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PLEASE QUOTE OUR REF.

October 11, 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"):

Decrease from the existing rate of 11.50 cents per kilowatt-hour sold for October 2017 to 10.75 cents per kilowatt-hour sold for November 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 November 2017 FAR MFR submission as directed per Regulatory Authority letter dated 18 April 2017.

The actual fuel adjustment cost recovery position as at 30th September 2017 was \$312,117 over recovered as compared to the \$481,294 over recovery position projected in our last filing. The \$169,177 unfavorable variance is due to:

- The total actual barrels of fuel consumed in September were 762 barrels lower than projected, resulting in a positive impact on the recovery position of \$726;
- Net price variance positively impacted the recovery position by \$16,741; and;
- Actual September electric sales were 1,609,251 KWH's lower than projected. This variance resulted in a net negative impact on the fuel recovery position of \$186,644.

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.

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

A handwritten signature in blue ink, appearing to read "David Faries", with a large, stylized flourish at the end.

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



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

November 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

Table of Contents

	PAGE
Graph - Cost per Barrel of Heavy Fuel Oil Purchased	<u>3</u>
Graph - Cost per Barrel of Diesel Fuel Oil Purchased	<u>4</u>
Table of Heavy Fuel Oil Inventory Activity	<u>5</u>
Graph - Heavy Fuel Oil Inventory Activity	<u>6</u>
Table of Diesel Fuel Oil Inventory Activity	<u>7</u>
Graph - Diesel Fuel Oil Inventory Activity	<u>8</u>
Table of Heavy Fuel Oil Costs Per Shipment	<u>9</u>
Table of Diesel Fuel Oil Per Shipment	<u>10</u>
Graph - Barrels of Fuel Consumed	<u>11</u>
Graph - Fuel Consumption & Kilowatt Hours Sold	<u>12</u>
Graph - Kilowatt Hours Sold	<u>13</u>
Graph - Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand	<u>14</u>
Graph - Fuel Adjustment Rate vs. Platt's Indices for Heavy & Diesel Fuel	<u>15</u>
Fuel Adjustment Over/(Under) Recovery - Previous Month	<u>16</u>
FAR Recovery Variance Analysis	<u>17</u>
Fuel Consumption Projections - Forward Three Months	<u>18</u>
Fuel Adjustment Over/(Under) Recovery Projections - Existing Rate	<u>19</u>
Fuel Adjustment Over/(Under) Recovery Projections - Requested Rate	<u>20</u>
Fuel Adjustment Over/(Under) Recovery Projections - Full Cost	<u>21</u>
Generators Available for Service - Previous Month	<u>22</u>
Generators Out of Service - Previous Month	<u>23</u>
Scheduled Generator Maintenance - Filing Period	<u>24</u>
Other Events Affecting The Fuel Adjustment Calculation	<u>25</u>

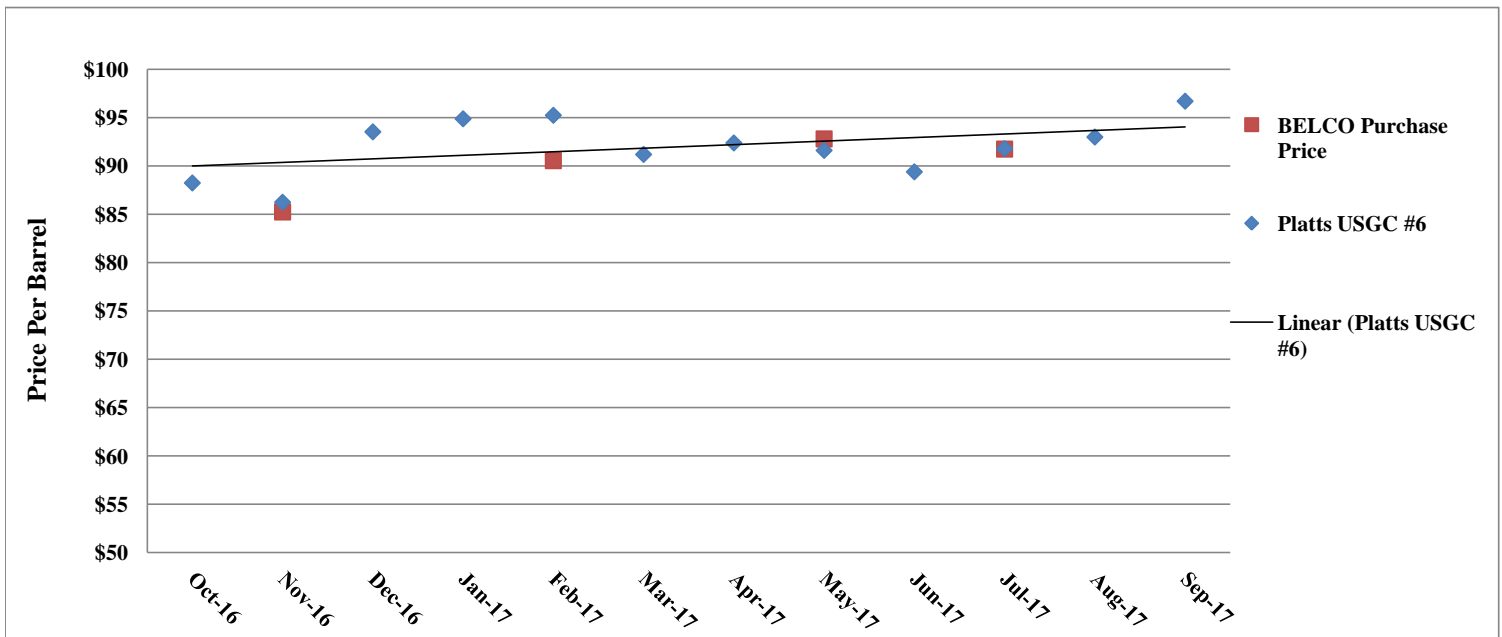


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

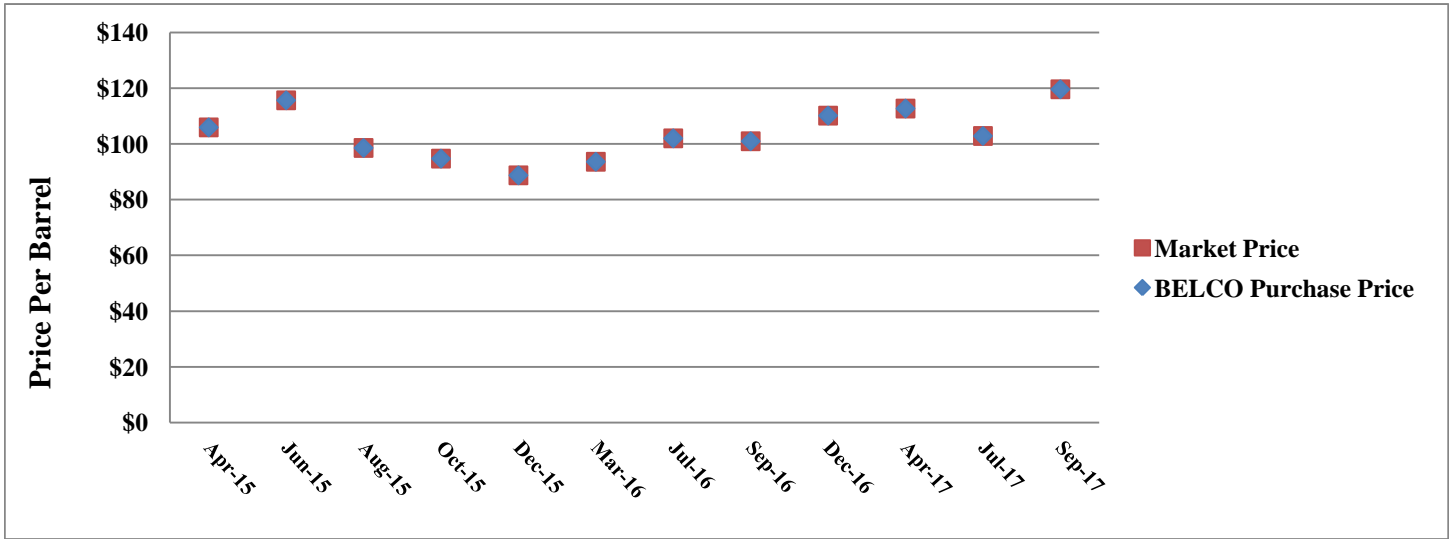


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

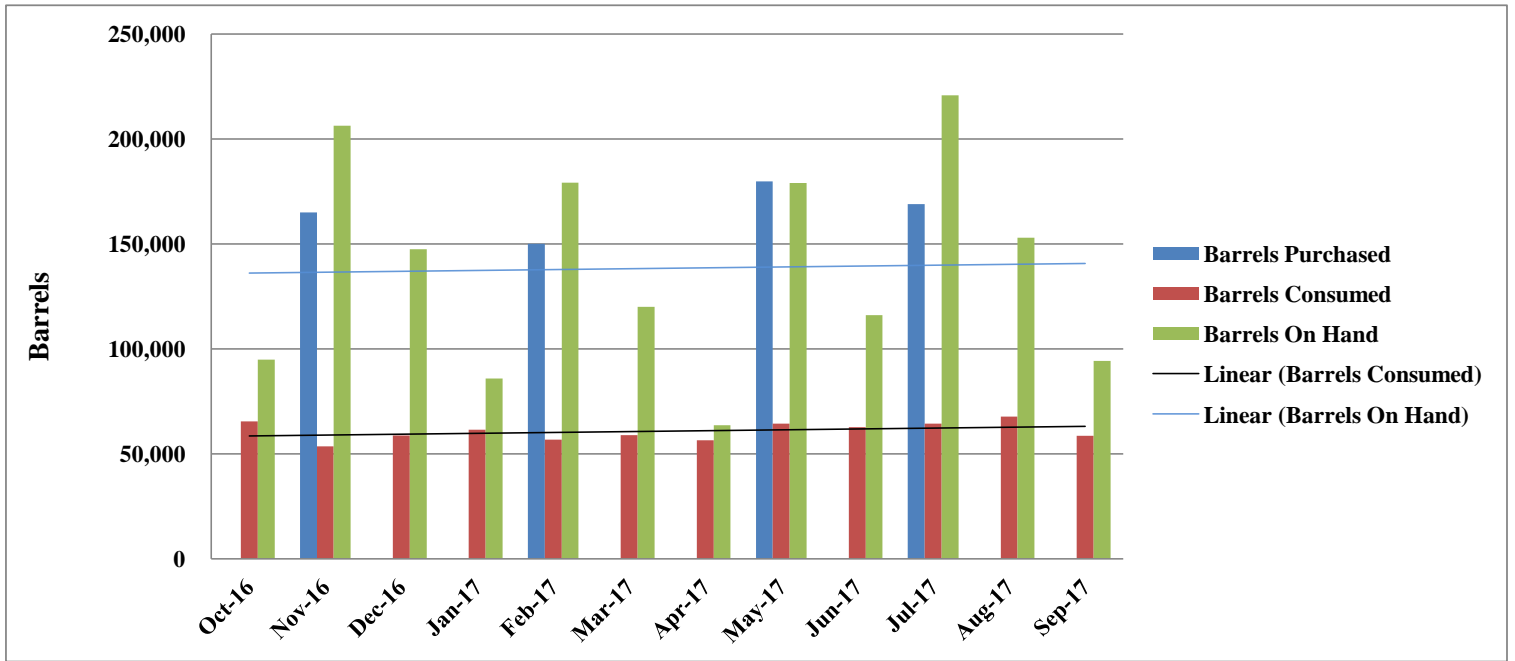
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
August, 2017	-	67,834.00	152,963.80
September, 2017	-	58,670.00	94,293.80



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





85310.95

Diesel Fuel Oil Inventory Activity

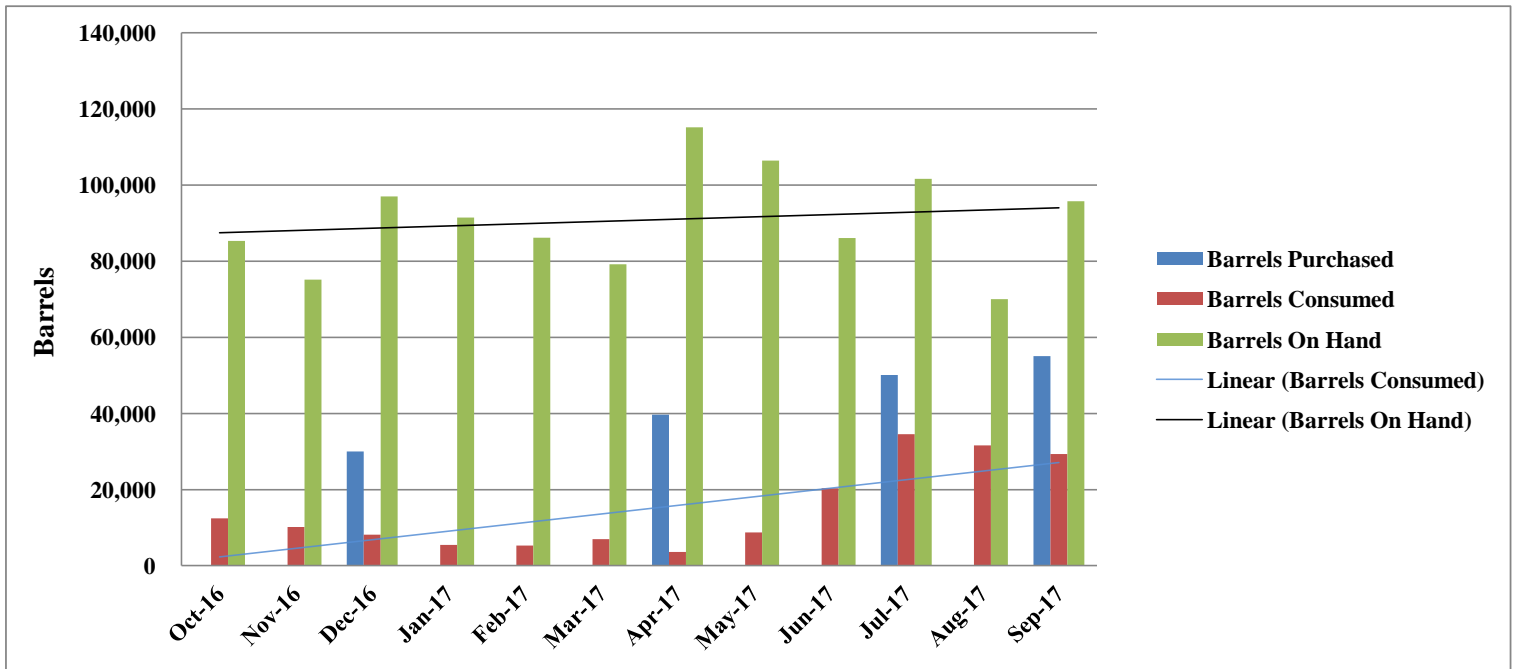
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
August, 2017	-	31,613.35	70,033.39
September, 2017	55,047.45	29,352.15	95,728.69



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.

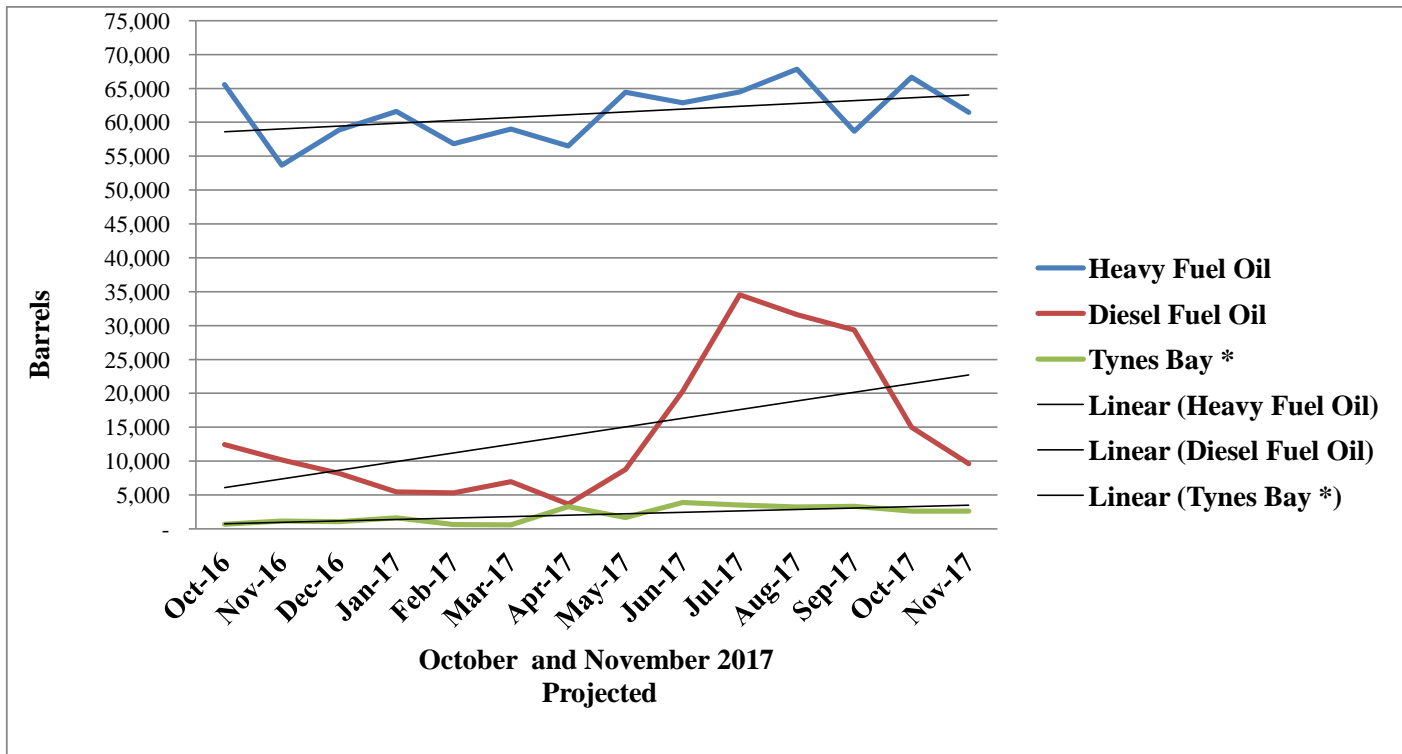


Diesel Fuel Oil Costs Per Shipment

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



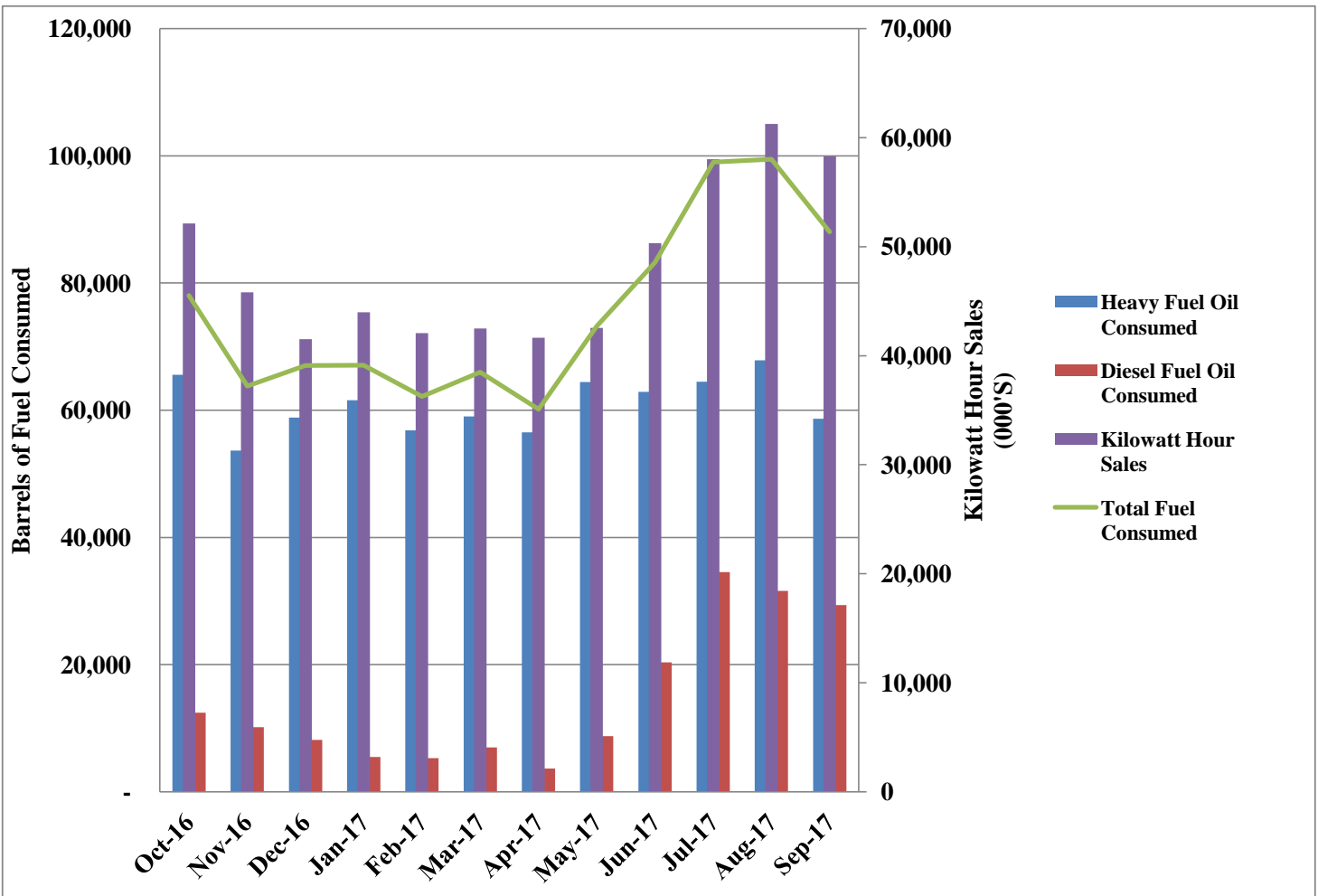
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

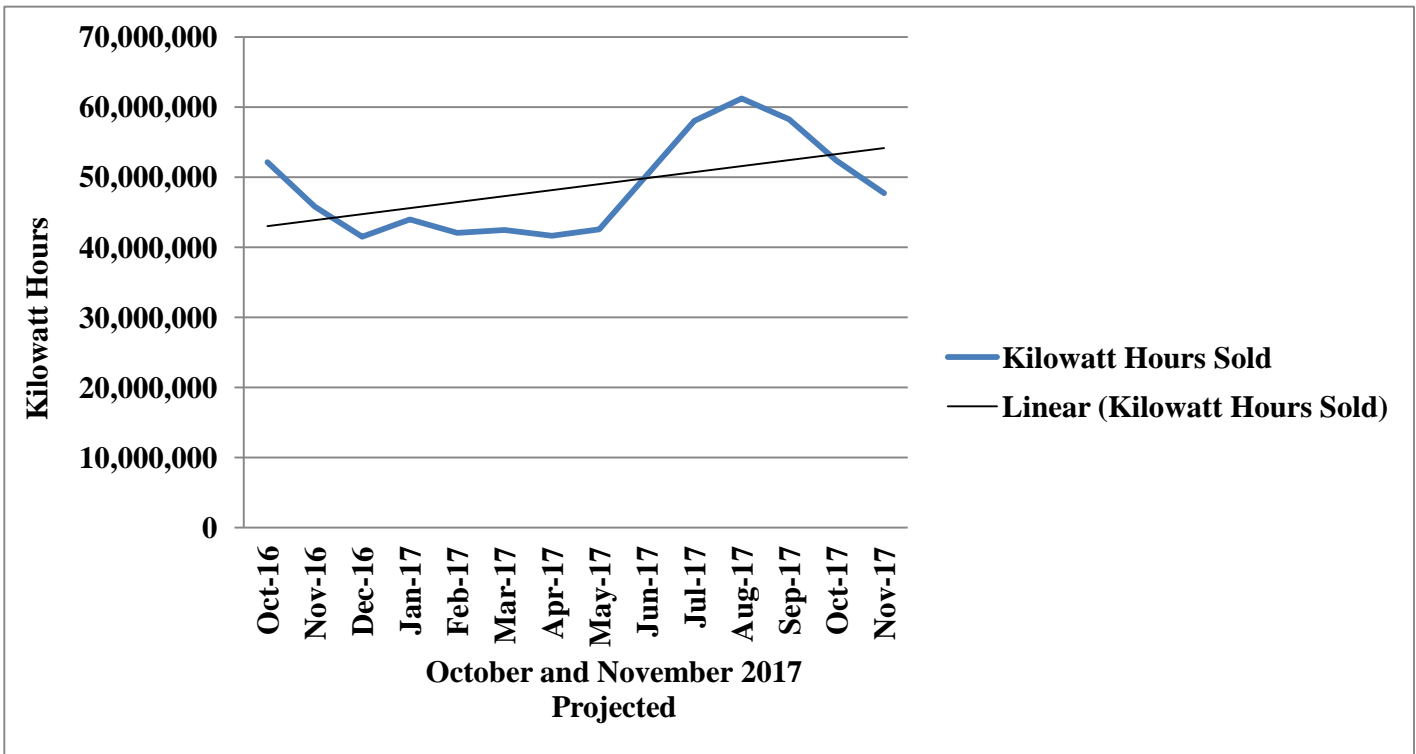




Kilowatt Hour Sales

Previous Twelve Months

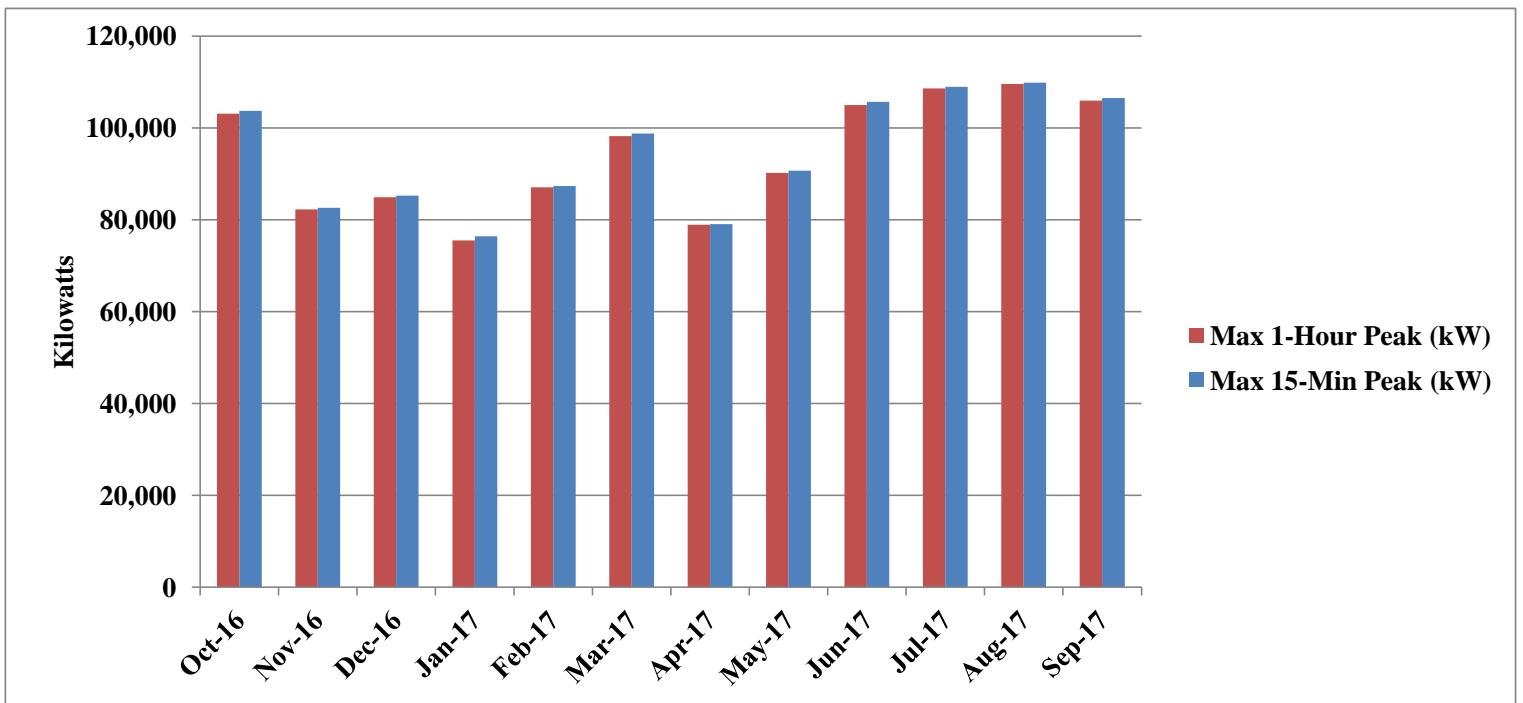
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

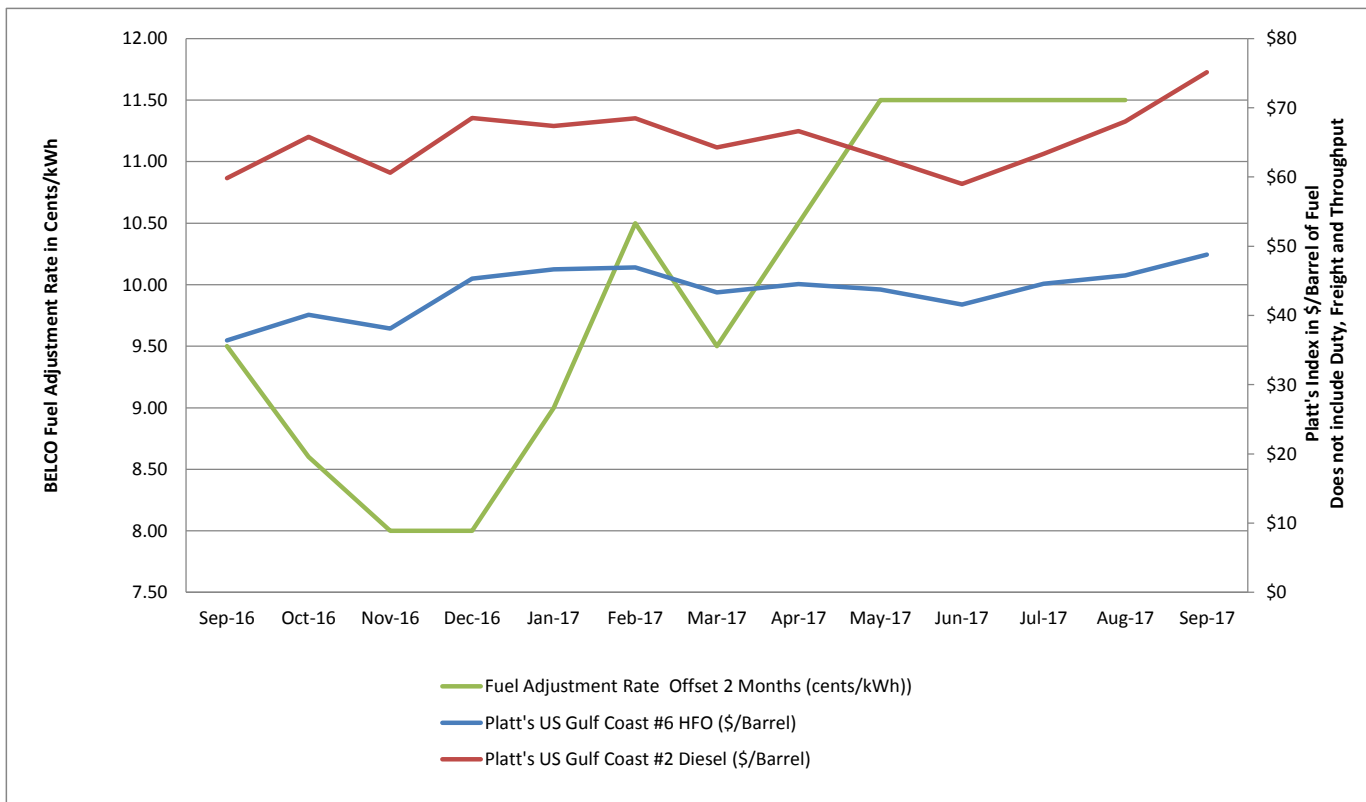




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 30 September 2017

	\$	\$	\$
Opening Balance at 1 September 2017			(116,020)
<u>Fuel Consumption</u>			
Diesel - 19,933.39 @ \$112.6668	2,245,831		
Diesel - 9,418.76 @ \$102.8318	968,548		
Less: Fuel Consumption @ \$30/bbl	<u>(880,565)</u>	2,333,815	
Heavy - 43,902.40 bbls @ \$90.8242	3,987,400		
Heavy - 14,767.60 bbls @ \$94.4166	1,394,307		
Less: Fuel Consumption @ \$30/bbl	<u>(1,760,100)</u>	3,621,607	
Tynes Bay - 2,258,696 kWh @ \$0.185	417,859		
Less: (2,258,696 kWh /674.5) 3,348.70 bbls @ \$30/bbl	<u>(100,461)</u>	317,398	
		<u>6,272,819</u>	
Deduct: Fuel Adjustment Revenue		<u>6,700,956</u>	
August over / (under) recovery			428,137
Ending Balance at 30 September 2017			<u>312,117</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 30 September 2017

	Diesel	Heavy	Tynes Bay	Total
Cost Analysis:				
Projections:				
Barrels	27,989	61,460	2,684	92,133
Total Fuel Adjustment Cost	\$ 2,234,534	\$ 3,801,329	\$ 254,421	\$ 6,290,285
Fuel Adjustment Cost / Barrel	\$ 79.84	\$ 61.85	\$ 94.79	\$ 68.27
Actual:				
Barrels	29,352	58,670	3,349	91,371
Total Fuel Cost	\$ 3,214,379	\$ 5,381,707	\$ 417,859	\$ 9,013,945
Total Fuel Adjustment Cost	\$ 2,333,815	\$ 3,621,607	\$ 317,398	\$ 6,272,820
Fuel Adjustment Cost / Barrel	\$ 79.51	\$ 61.73	\$ 94.78	\$ 68.65

Sales Analysis:

FAR (cents/kwh) **11.50** Requested
11.50 Approved

		Total KWH Sales	Total \$ Sales
Fuel Adjustment Sales	Projected:	59,892,156	\$ 6,887,598
	Actual:	58,282,905	\$ 6,700,955
	Variance	(1,609,251)	\$ (186,644)
	% Variance	-2.69%	-2.71%

Summary - projected vs. actual variances:					
		Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):		(1,363)	2,790	(665)	762
Costs:					
	Price variance	\$ 9,548	\$ 7,162	\$ 31	\$ 16,741
	Quantity variance	\$ (108,829)	\$ 172,563	\$ (63,008)	\$ 726
	Total variance	\$ (99,281)	\$ 179,725	\$ (62,977)	\$ 17,467
Sales:					\$ (186,644)
Total projected vs. actual variance (September 2017)					\$ (169,177)

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 September 2017	(116,020)	(116,020)
Projected change in over / (under) recovery position	597,314	597,314
Variance (Actual vs. Projected) - see above		(169,177)
Actual change in over / (under) recovery position	597,314	428,137
Ending Balance at 30 September 2017	481,294	312,117



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
July 2017	Heavy	Yes	85,232.40	94.4166	64.4166
July 2017	Heavy	No	9,061.40	91.7556	61.7556
October 2017	Heavy	Yes	30,000.00	91.2802	61.2802
October 2017	Heavy	Yes	30,000.00	94.5708	64.5708
October 2017	Heavy	Yes	50,000.00	96.5958	66.5958
July 2017	Diesel	No	40,681.24	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:						\$ 312,117
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	July 2017	15,011	\$ (72.83)	\$ (1,093,278.15)	
	Heavy	Heavy	66,656	\$ (64.42)	\$ (4,293,752.89)	
	Tynes Bay	N/A	2,626	\$ (98.78)	\$ (259,439.99)	
	Total Barrels		84,293			377,522
Projected Over (Under) Recovery account as at end of this month:						689,639
Projected kWh Sales - November 2017	47,696,446		FADJ	11.50		\$ 5,485,091
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	9,603	\$ (72.83)	\$ (699,403.78)	
	Heavy	July 2017	18,576	\$ (64.42)	\$ (1,196,628.53)	
	Heavy	July 2017	9,061	\$ (61.76)	\$ (559,592.19)	
	Heavy	October 2017	30,000	\$ (61.28)	\$ (1,838,406.00)	
	Heavy	October 2017	3,838	\$ (64.57)	\$ (247,835.64)	
	Tynes Bay	N/A	2,620	\$ (101.87)	\$ (266,906.29)	
	Total Barrels		73,699			676,319
Projected Over (Under) Recovery account as at end of this month:						1,365,958
Projected kWh Sales - December 2017	43,219,261		FADJ	11.50		\$ 4,970,215
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	4,104	\$ (72.83)	\$ (298,901.71)	
	Heavy	October 2017	26,162	\$ (64.57)	\$ (1,689,288.36)	
	Heavy	October 2017	38,339	\$ (66.60)	\$ (2,553,229.70)	
	Tynes Bay	N/A	2,571	\$ (102.35)	\$ (263,135.78)	
	Total Barrels		71,176			165,659
Projected Over (Under) Recovery account as at end of this month:						1,531,617



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 312,117
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	July 2017	15,011	\$ (72.83)	\$ (1,093,278.15)	
	Heavy	Heavy	66,656	\$ (64.42)	\$ (4,293,752.89)	
	Tynes Bay	N/A	2,626	\$ (98.78)	\$ (259,439.99)	
	Total Barrels		84,293			377,522
Projected Over (Under) Recovery account as at end of this month:						689,639
Projected kWh Sales - November 2017	47,696,446		FADJ	10.75		\$ 5,127,368
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	9,603	\$ (72.83)	\$ (699,403.78)	
	Heavy	July 2017	18,576	\$ (64.42)	\$ (1,196,628.53)	
	Heavy	July 2017	9,061	\$ (61.76)	\$ (559,592.19)	
	Heavy	October 2017	30,000	\$ (61.28)	\$ (1,838,406.00)	
	Heavy	October 2017	3,838	\$ (64.57)	\$ (247,835.64)	
	Tynes Bay	N/A	2,620	\$ (101.87)	\$ (266,906.29)	
	Total Barrels		73,699			318,596
Projected Over (Under) Recovery account as at end of this month:						1,008,234
Projected kWh Sales - December 2017	43,219,261		FADJ	10.75		\$ 4,646,071
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	4,104	\$ (72.83)	\$ (298,901.71)	
	Heavy	October 2017	26,162	\$ (64.57)	\$ (1,689,288.36)	
	Heavy	October 2017	38,339	\$ (66.60)	\$ (2,553,229.70)	
	Tynes Bay	N/A	2,571	\$ (102.35)	\$ (263,135.78)	
	Total Barrels		71,176			(158,485)
Projected Over (Under) Recovery account as at end of this month:						849,749



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of September:						\$ 689,639
Projected kWh Sales - November 2017	47,696,446		CRSEER	15.39		\$ 7,340,483
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	9,603	\$ (102.83)	\$ (987,493.78)	
	Heavy	July 2017	18,576	\$ (94.42)	\$ (1,753,920.53)	
	Heavy	July 2017	9,061	\$ (91.76)	\$ (831,434.19)	
	Heavy	October 2017	30,000	\$ (91.28)	\$ (2,738,406.00)	
	Heavy	October 2017	3,838	\$ (94.57)	\$ (362,981.64)	
	Tynes Bay	N/A	2,620	\$ (131.87)	\$ (345,509.89)	
	Total Barrels		73,699			320,737
Projected Over (Under) Recovery account as at end of this month:						1,010,376
Projected kWh Sales - December 2017	43,219,261		CRSEER	15.69		\$ 6,781,102
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	4,104	\$ (102.83)	\$ (422,021.71)	
	Heavy	October 2017	26,162	\$ (94.57)	\$ (2,474,142.36)	
	Heavy	October 2017	38,339	\$ (96.60)	\$ (3,703,405.70)	
	Tynes Bay	N/A	2,571	\$ (132.35)	\$ (340,264.58)	
	Total Barrels		71,176			(158,732)
Projected Over (Under) Recovery account as at end of this month:						851,643

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

BELCO

Generators Available for Service

September 2017

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	4098	640
E2	Yes	HFO	3940	679
E3	Yes	HFO	7465	708
E4	Yes	HFO	7657	706
E5	Yes	HFO	11569	707
E6	Yes	HFO	11260	697
E7	Yes	HFO	11667	731
E8	Yes	HFO	8822	740
D3	Yes	LFO	2307	597
D8	Yes	LFO	4447	611
D10	Yes	LFO	4995	609
D14	Yes	LFO	2478	576
GT4	Yes	LFO	207	187
GT5	Yes	LFO	6035	457
GT6	Yes	LFO	1026	446
GT7	Yes	LFO	1884	453
GT8	Yes	LFO	1705	445

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



Generators Out of Service

September 2017

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
D10	Other Systems	FO (Immediate)	tripped on low fuel pressure	9/30/17	9/30/17
D14	Other Systems	FO (Immediate)	low lube oil pressure during start up	9/30/17	9/30/17
E6	Auxiliary Systems	MO	E6 cyl 7A injector and inspection of cam and crankcase	9/30/17	10/1/17
D14	Main Engine	MO	lube oil strainer required cleaning	9/29/17	9/29/17
E5	Auxiliary Systems	MO	E5 n/s and w/w system repair	9/28/17	9/28/17
E4	Auxiliary Systems	MO	fuel leaks and SAS	9/27/17	9/27/17
GT5	Auxiliary Systems	FO (Start-Up Failure)	Low Lube oil sump	9/27/17	9/27/17
D3	Main Engine	PO	Unit out for 13.5K Service	9/20/17	10/14/17
E6	Instrumentation & Control System	MO	2 ACN Modules failed	9/19/17	9/19/17
E3	Main Engine	MO	Multiple fuel leaks	9/16/17	9/17/17
D14	Main Engine	MO	Charge air leak and intercooler rad fan trip	9/15/17	9/15/17
D14	Main Engine	FO (Immediate)	Cylinder #2 fuel rack stuck in	9/14/17	9/14/17
E5	Auxiliary Systems	MO	Nozzle Cooling Water Leak	9/14/17	9/15/17
D3	Main Engine	FO (Postpone)	Unit FO Due to Exhaust leak at Cyl 3R Outlet Clamp	9/13/17	9/14/17
E2	Main Engine	PO	Unit out for 12K Service	9/12/17	10/17/17
E8	Main Engine	MO	Amot valve and fuel leak repairs	9/9/17	09/10/17
E4	Main Engine	FO (Immediate)	HFO leak CYL 16	9/6/17	09/06/17
E1	Main Engine	PO	Unit out for 3K Service	9/6/17	09/22/17
E3	Auxiliary Systems	MO	Fuel leak on cylinder #4B	9/4/17	09/05/17
E7	Main Engine	FO (Immediate)	HT Cooling Water System Trip	9/1/17	09/01/17
E8	Main Engine	PO	E8 9K service	9/1/17	09/11/17



Scheduled Generator Maintenance

October 2017

Generator	Maintenance Type	Outage Date	Return Date
E5	3K	10/16/2017	10/21/2017
E6	12K	10/23/2017	11/19/2017



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