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PLEASE QUOTE OUR REF.

August 14, 2017

Regulatory Authority of Bermuda
Craig Appin House, 1st Floor
8 Wesley Street
Hamilton HM 11

Attention: Mr. Mathew Copeland, Chief Executive

TARIFF FILING

Dear Sirs,

This is to advise you that we wish to make the following changes to the fuel adjustment rate ("FAR"):

Maintain the existing rate of 11.50 cents per kilowatt-hour sold for September 2017.

Our current submission is provided using the minimum filing report (MFR) format established by the former Energy Commission. Please note the Commercial Renewable System Excess Energy Rate (CRSEER) representing the rate BELCO would pay commercial owners for excess energy generated but not consumed and exported to BELCO no longer used has been calculated and included in our September 2017 FAR MFR submission as directed per Regulatory Authority letter dated 18 April 2017.

The actual fuel adjustment cost recovery position as at 31st July 2017 was \$57,695 under recovered as compared to the \$54,308 over recovery position projected in our last filing. The \$112,003 unfavorable variance is due to:

- The total actual barrels of fuel consumed in July were 4,500 barrels higher than projected, resulting in a negative impact on the recovery position of \$361,672;
- Net price variance negatively impacted the recovery position by \$24,941; and;
- Actual July electric sales were 2,430,565, KWH's higher than projected. This variance resulted in a net positive impact on the fuel recovery position of \$274,610.

Our detailed working paper supporting this analysis has been included in the MFR (please refer to Page 17 "FAR Recovery Variance Analysis") as requested per the Authority's email dated 25 January 2017.

Our primary reasons for maintaining the FAR at the existing 11.50 cents per kilowatt-hour sold are:

- Build a reasonable reserve that enables future recovery of incurred purchased power costs to support the AC35 event (currently under review by the Authority) in a timely manner while kWh consumption levels are high to avoid potential rate shock; and
- Recognition that actual results in coming months may fall short of current projections as was the case in July stemming from fuel adjustment costs exceeding fuel adjustment sales due to less efficient plant being utilized to meet summer peak demand given our aged generation infrastructure requiring significantly more labor time and material costs to maintain and/or as a result of potential lost kWh sales if a hurricane event impacts the Island in the coming months.

July Net Metering:

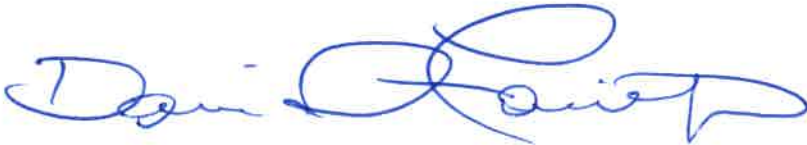
There were no net metering customers in July as all customers have been transitioned over to the feed-in tariff.

Please note we will continue to monitor our projections to ensure that our submitted FAR requests enable us to achieve a break-even position on fuel costs.

Should you have any questions concerning the above, please do not hesitate to contact us.

Yours sincerely,

BERMUDA ELECTRIC LIGHT COMPANY LIMITED



David Faries, CPA, CA, JP
Vice President, Finance & Group Controller



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

September 2017

This submission is filed by Bermuda Electric Light Company Limited (“BELCO”) with the Regulatory Authority of Bermuda (the “Authority”) using the minimum filing requirements (“MFR”) format established by the Energy Commission in its directive letter sent to BELCO dated December 30, 2013.

In accordance with Section 33 of the Regulatory Authority Act 2011, BELCO claims confidentiality over certain information provided to the Authority. That information is therefore excluded from the redacted version of this filing on the grounds that disclosure of the information would have, or could reasonably be expected to have, an adverse effect on BELCO’s commercial interests

Fuel Adjustment Submission

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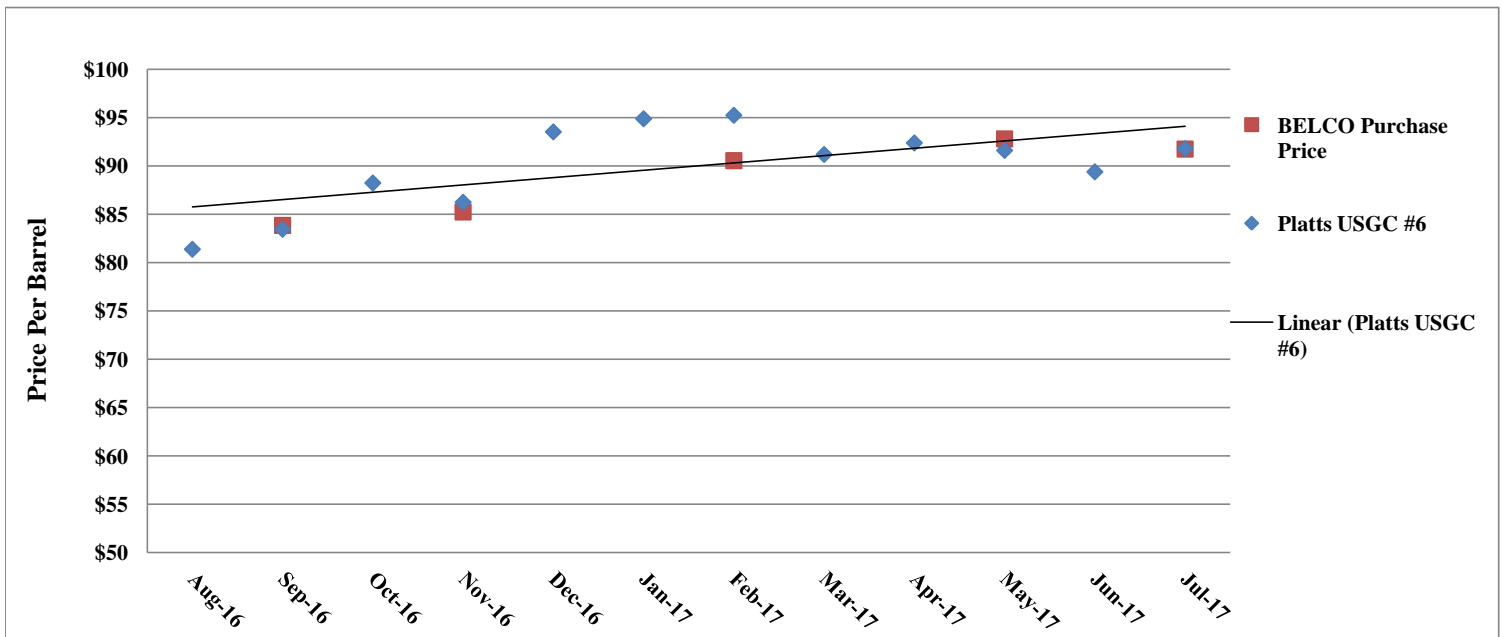


Heavy Fuel Oil Purchased

Versus

Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil

Previous Twelve Months

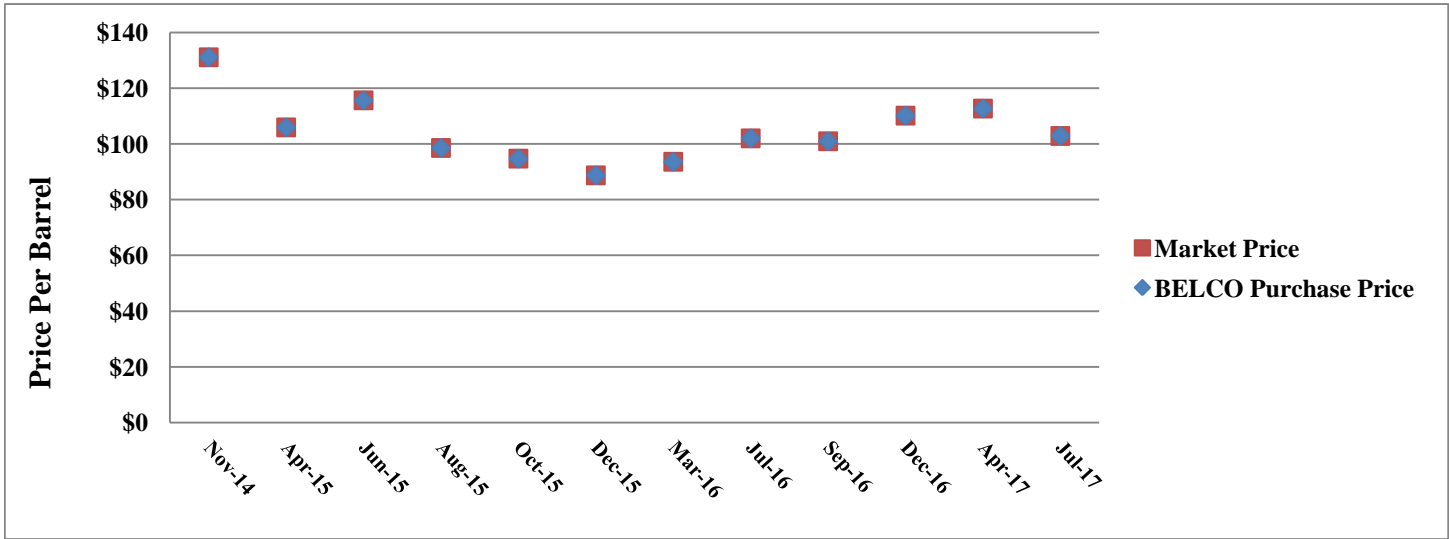


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil.



Diesel Fuel Oil Purchased

Previous Twelve Shipments



N.B. In accordance with the Fuel Supply Agreement for No. 2 Diesel Oil between BELCO and Coral Petroleum Company Limited, the contracted price is stipulated as the Platt's U.S. Gulf Coast Waterborne mid Ultra Low Sulfur Diesel, 3-day average center Bill of Lading Date which is the date the fuel is loaded on to the vessel. As BELCO does not enter into forward contracts for the supply of diesel fuel, the price BELCO pays is equal to the Platt's price.

BELCO

Heavy Fuel Oil Inventory Activity

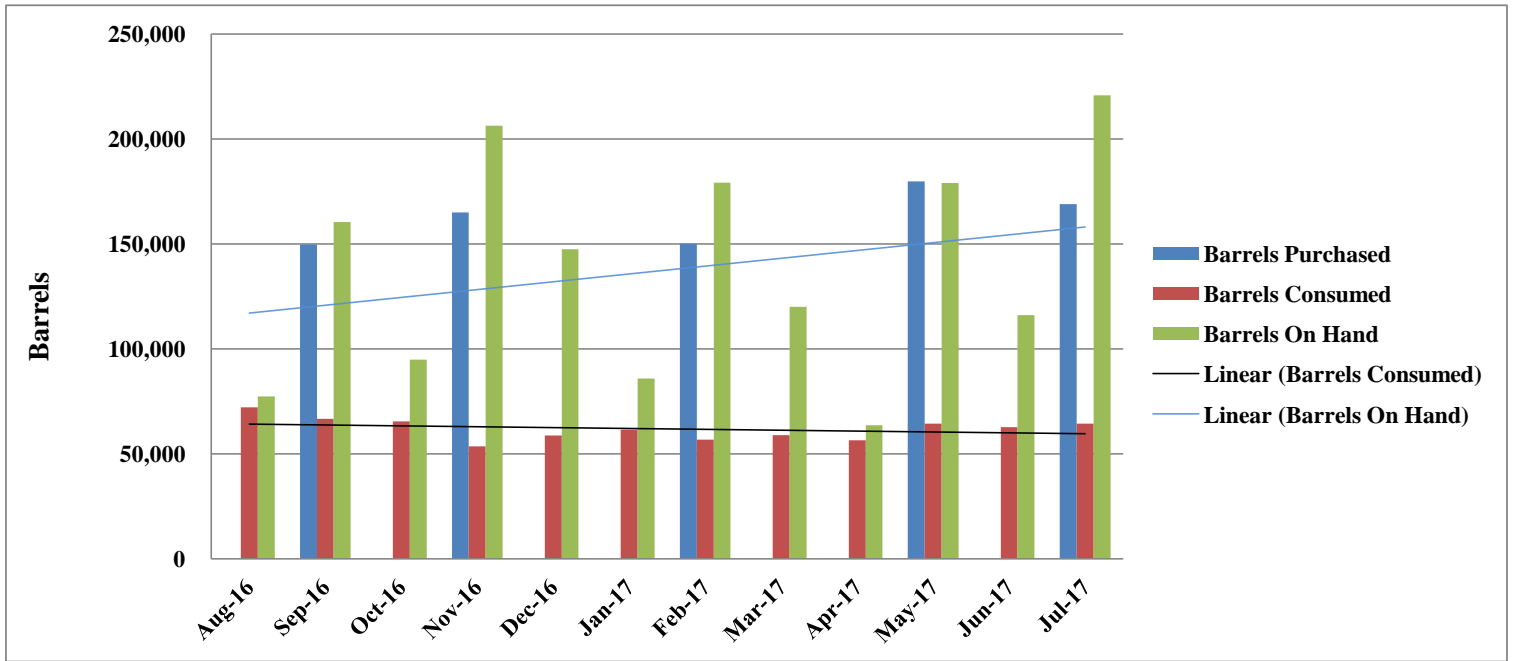
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
August, 2016	-	72,216.00	77,415.23
September, 2016	149,880.68	66,740.00	160,555.91
October, 2016	-	65,575.00	94,980.91
November, 2016	165,045.90	53,649.00	206,377.81
December, 2016	-	58,844.00	147,533.81
January, 2017	-	61,588.00	85,945.81
February, 2017	150,066.01	56,841.00	179,170.82
March, 2017	-	59,011.00	120,159.82
April, 2017	-	56,518.00	63,641.82
May, 2017	179,858.58	64,433.00	179,067.40
June, 2017	-	62,866.00	116,201.40
July, 2017	169,061.40	64,465.00	220,797.80



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

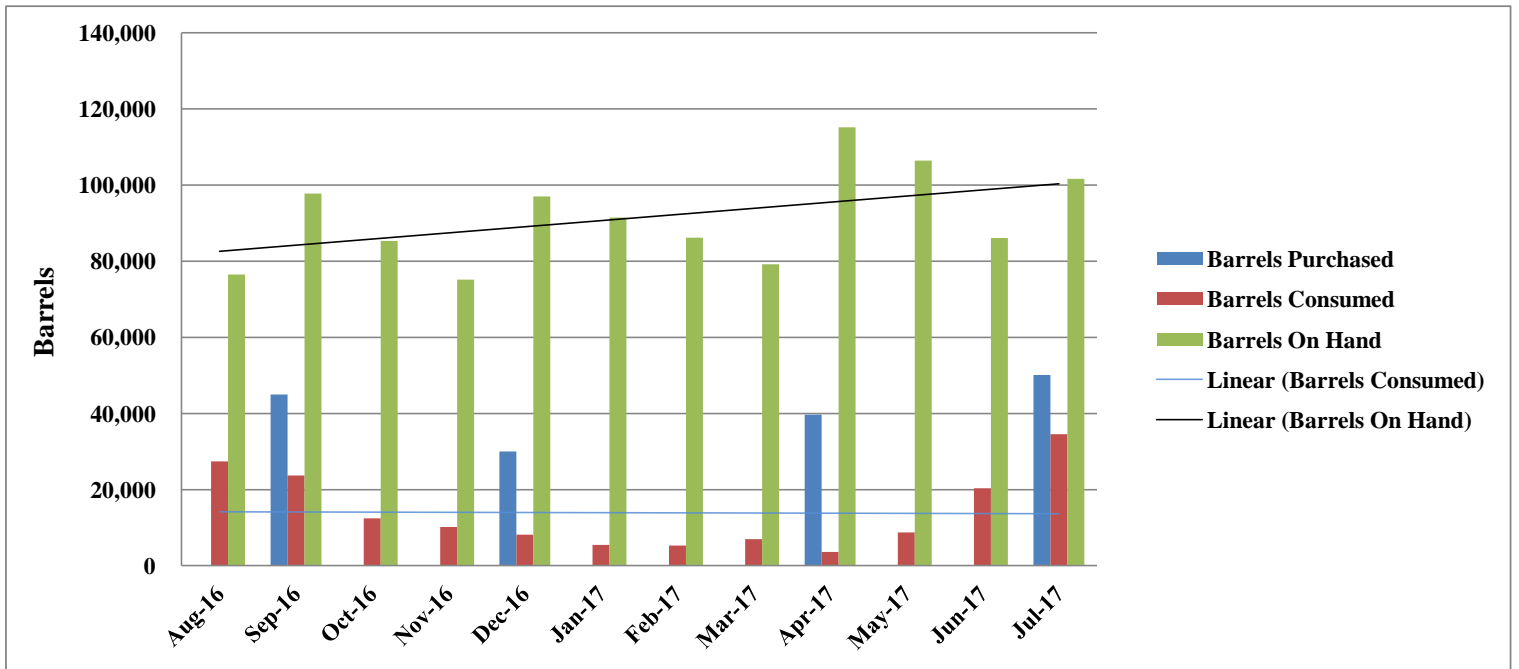
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
August, 2016	-	27,414.40	76,507.04
September, 2016	44,939.15	23,686.64	97,759.55
October, 2016	-	12,448.60	85,310.95
November, 2016	-	10,151.61	75,159.34
December, 2016	30,003.67	8,182.48	96,980.53
January, 2017	-	5,468.49	91,512.04
February, 2017	-	5,324.16	86,187.88
March, 2017	-	6,984.19	79,203.69
April, 2017	39,645.26	3,648.83	115,200.12
May, 2017	-	8,774.56	106,425.56
June, 2017	-	20,335.70	86,089.86
July, 2017	50,100.00	34,543.12	101,646.74



Graph of Diesel Fuel Oil Inventory Activity

Previous Twelve Months





Heavy Fuel Oil Costs Per Shipment

In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.

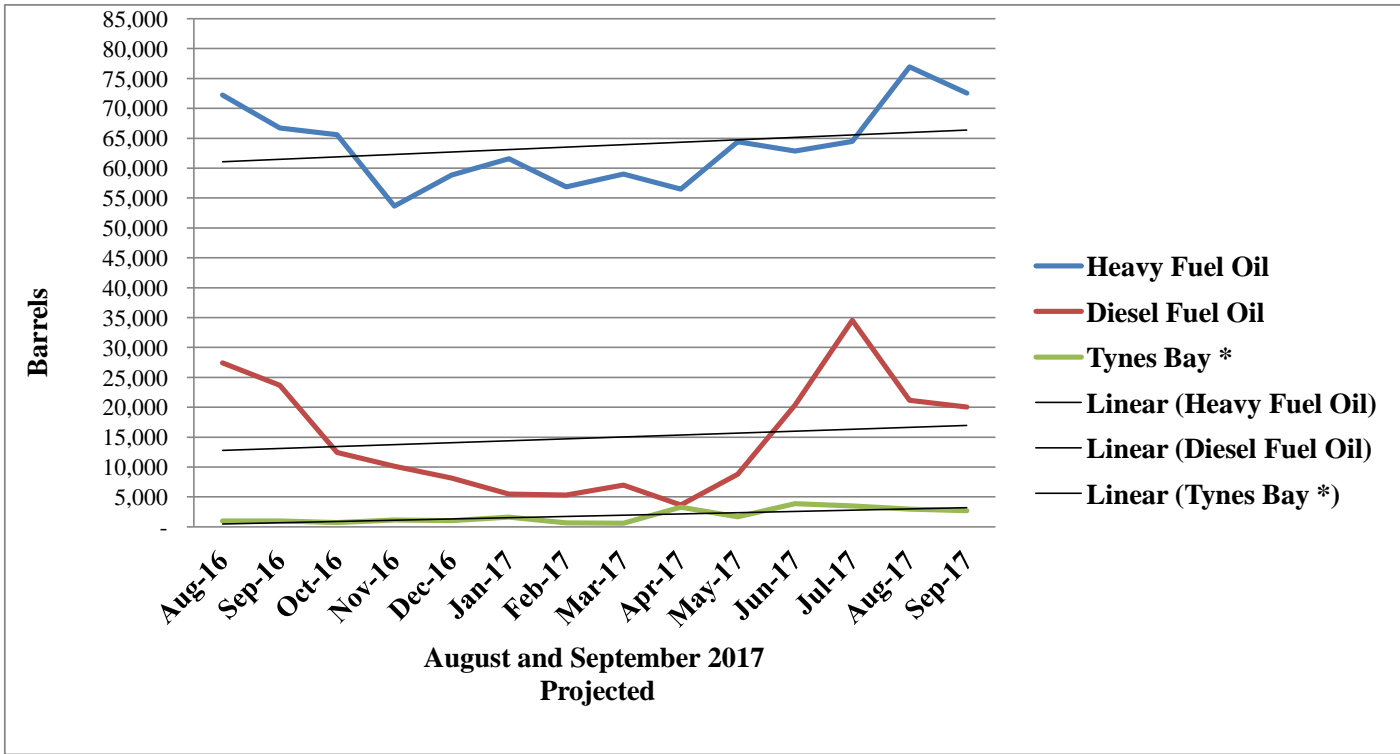


Diesel Fuel Oil Costs Per Shipment

In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



Barrels of Fuel Consumed
Previous Twelve Months
Plus Two Month Forward Projection



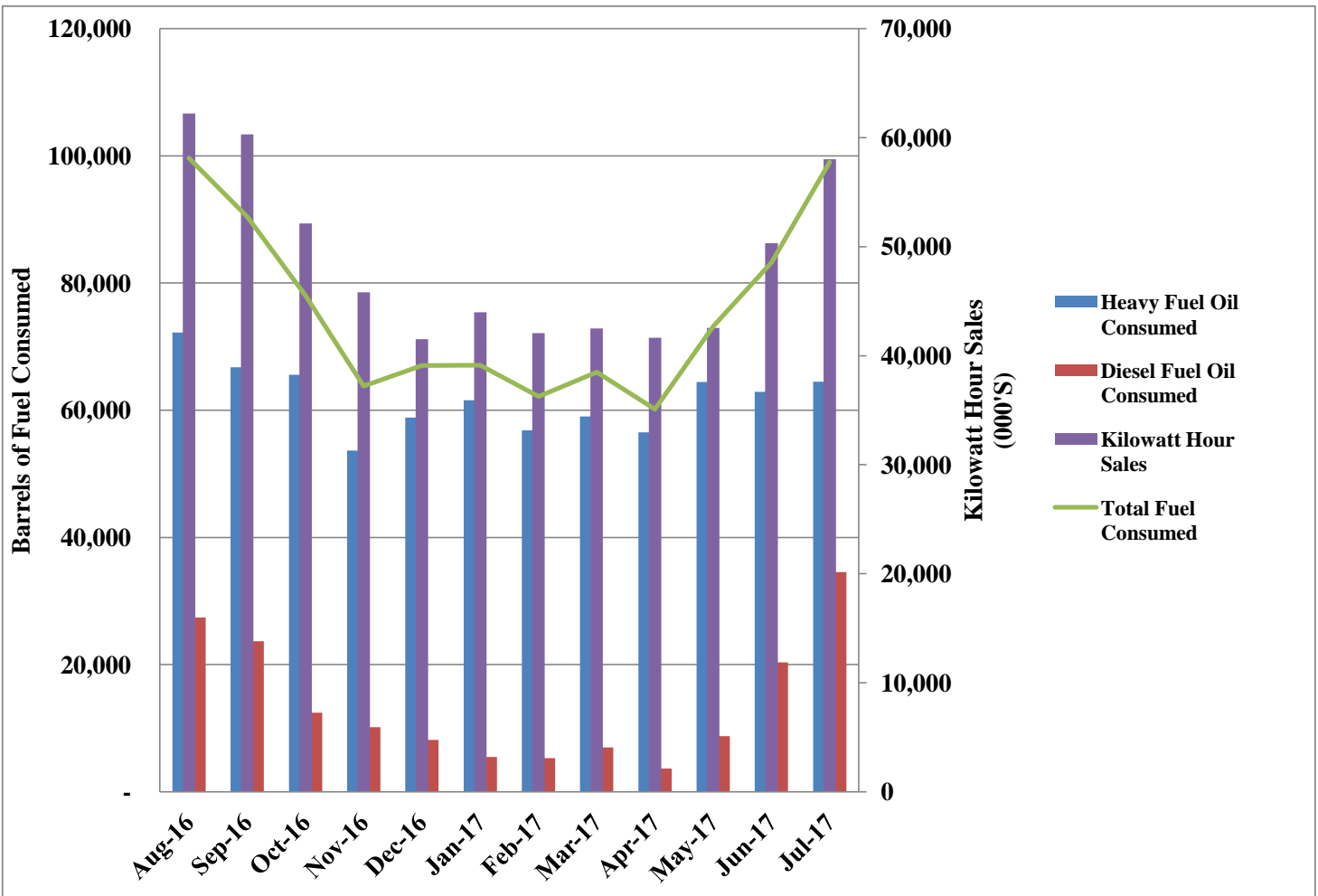
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay as the amount of kilowatt hours delivered by Tynes Bay to BELCO divided by this budgeted efficiency rating.



Fuel Consumption

Versus

Kilowatt Hour Sales

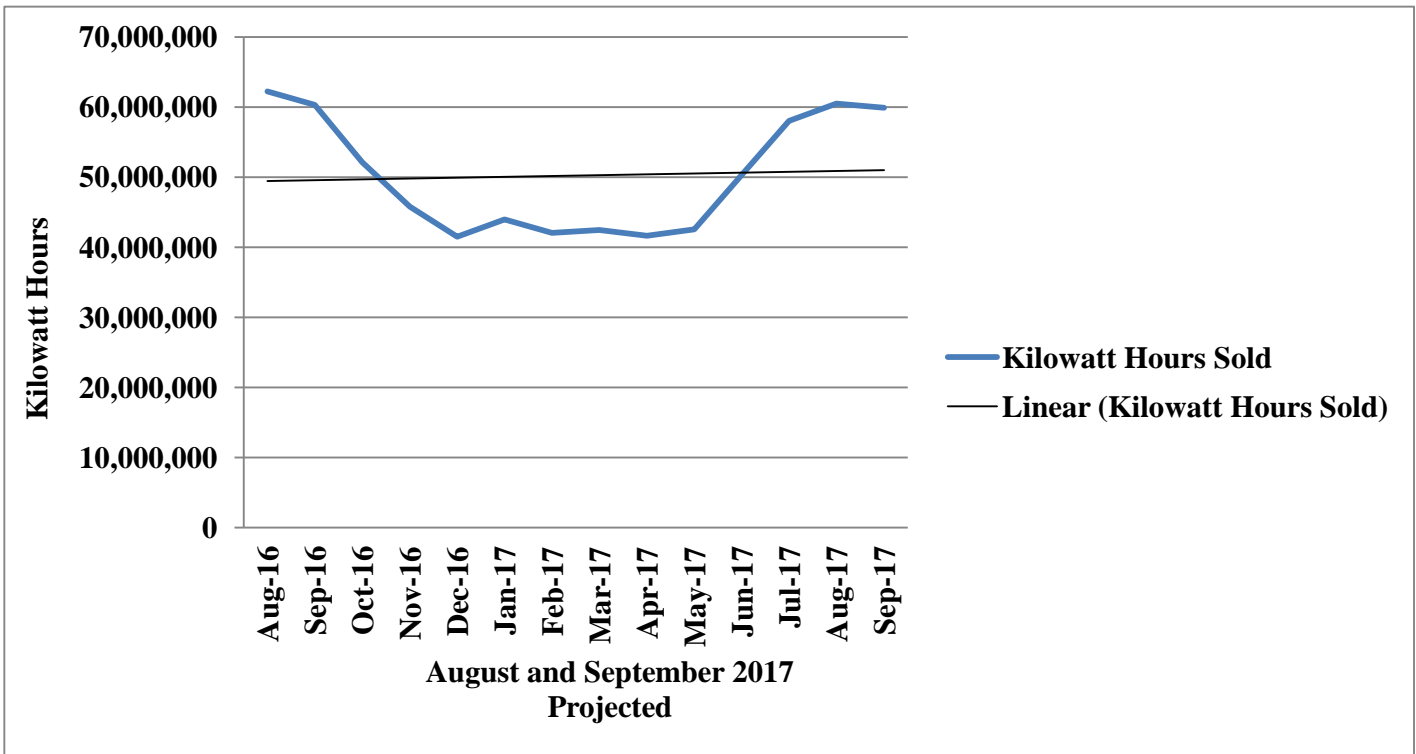




Kilowatt Hour Sales

Previous Twelve Months

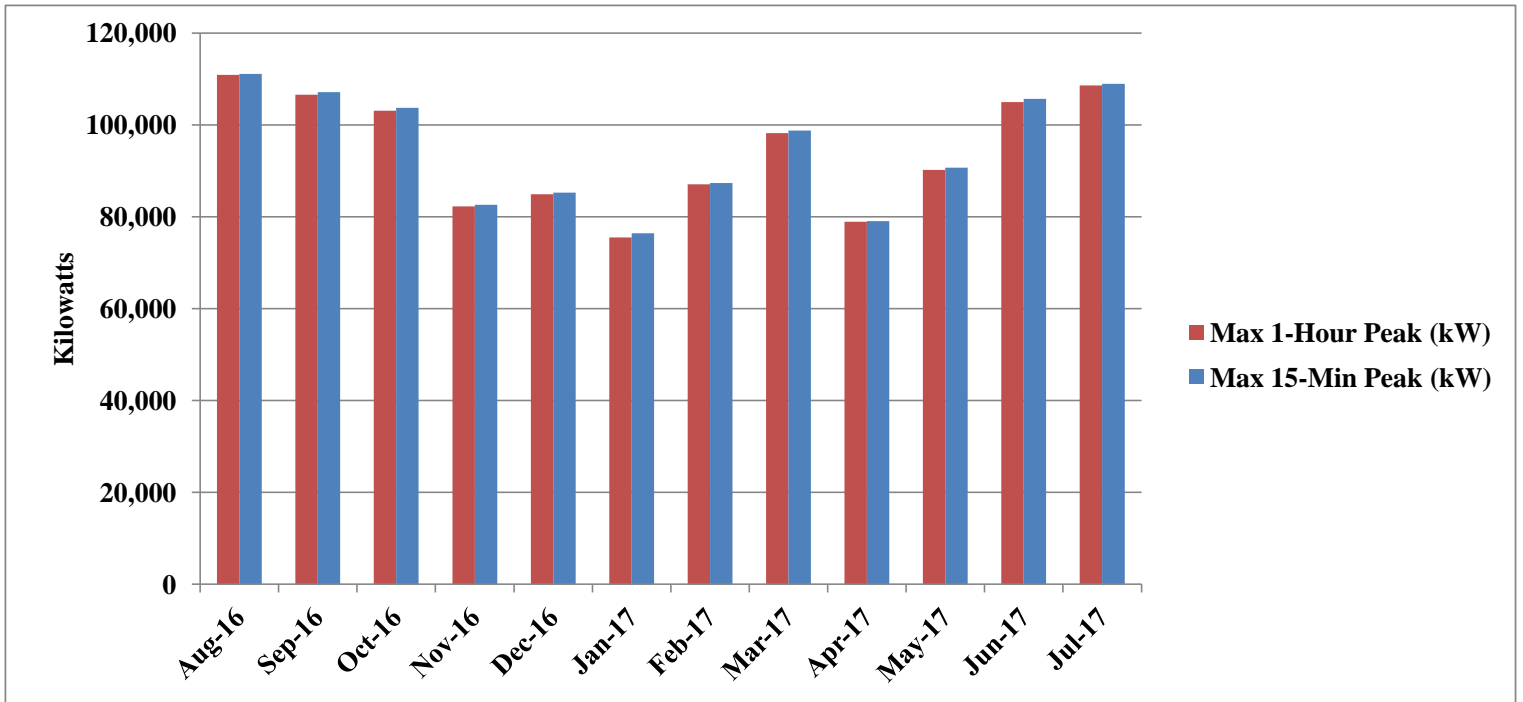
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

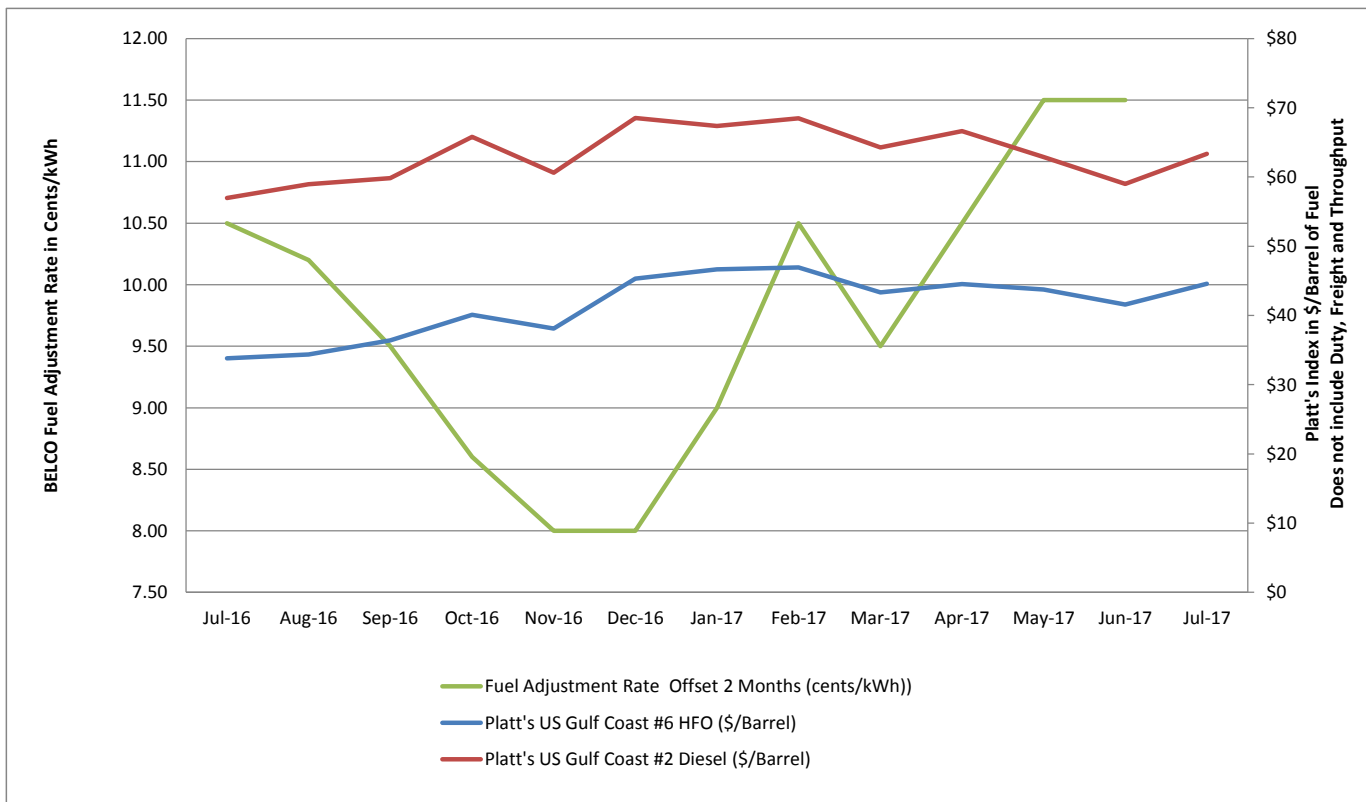




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31 July 2017

	\$	\$	\$
Opening Balance at 1 July 2017			415,623
<u>Fuel Consumption</u>			
Diesel - 16,440.93 @ \$101.0355	1,661,118		
Diesel - 18,102.19 @ \$110.3045	1,996,753		
Less: Fuel Consumption @ \$30/bbl	<u>(1,036,294)</u>	2,621,577	
Heavy - 26,342.82 bbls @ \$98.3877	2,591,809		
Heavy - 38,122.18 bbls @ \$92.4264	3,523,496		
Less: Fuel Consumption @ \$30/bbl	<u>(1,933,950)</u>	4,181,355	
Tynes Bay - 2,393,020 kWh @ \$0.185	442,709		
Less: (2,393,020 kWh /685.1) 3,492.95 bbls @ \$30/bbl	<u>(104,789)</u>	337,921	
		7,140,853	
Deduct: Fuel Adjustment Revenue		<u>6,667,534</u>	
July over / (under) recovery			(473,319)
Ending Balance at 31 July 2017			<u>(57,695)</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 31 July 2017

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	30,000	65,220	2,781	98,001
Total Fuel Adjustment Cost	\$ 2,256,744	\$ 4,228,487	\$ 269,007	\$ 6,754,239
Fuel Adjustment Cost / Barrel	\$ 75.22	\$ 64.83	\$ 96.73	\$ 68.92

Actual:

Barrels	34,543	64,465	3,493	102,501
Total Fuel Cost	\$ 3,657,870	\$ 6,115,305	\$ 442,709	\$ 10,215,883
Total Fuel Adjustment Cost	\$ 2,621,577	\$ 4,181,355	\$ 337,920	\$ 7,140,852
Fuel Adjustment Cost / Barrel	\$ 75.89	\$ 64.86	\$ 96.74	\$ 69.67

Sales Analysis:

FAR (cents/kwh)

11.50 Requested

11.50 Approved

Fuel Adjustment Sales

Projected:
Actual:
Variance
% Variance

Total KWH Sales	Total \$ Sales
55,590,644	\$ 6,392,924
58,021,209	\$ 6,667,534
2,430,565	\$ 274,610
4.37%	4.30%

Summary - projected vs. actual variances:

		Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):		(4,543)	755	(712)	(4,500)
Costs:	Price variance	\$ (23,078)	\$ (1,817)	\$ (46)	\$ (24,941)
	Quantity variance	\$ (341,755)	\$ 48,950	\$ (68,867)	\$ (361,672)
	Total variance	\$ (364,833)	\$ 47,133	\$ (68,913)	\$ (386,613)
Sales:					\$ 274,610
Total projected vs. actual variance (July 2017)					\$ (112,003)

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Balance as at 1 July 2017:	415,623	415,623
Projected change in over / (under) recovery position	(361,315)	(361,315)
Variance (Actual vs. Projected) - see above		(112,003)
Actual change in over / (under) recovery position	(361,315)	(473,318)
Balance as at 31 July 2017:	54,308	(57,695)



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
May 2017	Heavy	No	51,736.40	92.4264	62.4264
July 2017	Heavy	Yes	60,000.00	90.8242	60.8242
July 2017	Heavy	No	109,061.40	92.2354	62.2354
December 2016	Diesel	No	11,901.48	110.3045	80.3045
April 2017	Diesel	No	39,645.26	112.6668	82.6668
July 2017	Diesel	No	50,100.00	102.8318	72.8318



Fuel Adjustment Over/(Under) Recovery Projections

At Existing Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (57,695)
Projected kWh Sales - August 2017	60,490,436		FADJ	11.50		\$ 6,956,400
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	December 2016	11,901	\$ (80.30)	\$ (955,742.40)	
	Diesel	April 2017	9,289	\$ (82.67)	\$ (767,852.23)	
	Heavy	May 2017	51,736	\$ (62.43)	\$ (3,229,717.20)	
	Heavy	July 2017	25,184	\$ (60.82)	\$ (1,531,772.32)	
	Tynes Bay	N/A	2,970	\$ (93.41)	\$ (277,475.05)	
	Total Barrels		101,080			193,841
Projected Over (Under) Recovery account as at end of this month:						136,146
Projected kWh Sales - September 2017	59,892,156		FADJ	11.50		\$ 6,887,598
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	20,055	\$ (82.67)	\$ (1,657,882.67)	
	Heavy	July 2017	34,816	\$ (60.82)	\$ (2,117,679.68)	
	Heavy	July 2017	37,719	\$ (62.24)	\$ (2,347,432.16)	
	Tynes Bay	N/A	2,684	\$ (94.78)	\$ (254,421.18)	
	Total Barrels		95,274			510,182
Projected Over (Under) Recovery account as at end of this month:						646,328
Projected kWh Sales - October 2017	52,382,546		FADJ	11.50		\$ 6,023,993
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	14,208	\$ (82.67)	\$ (1,174,529.89)	
	Heavy	July 2017	67,242	\$ (62.24)	\$ (4,184,832.77)	
	Tynes Bay	N/A	2,626	\$ (98.78)	\$ (259,439.99)	
	Total Barrels		84,076			405,190
Projected Over (Under) Recovery account as at end of this month:						1,051,518



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (57,695)
Projected kWh Sales - August 2017	60,490,436		FADJ	11.50	\$	6,956,400
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	December 2016	11,901	\$ (80.30)	\$ (955,742.40)	
	Diesel	April 2017	9,289	\$ (82.67)	\$ (767,852.23)	
	Heavy	May 2017	51,736	\$ (62.43)	\$ (3,229,717.20)	
	Heavy	July 2017	25,184	\$ (60.82)	\$ (1,531,772.32)	
	Tynes Bay	N/A	2,970	\$ (93.41)	\$ (277,475.05)	
	Total Barrels		101,080			193,841
Projected Over (Under) Recovery account as at end of this month:						136,146
Projected kWh Sales - September 2017	59,892,156		FADJ	11.50	\$	6,887,598
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	20,055	\$ (82.67)	\$ (1,657,882.67)	
	Heavy	July 2017	34,816	\$ (60.82)	\$ (2,117,679.68)	
	Heavy	July 2017	37,719	\$ (62.24)	\$ (2,347,432.16)	
	Tynes Bay	N/A	2,684	\$ (94.78)	\$ (254,421.18)	
	Total Barrels		95,274			510,182
Projected Over (Under) Recovery account as at end of this month:						646,328
Projected kWh Sales - October 2017	52,382,546		FADJ	11.00	\$	5,762,080
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	14,208	\$ (82.67)	\$ (1,174,529.89)	
	Heavy	July 2017	67,242	\$ (62.24)	\$ (4,184,832.77)	
	Tynes Bay	N/A	2,626	\$ (98.78)	\$ (259,439.99)	
	Total Barrels		84,076			143,277
Projected Over (Under) Recovery account as at end of this month:						789,605



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of August:						\$ 136,146
Projected kWh Sales - September 2017	59,892,156		CRSEER	15.77		\$ 9,444,993
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	20,055	\$ (112.67)	\$ (2,259,532.67)	
	Heavy	July 2017	34,816	\$ (90.82)	\$ (3,162,171.68)	
	Heavy	July 2017	37,719	\$ (92.24)	\$ (3,478,990.16)	
	Tynes Bay	N/A	2,684	\$ (124.78)	\$ (334,948.98)	
	Total Barrels		95,274			209,350
Projected Over (Under) Recovery account as at end of this month:						345,495
Projected kWh Sales - October 2017	52,382,546		CRSEER	15.82		\$ 8,286,919
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	April 2017	14,208	\$ (112.67)	\$ (1,600,769.89)	
	Heavy	July 2017	67,242	\$ (92.24)	\$ (6,202,092.77)	
	Tynes Bay	N/A	2,626	\$ (128.78)	\$ (338,234.39)	
	Total Barrels		84,076			145,822
Projected Over (Under) Recovery account as at end of this month:						491,317

Note: CRSEER is calculated to have no impact on the FAR over (under) recovery balance

BELCO

Generators Available for Service

June 2017

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	11051	679
E2	Yes	HFO	10480	671
E3	No	HFO	0	N/A
E4	Yes	HFO	5802	708
E5	Yes	HFO	10662	696
E6	Yes	HFO	6801	691
E7	Yes	HFO	12007	723
E8	Yes	HFO	12285	732
D3	Yes	LFO	5848	605
D8	No	LFO	0	N/A
D10	Yes	LFO	5905	651
D14	Yes	LFO	3187	576
GT4	Yes	LFO	1800	330
GT5	Yes	LFO	9741	415
GT6	Yes	LFO	2674	452
GT7	Yes	LFO	1212	454
GT8	Yes	LFO	3035	450

* Efficiency Rating = Amount of kilowatt hours generated per barrel consumed



Generators Out of Service

June 2017

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E2	Main Engine	MO	E2 Cyl #7 scavenge door gasket	7/30/17	7/30/2017
GT5	Other Systems	FO (Immediate)	Unit Tripped. reason being investigated, first thoughts are outside fault from pits bay transformer	7/29/17	7/29/2017
E5	Main Engine	FO (Immediate)	cylinder 2B low temperature	7/28/17	07/30/17
D14	Auxiliary Systems	MO	Unit to MO to replace lub oil filters	7/26/17	07/26/17
GT5	Electrical System	FO (Immediate)	Unit tripped due to generator issues.	7/26/17	07/26/17
D10	Electrical System	MO	Unit transformer undervoltage / negative phase relay addressed.	7/25/17	07/26/17
GT5	Electrical System	FO (Immediate)	plant engineer diagnosed that a false signal "transformer breaker open then close" caused the governor to unload and load the unit causing it to trip.	7/23/17	07/23/17
D3	Auxiliary Systems	FO (Immediate)	Unit out for cylinder lubricator failure.	7/21/17	07/21/17
E5	Main Engine	FO (Immediate)	Unit was FO again RHS CA Cooler Auto Vent pipe Nipple Cracked	7/17/17	07/17/17
GT6	Instrumentation & Control System	FO (Immediate)	Intake filter differential Alarm activated	7/17/17	07/17/17
E6	Main Engine	PO	Changed from Forced outage to 9K service after additional damage was discovered.	7/17/17	07/31/17
E5	Main Engine	FO (Immediate)	FO Due to leaking HT Auto Vent Pot Pipe connection	7/16/17	07/17/17
E2	Main Engine	MO	Unit to MO for repairs to Exhaust Outlet	7/14/17	07/15/17
E6	Main Engine	FO (Immediate)	E6 cyl #4 cylinder dropped off mmd standby called - Changed to Planned Outage when additional damage was discovered	7/14/17	07/17/17
E4	Main Engine	FO (Immediate)	Pedestal bearing high temperature	7/13/17	07/13/17
E5	Main Engine	MO	MO Leak on ICW System to be welded	7/12/17	07/13/17
E8	Instrumentation & Control System	FO (Immediate)	E8 main black supply line ruptured. EMD repaired	7/8/17	07/08/17
E5	Main Engine	MO	E5 charge air cooler and sensing line.	7/7/17	07/08/17
E8	Instrumentation & Control System	MO	E8 governor cycled	7/7/17	07/07/17
D3	Main Engine	MO	Unit out for crankcase / cylinder liner inspection after reduced delivery of cylinder lubrication discovered.	7/5/17	07/05/17
D10	Electrical System	MO	Unit out to change auxiliary supply change over relay.	7/4/17	07/04/17
E4	Main Engine	PO	Unit out for 4.5K planned outage	7/3/17	07/11/17
D14	Auxiliary Systems	MO	D14 l.o. filters changed ahead of e4 outage	7/2/17	07/02/17
D10	Electrical System	FO (Immediate)	47/27 relay loss of power and breaker changeover failure. EMD inspection and troubleshooting	7/2/17	07/02/17

D3	Main Engine	FO (Immediate)	D3 tripped on low lubricator flow on box #4	7/1/17	07/01/17
E6	Auxiliary Systems	MO	Two fuel oil injectors changed.	7/1/17	07/02/17



Scheduled Generator Maintenance

July 2017

Generator	Maintenance Type	Outage Date	Return Date
D14	12k Service	8/7/2017	8/11/2017
E7	3K Service	8/14/2017	8/19/2017
E8	9K Service	8/21/2017	8/26/2017
E1	3K Service	8/28/2017	9/7/2017



Other Events Affecting the Fuel Adjustment Rate

1. **Details of any insurance claims submitted by BELCO which directly impact the Fuel Adjustment Rate.**
No insured losses have been incurred by BELCO during the filing period that would result in a potential insurance claim.

2. **Any major events that have a direct impact on the Fuel Adjustment Rate.**
None