



## PUBLIC NOTICE

### BWSL FULL TARIFF REVIEW PROCEEDING SUBMISSION

**BELIZE WATER SERVICES LIMITED (BWSL) HEREBY SERVES NOTICE** this day, October 1, 2019 that, in accordance with the Water and Sewerage (Tariffs) Byelaws (Statutory Instrument 67 of 2002) as amended by Statutory Instrument 102 of 2004 and Statutory Instrument 89 of 2008, it has made its submission to the PUC for a Full Tariff Review Proceeding (FTRP) for the determination of Rates and Tariffs and a Business Plan to be approved for the Full Tariff Period (FTP), which runs from April 1, 2020 through to March 31, 2025.

#### Summary

BWSL has had strong financial and operational performance over the last five years, which has allowed it to perform over \$100 million in Capital Investments without requesting any tariff increases, despite increases in operating costs and capital costs during the period. The company installed over 160 miles of new mains, increasing customer connections by 15%, from 53,477 at March 31, 2015 to over 61,500 at September 30, 2019. BWSL is proud to have been recognized by the International Funding Institutions as the best performing and most efficient water utility in the Caribbean region, providing high quality and reliable services to customers and consumers.

This five-year Business Plan builds on the company's achievements and includes major capital investments focused on ensuring continuous and reliable supply to consumers, while providing continued expansion to meet customer demand. It places strong emphasis on climate change resiliency, water supply security, and environmental stewardship. The planned capital expenditures during the new FTP period amounts to BZD \$237 million of improvements and expansions. Funding sources include \$111 million of Government and developer contributions, \$79 million from issuance of additional debt, and \$47 million funded from operating revenues.

As a consequence of the proposed investments and expected expenditures and costs contained in the Business Plan, BWSL proposes to issue two sets of debentures, one in Year 1 of the FTP (2020/21) and one in Year 3 (2022/23). BWSL proposes **no increase** in average Tariffs for the first two years of the FTP; however, it includes a proposal to simplify the tariff structure and some changes to one-off fees for non-residential customers. In order to fully support the Business Plan cash requirements for Capital Investments, Operating Expenses and Debt Servicing, the company will need to request an adjustment to the approved Rates and Tariffs for Year 3 (2022/23); this increase is currently forecast to be 10% to ensure revenue sufficiency and to avoid any further increases for the remainder of the FTP.

#### The Process

- a) BWSL submits its Business Plan report to the PUC.
- b) The PUC will hold a public meeting on October 10, 2019 at the Majestic Room, Ramada Princess Hotel and Casino, starting at 7:00pm, at which the Licensee and all interested parties may participate.
- c) Interested parties may submit written comments and information on the Licensee's proposals by October 31, 2019.
- d) The PUC will deliver its Initial Decision no later than November 15, 2019.
- e) The Licensee and interested parties who represent 10% of the annual amount of water supplied may submit written comments on the decision within fifteen days of the delivery of the Initial Decision.
- f) Where there is no objection, the PUC will deliver a Final Decision adopting its Initial Decision.
- g) Where there is objection by the Licensee or interested parties representing 10% of the annual amount of water supplied, the PUC will appoint an Independent Expert within 15 days of such objection, to review the Schedules and Tariffs approved in the Initial Decision.
- h) Where the Licensee objects in writing to the Independent Expert proposed by the PUC, and if the PUC and the Licensee cannot agree on an Independent Expert, the International Chamber of Commerce shall appoint one within 14 days of the receipt of the Licensee's objection.
- i) The Independent Expert (IE) will issue a written report within 30 days of his appointment.
- j) The Licensee and interested parties who represent 10% of the annual amount of water supplied have 20 days to submit comments on the IE's report.
- k) Where the comments challenge the conclusions of the report, the PUC shall within 15 days afford the licensee and other interested parties an opportunity to be heard.
- l) The PUC will deliver a Final Decision no later than 50 days after the delivery of the Independent Expert's report. The Final Decision is due by March 18, 2020.

#### Comments

- a) Comments in writing may be sent to the Public Utilities Commission, P.O. Box 300, 41 Gabourel Lane, Belize City; or emailed to [info@puc.bz](mailto:info@puc.bz)
- b) Comments/information filed with the PUC shall be accompanied by a sworn affidavit on statements or information purported to be factual.
- c) BWSL and interested parties may request confidential treatment for any commercially sensitive information submitted to the PUC in accordance with the Byelaws.

#### Notes

- a) Throughout the FTRP, the PUC and BWSL shall maintain an updated Schedule of events which is to be made available to the public.
- b) The Schedules and Tariffs approved by the PUC shall become effective on April 1, 2020, regardless of the date on which the PUC's Final Decision is issued.

#### Public Access to Information

Members of the public may obtain up-to-date information on the schedule of the FTRP at the offices of the PUC and BWSL. The proposed Business Plan is available at BWSL's headquarters, 7 Central American Boulevard, Belize City and at branches countrywide, and may be viewed at the office of the Public Utilities Commission, 41 Gabourel Lane, Belize City. The Business Plan will also be available on-line at BWSL website: [www.bws.bz](http://www.bws.bz) or the PUC's website: [www.puc.bz](http://www.puc.bz)