

September 26, 2017

BY EMAIL

Bermuda Electric Light Co. Ltd.
P.O. Box HM 1026
Hamilton HM DX

Attn: David Faries, VP Finance & Financial Controller

Dear Mr. Faries,

Re: Fuel Adjustment Rate Filing –October 1, 2017 to October 31, 2017

The Regulatory Authority of Bermuda (the “Authority”) has reviewed the October FAR filing submitted by Bermuda Electric Light Co. Ltd. (“BELCO”) on September 12, 2017 to maintain the existing Fuel Adjustment Rate (“FAR”) of \$0.1150 and has no objection to BELCO’s proposed FAR.

However, it should be noted that BELCO’s primary reason for maintaining the FAR, that being to “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...”, is not considered by the Authority to be a valid basis for maintaining the FAR at present, subject to further review of such costs.

The Authority would like to remind BELCO of the Authority’s letter dated July 25, 2017 where the Authority instructed BELCO that the Authority is reviewing the proposed cost of the America’s Cup event and until such review is completed the cost of the event should not be included in the FAR.

Therefore, please resubmit the October 2017 FAR submission with the removal of all references and costs (including fuel costs) in relation to the America’s Cup event.

Yours sincerely,



Jozelle Escolastica
Head of Regulatory Finance

Cc: *Matthew Copeland--Chief Executive*
Monique Lister--Senior Legal Advisor