



A FORTIS COMPANY

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BEL to Host Annual General Meeting of Shareholders – Reports a -4.3% Return on Shareholders' Equity

At 2:30 p.m. today, Belize Electricity Limited (BEL) will hold its Annual General Meeting (AGM) of Shareholders for the year ended December 31, 2008 at the Best Western Belize Biltmore Plaza.

This year's AGM will be held under the theme "*Focus on Service*". The Company will report 2008 as the most difficult experienced in recent times, as it lost \$10.8 million during the year as confirmed by its audited financials. The loss is a direct result of the charge of \$36.2 million imposed by the Public Utilities Commission (PUC) following the 2008 Annual Tariff Review Proceeding.

The Company also had to absorb \$20 million in excess cost of power after failing to get approval for a rate adjustment.

In spite of the challenges last year, BEL remained focused on service and accomplished the construction of an alternate distribution line to improve reliability to the Placencia area. The Company also acquired a new mobile substation, which is also helping with maintaining reliability. System losses were reduced to approximately 12 per cent and response time to customers' requests for service, improved after the Company's service order management system was revamped and a service-order management team established.

In 2008, BEL received its highest ever customer satisfaction rating at 85.7 per cent, reflecting the quiet progress the Company has been making with meeting customers' service expectations.

In April 2009, BEL applied to the PUC for a 6 per cent reduction in electricity rates for the Annual Tariff Period July 2009 to June 2010, following a decrease in world oil prices in the last quarter of 2008. The Company continues to await a formal response from the PUC.

In the meantime, BEL's revenues in 2008 decreased by 11.9 per cent to \$140 million after the \$36.2 million charge. \$115.3 million of revenues was spent on cost of power. For the year, cost of power purchased from Comisión Federal de Electricidad increased by 30.3 per cent to 27 cents per kWh, while hydropower from Belize Electric Company Limited (BECOL) remained relatively stable at 17 cents per kWh. The cost of power from diesel was 67 cents per kWh.

Over the years, BEL has been investing heavily in extending its distribution system to new communities and improving quality of service. BEL's President and Chief Executive Officer Lynn Young says that it is therefore critically important that the regulatory issues are resolved.

"Currently, BEL is unable to raise funds to finance its operations and service initiatives," says Young. "Shareholders will not invest more in the Company and the banks are refusing to extend any further credit to the Company. Once the regulatory issues are resolved, BEL can get on with its investment plans which is primarily concerned with delivering electricity service to new areas in the country, continuing to improve power supply reliability for our existing customers and raising the overall service standards to meet the future demands of Belize."

In 2008, Return on Assets was -1.1 per cent, while return on Shareholders' Equity slipped from 11.9 per cent in 2007 to -4.3 per cent in 2008.

END