



Public Utilities Commission

BELIZE

OOCUR Workshop - March, 2005



BACKGROUND

- Established in August 1999 – PUC Act
- Independent Regulator
- Opened doors 2001

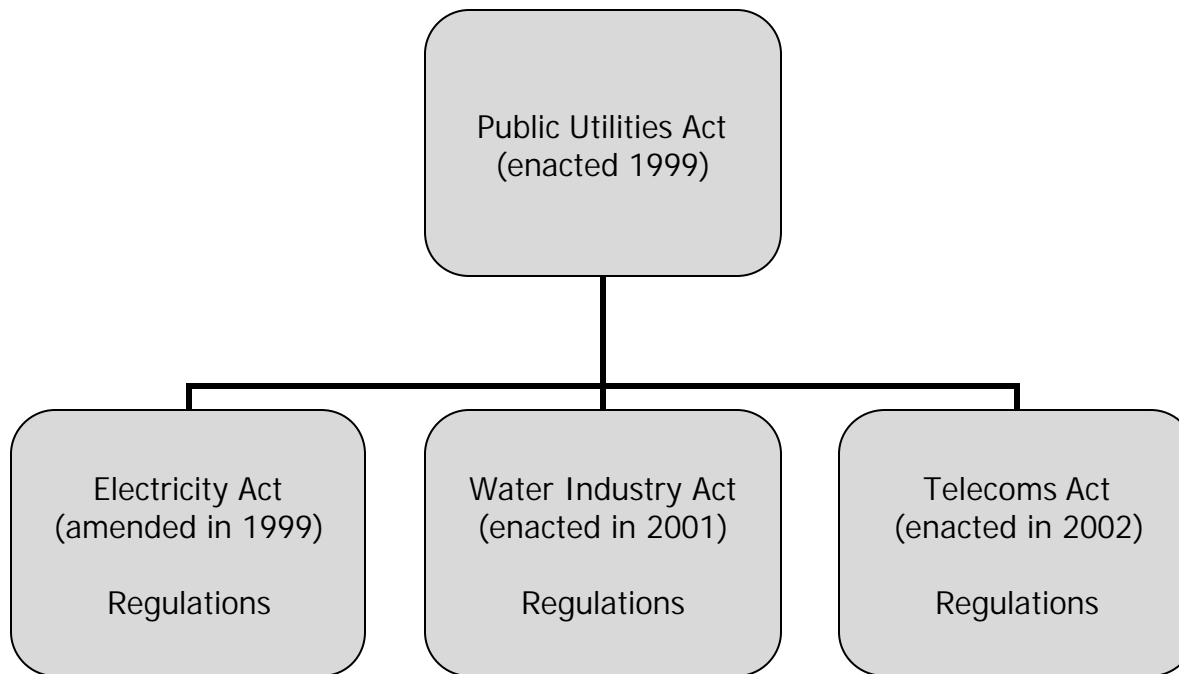


MISSION

To regulate the electricity, water and telecommunications sectors in Belize to efficiently provide the highest quality services at affordable rates, ensuring the viability and sustainability of each sector



LEGISLATIVE FRAMEWORK





GENERAL FUNCTIONS

- a) secure that all reasonable demands for utility services are satisfied
- b) secure that license holders are able to finance the provision of service for which they are licensed
- c) protect the interest of consumers in respect of:
 - the prices charged and the other terms of supply
 - the continuity of supply
 - the quality of services provided



GENERAL FUNCTIONS

- d) promote efficiency and economy in the utility sector
- promote research, development and use of new techniques
 - protect the public from dangers arising from the supply of utility services
 - secure the establishment and maintenance of machinery for promoting the health and safety of persons employed in sector

The Commission, in exercising its functions, has a duty to take into account the effect on the physical environment.



STRUCTURE

Governed by 7 member Commission:

- Appointed by Governor General
- Experience in law, public utilities management, economics, finance, banking, commerce, industry, engineering, business management
- Over 35 years of age
- Staggered appointments of 2, 4, 6 years
- Chairman responsible for day to day operations

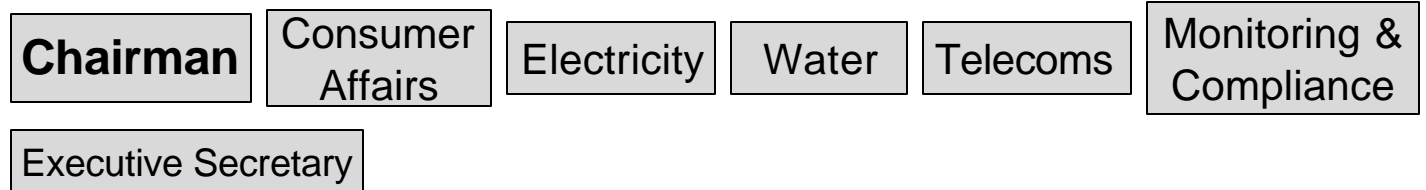


STRUCTURE

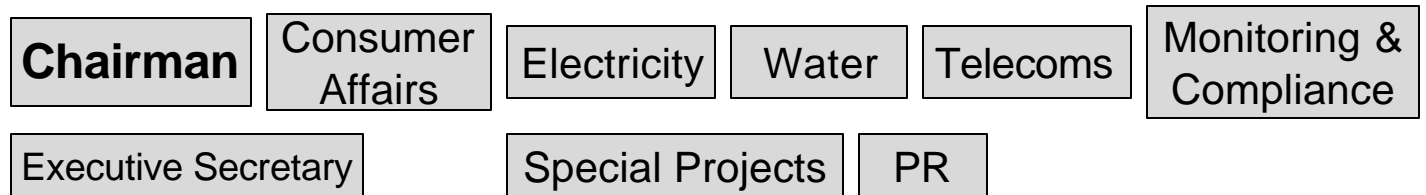
2001



2002



2003





REGULATED SECTORS

- Electricity
- Telecommunications
- Water and Sewerage



ELECTRICITY SECTOR - History

- 1992 – Belize Electricity Board became Belize Electricity Limited (BEL)
 - Majority Government owned
 - Overseen by Office of Electricity



ELECTRICITY SECTOR - History

- Part of decision to unbundle generation from transmission, distribution & supply
- BECOL formed 1991, to operate Mollejon hydro electric facility – operational 1996
- 1995 – Interconnection with Mexico – PPA signed with CFE
- BECOL owned by Dominion Energy, sold to Duke Energy International in 1999



ELECTRICITY SECTOR - History

- 1999 – GoB sold its BEL shares to Fortis Inc, Canada
- 1999 - PUC established as regulator
- 2001 – Duke sold BECOL to Fortis



ELECTRICITY SECTOR - History

- 2002 – BEL issued RFP for 18MW base load
 - Selection criteria included socio-environmental element
 - Successful proposals – Hydro Maya (2.2MW run-of river) and BELCOGEN (13.5MW bagasse cogeneration) – both now have PPAs
- 2004 – BEL installed gas turbine for black start/peak load
- Chalillo Dam – storage facility for Mollejon, due for completion by BECOL 2006



TELECOMS SECTOR - History

- 1988 – Belize one of the first Latin American countries to privatise national telecommunications company
 - Belize Telecommunications (BTL) formed
 - Granted 15 yr monopoly concession to 2002
 - Overseen by Office of Telecommunications



TELECOMS SECTOR - History

- Dec 2002 – PUC granted Individual Licenses to BTL & INTELCO
- 2003 – PUC granted Individual Licence to Speednet
- 2004 – INTELCO in receivership
- 2004 – ICC bought BTL from Carlisle
- 2005 – GoB took over management of BTL
- 2005 - Carlisle & ICC court proceedings against GoB



WATER SECTOR - History

- Belize one of the first regional countries to privatise water
- 2001 - BWS formed (formerly WASA), owned by Cascal
- 2001 - PUC issued 25 year licence to BWS
- 2001 - Cascal renegotiated privatisation agreement with GoB



REGULATORY PROCESS

- Telecoms – competitive environment, ceiling rates set annually
- Water, electricity – initial transition periods prior to Full Tariff Review Proceedings
- BWS – first FTRP 2004
- BEL – first FTRP 2005



REGULATION ISSUES

- Companies privatised prior to PUC formation
- Role of Government in sectors
- Legal challenges to PUC decisions



LEGAL CHALLENGES

- Electricity
 - BACONGO failed in its challenge of Chalillo in the Privy Council in early 2004 after failing in Supreme Court and Court of Appeals in 2003.
- Telecoms
 - PUC applied to Supreme Court to clarify ruling on Government Stop Order
 - BTL took PUC to court to stop the PUC from intervening to set interconnection rates. The action was withdrawn by BTL when talks were re-initiated between the two companies
- Water
 - BWS instituted challenge in the Supreme Court to overturn Final Decision in the 2004 FTRP



CAPACITY BUILDING

Capacity Building measures:

- Utility regulation training for Directors (PURC)
- sector specific training for technical staff
- membership of OOCUR
- identified local consultancy expertise



CAPACITY BUILDING

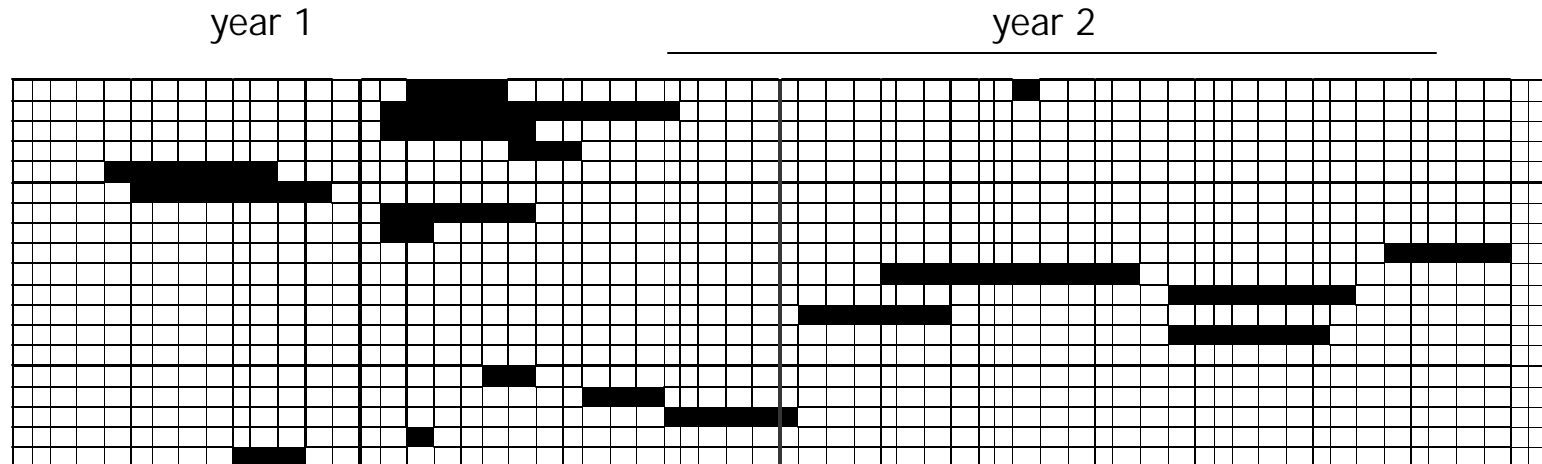
Strengthening of the Public Utilities Commission project

- IDB MIF/PUC funded
- started May 2004
- 2 years
- to strengthen the PUC through timely and appropriate technical assistance and training
- to enable the PUC to become fully operational and effective in discharging its responsibilities



PROJECT OVERVIEW

- 19 consultancies, local and international consultants
- Project timescale “front-end loaded”
- Milestones often set by external events
- Confident of completion by May 2006





PROJECT OVERVIEW

Strategic Planning:

- Vision, Mission, Goals, Values, Objectives
- Completed January 2005
- Stakeholder consultation
- Involvement of PUC Commissioners and Staff
- Organisational Review



PROJECT OVERVIEW

Other Consultancies:

- Uniform Codes of Account
- Establishment of a Management Information System
- Rate Setting Methodology and Tariff Review for sectors
- Minimum Quality of Service for sectors



PROJECT OVERVIEW

- Water Sector
 - Review of Capital Investment Program
 - Review of Developer Model
 - Establish of Quality of Service Standards

- Telecoms
 - Frequency Spectrum Policy & Management System
 - Universal Services Framework and Implementation Plan
 - Interconnection Protocol and Standards

- Monitoring and Compliance
 - Identification of monitoring equipment & systems
 - Database of approved equipment
 - Establishment of appropriate penalty regime



PROJECT OVERVIEW

Other Consultancies:

- Review of Governing legislation & treaties
- Customer Codes of Practice
- Public hearing /inquiry ground rules
- Public Relations and Communications Plan