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BEL Submits ARP Application to PUC – Proposes No Change to Current Tariff Structure

Belize Electricity Limited (BEL) has submitted a tariff application to the Public Utilities Commission (PUC) commencing the Annual Review Proceeding (ARP) for the electric utility. The application proposes no change to the current tariff structure. It proposes to maintain the current values for the various components of BEL's tariff structure and reports on quality of service standards for the PUC to determine the mean electricity rate, to become effective July 1, 2006 to June 30, 2007.

BEL's tariff structure includes a Cost of Wholesale Power component (CWP), a Value Added of Delivery component (VAD) and a Rate Stabilization Account (RSA) component. The values for each of these components are combined to determine the mean electricity rate customers pay.

The below table summarizes the values BEL is proposing in its application:

TARIFF COMPONENT	PROPOSED VALUE
Reference Cost of Power	\$0.255
Value Added of Delivery	\$0.162
Rate Stabilization Account	\$0.024
Stabilized Mean Electricity Rate	\$0.441

BEL advises customers that the above values do not include any potential impact of the soon to be introduced General Sales Tax (GST). BEL remains in discussion with government's GST Unit to determine the impact on electricity rates.

In the meantime, BEL continues to focus on achieving operating efficiencies and controlling cost. The Company is also proceeding with several service improvement projects which were put on hold in 2005, due to cash flow restraints.

A major project includes the upgrade of the Southern Transmission Line from 34.5 kV to 69 kV, which will reduce system losses and improve voltage quality to southern municipalities. In February 2006, the Company brought on-line a new Customer Information and Billing System which has provided more advanced options in managing customer accounts and service requests. The Company has also begun upgrades to its distribution networks and substations. In total, BEL plans to invest over \$177 million in projects to improve and extend service over the next five years.

The PUC will issue its initial decision on BEL's application no later than April 30, 2006. Thereafter, interested parties are invited to submit their comments to the PUC within 10 days of PUC's initial decision. The PUC's final decision will be issued no later than June 24, 2006 to take effect July 1, 2006.

END