

EXE/200/30/2004(98)
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Public Utilities Commission

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January 27, 2004

Mr. Derek Davis
Vice President, Energy Supply,
Planning & Engineering
Belize Electricity Limited
2 1/2 Miles Northern Highway
Belize City
BELIZE

Subject: Approval of Gas Turbine Charges

Dear Mr. Davis,

Please refer to your letter dated January 9, 2004 same subject. The Public Utilities Commission (PUC) has reviewed the changes in the budgeted (BZ\$ 30.89 million) versus the final actual cost (BZ\$ 27.90 million) for the procurement and installation of the Gas Turbine Unit. The PUC has also reviewed the revised calculation for the Capacity Charge associated with the unit and hereby approves a Capacity Charge of BZ\$ 19.28/KW/month on a site rating of 20058 KW. This approved Capacity Charge is to be recovered from the effective date of July 11, 2003 when the Unit was commissioned and placed in commercial operation.

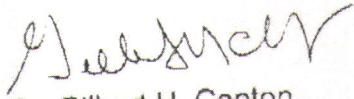
As provided for in S.I 60 of 2001, Belize Electricity Limited is also entitled (above the capacity support charge) to recover ~~operating costs (fuel, labor, maintenance, etc.)~~ that can be directly attributed to energy generated and sold to consumers from the Gas Turbine Unit. In this regard the PUC would require BEL to submit such costs on a monthly basis to the PUC for our review leading to the approval of the "pass through" costs. Please remember that these costs are also subject to further review in the Annual Review Proceedings and the Full Tariff Review Proceedings.

The PUC presently receives a monthly management report from BEL that can be augmented to provide the necessary information for the costing review. Please work with Mr. Victor Lewis, Electricity Director, to finalize the details of the report. Considering that the Unit has been operational from July 11, 2003 and BEL closes its financial year on December 31, 2003 it would be prudent to provide the

PUC with the necessary information so that the external audit of BEL's accounts are not delayed unnecessarily.

The PUC looks forward to receiving this information.

Sincerely;



Dr. Gilbert H. Canton
Chairman