



**Belize Electricity Limited**

A FORTIS COMPANY



*Growing with Belize*

**2007**  
Annual Report



## ABOUT THE COVER

Belize City, featured as the main photo on the cover, is the former capital city of Belize. In 1961, Hurricane Hattie devastated the city and in 1970, Belmopan was named the new capital. Belize City remains the commercial capital and is currently home to approximately 70,000 people.

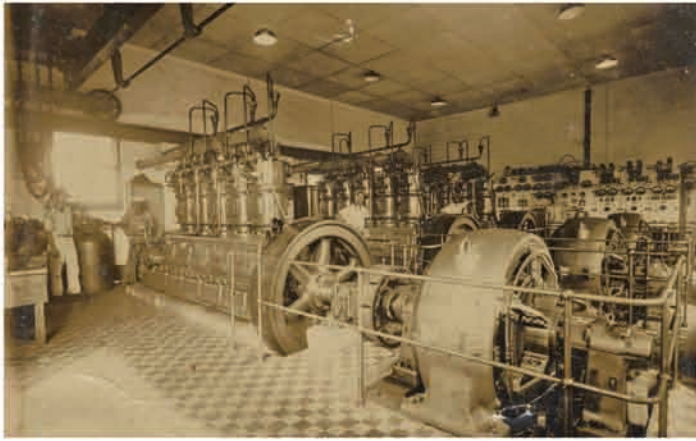
Belize's population is approximately 300,000 and its growth rate over the years has driven BEL's growth from a company with only 120 gigawatt hours (GWh) in sales and 27,000 customers in 1992 to a company with approximately 382 GWh in sales and 73,000 customers in 2007. With electricity demand growth forecast at 6 per cent in 2008, BEL remains focused on investing heavily in service initiatives that will ensure we continue to Grow with Belize.

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## A HISTORY of Belize Electricity Limited

Established in 1950 as Belize Electricity Board (BEB), Belize Electricity Limited (BEL) has been a driving force behind national change and growth in Belize.



Prior to 1950, an American investor who owned a direct current generator and an ice plant, provided electricity supply in Belize City only. In 1950, BEB was established with Belize City being the only area of supply. The respective town councils supplied the other municipalities with four hours of electricity every night; from 6:00 p.m. to 10:00 p.m.

In years to follow, the country's development drove greater demand for a continuous and reliable energy supply. BEB eventually expanded its service area to supply all six districts, with isolated diesel generating plant, located in each load center.

In 1992, BEB was privatized and became Belize Electricity Limited. In 1993, immediately following privatization, construction of the national grid commenced and interconnection to Comisión Federal de Electricidad (CFE) in Mexico was completed in 1998.

In 1999, the Government of Belize divested itself of its remaining 51 per cent holding in BEL. A share offer was made to the general public in Belize. The shares that were not taken up by Belizeans were offered to international bidders. Fortis Inc. won the bid and became the majority shareholder in the Company.

Today, supply from Mexico along with the development of local hydroelectric sources, is resulting in improved service at competitive rates. The national grid has been extended to all major load centers on the mainland and Caye Caulker remains the only municipality with an active diesel generating plant. BEL plans to connect Caye Caulker to the national grid by 2009.

Alongside developments in energy supply, improved customer service has also been a major focus of the Company. Customers now have easy access to a variety of options for service queries, bill payments and contact with Company representatives.

The Company strives to lead in safety and environmental stewardship. Public and employee safety and sound environmental management are heavily emphasized in all training and world class standards are being maintained.

The 2007 BEL Annual Report features snapshots of the country's past, alongside the current changes. Featured landmarks provide glimpses of the Belize of yesteryears. The accomplishments of BEL in 2007 are directly driven by the needs of the developing nation of Belize.

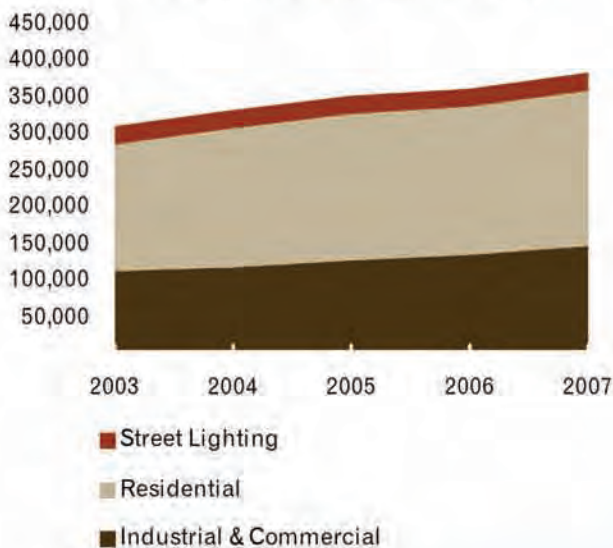
## Corporate Profile

Annual Comparison In Belize thousands of dollars	2007	2006
Operating Revenues	159,607	149,577
Earnings applicable to Shareholders	29,864	26,084
Total Assets	429,738	408,953
Shareholders' Equity	278,097	262,566
Return on Net Fixed Asset	10.3%	10.5%

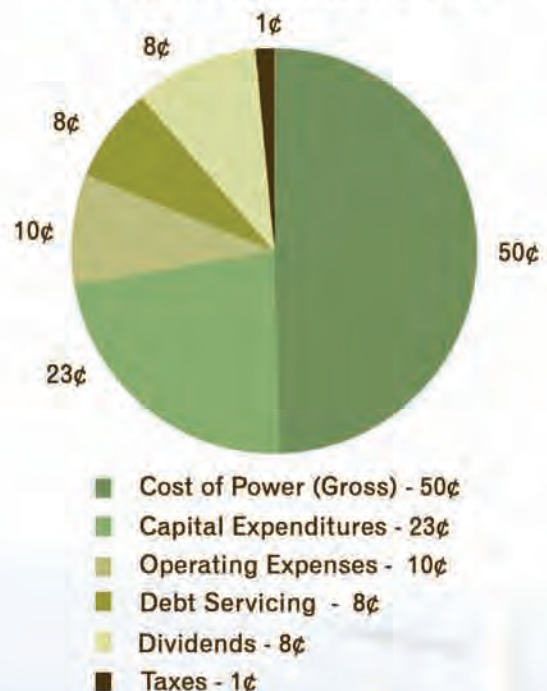
Belize Electricity Limited (BEL) is the primary distributor of electricity in Belize, Central America. Serving a customer base of approximately 72,700 accounts, the Company meets a peak demand of 70 megawatts (MW) from multiple sources of energy including power purchases from Belize Electric Company Limited (BECOL), Hydro Maya Limited (HML), 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. and the Social Security Board Belize hold a 70.2 per cent and 26.9 per cent interest in BEL, respectively.

## Financial Highlights

SALES (In Megawatt Hours)



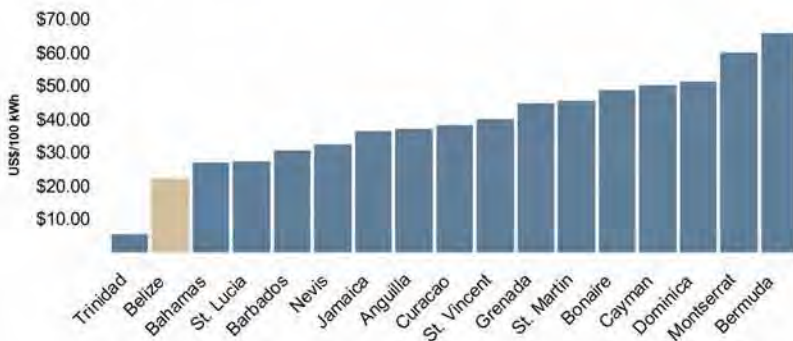
How We Spent Each Dollar



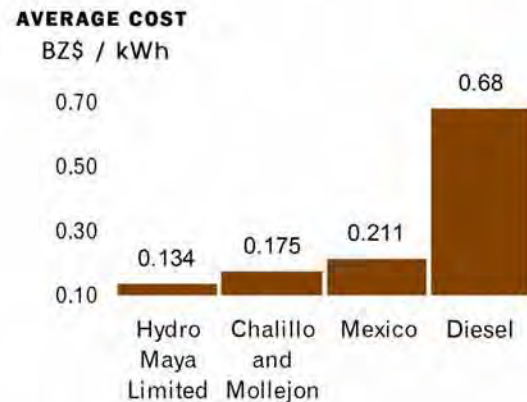
## Report to Shareholders

Over the last three years, the most serious economic challenge facing our region has been the steep increase in the price of oil. In 2007, oil prices continued its sharp increase from US\$61 per barrel at the beginning of the year and peaking at over US\$100 per barrel before settling back to US\$95 per barrel by year's end. Fortunately for our consumers in Belize, we have been diligently diversifying our power supply sources and today, 40 per cent of our power is supplied from stably priced hydroelectric sources. As a result, despite the tremendous increase in oil prices, we were able to maintain stable rates even as electricity rates continue to climb in neighboring countries.

Domestic Consumer Using 100 kWh per month



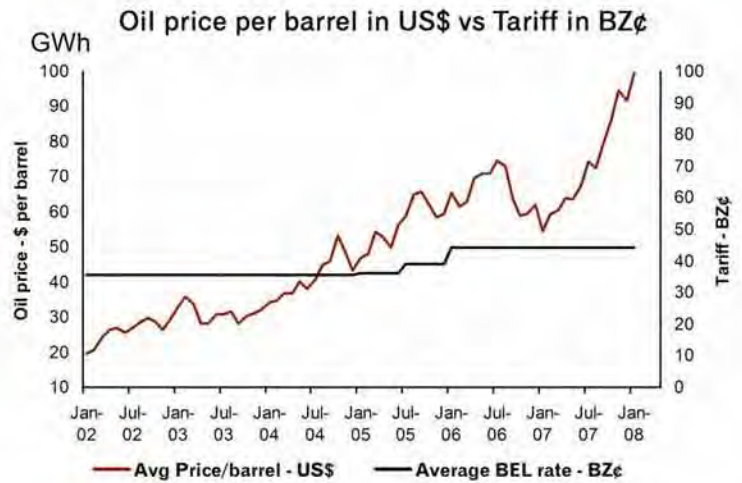
Energy Sources in 2007



Source: Caribbean Association of Electric Utilities 2006

In the first quarter of 2008, oil prices continued on a steady increase and by mid-March 2008 hit US\$112 per barrel. Consequently, the Company applied for a 15 per cent average increase in electricity rates. Maintaining stable rates will continue to be a major challenge as we grow with Belize. We have remained vigilant in our efforts to secure stable and competitively priced power supplies and in March 2007, Hydro Maya Limited began producing from its 3 MW run-of-the-river hydroelectric facility in Southern Belize. In April 2007, Belize Electric Company Limited (BECOL) began construction of its third hydroelectric facility at Vaca on the Macal River. This facility is scheduled to come on line in 2009 and will provide an additional 18 MW of firm power. In October 2007, Belize Cogeneration Energy Limited (BELCOGEN) broke ground for its cogeneration plant which will have a capacity of 31 MW and is scheduled to be completed in 2009. The cogeneration plant, which will be fueled with sugar cane waste, will supply the sugar company with all its power while making up to 16 MW available to Belize Electricity Limited (BEL). Finally, in the fourth quarter of 2007, we negotiated a Power Purchase Agreement with Belize Aquaculture Limited to purchase up to 15 MW of firm power from BAL's heavy fuel plant in Southern Belize. In addition to helping us keep rates stable, these initiatives will ensure that we can continue to meet the growing demand with in-country sources.

2007 was also a very busy year for us with capital expenditures in excess of \$47 million. Substantial progress was made in completing our Power V Project which is an initiative to improve system reliability, upgrade existing substations and build new substations to meet the growing demand. In addition, distribution expansion was driven by new tourism related projects and the connection of shrimp farms in the south of the country as well as the continuing Rural Electrification Project.



We are also continuing to introduce new services to assist social customers and improve customer interaction in general. In the first quarter of 2007, we implemented a new automated telephone system to provide customers with easy access to information such as due dates, account balances and service interruptions. Several of our service centers were upgraded and in the second quarter, a change in our rate structure provided relief to more than 7,000 customers.

With sales growth averaging 6.5 per cent over the last five years, capital expenditure has been high and we expect this trend to continue as we keep pace with the country's growth. Sales growth of 6.2 per cent in 2007 translated into increased earnings for the Company. Earnings grew to just under \$30 million, although the growth in assets resulted in Return on Assets slipping from 10.5 per cent in 2006 to 10.3 per cent in 2007. While this continues to be well below the 12 per cent target return assumed in the rate setting regulations, the investments we are making lays the foundation for continued growth and improved service for years to come.

Approximately 50 per cent of our net income is ploughed back into our capital expenditure program, augmented by financing from the Series 4 Debenture Offering, which was issued in the second quarter and medium-term debt, which was incurred to finance the Power V Project. Dividends amounting to \$0.22 per share were paid during the year, providing shareholders with a cash return in excess of 8 per cent on their investments. Total local investment in the Company, including shares and debentures, exceed \$108 million dollars. We are especially happy to be able to provide Belizeans with competitive returns for the confidence they have in BEL.

During 2007, we continued with efforts towards making the Company ISO 14001 compliant. Our Environmental Management System is now implemented in all high risk areas of the Company and in 2008 we will be rolling out the system to low risk areas. Our approach has focused on training and communication and we continue to have commendable results. Oil spills have been markedly reduced throughout the Company and BEL is one of the few companies in Belize that maintains an active paper recycling program. We also take great pride in encouraging public behavior to reflect care for the environment through school presentations and public awareness initiatives.

As a good corporate citizen, we also increased our investment of time and resources in the betterment of our communities. In addition to our scholarship program to help deserving young men and women achieve their educational goals, employees participated in several humanitarian efforts to assist deserving families and to help hurricane victims in Northern Belize after the passage of Hurricane Dean.

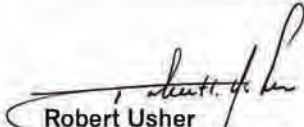
Under our community program, we launched a fundraising initiative “*Stop Crime – Start Now*”, in support of Crime Stoppers Belize. Through this initiative, we raised close to \$10,000 to help Crime Stoppers Belize in its efforts to reduce crime. Complementary to this effort has been our work with the Police Department to install cameras in hot spots around Belize City. These initiatives will further help to make our communities safer.

In closing, we acknowledge the contributions of Mr. Felix Murrin who retired from his post of Vice President, Customer Care and Operations in December 2007. Mr. Murrin came to BEL from Newfoundland Power in Canada and spent the last seven years with BEL. During this time, he oversaw significant improvements to our operations with the implementation of our Safety Program, Live Line Maintenance, the Revenue Protection Program and other critical initiatives that contributed to our success. We sincerely thank Mr. Murrin.

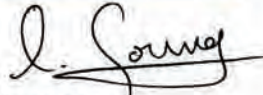
We are also grateful for the dedicated service of Mr. Karl Menzies who served as a Board Member from 1983 to 1987 and from 1993 to 2008. His involvement with the electricity industry over the many years prior to privatization of the old Belize Electricity Board has seen the evolution of the industry from its infancy to modern day BEL. Mr. Menzies resigned from the Board of Directors in February 2008 and we thank him for his invaluable counsel and guidance.

We also thank all our employees who continue to work tirelessly in keeping with our motto of continuously striving to serve our customers better. Finally, we thank you, our shareholders, for your support as we continue Growing with Belize.



  
**Robert Usher**  
 Chairman of the Board  
 Belize Electricity Limited \*



  
**Lynn Young**  
 President and  
 Chief Executive Officer  
 Belize Electricity Limited

\* Effective February 19, 2008, Attorney Rodwell Williams was appointed Chairman of the Board of Directors. We welcome Mr. Williams who brings with him years of experience in the legal profession. Mr. Williams was appointed following the resignation of former Chairman Robert Usher in February 2008 after serving the Company for nine years. Mr. Usher's tenure with us provided strong leadership and clear direction in growing and developing the Company to be a model service provider in Belize. We thank Mr. Usher for his dedicated service to BEL, which will continue to benefit our future operations.

#### **ROBERT USHER**

*“I am proud to have served as Chairman of a Company that stands out in the local service industry as progressive in every aspect of its operations. My time with BEL has been one of sharing and learning and I am confident that the Company will continue to focus on improving service to customers and providing value to its shareholders. I thank my fellow Board of Directors for their support over the past nine years; employees of BEL for delivering on the Company's vision to be the leading utility in the region and shareholders for their tremendous confidence in my service.”*

## Management Discussion and Analysis

### Earnings

Earnings for the year increased to \$29.9 million from \$26.1 million in 2006, while earnings per share decreased to \$0.43 from \$0.48. The decrease in earnings per share reflects the full year's impact of the share issue, which was completed in June 2006. The share issue exercise, along with other shares issued as part of a dividend reinvestment program, resulted in 35,816,477 new ordinary shares being issued in 2006, diluting the earnings per share.

Sales growth of 6.2 per cent during 2007, along with a 1.4 per cent increase in the Value Added of Delivery (VAD) component of the tariffs in July 2007, positively impacted earnings. The July 2007 tariff decision, kept the final average tariff to consumers at \$0.441 per kilowatt hour (kWh), but amended certain components of the tariff. This decision was amended by new Tariff Bye-laws issued in December 2007, which is discussed in detail under "*Regulation*". Earnings were also positively impacted by a decrease in finance charges, resulting from lower debt levels. These positive impacts on earnings were somewhat dampened by increases in operating expenses, depreciation and loss on foreign exchange. Unplanned one time labor related costs, as well as increased resources expended in the areas of customer services, revenue protection, transmission and distribution, and continued increases in the cost of doing business, caused operating expenses to increase over the previous year.

In 2007, the US dollar weakened against the Euro by 10.6 per cent contributing to an \$899 thousand loss on foreign exchange. In 2006, a \$646 thousand loss on foreign exchange was recorded. These losses on exchange relate mainly to our Euro denominated loan.

On February 1, 2008 a final \$0.055 per share dividend was paid to shareholders bringing the total dividends paid for the year ended December 31, 2007 to \$0.22 per share.

### Energy Revenues and Sales

Energy revenues for the year grew by 6.7 per cent to \$159.6 million. Energy sales grew by 6.2 per cent to 381.8 gigawatt hours (GWh). Energy revenues grew in direct proportion to energy sales, plus the 1.4 per cent increase in the Value Added Delivery component of the tariff, which took effect July 1, 2007.

The sales increase was mainly driven by a 5.7 per cent and 7.4 per cent growth in residential and commercial sales, respectively. Stable economic growth during 2007, following a 5.8 per cent growth in Gross Domestic Product in 2006, contributed to sales growth. Energy consumption per customer increased 3.6 per cent over 2006. Energy sales were also boosted by a 2.4 per cent growth in our customer base.



## Expenses

Cost of power for the year increased by 5.8 per cent to \$96.6 million, reflecting increased sales, less a small reduction in the reference cost of power. Cost of power expense is regulated 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. For the periods July 1, 2006 to June 30, 2007 and July 1, 2007 to December 31, 2007 the reference cost of power was \$0.253 per kWh. Variances between actual and the reference cost of power are deferred to the Cost of Power Rate Stabilization Account (CPRSA). In 2007, actual cost of power was \$6.1 million above the reference cost of power. This amount, along with \$2.2 million in interest, was deferred to the CPRSA against an \$8.3 million recovery resulting in little change in the CPRSA balance as compared to the ending balance in 2006. As at December 31, 2006, the Rate Stabilization Accounts of the Company also included a Hurricane Cost Rate Stabilization Account (HCRSA). The HCRSA was amalgamated with the CPRSA on January 1, 2007 as approved by the Public Utilities Commission (PUC).

*For the year, the cost of power purchased from Comisión Federal de Electricidad increased by 28.7 per cent to \$0.21 per kWh, while cost of hydroelectric power remained relatively stable at \$0.18 per kWh.*

Power purchased from Comisión Federal de Electricidad (CFE), the Mexican state owned power company, accounted for 51 per cent of total energy supply as compared to 50 per cent in 2006, while hydroelectric power purchased from the Mollejon and Chalillo Hydroelectric facilities owned by BECOL decreased to 38 per cent of total energy supply as compared to 43 per cent in 2006. In 2007, hydro production was 167 GWh compared to 178 GWh in 2006. This is due to lower rainfall levels on the Macal River during the year. Power purchased from BECOL was complemented by some 11 GWh purchased from Hydro Maya Limited's hydroelectric generating facility in Toledo. The remaining 8 per cent of energy requirements was supplied from our diesel-fired generating plants. For the year, the cost of power purchased from CFE increased by 28.7 per cent to \$0.21 per kWh, while cost of hydroelectric power remained relatively stable at \$0.18 per kWh.



The historic Belize City Swing Bridge was built in 1922 and is one of the few manually operated bridges in the world.

Operating expenses increased 10.4 per cent compared to 2006. This was mainly as a result of unplanned labor and medical costs, increase line maintenance efforts, additional resources targeted at improving customer services and revenue protection efforts. General increases in the cost of goods and services also impacted operating expenses.

### **Capital Expenditure**

During 2007, BEL invested \$47.1 million in expanding and improving its property, plant and equipment. Growth in load demand, driven by growth in the economy and the need for continued system improvements and refurbishments to strengthen the Company's aging assets, drove this significant capital expenditure.

Over \$12.1 million was spent under the Power V Project, which incorporates the majority of our substation modification, reliability and business process improvement initiatives, specialized equipment needs and new vehicle requirements. Accomplishments in 2007 include the expansion of the Buena Vista and San Ignacio Substations. Implementation of the new Automated Call Distributor and Interactive Voice Response System (ACD/IVR), which commenced late in 2006, was completed during the first quarter of 2007. The IVR/ACD provides customers with automated access to their account information and improves the efficiency of other customer care processes.

A total of \$4.2 million was drawn down during the year from Scotiabank (Belize) Limited's Power V Project loan facilities to help finance our 2007 capital expenditures. \$11.8 million remains to be drawn down from this loan in 2008 to assist with the completion of the Power V Project.

Early in 2007, the Series 3 Debentures were closed after the final \$1.1 million in subscriptions were received. This \$25 million issue bears interest at 10 per cent. Subsequently, in September 2007, a new debenture series, the 10 per cent \$25 million Series 4, was issued and has raised some \$5.5 million as at year end. In total, \$6.6 million in debenture proceeds were received during 2007. These funds were also used to support the Company's Capital Investment Program. For the most part, we did not utilize our overdraft facilities during the year and kept our bank accounts positive. Additionally, we paid \$15.2 million in dividends to shareholders.

### **Regulation**

BEL is regulated under the amended 1992 Electricity Act, the amended Public Utilities Commission Act of 1999 and the Electricity (Tariffs, Fees and Charges) Bye-laws of 2007 (Tariff Bye-laws). In December 2007, new Tariff Bye-laws were promulgated that clarified and simplified certain issues contained in the old bye-laws of 2005. The Company's license to generate, transmit, distribute and supply electricity in Belize expires in 2015. Under the terms of the license, BEL 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 (Value Added of Delivery) and provide the Company with a reasonable return on investment, 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 2007, the balance in the CPRSA was \$19 million, comparable to the balance of \$19.1 million as at December 2006. Effective July 1, 2002 a Hurricane Cost of Power Rate Stabilization Account (HCRSA) was established, pursuant to the Tariff Bye-law to normalize storm reconstruction cost impacts on the consumer. This account was amalgamated with the CPRSA with effect from January 1, 2007.

On December 20, 2005, BEL filed an application to the PUC for a Threshold Event Review Proceeding as provided for in the 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 average 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.



The Philip S. W. Goldson International Airport was inaugurated on January 15, 1945 as Stanley Field Airport and later renamed Belize International Airport up to February 7, 1988.

On April 2, 2007, the Company filed its Annual Tariff Review Application for the Annual Tariff Period July 1, 2007 to June 30, 2008 proposing that the average tariff be kept the same. The PUC issued its final decision on June 26, 2007 keeping the average tariff the same at \$0.441 per kWh. The Cost of Power component of the tariff was decreased to \$0.252 per kWh while the Value Added of Delivery component of the tariff was increased to \$0.168 per kWh and the Rate Stabilization Account recovery component was reduced to \$0.019 per kWh. The Annual Correction was kept at \$0.002 per kWh. BEL objected to the final decision and instituted legal challenges based on inconsistencies and misapplications and questioned the legality of the tariff setting methodology.



Northern Fishermen Co-operative Society Limited

Subsequent to the final 2007 tariff decision, in December new Tariff Bye-laws were promulgated that simplified and clarified the tariff setting methodology and incorporated the methodology into law. The new Tariff Bye-laws established beginning balances for regulated accounts for the tariff period and established the following tariff components for the tariff period July 1, 2007 to June 30, 2008: Cost of Power of \$0.253 per kWh, Value Added of Delivery of \$0.168 per kWh and Rate Stabilization Account recovery of \$0.020 per kWh, keeping the average tariff at \$0.441 per kWh. The new Tariff Bye-laws also commenced a new Full Tariff Period with the next Full Tariff Review Proceeding to commence in early 2011. Annual Tariff Review Proceedings will continue as per before.

### Outlook

Electricity demand growth for 2008 is forecasted to remain stable at 6 per cent. Economic growth is expected to stabilize at around 3 per cent to 4 per cent, contributing to this sales growth rate. Commodity prices for agricultural exports, tourism and the oil industry are positively impacting the Belizean economy. This, coupled with the planned additions of new loads to the system, mainly in the tourism and aquaculture industries, will contribute to sales growth in 2008.

## Key Events and Initiatives

**Cogeneration Plant in Orange Walk under construction. The plant is scheduled for completion in 2009.**



Electricity rates in Belize remained stable in 2007, in spite of record high world oil prices. This is the direct result of sourcing 40 per cent of our energy from hydroelectricity.

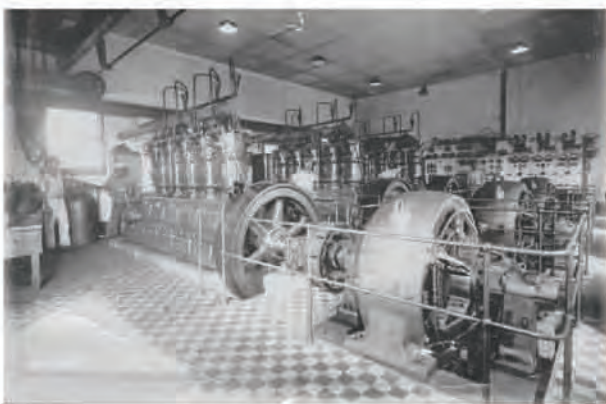
BEL signed a Power Purchase Agreement with BECOL to supply up to 18 MW of power from the proposed Vaca Hydroelectric Facility by 2009.

On October 10, 2007, Belize Cogeneration Energy Limited held ground breaking ceremonies for its cogeneration plant, scheduled for completion in 2009.

Over \$47 million was spent on our Capital Investment Program in 2007 to improve service and enhance operational efficiency.

On August 21, 2007, Hurricane Dean battered Northern Belize, causing close to \$1 million in damages. BEL was able to restore power to most of the affected 17,000 customers within two weeks.

BEL organized a relief drive in Northern Belize, to assist families most affected by Hurricane Dean.



In its early years of operation, the utility supplied energy from isolated diesel generating plants. Today, Belize produces 40 per cent of its power from non-polluting hydro resources.

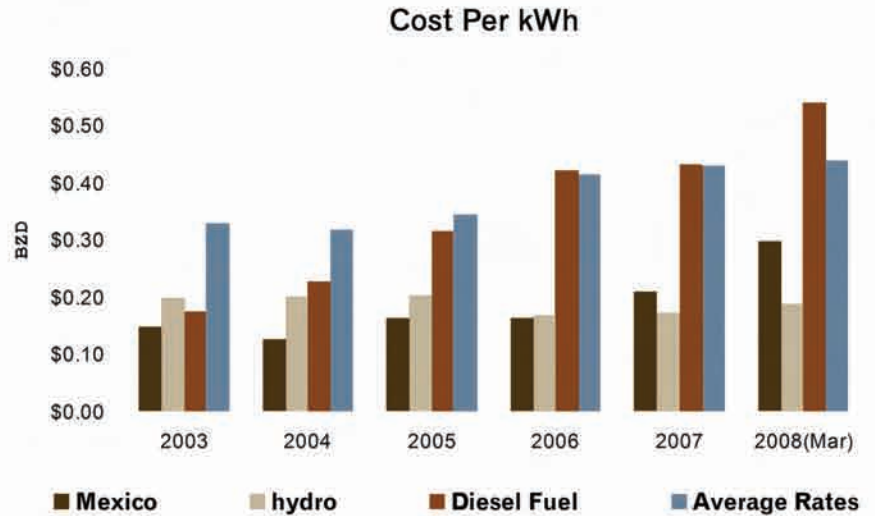
## Operations

### Customer Service Initiatives

BEL's growth and development over the years have encouraged greater expectations of the service we provide. Achieving the high performance standards our customers expect has required that we remain ready to face challenges and embrace opportunities.

High oil prices continued to be a worldwide challenge in 2007, peaking at over US\$100 per barrel before settling back

to US\$95 per barrel by year's end. Our strategy to reduce dependence on oil based sources of energy prepared us for this challenge and so, in spite of high oil prices; we were able to maintain stable electricity rates in 2007. This is the direct result of sourcing 40 per cent of our energy supply from hydroelectricity.



*Our strategy to reduce dependence on oil based sources of energy prepared us ... and so, in spite of high oil prices; we were able to maintain stable electricity rates in 2007.*

On July 1, 2007, we implemented a new tariff structure, which reduced electricity cost for over 75 per cent of residential customers. While the Mean Electricity Rate remained at \$0.441 per kWh, adjustments were made in each tariff bracket. Consequently, customers who consume less than 500 kWh monthly benefited from cost reductions; with the greatest benefit to low consumption customers. Customers consuming over 500 kWh monthly saw small increases of up to 2 per cent.

In 2007, our customer base grew 2.4 per cent to approximately 72,700, emphasizing the continuous need for service efficiency. During the first quarter, we implemented an Automated Call Distributor and Interactive Voice Response System, which allows us to provide call-in customers with automated information, such as duration of power outages, bill payment due dates and account balances. This is improving the quality of interaction with our customers and enhancing the productivity of Customer Care Representatives, who are now able to spend more time focusing on other customer service needs.

We procured several new pickup and bucket trucks which were deployed to various load centers. Our investment in these vehicles better position us to increase the average number of service requests we can meet on a daily basis.

In Punta Gorda Town, we improved the business environment in which we interact with customers, as extensive renovations of that branch office were completed during the year.

Following the passage of Hurricane Dean in Northern Belize on August 21, 2007, over 17,000 customers were without power. The hurricane caused close to \$1 million in damages to electrical infrastructure, with Corozal being the hardest hit. BEL crews worked diligently to restore service and within two weeks power was restored to most of the affected customers.

We successfully connected the Independence and Punta Gorda Substations to the Supervisory Control and Data Acquisition System (SCADA). All substations countrywide are now connected to SCADA, allowing us to track and control system performance remotely. This improves response time to system faults and shortens power restoration in the event of power outages.



## Capital Investments

Customers are most concerned with service reliability. Over the years we have made tremendous improvements in reliability and in 2007, we invested heavily in strengthening our power systems to sustain long-term improvements.

The thrust of our Power V Project is improving service quality, reducing system losses, meeting load growth and reducing the frequency of power outages by upgrading and expanding substation, transmission and distribution systems. In 2007, over \$12 million was spent on this initiative.

Major accomplishments include the expansion of the Buena Vista and San Ignacio Substations.

Preliminary works for construction of new substations in Orange Walk, Belmopan and Ladyville commenced during the year and is scheduled for completion in 2009.

Under the Power III Rural Electrification Project, 15 communities in various parts of the country received power for the first time. Power III is a joint initiative between BEL and the Government of Belize. Since its establishment in 1999, approximately \$30 million has been spent on providing first time service to over 11,000 customers countrywide.

Growth in the tourism sector continues to be a major driver for power demand. This is particularly so in Placencia Village and San Pedro Town. With several large scale tourism developments in both areas, we commenced construction of line extensions for service delivery in these areas.

In Placencia, we also commenced construction of an alternate overhead feeder to connect the peninsula to the Independence Substation. This new feeder will provide redundancy and allow us the opportunity to upgrade the existing feeder without the need for power outages. Completion is scheduled for March 2008.

Our investments in reducing system losses, delivered improved results in 2007. System losses were reduced to 12.98 per cent from 13.9 per cent in 2006. This reduction is the result of an aggressive Loss Reduction Program, under which we installed electronic meters to replace aging electro-mechanical meters. The electronic meters are more resistant to tampering. We also continued with meter inspections countrywide resulting in a 119 per cent increase in revenue recovery compared to the previous year.

A public awareness campaign advising of the dangers and illegality of meter tampering complemented these initiatives and customers were encouraged to report incidents of power theft.

Capital investments amounted to over \$47 million in 2007 to improve service and enhance operational efficiency.



### Energy Demand and Supply

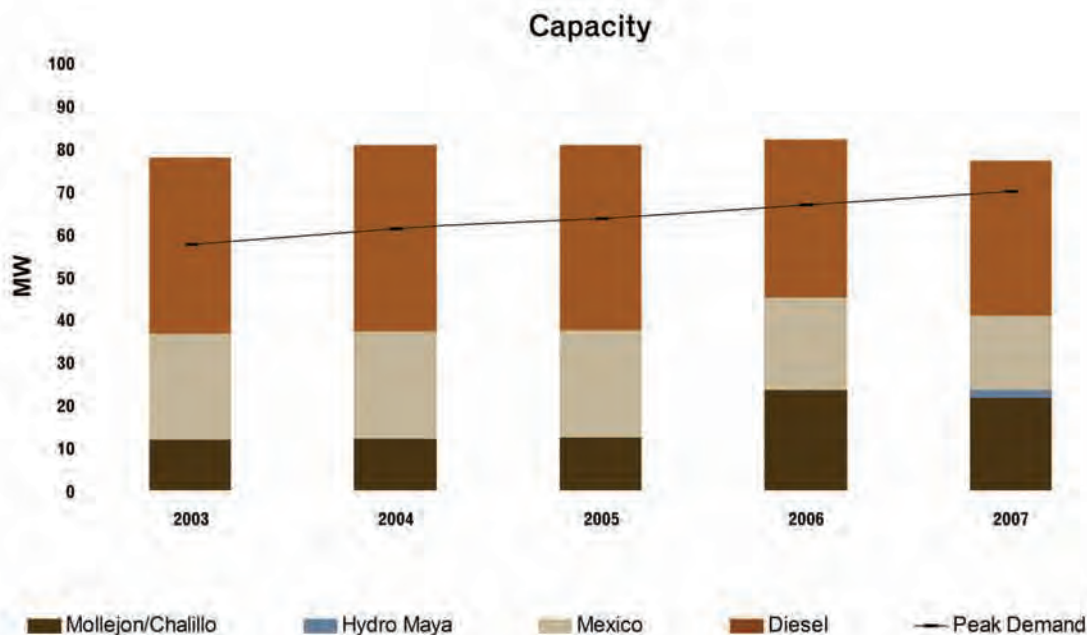
It is essential to the success of our business that we look ahead and plan accordingly. In 2008 we project that energy demand will grow by 6 per cent.

In preparing to meet the future needs of our customers, we signed a Power Purchase Agreement with BECOL for the supply of up to 18 MW of power from its Vaca Hydroelectric Facility. Vaca will feature a run-of-the-river plant approximately 2.5 miles downstream of the Mollejon Facility on the Macal River. It is scheduled to come on line in 2009.

Belize Cogeneration Energy Limited (BELCOGEN) is also expected to bring on line its cogeneration plant in 2009. Construction commenced during the year and upon completion, BELCOGEN will provide BEL with up to 16 MW of capacity and energy, with 13.5 MW being firm capacity.

During the fourth quarter, we completed negotiations with Belize Aquaculture Limited (BAL) for the supply of up to 10 MW of firm capacity by early 2009. The cost of power from BAL, which is indexed to world oil prices, is equivalent to the cost of firm power from CFE. As of February 2008, that cost is approximately \$138 per megawatt hour. A proposed Power Purchase Agreement was submitted to the Public Utilities Commission and approval for the pass through of the power was received in January 2008.

In 2007, Hydro Maya Limited completed construction of its run-of-the-river plant on the Rio Grande in the Toledo District and provided BEL with up to 3.1 MW of power. With Hydro Maya on line, BEL sourced 40 per cent of Belize's energy supply from hydroelectricity, which continues to have a positive impact on the cost of power in Belize.





**Investing in Human Capital**

The thrust of our development program is helping employees to realize their fullest potential and perform above average. Well trained and competent employees are key to continued corporate success and in 2007 we afforded employees more opportunities to enhance their skills in both technical and non-technical areas of operations.

With broken crossarms being responsible for a number of power outages during the year, linemen were provided hands-on training in the inspection of crossarms on transmission lines. Their capabilities in identifying faulty units before they result in an outage, positively impact service reliability.

Training linemen in work methods such as hot stick and rubber glove live line maintenance techniques continued, as this helps to reduce the frequency of power outages.

In support of our corporate goal to improve our customer satisfaction ratings, we reviewed best approaches to solving common customer service challenges during customer service training sessions.



**Safety and Health**

The electric utility business is a high risk operation. BEL therefore takes its responsibility to protect the safety and health of its employees seriously. A key area of concern is vehicle accidents, which is one of the leading causes of death in Belize. In 2007, we continued to help employees be aware of the hazards and dangers on the roadways. Training in conducting accident investigation, exposed employees to some of the common causes of accidents and emphasized driving techniques to prevent recurrences. As a result of our safety initiatives, we have managed to reduce vehicle accidents from 26 in 2001 to 9 in 2007.

The Company hosted its 5<sup>th</sup> Annual Health & Safety Week, during which several “Lunch and Learn” sessions were held on various health and safety topics, including blood pressure and diabetic monitoring. To encourage healthy living, monitoring equipment was placed at various locations across the Company for employees to monitor their blood pressure and sugar levels at their convenience.

We also pay keen attention to the safety of the general public. Focus this year was aimed at discouraging the practice of installing unsafe attachments on utility poles.

In August, we implemented a new service installation guide consistent with the National Electric Code used in North America. Information sessions to raise awareness of the new requirements and safety benefits were held countrywide.

Safe kite flying and other electrical safety tips were also heavily promoted via print and electronic advertisements and during presentations to school children.



Belize City has a population of approximately 70,000 people. It is the former capital city of the country.

BEL's Environmental Management System is committed to:

- Prevention of Pollution**
- Continual Improvement**
- Meeting all Legal Requirements**



**Our Environmental Management System is now implemented in all high risk areas of the Company**

## Environment

BEL is proud to be a leader in Belize, having implemented internationally accepted policies and practices in support of environmental protection. Our Environmental Management System has been implemented in all high risk areas of the Company and efforts are now underway to roll out the system in low risk areas.

The work standards of our contractors are equally important in meeting our environmental objectives and this year we hosted a series of training sessions for contractors in Environmental Awareness and Spill Prevention and Response, Material Safety Data Sheet and Transportation of Dangerous Goods.

Under our Paper Recycling Program we contributed 9,982 lbs of paper to the Belize Recycling Paper Company.

We also take great pride in encouraging public behavior to reflect care for the environment and this year we erected two more environmental awareness signs for public viewing on the compounds of the Corozal Branch Office and the Belmopan Generating Facility. School presentations were conducted in the Belize and Stann Creek Districts, promoting BEL's environmental initiatives and tips to protect the environment.



**Community Involvement**

BEL actively seeks opportunities to support community programs that benefit as many persons as possible. As crime is a critical social concern, we launched a “*Stop Crime – Start Now*”, fundraising initiative in support of Crime Stoppers Belize. In launching the initiative, BEL and Fortis Inc. made a joint contribution to the non-government organization. At year’s end, the campaign had raised close to \$10,000 for the organization, which will use the funds to meet its objectives of bringing the perpetrators of crime to justice and also implementing social programs aimed at addressing the root causes of crime.

BEL and Fortis Inc. also jointly donated to the Belize Emergency Response Team (BERT). This donation is helping BERT meet its objective of speedily responding to those who need its services in the most critical and desperate circumstances.

Over 1,000 persons were left homeless in Northern Belize as a result of Hurricane Dean. BEL was one of the first organizations to respond to the critical needs of these persons, by organizing a Relief Drive. BEL employees with support from the Belize Red Cross Society, distributed hampers filled with food, toiletries and basic supplies to hurricane victims most affected by the storm.

For the second consecutive year, BEL was a sponsor of the Belize Band Fest National Competition which serves to develop young musical talent and promote wholesome activities for our youth.

Another major community initiative in 2007 was our Easter Basket Drive for deserving primary school students of Hattieville Government School in the Belize District rural area.



## Community Involvement

In 2007, employees raised a record \$7,000 to share holiday treats with deserving families countrywide. BEL matched the employee funds; bringing the total contribution to \$14,000. Employees were able to distribute 65 Christmas hampers countrywide and over 400 toys to children of families that were affected by Hurricane Dean in the Corozal District. On Christmas morning employees also distributed warm breakfast to over 350 homeless and elderly persons in Belize City.

Six more Belizean students benefited from BEL's Annual Scholarship Program, receiving tuition scholarships to pursue their Associate's or Bachelor's degree at the University of Belize. BEL's Scholarship Program is now in its seventh year and to date 53 students have benefited.

**BEL - Committed to improving communities through investment in  
CULTURE - HEALTH - ARTS - SPORTS - EDUCATION**

*Growing with Belize*



# Independent Auditors' Report and Financial Statements

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Castillo Sanchez & Burrell, LLP

40 A Central American Blvd  
P.O. Box 1235  
Belize City  
Belize

Tel: +501 227 3020/5666  
Fax: +501 227 5792  
www.CSB-LLP.com  
info@CSB-LLP.com

Julian Castillo, FCCA  
Giacomo Sanchez, CPA  
Claude Burrell, CPA

## 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, 2007 and 2006 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 misstatements. 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, 2007 and 2006, 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 29, 2008





## Balance Sheet

December 31, 2007 and 2006

(In Belize thousands of dollars)

	Notes	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and short term investments		\$ 7,074	\$ 14,237
Accounts receivable	1g&2	21,046	20,787
Current portion of Rate Stabilization Account	1b	8,088	8,949
Inventories	1f&4	7,028	9,849
Prepayments	3	1,783	3,095
		<b>45,019</b>	<b>56,917</b>
PROPERTY, PLANT AND EQUIPMENT - net	1e&5	372,834	340,737
RATE STABILIZATION ACCOUNT	1b	10,871	10,133
TRANSMISSION RIGHTS	1m	978	1,123
GOODWILL	1h	36	43
		<b>384,719</b>	<b>352,036</b>
<b>TOTAL</b>		<b>\$ 429,738</b>	<b>\$ 408,953</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accruals	7	\$ 23,662	\$ 19,202
Current portion of long-term debt	9	10,014	10,638
Corporate tax payable	13	262	187
		<b>33,938</b>	<b>30,027</b>
<b>LONG-TERM LIABILITIES</b>			
LONG-TERM DEBT	9	44,245	49,593
DEBENTURES	10	66,829	60,317
		<b>111,074</b>	<b>109,910</b>
CONSUMER DEPOSITS	1o	6,629	6,450
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary shares	11	138,046	138,046
Additional paid in capital	11	5,741	5,741
Capital contribution	11&15	20,764	19,912
Insurance reserve	16	5,000	5,000
Retained earnings		108,546	93,867
		<b>278,097</b>	<b>262,566</b>
<b>TOTAL</b>		<b>\$ 429,738</b>	<b>\$ 408,953</b>

  
**Robert Usher**  
 Chairman of the Board

  
**Lynn Young**  
 President and Chief Executive Officer/  
 Director

See accompanying notes to financial statements

## Statement of Income and Retained Earnings

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

	Notes	<u>2007</u>	<u>2006</u>
ELECTRICITY REVENUES	1c	<b>\$ 159,607</b>	\$ 149,577
COST OF WHOLESALE POWER		<u><b>(96,585)</b></u>	<u>(91,323)</u>
		<b>63,022</b>	58,254
OTHER REVENUE		<b>7,587</b>	6,545
OPERATING EXPENSES		<b>(20,838)</b>	(18,883)
DEPRECIATION AND AMORTIZATION	5	<b>(11,380)</b>	(9,770)
FINANCE CHARGES	9	<b>(4,758)</b>	(6,724)
LOSS ON FOREIGN EXCHANGE	1d&9	<u><b>(899)</b></u>	<u>(646)</u>
<b>NET EARNINGS BEFORE TAXES</b>		<b>32,734</b>	28,776
CORPORATE TAX	1k&13	<u><b>(2,870)</b></u>	<u>(2,692)</u>
<b>EARNINGS APPLICABLE TO SHAREHOLDERS</b>		<u><b>\$ 29,864</b></u>	<u>\$ 26,084</u>
<b>EARNINGS PER SHARE</b>	1i&14	<u><b>\$ 0.43</b></u>	<u>\$ 0.48</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>		<b>\$ 93,867</b>	\$ 79,010
Net income		<b>29,864</b>	26,084
Dividends		<u><b>(15,185)</b></u>	<u>(11,227)</u>
<b>RETAINED EARNINGS, END OF YEAR</b>		<u><b>\$ 108,546</b></u>	<u>\$ 93,867</u>

See accompanying notes to financial statements

## Statement of Cash Flows

Years Ended December 31, 2007 and 2006

(In Belize thousands of dollars)

	<u>2007</u>	<u>2006</u>
<b>CASH FROM OPERATIONS:</b>		
<b>NET INCOME</b>	<b>\$ 29,864</b>	\$ 26,084
ITEMS NOT AFFECTING CASH:		
DEPRECIATION AND AMORTIZATION (NET)	11,380	9,770
EXCHANGE LOSS ON LONG-TERM DEBT	899	646
CHANGE IN NON-CASH WORKING CAPITAL	<u>12,504</u>	<u>(3,510)</u>
	<u>54,647</u>	<u>32,990</u>
<b>CASH USED IN INVESTING:</b>		
ACQUISITION OF PLANT AND EQUIPMENT	<u>(47,119)</u>	<u>(32,045)</u>
	<u>(47,119)</u>	<u>(32,045)</u>
<b>CASH FROM FINANCING:</b>		
PROCEEDS FROM BANK OVERDRAFT	-	(7,411)
PROCEEDS FROM NEW LOANS	4,237	10,448
PAYMENT OF DEBT	(11,107)	(56,997)
PROCEEDS FROM SALE OF COMMON SHARES	-	73,075
CAPITAL CONTRIBUTION	852	1,103
PROCEEDS FROM SALE OF DEBENTURES	6,570	4,346
DIVIDENDS PAID	(15,185)	(11,227)
DEBENTURES REDEEMED	<u>(58)</u>	<u>(45)</u>
	<u>(14,691)</u>	<u>13,292</u>
<b>NET (DECREASE) INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>(7,163)</b>	14,237
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<u>14,237</u>	-
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 7,074</b>	<b>\$ 14,237</b>
ITEMS PAID BY CASH:		
Interest	<u>\$ (9,715)</u>	<u>\$ (12,072)</u>
Taxes	<u>\$ (2,796)</u>	<u>\$ (2,695)</u>

See accompanying 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 Social Security Board Belize.

**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 when deferrals of cost of power into the RSA exceed a threshold level.

- b. **Rate Stabilization Account** – The Electricity (Tariffs, Fees and Charges) Bye-laws adopted 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 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. On January 1, 2007, the HCRSA account was amalgamated with the CPRSA as approved by the PUC.

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(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 2007, \$8.2 million (2006 – (\$1.8) million) was deferred to this account and \$8.3 million (2006 - \$8.3 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 16).

- 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 2007 includes \$9.2 million (2006 - \$7.2 million) billed to customers in 2007 for electricity provided for in December of 2006. An estimated \$10.2 million (2006 - \$9.3 million) in electricity sales was provided in December of 2007, but billed and recorded as revenue in 2008.

- 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 2007, GEC totaled \$4.6 million (2006 - \$3.8 million).

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(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 13).
- l. **Capital Contributions** – Contributed assets are recorded as capital contributions and amortized over the useful life of the related asset (See Note 15).
- 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 \$1,041,838 in 2007 (\$645,168 in 2006).
- 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.

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

### 2. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Consumers	\$ 13,277	\$ 12,359
Government of Belize (GOB)	1,847	1,922
Other	<u>7,804</u>	<u>7,817</u>
	22,928	22,098
Less: provision for doubtful accounts	<u>(1,882)</u>	<u>(1,311)</u>
	<u>\$ 21,046</u>	<u>\$ 20,787</u>

### 3. PREPAYMENTS

	<u>2007</u>	<u>2006</u>
Insurance	\$ 427	\$ 456
Other deferred charges	<u>1,356</u>	<u>2,639</u>
	<u>\$ 1,783</u>	<u>\$ 3,095</u>

### 4. INVENTORIES

	<u>2007</u>	<u>2006</u>
Bulkstores	\$ 5,409	\$ 8,146
Fuel and oil	<u>1,641</u>	<u>1,725</u>
	7,050	9,871
Less: provision for damaged and obsolete spares	<u>(22)</u>	<u>(22)</u>
	<u>\$ 7,028</u>	<u>\$ 9,849</u>

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(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, 2007	\$ 16,741	\$ 350,495	\$ 40,358	\$ 407,594
Additions	908	28,985	17,226	47,119
Transfers	26	25,904	(25,930)	-
Disposals	-	(5,618)	-	(5,618)
December 31, 2007	17,675	399,766	31,654	449,095
<b>Accumulated Depreciation</b>				
January 1, 2007	4,348	62,509	-	66,857
Additions	401	14,578	-	14,979
Disposals	-	(5,575)	-	(5,575)
December 31, 2007	4,749	71,512	-	76,261
<b>Net Book Value</b>				
<b>December 31, 2007</b>	<b>\$ 12,926</b>	<b>\$ 328,254</b>	<b>\$ 31,654</b>	<b>\$ 372,834</b>
December 31, 2006	\$ 12,393	\$ 287,986	\$ 40,358	\$ 340,737

Depreciation expense shown in the statement of income for 2007 is reduced by \$3,751,032 (\$3,801,510 – 2006) 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 and are payable on demand.

### 7. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2007</u>	<u>2006</u>
Trade payables	\$ 15,948	\$ 12,917
Government of Belize	1,552	1,538
Accrued interest	833	796
Other	5,329	3,951
	<u>\$ 23,662</u>	<u>\$ 19,202</u>



## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

### 8. RELATED PARTY TRANSACTIONS

Due from Related Parties:

Fortis Energy (Bermuda) Limited  
Fortis Inc.

	<u>2007</u>	<u>2006</u>
\$ 6,371	\$ 6,071	
107	8	
\$ 6,487	\$ 6,079	

Due to Related Parties:

Belize Electric Company Limited (BECOL)– Power Purchases  
Fortis Inc.

\$ 767	\$ 2,792
1,343	7
\$ 2,110	\$ 2,799

During the year ended December 31, 2007 the following transactions were recorded with related parties:

	<b>Maritime Belize Limited</b>	<b>Fortis Energy (Bermuda) Limited</b>	<b>BECOL</b>	<b>Fortis Inc.</b>
Energy Purchases	\$ -	\$ -	\$ 28,670	\$ -
Debt Servicing	-	(300)	-	-
Miscellaneous reimbursable expenses:				
Intercompany invoicing to BEL	850	-	-	1,337
BEL invoicing to intercompany	2,010	-	1,145	100

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

<b>9. LONG - TERM DEBT</b>	<u>2007</u>	<u>2006</u>
<b>(1) Government of Belize:</b>		
<b>a. Loan No. 37/SFR – BZ:</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%.	\$ -	\$ 410
<b>b. Loan No. 3776A/S BEL:</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, 2007 is 6.89% (2006 – 5.35%) per annum.	<b>5,847</b>	8,236
<b>c. Loan No. 7.0971/2:</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>5,459</b>	5,584
<b>d. Loan No. 14/OR-BZ :</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 6.03% (2006 – 6.25%) per annum.	<b>13,468</b>	14,889
<b>(2) RBTT Merchant Bank Limited:</b>		
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.	<b>11,532</b>	15,221

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

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

**(3) Toronto-Dominion Bank:**

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.

	2007	2006
<b>\$ 3,268</b>	<b>\$ 3,268</b>	\$ 5,443

**(4) The Bank of Nova Scotia (Canada):**

Loan of US\$10,152,591 to be drawn down over three 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.

	<b>8,685</b>	4,448
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**(5) Scotiabank & Trust (Cayman) Limited:**

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.

	<b>6,000</b>	6,000
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Less: Current installments

	<b>54,259</b>	60,231
	<b>(10,014)</b>	(10,638)
	<b>\$ 44,245</b>	\$ 49,593

The loans are repayable as follows:

2008	<b>\$ 10,014</b>
2009	<b>10,638</b>
2010	<b>14,292</b>
2011	<b>6,077</b>
2012	<b>4,490</b>
Subsequently	<b>8,748</b>
	<b>\$ 54,259</b>

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(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 2007, \$898,542 (\$646,314 - 2006) in foreign exchange losses has been recorded based on periodic revaluations of the loans.

Interest and related charges on loans capitalized during the year ended December 31, 2007, relating to capital expansion projects, amounted to \$2,326,692 (\$1,570,584 - 2006).

<b>Finance Charges</b>	<u><b>2007</b></u>	<u><b>2006</b></u>
Interest – long-term debt	\$ 3,468	\$ 5,754
Interest – other	6,168	6,241
Interest on CPRSA and HCRSA and other interest recoveries	(2,551)	(3,700)
Interest capitalized	(2,327)	(1,571)
	<u><u>\$ 4,758</u></u>	<u><u>\$ 6,724</u></u>

### 10. DEBENTURES

	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Series I:</b>	<b>\$ 16,992</b>	\$ 17,005
12,432 unsecured debentures of \$76 each and 160,475 unsecured debentures of \$100 each (12,532 of \$76 and 160,520 of \$100 - 2006) to mature December 31, 2012 with interest payable quarterly at 12% per annum.		

<b>Series II:</b>	<b>19,393</b>	19,424
193,924 unsecured debentures of \$100 each (194,239 - 2006) to mature March 31, 2021 with interest payable quarterly at 9.5% per annum.		

<b>Series III:</b>	<b>24,985</b>	23,888
249,852 unsecured debentures of \$100 each (238,885 - 2006) to mature July 31, 2022 with interest payable quarterly at 10% per annum.		

<b>Series IV:</b>	<b>5,459</b>	-
545,870 unsecured debentures of \$100 each to mature September 30, 2027 with interest payable quarterly at 10% per annum.		

	<u><u><b>\$ 66,829</b></u></u>	<u><u><b>\$ 60,317</b></u></u>
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## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(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 Series IV debentures can be called by the Company at any time after September 30, 2014 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 September 30, 2014 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.

A Debenture Interest Reinvestment Plan is in effect allowing debenture holders to reinvest their interest on their debentures in additional debentures.

### 11. SHARE CAPITAL

	<u>2007</u>	<u>2006</u>
Ordinary shares:		
Authorized 100,000,000 shares of \$2.00 each	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Issued and fully paid 69,023,009 shares of \$2.00 each	<u>\$ 138,046</u>	<u>\$ 138,046</u>

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	<u>\$ 24,000</u>	<u>\$ 24,000</u>
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## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

### 12. 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 Belize 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.

### 13. 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.

### 14. EARNINGS PER SHARE

	<u>2007</u>	<u>2006</u>
Net income applicable to shareholders	\$ 29,864	\$ 26,083
Shares outstanding (Weighted Average)	69,023,009	54,045,035
Earnings per share	\$ 0.43	\$ 0.48

## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

### 15. CAPITAL CONTRIBUTIONS

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

	<u>2007</u>	<u>2006</u>
Capital contributions brought forward	\$ 25,579	\$ 23,945
Additions	1,425	1,634
Capital contributions carried forward	27,004	25,579
Amortization brought forward	5,667	5,136
Additions	573	531
Amortization carried forward	6,240	5,667
Capital contributions – net	\$ 20,764	\$ 19,912

### 16. 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, 2007, 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 1994 due to a limitation in the availability and a significant increase in the cost of this insurance. In 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 established 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.

(In Belize thousands of dollars)

### 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

**Rate Stabilization Account** – As a result of bye-laws adopted 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 onto customers. The Cost of Power component in \$/kWh is \$0.253 to June 30, 2007 and remained unchanged for the period July 1, 2007 to June 30, 2008. Excess Cost of Power and interest for the period January 1, 2007 to December 31, 2007 amounted to \$8,217,432 (2006 – (\$1,953,274)), while \$8,340,556 (2006 - \$7,142,314) 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 COP 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 onto the customers. During 2006, \$96,291 was deferred to this account. For the period January 1, 2006 to December 31, 2006, a total of \$425,163 was recovered as allowed by the PUC. With effect from January 1, 2007 the HCRSA was amalgamated with the CPRSA.

The PUC regulates the recovery of the balance in the CPRSA. The 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 was booked in a Regulatory Account Receivable and was fully recovered over the July 2006 to June 2007 tariff period as prescribed by the PUC. For the tariff period July 2007 to June 2008, there are no corrections in the tariffs.



## Notes to Financial Statements

Years ended December 31, 2007 and 2006

(In Belize thousands of dollars)

### 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Summary of Contractual Obligations:

(In Belize millions of dollars)

	Total	2008	2009 to 2012
Long-term debt (LTD)	54.3	10.0	44.3
Operating leases (rent)	0.3	0.1	0.2
Purchase obligations – energy (BECOL)	206.5	29.4	177.1
Purchase obligations – energy (BELCOGEN)	69.8	-	69.8
Purchase obligations – energy (Hydro Maya)	10.0	2.0	8.0
Purchase obligations – energy (CFE)	1.6	1.6	-
Interest obligations on LTD and Capital leases	41.8	9.6	32.2
<b>Total obligations</b>	<b>384.3</b>	<b>52.7</b>	<b>331.6</b>

### 17. 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	15%
Residential customers	50%
Commercial customers	31%
Industrial customers	4%

## Financial and Operating Statistics

	Years Ended December 31								Years Ended March 31	
	2007	2006	2005	2004	2003	2002	2001	2000	2000	1999
<b>FINANCIAL STATISTICS</b>										
(Belize thousands of dollars except as noted)										
Energy Revenues	159,607	149,577	120,540	105,512	101,420	96,017	90,799	81,451	73,796	66,807
Net Profit	29,864	26,084	18,883	15,822	14,079	13,045	12,061	10,728	10,045	8,054
Net Fixed Assets	372,834	340,737	322,163	310,536	296,609	252,658	238,070	208,822	193,916	184,878
Capital Expenditures	47,119	32,046	25,203	25,512	53,964	29,095	39,029	29,754	16,703	37,700
Total Assets	429,738	408,953	373,673	346,472	338,120	297,518	276,954	244,428	224,327	210,805
Long-Term Debt	44,245	49,593	75,276	89,576	107,465	88,394	88,406	56,463	56,273	60,278
Debentures	66,829	60,317	56,016	53,062	49,346	38,394	36,615	17,100	17,160	26,810
Shareholders' Equity (excluding Contributed Capital)	257,333	242,654	154,721	136,096	120,546	108,040	100,490	93,055	90,367	66,252
<b>Performance Indicators</b>										
Rate of Return on Net Fixed Assets	10.3%	10.5%	9.6%	8.3%	8.8%	9.1%	9.5%	9.4%	10.7%	9.3%
Rate of Return on Shareholders' Equity	11.9%	13.1%	13.0%	12.3%	12.3%	12.5%	12.5%	11.9%	12.8%	12.8%
Earnings per share (\$)	0.43	0.48	0.59	0.53	0.50	0.47	0.44	0.39	0.45	0.44
<b>OPERATING STATISTICS</b>										
<b>Sales (MWh)</b>										
Industrial & Commercial	143,118	132,553	123,701	116,075	109,075	98,509	117,828	110,193	110,973	92,926
Residential	214,925	203,361	202,419	189,498	175,817	159,229 <sup>1</sup>	119,144	102,832	84,010	80,779
Street Lighting	23,716	23,679	23,606	24,404	22,661	21,208	19,743	16,327	13,547	13,026
<b>Total</b>	<b>381,759</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>Customer Accounts (numbers)</b>										
Industrial & Commercial	698	677	593	536	531	452	483	518	7,855	6,093
Residential	71,992	70,279	68,041	65,544	62,544	59,362	56,599	52,632	43,892	42,735
Street Lighting	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>72,691</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>Net Generation (MWh)</b>										
Net Diesel Generation	36,078	30,136	81,553	78,850	97,889	46,491	43,367	41,171	60,134	103,381
Purchased Power – BECOL	166,727	177,733	68,275	63,215	61,154	88,243	91,374	93,615	67,809	67,985
Purchased Power – Hydro Maya	10,676	-	-	-	-	-	-	-	-	-
Purchase Power – CFE	225,227	209,814	253,995	235,796	188,714	180,510	158,634	126,807	107,039	41,560
<b>Total</b>	<b>438,708</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>Other</b>										
Losses	13.0%	13.9%	13.4%	12.7%	11.5%	11.5%	12.5%	12.3%	11.3%	12.3%
Peak Demand (MW)	70.0	66.6	63.5	61.1	57.4	53.7	49.3	44.5	42.8	38.0
Installed Capacity (Diesel Plant) (MW)	36.2	36.9	43.5	43.6	49.3	27.0	27.0	26.3	30.8	31.3
Employees (number)	260	243	244	248	242	237	244	296	379	357

<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

### **Board of Directors**

Robert Usher, Chairman \*  
H. Stanley Marshall, Deputy Chairman  
Frank Crothers  
Richard Hew  
Karl Menzies\*  
Dylan Reneau  
Yasin Shoman  
Karl Smith  
Lynn Young

\* Robert Usher resigned in February 2008 and was replaced by Attorney Rodwell Williams.

\* Karl Menzies resigned in February 2008 and was replaced by Mr. Anthony Michael.

### **OFFICERS**

Lynn Young, President and Chief Executive Officer  
Rene Blanco, Vice President, Finance and Administration and Chief Financial Officer  
Curtis Eck, Vice President, Customer Care and Operations  
Joseph Sukhmandan, 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 1/2 Miles Northern Highway  
P.O. Box 327  
Belize City, Belize  
Central America  
Tel: 501-227-0954 (ext. 1104)  
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 2007



**Robert Usher**  
Chairman



**H. Stanley Marshall**  
Deputy Chairman



**Frank Crothers**  
Director



**Richard Hew**  
Director



**Karl H. Menzies**  
Director



**Dylan Reneau**  
Director



**Yasin Shoman**  
Director



**Karl Smith**  
Director



**Lynn Young**  
Director

Executive Management  
as of December 2007



**Lynn Young**  
President  
and  
Chief Executive Officer



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



**Curtis Eck**  
Vice President  
Customer Care and  
Operations



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



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

*Growing with Belize*



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