

January 24, 2017

By Email

Bermuda Electric Light Co. Ltd.
P.O. Box HM 1026
Hamilton HM DX
Attn: David Faries, VP Finance & Financial Controller

Re: Fuel Adjustment Rate Filing – February 1, 2017 to February 28, 2017

BACKGROUND

Bermuda Electric Light Co. Ltd. (“BELCO”) submitted a request (the “FAR Filing”) to the Regulatory Authority of Bermuda (the “Authority”) to maintain the existing Fuel Adjustment Rate (FAR) of \$0.080 and to decrease the Commercial Renewable System Excess Energy Rate (CRSEER) from \$0.1381 to \$0.1273 by way of FAR filing and supporting data submissions received January 10, 2017.

The Authority reviewed the FAR Filing, which included but not limited to calculations, graphs, tables, charts, and commentary accompanying the submission regarding the Projected Over/Under Recovery of Fuel Costs account (“FAR account”). The Authority notes that this review and approval (of this date) is in accordance with the Energy Commission’s FAR Minimum Filing Requirements (MFR).

The Authority hereby issues this Order in accordance with Section 63 of the Regulatory Authority Act (2011) (the “RAA”).

FINDINGS

It is noted that BELCO’s submission was fully compliant with the MFR. The Authority notes that the FAR mechanism is a way of facilitating “smooth” fluctuations of fuel prices above the \$30.00 per barrel cost that is embedded in BELCO’s base rates.

ORDER

The Authority thereby approves BELCO’S request to maintain the FAR at 8.00 cents, and the request to decrease the CRSEER to 12.73 cents effective February 1, 2017 subject to the following conditions: -

1. A prominent message will accompany BELCO’s billings (paper and email) for the month February 2017 informing its customers that the Fuel Adjustment Rate and the Commercial Renewable

System Excess Energy Rate have been approved at 8.00 cents and 12.73 cents per kilowatt-hour respectively for the month of February 2017.

2. The Authority directs that the FAR will remain at 8.00 cents and the CRSEER will increase to 13.81 cents per kilowatt-hour effective March 1, 2017 should a new tariff filing not be received before the close of business on February 7, 2017.
3. The Authority provides its approval of the \$0.0800 and \$0.1273 rates for February 2017 (the “approved FAR” and “approved CRSEER”) on the condition that BELCO:
 - a. Continues to fully fulfill the requirements of the MFR, which shall be subject to amendment or replacement by the Authority, and submits all information in accordance with the MFR;
 - b. Is required to notify the Authority in writing of its intention every month after such approval has been given to retain or modify the approved FAR.
 - c. Provides such notification 15 business days prior to the approval being rendered by the Authority.
4. Upon written notice made by BELCO to the Authority for approval to retain or modify the approved FAR and CRSEER for the next month, the Authority shall, if satisfied, confirm in writing to BELCO that such rate:
 - i. is approved to be retained; or
 - ii. is required to be varied; and may impose any term or condition required in connection therewith.
5. BELCO shall not modify the FAR or CSEER set forth in this Order unless the Authority has issued an Order approving such modification, in accordance with Section 63 of the RAA.

The Authority is currently conducting a review of the current FAR filing process and methodology, including the MFR, with a view to modifying it as necessary. The Authority also intends to review and assess methods for validating data with the intention to implement the same. The Authority looks forward to working with BELCO during this review.

Yours Sincerely,



Matthew Copeland
Chief Executive
Regulatory Authority of Bermuda