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BEL to Object to PUC's ARP Initial Decision

Belize Electricity Limited (BEL) has reviewed the Public Utilities Commission's (PUC) initial decision on the Annual Review Proceeding (ARP) delivered on May 2, 2008.

While the PUC has approved an increase in the Cost of Power component of the tariff structure, the PUC has significantly reduced the Rate Stabilization Account (RSA) recovery and the Value Added of Delivery components to avoid a net increase in rates. The PUC's refusal to increase the RSA recovery fails to recognize the significant increase in world oil prices since late last year. This decision further fails to recognize the investments required to deliver power to customers and will seriously undermine the Company's ability to deliver quality service.

"The reality is that the cost of providing service to our customers has increased for the same reasons that the cost of fuel at the pumps and the cost of many other goods and services has increased," says President and Chief Executive Officer Lynn Young. "Our request for an increase in the rates reflects this reality and this decision fails to recognize this. If it stands, the decision will put the Company in an unsustainable position. We have already had to defer dividend payments, and will be at a serious risk of defaulting on our financial obligations, some of which were guaranteed by the Government when the Company was majority owned by the Government."

BEL is formulating its objection which will be submitted before the deadline.

END