



A FORTIS COMPANY

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BEL Implements New Tariff Structure Effective, July 1, 2007

Effective July 1, 2007, Belize Electricity Limited (BEL) will implement a new tariff structure, following the Public Utilities Commission's (PUC) final decision with respect to the 2007 Annual Review Proceeding (ARP).

While there have been changes to the rates in each tariff bracket, the Mean Electricity Rate remains the same at \$0.441 per kWh and will not result in any increase in revenue for BEL.

The new structure will result in a decrease in cost for lower-end consumption customers. Over 75 per cent of residential customers consume below 500 kWh monthly and these customers will see a decrease in their electricity cost. High consumption customers could see small increases of up to 2 per cent. The table below depicts the changes in monthly bills under the new tariff structure.

| Monthly Usage kWh | Monthly Bill Current Tariff | Monthly Bill New Tariff |
|--------------------------|------------------------------------|--------------------------------|
| 50 | \$24.50 | \$17.50 |
| 300 | \$132.00 | \$130.50 |
| 400 | \$178.00 | \$177.50 |
| 500 | \$224.00 | \$224.50 |
| 600 | \$270.00 | \$271.50 |
| 800 | \$362.00 | \$365.50 |
| 1000 | \$454.00 | \$459.50 |

The PUC has also approved the implementation of a \$5 flat rate which partially reflects the fixed cost of providing customers with electricity service. This flat rate will only apply to residential customers whose consumption falls below \$5 for the month.

BEL is pleased with the independent expert's report which revealed that the PUC's calculations to arrive at the Mean Electricity Rate were incorrect and that BEL's submissions were accurate.

As stated in the PUC's final decision with respect to its legal framework, "the primary duty of the PUC is to ensure that the services rendered by public utility providers in all three sectors are satisfactory and

that the charges imposed in respect of those services are fair and reasonable.” Despite this responsibility, and the recommendation of the independent expert that charges should reflect the true cost of service, the PUC disapproved BEL’s proposal to increase reconnection and disconnection fees to reflect the true cost and to implement fees for Liquidated Damages for Tampering. It is also disappointing that the PUC continues to disallow costs arising from power theft, despite the independent expert’s opinion that the targets set by the PUC for reducing power theft are unachievable.

The PUC’s refusal to allow certain cost paid to Comision Federal de Electricidad (CFE) remains a concern, especially since BEL had submitted figures which clearly demonstrate that the CFE cost was lower than what would have been incurred if BEL had followed the PUC's approval of June 2006.

BEL has consistently objected to the methodology employed by the PUC in calculating electricity tariffs. Since its introduction in 2005, BEL has maintained that this new methodology is unnecessarily complex and makes it difficult for the public to understand how the rates are being set. This ARP has further shown, that even the PUC itself is challenged by the complexities of the methodology, which have led to significant errors on the part of the PUC.

Tariff Structure Effective July 1, 2007

| | ARP 2006 Final Decision July '06 – June '07 | ARP 2007 Final Decision July '07 – June '08 |
|-------------------------------------|--|--|
| Social Rate Customers | | |
| Minimum Monthly Charge ¹ | \$4.00 | \$4.00 |
| 0 – 50 kWh | \$0.26 | \$0.26 |
| Residential Customers | | |
| Minimum Monthly Charge | | \$5.00 |
| Monthly Service Charge | \$10.00 | \$0.00 |
| 0 – 50 kWh | \$0.29 | \$0.35 |
| 51 – 200 kWh | \$0.41 | \$0.44 |
| Above 200 kWh | \$0.46 | \$0.47 |
| Commercial Customers | | |
| Monthly Service Charge | \$100.00 | \$100.00 |
| 0 – 10,000 kWh | \$0.44 | \$0.45 |
| 10,001 – 20,000 kWh | \$0.43 | \$0.44 |
| Above 20,000 kWh | \$0.42 | \$0.43 |
| Industrial 1 Customers | | |
| Monthly Service Charge | \$100.00 | \$100.00 |
| Monthly Demand Charge per kVA | \$35.00 | \$35.00 |
| Off Peak Energy Rate per kWh | \$0.32 | \$0.33 |
| Peak Energy Rate per kWh | \$0.46 | \$0.33 |
| Industrial 2 Customers | | |
| Monthly Service Charge | \$100.00 | \$100.00 |
| Monthly Demand Charge per kVA | \$21.00 | \$21.00 |
| Off Peak Energy Rate per kWh | \$0.26 | \$0.28 |
| Peak Energy Rate per kWh | \$0.46 | \$0.28 |
| Street Lights | | |
| Energy Rate per kWh | \$0.52 | \$0.55 |

¹ Minimum monthly charge is a flat rate fee which is only applied where a customer's bill is less than this amount.