



PUBLIC NOTICE

Public Utilities Commission (PUC)



Pursuant to Decision 6(b) of the Final Decision issued by the PUC on June 26, 2008, in relation to the 2008 Annual Review Setting Methodology (RSM) has been implemented effective September 1, 2008.

The new RSM is intended to provide for more timely collection of the costs paid by BEL for wholesale power and to encourage more efficient consumption of electricity by consumers.

Under the new RSM, the PUC sets the Reference Price of Power (RPP – the cost of power component of the Mean Electricity Rate [MER]) twice during an Annual Tariff Period (ATP – the current ATP is from July 1, 2008, to June 30, 2009). The RPP is designed to allow for full recovery of the cost of power purchased and generated for the period that it is applied, but may result in excess costs or payments on a monthly basis.

After each month during the ATP, the variance in the Actual Cost of Power (ACP) and Actual Sale of Power (ASP) is compared to the variance in the Forecast Cost of Power (FCP) and Forecast Sale of Power (FSP) and if there is any material deviation, the PUC determines if there will be any Cost of Power Recovery (CPR) rate applied to consumers' bills in order to recover for BEL any material excess cost of power or to rebate to consumers any material excess payments.

The new RSM has been applied in October, 2008, and BEL has provided the Actual Cost of Power (ACP) and Actual Sale of Power (ASP) for the months of July, August and September, 2008. The result of applying the new RSM is presented below:

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Determination of Cost of Power Recovery for November, 2008

Mean Electricity Rate (MER) - July 1, 2008 to December 31, 2008:

Value Added of Delivery (VAD):	\$0.135
Rate Stabilization Account (RSA) Recovery:	\$0.080
Corrections:	-\$0.086
Reference Price of Power (RPP):	<u>\$0.312</u>
MER:	\$0.441

Forecast Cost of Power Variance Account Balance - \$'000:

Month:	Jul	Aug	Sep	Oct	Nov	Dec
Forecast Cost of Power (FCP):	12,545	12,181	10,223	10,423	9,125	8,870
Forecast Sale of Power (FSP):	10,961	11,009	11,198	10,658	10,316	9,921
Forecast Cost of Power Variance (FCPV):	1,584	1,172	-975	-236	-1,191	-1,051
Forecast Cost of Power Variance Account (FCPVA) balance:	1,584	2,756	1,781	1,545	354	-697

Actual Cost of Power Variance Account Balance - \$'000:

Month:	Jul	Aug	Sep	Oct	Nov	Dec
Actual Cost of Power (ACP):	12,664	10,635	7,597			
Actual Sale of Power (ASP):	11,101	11,724	11,891			
Actual Cost of Power Variance (ACPV):	1,563	-1,089	-4,294			
Actual Cost of Power Variance Account (ACPVA) balance:	1,563	474	-3,820			

Conclusions and Determination:

The balance in the ACPVA is (\$1,780,782 - [-\$3,819,681] =) \$5,600,463 lower than that for the FCPVA for September, 2008.

Their is no indication of any imminent event likely to occur during the current period to reverse the current trend of actual energy costs being lower than forecast energy costs.

There will be no Cost of Power Recovery (CPR) rate applied for the month of October, 2008.

The approved tariffs contained in the Final Decision of June 26, 2008, continues to apply.

Issued October 15, 2008, by the Public Utilities Commission