



Belize Electricity Limited  
2 ½ Miles Northern Highway  
P.O. Box 327  
Corporate Tel. 227- 0954  
Customer Care: 0-800-235-2273  
Fax: 223- 0891  
E-mail: pr@bel.com

A FORTIS COMPANY

Immediate Release: **Monday, December 5, 2005**  
Contact: Dawn Sampson – Corporate Communications Manager  
E-mail: [dawn.sampson@bel.com.bz](mailto:dawn.sampson@bel.com.bz)

### **Rate Stabilization Account Reaches \$6 million Threshold** **BEL Requests Tariff Adjustment**

Belize Electricity Limited (BEL) has submitted an application to the Public Utilities Commission (PUC) for a tariff adjustment. This application is to recover excess deferrals into the Rate Stabilization Account (RSA) for the period July 1, 2005 to October 31, 2005 and to increase the Cost of Power (CWP) component of the Stabilized Mean Electricity Rate (MER) to reflect actual and forecasted cost of power for the period July 1, 2005 to June 30, 2006. If approved the average mean electricity rate would increase by 5.4 cents per kWh.

When the RSA balance hit \$13 million dollars over one year ago, at which time oil prices stood at US\$50 per barrel, BEL applied to the PUC for an increase in rates to expedite recoveries of the RSA and to stave off further increases. Eight months later, effective July 1, 2005, the PUC approved an increase that fell short of the Company's needs. The PUC also established a new "Threshold Event" for future RSA balances which would facilitate an automatic application for a tariff adjustment once the amount deferred reached \$6 million dollars. The "Threshold Event" occurred in October 2005 at which time the balance in the RSA totaled \$27 million.

According to BEL's President and Chief Executive Officer Lynn Young, while the July 2005 tariff adjustment has provided some ease, the Company's financial integrity continues to be threatened by the past high build up in the RSA and projected increases in the price of power from Comisión Federal de Electricidad and the acquisition cost of oil.

"Another rate increase shortly after July will certainly have a significant impact on our customers," said Young. "Our focus then is to work with the regulatory authorities to adequately and promptly address the current high RSA balance and review the tariff setting mechanisms."

The high RSA balance has also severely impacted the Company's cash flow position, which Young says has resulted in delays in carrying out several capital works aimed at expanding the distribution system and improving service.

"Our commitment to high service standards and reliability underscores the importance for us to get our financial situation in order," said Young.

While BEL seeks to reduce the RSA balance, the Company notes that reduced energy costs since commissioning of the Chalillo Hydroelectric Facility is already helping as BEL is now able to replace Mexican peak energy which currently averages 44 Belize cents per kWh with energy from the combined scheme of Chalillo and Mollejon which is about 17 cents per kWh.

As energy demand grows, BEL continues to pursue other sources of energy that are cost competitive and environmentally sound. Such sources include the Hydro Maya Project which is scheduled to come on-line in 2006 and the Baggasse Cogeneration Project in 2008.

In the meantime BEL urges customers to employ energy saving tips to help better manage electricity consumption. Customers may access energy saving tips on the Company's website at [www.bel.com.bz](http://www.bel.com.bz) or call 0-800-BEL-CARE (0-800-235-2273).

**END**