited as of December 31, 2006 and 2005 and the related statements of income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Belize Electricity Limited as of December 31, 2006 and 2005, the results of its operations and retained earnings and its cash flows for the years then ended in conformity with Canadian generally accepted accounting principles.

*Castillo, Sanchez & Burrell, LLP*

Chartered Accountants

January 25, 2007

# BELIZE ELECTRICITY LIMITED


DECEMBER 31, 2006 AND 2005

## Balance Sheet

(In Belize thousands of dollars)

	Notes	<u>2006</u>	<u>2005</u>
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and short term investments		\$ 14,237	\$ -
Accounts receivable	1g&2	20,787	11,160
Current portion of Rate Stabilization Account	1b	8,949	8,604
Inventories	1f&4	9,849	8,120
Prepayments	3	3,095	1,707
		<u>56,917</u>	<u>29,591</u>
PROPERTY, PLANT AND EQUIPMENT - net	1e&5	340,737	322,163
RATE STABILIZATION ACCOUNT	1b	10,133	20,601
TRANSMISSION RIGHTS	1m	1,123	1,268
GOODWILL	1h	43	50
		<u>352,036</u>	<u>344,082</u>
<b>TOTAL</b>		<u>\$ 408,953</u>	<u>\$ 373,673</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft	6	\$ -	\$ 7,411
Accounts payable and accruals	7	19,202	24,064
Current portion of long-term debt	9	10,638	19,110
Short-term debt	11	-	11,747
Corporate tax payable	14	187	189
		<u>30,027</u>	<u>62,521</u>
<b>LONG-TERM LIABILITIES</b>			
LONG-TERM DEBT	9	49,593	75,276
DEBENTURES	10	60,317	56,016
		<u>109,910</u>	<u>131,292</u>
<b>CONSUMER DEPOSITS</b>			
	1o	<u>6,450</u>	<u>6,329</u>
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary shares	12	138,046	66,413
Additional paid in capital	12	5,741	4,299
Capital contribution	1l&16	19,912	18,809
Insurance reserve	17	5,000	5,000
Retained earnings		93,867	79,010
		<u>262,566</u>	<u>173,531</u>
<b>TOTAL</b>		<u>\$ 408,953</u>	<u>\$ 373,673</u>


 Chairman of the Board


 President and Chief Executive Officer/  
 Director

See accompanying notes to financial statements



# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Statement of Income and Retained Earnings

(In Belize thousands of dollars)

	Notes	<u>2006</u>	<u>2005</u>
<b>ELECTRICITY REVENUES</b>	1c	\$ 149,577	\$ 120,540
<b>COST OF WHOLESale POWER</b>		(91,323)	(67,573)
		<u>58,254</u>	<u>52,967</u>
OTHER REVENUE		6,545	4,821
OPERATING EXPENSES		(18,883)	(17,700)
DEPRECIATION AND AMORTIZATION		(9,770)	(9,815)
FINANCE CHARGES	9	(6,724)	(9,920)
(LOSS) GAIN ON FOREIGN EXCHANGE	1d&9	(646)	617
<b>NET EARNINGS BEFORE TAXES</b>		<u>28,776</u>	<u>20,970</u>
CORPORATE TAX	1k&14	(2,692)	(2,087)
<b>EARNINGS APPLICABLE TO SHAREHOLDERS</b>		<u>\$ 26,084</u>	<u>\$ 18,883</u>
<b>EARNINGS PER SHARE</b>	1i&15	<u>\$ 0.48</u>	<u>\$ 0.59</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>		\$ 79,010	\$ 66,488
Net Income		26,084	18,883
Dividends		(11,227)	(6,361)
<b>RETAINED EARNINGS, END OF YEAR</b>		<u>\$ 93,867</u>	<u>\$ 79,010</u>

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Statement of Cash Flows

(In Belize thousands of dollars)

	<u>2006</u>	<u>2005</u>
<b>CASH FROM OPERATIONS:</b>		
<b>NET INCOME</b>	<b>\$ 26,084</b>	<b>\$ 18,883</b>
ITEMS NOT AFFECTING CASH:		
DEPRECIATION AND AMORTIZATION (NET)	9,770	9,815
EXCHANGE LOSS (GAIN) ON LONG-TERM DEBT	646	(617)
CHANGE IN NON-CASH WORKING CAPITAL	<u>(3,510)</u>	<u>(11,420)</u>
	<u>32,990</u>	<u>16,661</u>
<b>CASH USED IN INVESTING:</b>		
ACQUISITION OF PLANT AND EQUIPMENT	<u>(32,045)</u>	<u>(25,203)</u>
	<u>(32,045)</u>	<u>(25,203)</u>
<b>CASH FROM FINANCING:</b>		
(PAYMENT OF) PROCEEDS FROM BANK OVERDRAFT	(7,411)	2,744
PROCEEDS FROM NEW LOANS	10,448	5,600
PROCEEDS FROM SHORT-TERM LOANS	-	20,375
PAYMENT OF SHORT/LONG-TERM DEBT	(56,997)	(27,016)
PROCEEDS FROM SALE OF COMMON SHARES	73,075	6,104
CAPITAL CONTRIBUTION	1,103	4,142
PROCEEDS FROM SALE OF DEBENTURES	4,346	3,015
DIVIDENDS PAID	(11,227)	(6,361)
DEBENTURES REDEEMED	<u>(45)</u>	<u>(61)</u>
	<u>13,292</u>	<u>8,542</u>
<b>NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>14,237</b>	<b>-</b>
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b><u>\$ 14,237</u></b>	<b><u>\$ -</u></b>
ITEMS PAID BY CASH:		
Interest	<u>\$ (12,072)</u>	<u>\$ (15,114)</u>
Taxes	<u>\$ (2,695)</u>	<u>\$ (2,019)</u>

See accompanying notes to financial statements

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 1. STATUS AND SIGNIFICANT ACCOUNTING POLICIES

**Status** - Belize Electricity Limited (the "Company") is a public company incorporated in Belize on October 5, 1992 to carry on the business of generating and supplying electricity to the public. The Company's major shareholders are Fortis Inc. and the Belize Social Security Board.

**Significant Accounting Policies / Regulations** – Accounting policies conform to Canadian generally accepted accounting principles and to accounting requirements established from time to time by the Public Utilities Commission of Belize (PUC). In order to comply with regulatory requirements, the Company follows accounting practices prescribed by the PUC. Accordingly, the timing of recognition of certain revenues and expenses may differ from that otherwise expected under Canadian generally accepted accounting principles applicable to non-regulated operations.

**a. Regulation** - The PUC is authorized under the Public Utilities Commission Act to serve as the regulator for the electricity sector in Belize. The primary duty of the PUC is to ensure that the services rendered by the Company are satisfactory and that the charges imposed in respect of those services are fair and reasonable. The PUC has the power to oversee the rates that may be charged in respect of utility services and the standards that must be maintained in relation to such services. In addition, the PUC is responsible for the award of licenses and for monitoring and enforcing compliance with license conditions.

Basic electricity rates of the Company are comprised of three components. The first component is Value Added of Delivery ("VAD"), the second is cost of fuel and purchase power ("COP"), including the variable cost of generation, which is a flow through in customer rates and the third is the deferred cost of power recovery/rebate component. The VAD component of the tariff allows the Company to recover its operating expenses, transmission and distribution expenses, taxes and depreciation, and rate of return on regulated asset base, in the range of 10 per cent to 15 per cent. The Company undergoes annual rate proceedings and full rate proceedings, every four years, with the PUC that determine the level of the VAD and COP components of electricity rates and any Rate Stabilization Account ("RSA") recovery. The VAD component of the tariff is normally only reviewed every four years while the COP component and RSA recovery are reviewed at each annual rate proceeding and at Threshold Event Review Proceedings that can occur at any time that deferrals of cost of power into the RSA exceed a threshold level.

**b. Rate Stabilization Account** – The Electricity (Tariffs, Charges and Quality of Service Standards) By-laws established by the PUC include a rate stabilization mechanism, which permits the Company to recover from customers charges that are deferred to a Cost of Power Rate Stabilization Account (CPRSA) and a Hurricane Cost Rate Stabilization Account (HCRSA). The rate of recovery is recalculated on July 1 of each year based on the balance in the CPRSA and HCRSA as of the preceding year-end but may be adjusted at any time as a result of a threshold event. In the absence of this mechanism, these costs would not be deferred but would be recorded in the income statement in the period in which they were incurred.

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 1. STATUS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On July 1 of each year, the rate charged to customers is recalculated to reflect changes in the account from year to year. This regulatory asset is classified under other assets. In 2006, (\$1.8) million (2005 - \$25.9 million) was deferred to this account and \$8.3 million (2005 - \$10.6 million) was recovered from customers during the year.

A \$3,000,000 threshold level for the CPRSA was established with effect from July 1, 2005 which could result in additional tariff adjustments during a calendar year should the cost of power increase beyond this threshold level (See Note 17).

**c. Sale of Electricity** - Sale of electricity is recognized on a twelve-month basis of meter readings taken during the financial year. Revenue in respect of unread consumption of electricity at December 31 is included in income of the subsequent financial year on a consistent basis.

Non-regulated operations under Canadian generally accepted accounting principles generally recognize revenue on an accrual basis. Revenue for 2006 includes \$7.2 million (2005 - \$6 million) billed to customers in 2006 for electricity provided for in December of 2005. An estimated \$9.3 million (2005 - \$7.1 million) in electricity sales was provided in December of 2006, but billed and recorded as revenue in 2007.

**d. Foreign Currency Translation and Exchange Gains and Losses** - Foreign currency transactions are converted at the rate prevailing on the transaction date. Foreign currency balances at year-end are converted at the rates of exchange at that date with realized and unrealized exchange gains and losses included in net income (See Note 9).

**e. Property, Plant and Equipment and Depreciation** - Property, plant and equipment are carried at cost and, with the exception of land and assets under construction, are depreciated under the straight line basis over their estimated useful lives which, for the major classes of assets, are as follows:

Buildings	20 – 40 years
Plant, machinery and equipment	5 – 40 years

Maintenance and repairs are expensed as incurred. Expenditures, which significantly increase value or extend useful asset life, are capitalized. The Company has adopted the composite depreciation policy consistent with North American industry practice whereby the cost of plant and equipment retired, less salvage value, is charged to accumulated depreciation.

On construction projects, interest at varying rates is capitalized and included as a cost in the appropriate property accounts (See Note 9).

Capital expenditures include general expenses capitalized (GEC) which are overhead costs not directly attributable to specific capital assets but relate to the Company's overall capital program. In 2006, GEC totaled \$3.8 million (2005 - \$3.7 million).

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 1. STATUS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. **Inventories** - Inventories are valued at the lower of average cost and net realizable value. Full provision is made against materials specifically identified as damaged or obsolete.
- g. **Provision for Doubtful Debts** - Full provision is made in respect of disconnected consumer accounts after application of consumer security deposits, and a 3% general provision is made against active accounts net of deposits.
- h. **Goodwill** - Goodwill represents excess of cost over net assets acquired when the Company was privatized in 1993. Permanent impairments in the value of the goodwill are written off against earnings.
- i. **Earnings per Share** - Earnings per share is calculated by dividing net income applicable to ordinary shares by the weighted average number of ordinary shares outstanding during the year.
- j. **Installation Fees** - Installation fees are consistently credited to income in respect of installations carried out by the Company.
- k. **Corporate Tax / Business Tax** - The Company records corporate tax as paid in the year. Deferred income tax does not arise from the recording of corporate tax (See Note 14).
- l. **Capital Contributions** - Contributed assets are recorded as capital contributions and amortized over the useful life of the related asset (See Note 16).
- m. **Transmission Rights** - Transmission rights represent the cost of transmission lines and substation extensions constructed across the Mexican border and used by the Company in purchasing energy from Mexico. The transmission rights are amortized over the 15-year life of the power purchase contract, which commenced in 1998.
- n. **Pension Costs** - A defined contribution plan is in effect for management and non-management staff. Pension costs are determined based on defined contributions to the plan that are funded by the Company. The scheme is administered by a separate Board of Trustees and the funds are held separately from those of the Company. Pension expense for the scheme amounted to \$645,168 in 2006 (\$659,097 in 2005).
- o. **Consumer Deposits** - The Company collects a deposit from customers for the provision of electrical services which is held as security against energy consumed.
- p. **Use of Accounting Estimates** - The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

<b>2. ACCOUNTS RECEIVABLE</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Consumers	\$ 12,359	\$ 8,682
Government of Belize (GOB)	1,922	1,557
Other	<u>7,817</u>	<u>1,896</u>
	<b>22,098</b>	12,135
Less: provision for doubtful accounts	<u>(1,311)</u>	<u>(975)</u>
	<b><u>\$ 20,787</u></b>	<b><u>\$ 11,160</u></b>
<b>3. PREPAYMENTS</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Insurance	\$ 997	\$ 615
Other deferred charges	<u>2,098</u>	<u>1,092</u>
	<b><u>\$ 3,095</u></b>	<b><u>\$ 1,707</u></b>
<b>4. INVENTORIES</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Bulkstores	\$ 8,146	\$ 6,318
Fuel and oil	<u>1,725</u>	<u>1,824</u>
	<b>9,871</b>	8,142
Less: provision for damaged and obsolete spares	<u>(22)</u>	<u>(22)</u>
	<b><u>\$ 9,849</u></b>	<b><u>\$ 8,120</u></b>

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant, machinery and equipment	Assets Under Construction	Total
<b>Cost</b>				
January 1, 2006	\$ 16,470	\$ 338,173	\$ 21,950	\$ 376,593
Additions	271	1,293	30,481	32,045
Transfers	-	12,073	(12,073)	-
Disposals	-	(1,044)	-	(1,044)
December 31, 2006	16,741	350,495	40,358	407,594
<b>Accumulated Depreciation</b>				
January 1, 2006	3,966	50,464	-	54,430
Additions	382	13,037	-	13,419
Disposals	-	(992)	-	(992)
December 31, 2006	4,348	62,509	-	66,857
<b>Net Book Value</b>				
<b>December 31, 2006</b>	<b>\$ 12,393</b>	<b>\$ 287,986</b>	<b>\$ 40,358</b>	<b>\$ 340,737</b>
December 31, 2005	\$ 12,504	\$ 287,709	\$ 21,950	\$ 322,163

Depreciation expense shown in the statement of income for 2006 is reduced by \$3,801,510 (\$2,963,976 – 2005) representing amortization of capital contribution and other depreciation expense recoveries.

### 6. BANK OVERDRAFT

The Company has a \$1,000,000, a \$5,100,000 and a \$4,000,000 overdraft facility with the Belize Bank Limited, Scotiabank (Belize) Limited and First Caribbean International Bank, respectively. The overdrafts bear annual interest of 14%, 15% and 11.5% respectively, are unsecured, and are payable on demand.

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

<b>7. ACCOUNTS PAYABLE AND ACCRUALS</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Trade payables	\$ 12,917	\$ 12,940
Government of Belize	1,538	1,501
Accrued interest	796	1,633
Other	3,951	7,990
	<u>\$ 19,202</u>	<u>\$ 24,064</u>
<b>8. RELATED PARTY TRANSACTIONS</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Due from Related Parties:		
Belize Electric Company Limited (BECOL)	\$ -	\$ 532
Fortis Energy (Bermuda) Limited	6,071	-
Fortis Inc.	8	293
	<u>\$ 6,079</u>	<u>\$ 825</u>
Due to Related Parties:		
Belize Electric Company Limited		
Transmission Facility Loans	\$ -	\$ 26,142
Power Purchases	2,792	1,238
Fortis Energy (Bermuda) Limited	-	13,000
Fortis Inc.	7	1,749
	<u>\$ 2,799</u>	<u>\$ 42,129</u>

During the year ended December 31, 2006, the following net transactions were recorded with related parties:

	<b><u>Fortis Energy (Bermuda) Limited</u></b>	<b><u>BECOL</u></b>	<b><u>Fortis Inc.</u></b>
Energy Purchases	\$ -	\$ 29,384	\$ -
Debt Servicing	(7,138)	(25,487)	(384)
Miscellaneous reimbursable expenses:			
Intercompany invoicing to BEL	-	12	1,082
BEL invoicing to intercompany	-	634	423



# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

<b>9. LONG - TERM DEBT</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>(1) Government of Belize:</b>		
<b>a. Loan No. 37/SFR – BZ:</b>	<b>\$ 410</b>	<b>\$ 923</b>
Unsecured loan of US\$3,067,234 from the Caribbean Development Bank for onlending to the Company, approved as part of a power project. Repayment is by 60 equal quarterly installments, which commenced March 31, 1993. The loan bears interest at 8.5%.		
<b>b. Loan No. 3776A/S BEL:</b>	<b>8,236</b>	<b>10,624</b>
Unsecured loan of US\$11,400,000 from the International Bank for Reconstruction and Development (IBRD) for onlending to the Company, approved as part of the Power II Project. Repayment is by 23 equal semi-annual installments of US\$480,000, which commenced February 15, 2000, and a final installment of US\$460,000 on August 15, 2011. Interest is 0.5% per annum above the Bank's "Cost of Qualified Borrowings" as defined in the loan agreement. The effective rate of interest as of December 31, 2006 is 5.35% (2005 – 5.46%) per annum.		
<b>c. Loan No. 7.0971/2:</b>	<b>5,584</b>	<b>5,487</b>
Unsecured loan of EURO 3,700,000 from European Investment Bank for onlending to the Company, approved as part of the Power II Project. Repayment is by 15 annual installments, which commenced May 31, 2000. The loan bears interest at 5% per annum.		
<b>d. Loan No. 14/OR-BZ :</b>	<b>14,889</b>	<b>16,995</b>
Unsecured loan of US\$12,706,210 from the Caribbean Development Bank for onlending to the Company, approved as part of the Power II Project. Repayment is by 60 quarterly installments of US\$193,935 and CDN\$39,318, which commenced February 5, 2000. The loan bears interest at 6.25% (2005 - 5.50%) per annum.		
<b>(2) Scotiabank (Belize) Limited:</b>	<b>-</b>	<b>762</b>
Standby unsecured non-revolving loan of US\$2,500,000 for payment of uninsured hurricane related expenses. Principal is repayable by quarterly payments beginning December 31, 2001 and ending September 30, 2006. The loan bears interest at 6.75% per annum.		

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

9. LONG – TERM DEBT (CONTINUED)	<u>2006</u>	<u>2005</u>
(3) <b>M &amp; T Bank (formerly Allfirst Bank):</b>	\$ -	\$ 1,925
Loan of US\$4,892,512 guaranteed by the Export-Import Bank of the United States for the purchase of electricity distribution, substation and transmission equipment. Principal is repayable in 10 semi-annual installments beginning April 15, 2002 and ending October 15, 2006. Interest is payable at 4.95% per annum.		
(4) <b>Belize Electric Company Limited (BECOL):</b>		
<b>a. Mollejon Transmission Facility Loan:</b>	-	20,597
Unsecured loan of US\$14,896,212 granted April 1, 2001 for purchase of the unamortized cost of the Mollejon Transmission Facilities. The loan is repayable in monthly installments inclusive of interest over 10 years commencing November 1, 2001 and bears interest at 10% per annum. Loan was fully paid during the year.		
<b>b. Chalillo Transmission Facility Loan:</b>	-	5,545
Unsecured loan of US\$2,800,000 granted on October 31, 2005 for construction of the Chalillo Transmission Facilities. The loan is repayable in monthly installments inclusive of interest over 10 years commencing November 30, 2005 and bears interest at 12% per annum. Loan was fully paid during the year.		
(5) <b>RBTT Merchant Bank Limited:</b>	15,221	18,911
Loan facility granted on October 1, 2002 for US\$14,031,358 to finance the Gas Turbine Generator Project. The loan is comprised of two tranches – Tranche A for US\$9,003,087 repayable in 14 semi-annual installments commencing October 2003 at 5.75% interest per annum and Tranche B for US\$5,028,271 repayable in 18 semi-annual installments commencing October 2003 at 8.15% per annum. The loan is secured by a debenture over the assets comprising the project.		
(6) <b>Toronto-Dominion Bank:</b>	5,443	7,617
Loan of US\$5,435,671 guaranteed by the Export-Import Bank of the United States for the purchase of electricity distribution, substation and transmission equipment. The loan is repayable in 10 semi-annual installments commencing October 20, 2004. Interest is payable at 5.75% per annum.		

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

9. LONG - TERM DEBT (CONTINUED)	<u>2006</u>	<u>2005</u>
(7) <b>First Caribbean International Bank:</b>	\$ -	\$ 5,000
<p>Secured loan of BZ\$10,000,000 granted on March 26, 2003. Repayment is by 10 equal semi-annual installments with the final installment due February 28, 2008. The loan bears interest at 11.5% per annum. The loan is secured by an equitable mortgage on two of the Company's Freehold properties in Belize City. The loan was fully repaid during the year.</p>		
(8) <b>The Bank of Nova Scotia (Canada):</b>	4,448	-
<p>Loan of US\$10,152,591 to be drawn down over two years guaranteed by the Export-Import Bank of the United States for the upgrade/refurbishment of the existing electrical grid in Belize. Repayment is by 14 equal semi-annual installments commencing the earlier of (a) six months after final shipment from the United States or (b) February 25, 2008. The loan bears interest at the prevailing six-month LIBOR plus 0.50% margin per annum.</p>		
(9) <b>Scotiabank &amp; Trust (Cayman) Limited:</b>	6,000	-
<p>Unsecured, non-revolving term loan of US\$3,000,000 for the financing of other cost related to the upgrade/refurbishment of the existing electrical grid in Belize. Repayment is by one bullet payment of principal at maturity on December 15, 2010 (subject to refinancing). The loan bears interest at the prevailing six-month LIBOR plus 5.0% margin per annum and is payable semi-annually.</p>		
	<u>60,231</u>	<u>94,386</u>
Less: Current installments	<u>(10,638)</u>	<u>(19,110)</u>
	<u>\$ 49,593</u>	<u>\$ 75,276</u>
<p>The loans are repayable as follows:</p>		
2007	10,638	
2008	11,774	
2009	10,669	
2010	8,327	
2011	5,634	
Subsequently	<u>13,189</u>	
	<u>60,231</u>	

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 9. LONG - TERM DEBT (CONTINUED)

Loan No. 7.0971/2 is denominated in Euro and a portion of CDB Loan No. 14/OR-BZ is denominated in Canadian dollars. For the year 2006, \$646,314 (\$616,977 - 2005) in foreign exchange losses (gains in 2005) has been recorded based on periodic revaluations of the loans.

Interest and related charges on loans capitalized during the year ended December 31, 2006 relating to capital expansion projects amounted to \$1,570,584 (\$1,450,884 - 2005).

Finance Charges	2006	2005
Interest – long-term debt	\$ 5,754	\$ 9,183
Interest – other	6,241	6,454
Interest on CPRSA and HCRSA and other interest recoveries	(3,700)	(4,266)
Interest capitalized	<u>(1,571)</u>	<u>(1,451)</u>
	<u>\$ 6,724</u>	<u>\$ 9,920</u>

### 10. DEBENTURES

#### Series I:

2006	2005
\$ 17,005	\$ 17,005

12,532 unsecured debentures of \$76 each and 160,520 unsecured debentures of \$100 each (12,532 of \$76 and 160,520 of \$100 - 2005) to mature December 31, 2012 with interest payable quarterly at 12% per annum.

#### Series II:

19,424	19,444
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194,239 unsecured debentures of \$100 each (194,444 - 2005) to mature March 31, 2021 with interest payable quarterly at 9.5% per annum.

#### Series III:

23,888	19,567
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238,885 unsecured debentures of \$100 each (195,672 - 2005) to mature July 31, 2022 with interest payable quarterly at 10% per annum.

<u>\$ 60,317</u>	<u>\$ 56,016</u>
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# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 10. DEBENTURES (CONTINUED)

The Series I debentures can be called by the Company at any time after June 30, 2003 until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after June 30, 2002 by giving 12 months written notice to the Company. Redemption by agreement between the Company and the debenture holder at any time is also allowed.

The Series II debentures can be called by the Company at any time after April 30, 2008 until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after April 30, 2008 after giving 12 months written notice to the Company. Redemption by agreement between the Company and the debenture holder at any time is also allowed.

The Series III debentures can be called by the Company at any time after August 31, 2009 until maturity by giving holders not more than 60 days or not less than 30 days written notice, and are repayable at the option of the holders at any time on or after August 31, 2009 after giving 12 months written notice to the Company. Redemption by agreement between the Company and the debenture holder at any time is also allowed.

The Indentures to the Debentures contain covenants, which must be complied with by the Company. In the event of a default as defined in the Indentures, the Company through the Fiscal Agent or via a Trustee appointed by the debenture holders may be required to purchase the debentures at their face value.

Effective September 30, 2003, a Debenture Interest Reinvestment Plan was introduced allowing debenture holders to reinvest their interest on their debentures in additional debentures.

### 11. SHORT-TERM DEBT

	<u>2006</u>	<u>2005</u>
<b>(1) Fortis Energy (Bermuda) Limited:</b>	\$ -	\$ 10,000
Unsecured revolving credit facility of US\$5,000,000 obtained on June 30, 2005 and payable on July 1, 2006. Interest is payable at 15% per annum.		
<b>(2) Citrus Products of Belize Limited:</b>	-	1,747
Unsecured promissory note payable to Citrus Products of Belize Ltd for \$5,200,000 payable in equal monthly installments of \$1,726,400 and a final payment of \$1,747,200 due January 15, 2006. Interest is payable at 12% per annum.		
	<u>\$ -</u>	<u>\$ 11,747</u>

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

12. SHARE CAPITAL	2006	2005
Ordinary shares:		
Authorized 100,000,000 (38,000,000 – 2005) shares of \$2.00 each	\$ 200,000	\$ 76,000
Issued and fully paid 69,023,009 (33,206,532 – 2005) shares of \$2.00 each	\$ 138,046	\$ 66,413

In March 2003, the Company implemented a Dividend Reinvestment Program allowing shareholders to reinvest their dividends into additional ordinary shares of the Company at \$2.75 per share. The excess \$0.75 per share over par value is recorded as Additional paid in capital. The Dividend Reinvestment Program was closed on August 2, 2006.

In June 2006, the Company conducted a recapitalization exercise whereby existing shareholders were issued rights equivalent to the number of ordinary shares held to purchase additional shares at \$2.00 each. Approximately 97% of the rights were exercised during the capitalization process increasing ordinary shares issued by 33,439,891 shares. In conjunction with this recapitalization exercise, the Company increased its authorized ordinary share capital in May 2006 by 62,000,000 shares to 100,000,000 shares.

Convertible redeemable preference shares:

Authorized 12,000,000 shares of \$2.00 each	\$ 24,000	\$ 24,000
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### 13. SPECIAL SHARE

Special rights redeemable preference share:

Authorized, issued and fully paid 1 share of \$1.00.

Rights attached to the Special Share:

Income – the Special Share is not entitled to participate in any income distributed by the Company.

Voting – the holder of the Special Share is entitled to receive notice of, and to attend and speak at, any general meeting or any meeting of any class of shareholders of the Company, but the Special Share does not carry a right to vote or any other rights at any such meeting.

Redemption - The holder of the Special Share may require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate to the Company. Any redemption is subject to the provisions of the statutes and the Articles of the Company.

Capital – The Special Share confers on the holder thereof the right, on a winding-up or other return of capital but not on a redemption, to repayment in priority to any payment to the holders of Ordinary Shares and at least in parity with the holders of the Preference Shares and the holders of any other preference shares of the Company from time to time, of the amount paid up on the Special Share.

Purchase and transfer – The Company shall not purchase, but may redeem the Special Share. The Special Share may be transferred only to a Minister of the Government of Belize or any person acting on the written authority of the Government of Belize.

Right to appoint Chairman – Article 4(B) of The Articles of Association of the Company states that “when determining the rights attaching to any shares, the shares held by the Government of Belize shall be deemed to include shares held by the Social Security Board or any other Public Statutory Corporation.” The holder of the Special Share is entitled to appoint two directors to the Board of Directors of the Company, one of whom is to serve as the chairman at any time during which the holder of the special share is the holder of Ordinary Shares amounting to 25% or more of the issued share capital of the Company.

# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 14. CORPORATE TAX

The Company pays tax under the Income and Business Tax Act of Belize. Income tax is charged at the rate of 25% but is capped at 1.75% of gross revenues as of March 1, 2005.

### 15. EARNINGS PER SHARE

	<u>2006</u>	<u>2005</u>
Net income applicable to shareholders	\$ <u>26,083</u>	\$ <u>18,883</u>
Shares outstanding (Weighted Average)	<u>54,045,035</u>	<u>31,989,261</u>
Earnings per share	\$ <u>0.48</u>	\$ <u>0.59</u>

### 16. CAPITAL CONTRIBUTIONS

Capital contributions include Government of Belize contributions towards rural electrification programs and other similar contributions.

	<u>2006</u>	<u>2005</u>
Capital contributions brought forward	\$ <u>23,945</u>	\$ <u>19,324</u>
Additions	<u>1,634</u>	<u>4,621</u>
Capital contributions carried forward	<u>25,579</u>	<u>23,945</u>
Amortization brought forward	<u>5,136</u>	<u>4,658</u>
Additions	<u>531</u>	<u>478</u>
Amortization carried forward	<u>5,667</u>	<u>5,136</u>
Capital contributions – net	\$ <u>19,912</u>	\$ <u>18,809</u>

## Notes to Financial Statements

(In Belize thousands of dollars)

### 17. COMMITMENTS AND CONTINGENCIES

**Compliance with Covenants** - The Indenture to the debentures and other loan agreements contain numerous covenants that must be complied with by the Company. During the year ended December 31, 2006, the Company was in compliance with these covenants except for deposits to the electricity special fund account covenant for the Caribbean Development Bank Loan No. 37/SFR-BZ. The Company's management does not believe this exposes the Company to any undue increase in credit risk.

The insurance coverage of the Company's transmission and distribution assets was discontinued in fiscal 1994 due to a limitation in the availability and a significant increase in the cost of this insurance. In fiscal 1995, the Company approved a self-insurance plan for transmission and distribution assets for a total of \$5,000,000 and earmarked \$500,000 of retained earnings per annum to be set aside for this plan. As at December 31, 2004, \$5,000,000 of retained earnings has been appropriated. The Company also has reestablished a stand-by secured non-revolving line of credit of \$5,000,000 that forms part of this self-insurance plan.

**Legal Issues** - The Company is subject to various legal proceedings and claims that arise in the ordinary course of business operations. Management believes that the amount of liability, if any, from these actions would not have a material effect on the Company's financial position or results of operations.

**Rate Stabilization Account** - As a result of bye-laws set out by the PUC governing the determination of Electricity Tariffs, Charges and Quality of Service Standards, the Company is allowed to defer excess costs of fuel, power purchases, and diesel operating and maintenance expenses, plus interest on the account balances, to be recovered from or rebated to customers over four years.

An account known as the CPRSA was established to regulate the manner in which these excess costs of power and changes in the CPRSA are passed on to customers. The Cost of Power component in \$/kWh is \$0.255 to June 30, 2006 and \$0.253 for the period July 1, 2006 to June 30, 2007. Excess Cost of Power and interest for the period January 1, 2006 to December 31, 2006 amounted to (\$1,953,274) (2005 - \$25,784,522), while \$7,142,314 (2005 - \$9,309,732) was recovered for the same period as allowed by the PUC. A new \$3,000,000 threshold level was established for the CPRSA with effect from July 1, 2005 that allows for adjustments to the tariff once new deferrals to the CPRSA reach this level. Adjustments to the tariff as a result of a "Threshold Event" may include adjustments to the CWP component of the tariff and additional CPRSA recovery surcharges.

Effective July 1, 2002, the PUC also approved a Hurricane Cost Rate Stabilization Account (HCRSA) to regulate the manner in which extraordinary expenses associated with hurricane damage and recovery are passed on to the customers. During 2006, \$96,291 (2005 - \$170,736) was deferred to this account. For the period January 1, 2006 to December 31, 2006, a total of \$425,163 (2005 - \$1,269,549) was recovered as allowed by the PUC.

The PUC regulates the recovery of the balance in the CPRSA and the HCRSA. The outstanding balance at July 1, 2005 was approved for full recovery by June 30, 2009. PUC will address subsequent balances in future annual rate submissions or threshold events, and recovery will be dependent on future operational circumstances that cannot be determined at this time.

**PUC Tariff Setting Mechanism (Annual & Full Tariff Period Corrections)** - The Company's tariffs are approved by the PUC based on certain forecasts and assumptions with respect to cost of service, sales and quality of service. At the completion of annual and full tariff period reviews, BEL's rates are adjusted based on the latest forecasts and assumptions. These rate adjustments also incorporate corrections for differences between the actual results and the last set of assumptions/forecasts laid out in the last PUC rate order delivered. These corrections are referred to as Annual and Full Tariff Period Corrections. Decisions by the PUC are handed down by way of an order, and until such order is delivered, BEL is not deemed to have acquired any asset or liability with respect to possible annual and full tariff period corrections that the PUC may or may not implement.

The tariff decision issued with effect for the tariff period July 1, 2006 to June 30, 2007 included a \$740,519 positive annual correction to tariffs. This amount has been booked in a Regulatory Account and is being recovered over the July 2006 to June 2007 tariff period.



# BELIZE ELECTRICITY LIMITED

Years Ended DECEMBER 31, 2006 AND 2005

## Notes to Financial Statements

(In Belize thousands of dollars)

### 17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Summary of Contractual Obligations:  
(In Belize millions of dollars)

	Total	2007	2008 to 2011
Long-term debt (LTD)	47.0	10.6	36.4
Operating leases (rent)	0.8	0.1	0.7
Purchase obligations – energy (BECOL)	187.2	27.9	159.3
Purchase obligations – energy (BELCOGEN)	62.3	-	62.3
Purchase obligations – energy (Hydro Maya)	10.0	2.0	8.0
Purchase obligations – energy (CFE)	4.5	2.7	1.8
Interest obligations on LTD and Capital leases	40.6	9.2	31.4
Total Obligations	<u>352.4</u>	<u>52.5</u>	<u>299.9</u>

### 18. FINANCIAL INSTRUMENTS

**Fair Value:** The carrying amounts of cash, receivables, trade, other payables and short-term debt at the balance sheet date represent best estimates of fair values because of the relative short-term maturities of these assets and liabilities. Long-term obligations were contracted at market terms. Due to the unavailability of a long term market in the country current fair values of long term obligations are not determinable.

**Credit Risk:** The Company has a large and diversified customer base, which minimizes the concentration of this risk. The Company's credit risk is concentrated as follows:

Government of Belize	23%
Residential customers	42%
Commercial customers	31%
Industrial customers	4%

# BELIZE ELECTRICITY LIMITED

## Financial and Operating Statistics

	Calendar Years Ended December 31							Fiscal Years Ended March 31		
	2006	2005	2004	2003	2002	2001	2000	1999/2000	1998/1999	1997/1998
<b>FINANCIAL STATISTICS</b>										
(Belize thousands of dollars except as noted)										
Energy Revenues	149,577	120,540	105,512	101,420	96,017	90,799	81,451	73,796	66,807	61,999
Net Profit	26,084	18,883	15,822	14,079	13,045	12,061	10,728	10,045	8,054	3,203
Net Fixed Assets	340,737	322,163	310,536	296,609	252,658	238,070	208,822	193,916	184,878	153,362
Capital Expenditures	32,046	25,203	25,512	53,964	29,095	39,029	29,754	16,703	37,700	32,594
Total Assets	408,953	373,673	346,472	338,120	297,518	276,954	244,428	224,327	210,805	179,891
Long Term Debt	49,593	75,276	89,576	107,465	88,394	88,406	56,463	56,273	60,278	44,377
Shareholders' Equity (excluding Contributed Capital)	242,654	154,721	136,096	120,546	108,040	100,490	93,055	90,367	66,252	60,010
Debentures	60,317	56,016	53,062	49,346	38,394	36,615	17,100	17,160	26,810	12,766
<b>Performance Indicators</b>										
Rate of Return on Net Fixed Assets	10.51%	9.61%	8.30%	8.82%	9.15%	9.54%	9.38%	10.72%	9.25%	6.47%
Rate of Return on Shareholders' Equity	13.13%	12.99%	12.33%	12.32%	12.51%	12.46%	11.88%	12.83%	12.76%	5.48%
Earnings per share (\$)	0.48	0.59	0.53	0.50	0.47	0.44	0.39	0.45	0.44	0.18
<b>OPERATING STATISTICS</b>										
<b>Sales (MWH)</b>										
Industrial & Commercial	132,553	123,701	116,075	109,075	98,509	117,828	110,193	110,973	92,926	82,070
Residential	203,361	202,419	189,498	175,817	159,229 <sup>1</sup>	119,144	102,832	84,010	80,779	77,672
Street Lighting	23,679	23,606	24,404	22,661	21,208	19,743	16,327	13,547	13,026	12,525
<b>Total</b>	<b>359,593</b>	<b>349,726</b>	<b>329,977</b>	<b>307,553</b>	<b>278,946</b>	<b>256,715</b>	<b>229,352</b>	<b>208,530</b>	<b>186,731</b>	<b>172,267</b>
<b>Customer Accounts (numbers)</b>										
Industrial & Commercial	677	593	536	531	452	483	518 <sup>1</sup>	7,855	6,093	5,611
Residential	70,279	68,041	65,544	62,544	59,362	56,599	52,632	43,892	42,735	40,553
Street Lighting	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>70,957</b>	<b>68,635</b>	<b>66,081</b>	<b>63,076</b>	<b>59,815</b>	<b>57,083</b>	<b>53,151</b>	<b>51,748</b>	<b>48,829</b>	<b>46,165</b>
<b>Net Generation (MWh)</b>										
Net Diesel Generation	30,136	81,553	78,850	97,889	46,491	43,367	41,171	60,134	103,381	96,916
Purchased Power - BECOL	177,733	68,275	63,215	61,154	88,243	91,374	93,615	67,809	67,985	72,028
Purchase Power - CFE	209,814	253,995	235,796	188,714	180,510	158,634	126,807	107,039	41,560	28,791
<b>Total</b>	<b>417,683</b>	<b>403,823</b>	<b>377,861</b>	<b>347,757</b>	<b>315,244</b>	<b>293,375</b>	<b>261,593</b>	<b>234,982</b>	<b>212,926</b>	<b>197,735</b>
<b>Other</b>										
Losses	13.9%	13.4%	12.7%	11.5%	11.5%	12.5%	12.3%	11.3%	12.3%	12.9%
Peak Demand(MW)	66.6	63.5	61.1	57.4	53.7	49.3	44.5	42.8	38.0	36.6
Installed Capacity (Diesel Plant)(MW)	36.9	43.5	43.6	49.3	27.0	27.0	26.3	30.8	31.3	37.8
Employees (number)	243	244	248	242	237	244	296	379	357	358

<sup>1</sup> Adjusted to reflect reclassification of certain Commercial Customers to Residential.

Certain comparative figures may have been reclassified to confirm with the current year's presentation.

## Corporate Directory/ Investor Information

### BOARD OF DIRECTORS

Robert Usher, Chairman  
H. Stanley Marshall, Deputy Chairman  
Richard Hew  
Philip Hughes  
James Lea  
Karl Menzies  
Dylan Reneau  
Yasin Shoman  
Lynn Young

### OFFICERS

Lynn Young, President and Chief Executive Officer  
Rene Blanco, Vice President, Finance and Administration and Chief Financial Officer  
Felix Murrin, Vice President, Customer Care and Operations  
Joseph Sukhnandan, Vice President, Engineering and Energy Supply  
Juliet Estell, Manager, Executive Services and Company Secretary

### CORPORATE ADDRESS

Belize Electricity Limited  
2 1/2 Miles Northern Highway  
P.O. Box 327  
Belize City, Belize  
Central America

### FISCAL AGENT

Platinum Trust Corporation Limited  
28 Regent Street  
Belize City, Belize  
Central America

### SHAREHOLDER SERVICES

For general information, shareholder publications, and other requests, please contact:

Manager, Executive Services and Company Secretary  
Belize Electricity Limited  
2 ½ Miles Northern Highway  
P.O. Box 327  
Belize City, Belize  
Central America  
Tel: 501-227-0954 (ext. 118)  
E-mail: [Corporate@bel.com.bz](mailto:Corporate@bel.com.bz)

### DIRECT DEPOSIT

Shareholders may obtain automatic electronic deposit of dividends to their designated Belizean financial institution by contacting the Securities Officer at the Corporate Headquarters.

# Board of Directors

As of December 2006



**Robert Usher**  
Chairman



**H. Stanley Marshall**  
Deputy Chairman



**Richard Hew**  
Director



**Philip G. Hughes**  
Director



**James Lea**  
Director



**Karl H. Menzies**  
Director



**Dylan Reneau**  
Director



**Yasin Shoman**  
Director



**Lynn Young**  
Director

# Executive Management

As of December 2006



**Lynn Young**  
President and  
Chief Executive Officer



**Rene Blanco**  
Vice President, Finance and  
Administration and  
Chief Financial Officer



**Felix Murrin**  
Vice President, Customer  
Care and Operations



**Joseph Sukhnandan**  
Vice President,  
Engineering and Energy Supply



**Juliet Estell**  
Manager, Executive Services  
and Company Secretary



A FORTIS COMPANY

INVESTING \* EXPANDING \* IMPROVING

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