



PUBLIC UTILITIES COMMISSION

2014 ANNUAL REVIEW PROCEEDING [ARP] INITIAL DECISION

for

Belize Electricity Limited (BEL)

May 2014

Legal Framework

The Public Utilities Commission (PUC) is authorized under the Public Utilities Commission Act (No. 39 of 1999) to serve as the economic regulator for the electricity, water and telecommunications sectors in Belize.

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 reasonable. The PUC has the power to determine and prescribe rates that may be charged in respect of utility services and the standards which must be maintained in relation to such services. In addition, the PUC is responsible for the award of licenses and for monitoring and enforcing compliance with license conditions.

Sector specific legislation provides the legal framework for the PUC to carry out its duties and functions in a particular utility sector, as obtains in the regulation of the electricity sector, the Electricity Act (No. 13 of 1992), (the “Act”), as amended by Electricity (Amendment) Act 2007 (No. 12 of 2007) and Electricity (Amendment) Act 2011 (No. 4 of 2011) and the Electricity (Tariffs, Fees and Charges) Byelaws (Statutory Instrument No. 145 of 2005; the “Byelaws”), as amended by Statutory Instrument No. 116 of 2009 and Statutory Instrument No. 21 of 2012. The Byelaws govern the tariffs, rates, charges and fees for the transmission and supply of electricity and for existing and new services to be charged by a licensee to consumers in Belize, and the mechanisms, formulas, and procedures whereby such tariffs, rates, charges and fees shall be calculated and determined for all purposes. They also govern the quality of service standards (service reliability) for existing and new services at any time provided or to be provided by a licensee, and the mechanisms, formulas and procedures whereby such services shall be calculated and determined for all purposes. Further, the Byelaws reference the methodology used for Review Proceedings.

Annual Review Proceeding

The Annual Review Proceedings (ARP) for the Annual Tariff Period (ATP) July 1, 2014, to June 30, 2015, commenced on April 1, 2014, upon the submission by Belize Electricity Limited (BEL) to the PUC requesting the PUC’s approval of proposed regulated values, mean electricity rates, tariffs, charges and fees for the period July 1, 2014, to June 30, 2015.

Summary of BEL Submission

The submission made by BEL contained the following key points:

- A report on actual cost of power for January to December of 2013 and a revised forecast for cost of power going forward, revised forecasts for electricity sales, other revenues and proposed investments that would result in a decrease in the Mean Electricity Rate (MER) from \$0.4465 per kilowatt-hour to \$0.4300 per kilowatt-hour for the period July 1, 2014, to June 30, 2015.
- Adjustments to specific tariffs for certain consumption bands for certain customer classes to reflect the proposed reduction in the MER.
- No specific adjustments to any other Regulated Values, Charges and Fees approved for the Full Tariff Period of July 1, 2009, to June 30, 2016.

DECISION OF THE COMMISSION

BELIZE:

ORDER made by the Public Utilities Commission (hereinafter referred to as “the Commission”) in exercise of the powers conferred upon it by the Public Utilities Commission Act, Chapter 223 of the Laws of Belize, Revised Edition 2000, the Electricity Act, Chapter 221 of the Laws of Belize, the Electricity (Tariff, Fees and Charges) Byelaws, and all other powers thereunto the Commission enabling.

Short title. 1. This Order may be cited as the:

BELIZE ELECTRICITY LIMITED 2014 ANNUAL REVIEW PROCEEDING FINAL DECISION

Decisions and Orders. 2. In respect of the 2014 Annual Review Proceeding (ARP) for the Belize Electricity Limited (BEL) for adjustments to the Regulated Values, Mean Electricity Rates, Tariffs, Fees and Charges determined in the 2011-2012 Full Tariff Review Proceeding (FTRP) for the Annual Tariff Period (ATP) of July 1, 2014, to June 30, 2015, the Commission hereby makes the following Decisions and Orders:

- (a) The Commission hereby approves the general Annual Corrections (AC) for the Annual Tariff Period (ATP) of July 1, 2012, to June 30, 2013, and Annual Corrections related to the Cost of Power for the period July 1, 2013, to December 31, 2013, as contained in Schedule 1;
- (b) The Commission hereby approves the Regulated Asset Value (RAV) for each Annual Tariff Period (ATP) of the Full Tariff Period (FTP) as contained in Schedule 2;
- (c) The Commission hereby approves the Reference Cost of Power and actual Cost of Power (COP) for each Annual Tariff Period (ATP) of the Full Tariff Period (FTP) as contained in Schedule 3;
- (d) The Commission hereby approves the Value Added of Delivery (VAD), the Tariff Basket Revenue (TBR) and Demand (Electricity Sales) for each Annual Tariff Period (ATP) of the Full Tariff Period (FTP) and the Mean Electricity Rates (MER) for the Full Tariff Period (FTP) as contained in Schedule 4;
- (e) The Commission hereby approves the Tariffs contained in Schedule 5 in respect of the period July 1, 2014, to June 30, 2015, and hereby orders the Belize Electricity Limited (BEL) to levy the said Tariffs in respect of the relevant services it is licensed to provide;

- (f) The Commission approves no adjustments to any other previously approved Regulated Values, Mean Electricity Rates and Tariffs, Charges and Fees for the Full Tariff Period of July 1, 2009, to June 30, 2016, and hereby orders the Belize Electricity Limited (BEL) to continue to levy the said previously approved Tariffs, Charges and Fees in respect of the relevant electricity services it is licensed to provide.

MADE by the Public Utilities Commission this 2nd day of May, 2014.

(JOHN P. AVERY)

Chairman, Public Utilities Commission