

BELIZE ELECTRICITY LIMITED

FACTS ON ELECTRICITY RATES

January 2006

- The cost of power is a direct pass through to customers. BEL does not make any profit on the cost of power.
- Average electricity rates decreased to 35 cents per kWh in late 2004 compared to 44 cents in 1984. The rates are now back to 44 cents per kWh in 2006.
- The “profit component” of BEL’s tariff structure also decreased to 16 cents per kWh in 2005 compared to 19 cents in 1999.
- The cost of oil increased to an average of US\$61 per barrel in 2005 from an average of US\$19 in 1999. About 70% of BEL’s energy sources are dependent on oil. The increases in the oil based component of the “Cost of Power” have outweighed all other efforts to reduce costs.
- As a result of oil prices, electric utilities all around the world have had to increase rates. E.g. St. Kitts Nevis increased rates by 38% late 2005, Panama increased their rates between 7% and 32% in January 2006 and Southern California estimates a rate increase between 15% and 18% in early 2006.¹
- Residential rates in most Caribbean countries are higher than in Belize and residential rates in Southern California are similar to rates in Belize.
- The cost of power from the combined schemes of Mollejon and Chalillo is approximately 17.5 cents per kWh. This compares to the present 12 cents per kWh for Mexico off-peak power, 19 cents per kWh for excess Mexican power, 51 cents per kWh for Mexico peak power and 45 cents per kWh for diesel alone. Prices from Mexico are adjusted on a monthly basis based on gas prices.
- While the full impact of Chalillo has not yet been realized, already it has saved Belizean consumers about Bze\$0.8 million in energy cost since it was commissioned in November 2005.
- Without hydropower, electricity rates would have increased by a further 22% in addition to the current increase.

¹ <http://www.caribbeanetnews.com/2005/11/02/residents.shtml>
http://www.thepanamanews.com/pn/v_12/issue_01/business_03.html
<http://www.sce.com/CustomerService/RateInformation/2006rateupdates/faqs.htm>

**BEL encourages customers to conserve energy.
Visit our website at www.bel.com.bz or call us at
0-800-BEL-CARE (0-800-235-2273)**



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