



BELIZE ELECTRICITY LIMITED

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January 25, 2012

BEL Completes Review of PUC's Initial Decision

Belize Electricity Limited (BEL) has completed its review of the Public Utilities Commission's (PUC) Initial Decision handed down on January 12, 2012, as part of the Full Tariff Review Proceeding (FTRP) and has determined that it will not be filing any objections to the Initial Decision.

On December 1, 2011, BEL applied for a reduction in electricity rates and in its Initial Decision, the PUC has put forward a further reduction. BEL has determined that further cost saving measures and a possible reduction in the business tax rate can support this further reduction. BEL will be targeting cost savings in materials purchased and contracted services, as well as applying to the Government of Belize to reduce the business tax. The current focus of BEL's new management is to strike a healthy balance between profitability and delivering reasonable electricity rates to consumers.

It is critical to note that the proposed reductions will only be sustainable if the actual cost of power remains at the projected level or lower. BEL is committed to doing all within its control to meet its cost of power projections and seek ways to lower it even further. BEL will be working closely with the PUC in this regard and meetings on this matter have already commenced.

BEL will also be further reviewing its initial proposal for an increase in fees to discourage meter tampering and sub-standard wiring. The Company intends to make a revised submission on these fees in the upcoming 2012 Annual Tariff Review Proceeding. The governing principle driving this issue is BEL's position that honest paying customers should not in any way subsidize those who refuse to comply with the law.

If the Initial Decision remains unchanged, customers would see varying impacts on their electricity bills depending on their classification and tariff bucket, effective February 1, 2012. For example, for a residential customer in the tariff bucket that utilizes between 51 and 200 kilowatt hours (kWh) per month, the electricity rate would be reduced from 44 to 41 cents per kWh, while for a social rate customer using between 0 – 60 kWh, the electricity rate would reduce from 26 to 24 cents per kWh.

BEL – Continuously striving to serve you better!

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