



A FORTIS COMPANY

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BEL Responds to PUC's Charges Relating to its Financial Position

In a press conference hosted by the Public Utilities Commission (PUC) on March 3, 2009, PUC Chairman John Avery once again accused Belize Electricity Limited (BEL) of deliberately misrepresenting its financial position.

BEL is very concerned that the PUC continues to make such bold and unfounded accusations when it is aware that BEL's financials are audited annually and reviewed quarterly by an independent, internationally affiliated auditing firm. The Company's financials are also prepared in accordance with internationally recognized Canadian Accounting Standards.

With its accusations, the PUC is not only attacking the integrity of BEL but also, its independent auditors, bankers and the Certified Public Accountants employed by the Company who are responsible for preparing these statements.

The fact is that BEL booked a loss of \$10.8 million in 2008 as shown in its audited financial statements for the year. This is a direct result of the PUC's 2008 Final Decision.

As the PUC stated, the cost of power is a direct pass through by law. However, in early 2008 when the cost of power increased significantly, the PUC refused to adjust the rates to reflect the increase in the cost of power, forcing the Company to absorb almost \$18 million in extra costs. As a result, one of the Company's bankers withdrew its credit facilities and another put the Company on notice that its facilities were being reviewed.

It was only through the support of the Government of Belize, which paid some of the Company's loans and put a letter of credit in place to allow the Company to get extended credit from Comisión Federal de Electricidad that BEL was able to maintain supply.

In the latter part of 2008, record hydro production coupled with a decrease in oil prices helped the Company to repay its debts and maintain supply. However, the recent amendment by the PUC, which is being challenged, would put the Company back into a position where it would again have difficulties meeting its debt servicing requirements and paying suppliers. This is not in the interest of consumers.

BEL calls on the PUC to desist from making these serious and unfounded allegations against the Company. The Company continues to encourage the PUC to engage the services of an Independent Expert or panel of experts who can provide impartial and independent evaluation, assessment and advice.

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