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PLEASE QUOTE OUR REF.

December 8, 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 10.75 cents per kilowatt-hour sold for December 2017 to 10.25 cents per kilowatt-hour sold for January 2018.

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 January 2018 FAR MFR submission as directed per Regulatory Authority letter dated 18 April 2017.

The actual fuel adjustment cost recovery position as at 30th November 2017 was \$519,314 over recovered as compared to the \$1,132,742 over recovery position projected in our last filing. The \$613,428 unfavorable variance is due to:

- The total actual barrels of fuel consumed in November were 5,932 barrels lower than projected, resulting in a positive impact on the recovery position of \$401,793;
- Net price variance positively impacted the recovery position by \$916;
- Actual November electric sales were 544,947 KWH's lower than projected. This variance resulted in a net negative impact on the fuel recovery position of \$57,949; and
- Purchased Power relating to the America's Cup, representing costs required to lease, install and operate generators negatively impacted the recovery position by \$958,188. These cost have been included pursuant to your letter dated 27th November 2017.

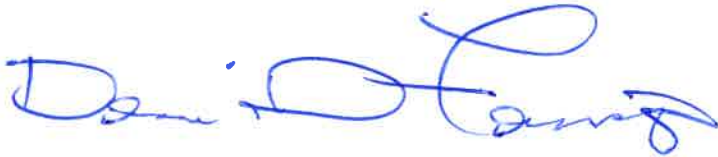
Our detailed working paper supporting this analysis has been included in the MFR (please refer to Page 17 "FAR Recovery Variance Analysis") as requested per the Authority's email dated 25 January 2017.

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". The signature is fluid and cursive, with a large initial "D" and "F".

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



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

January 2018

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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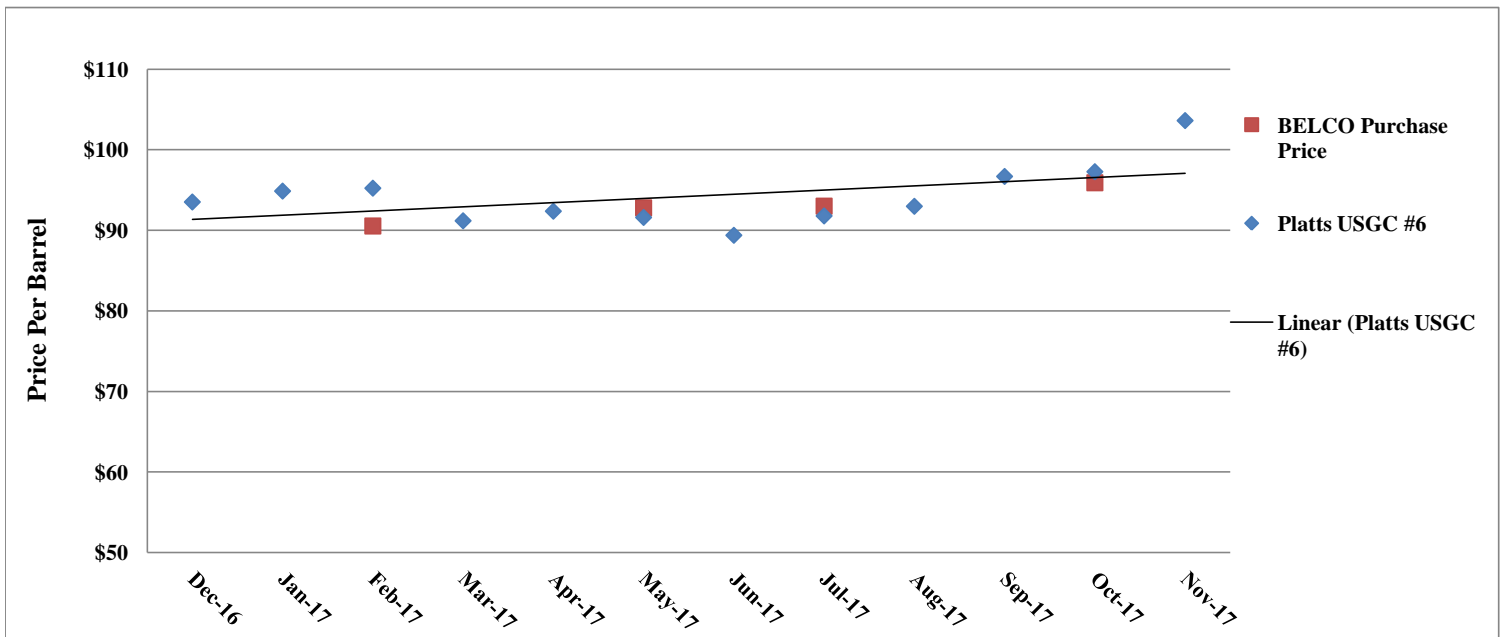


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

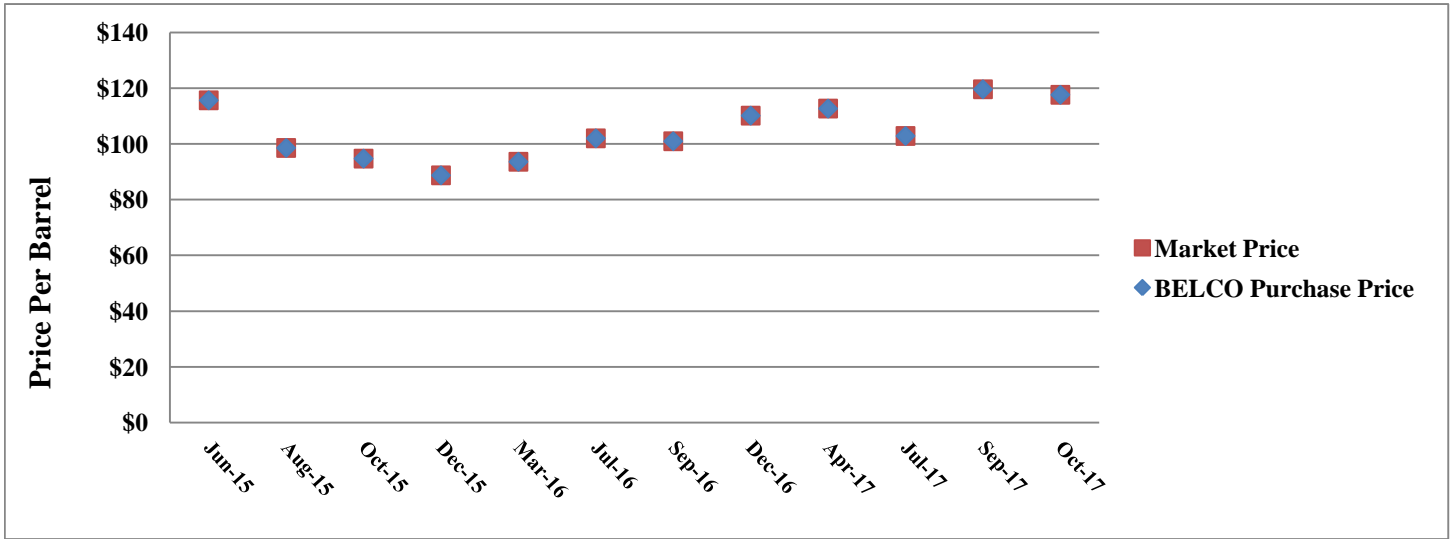


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

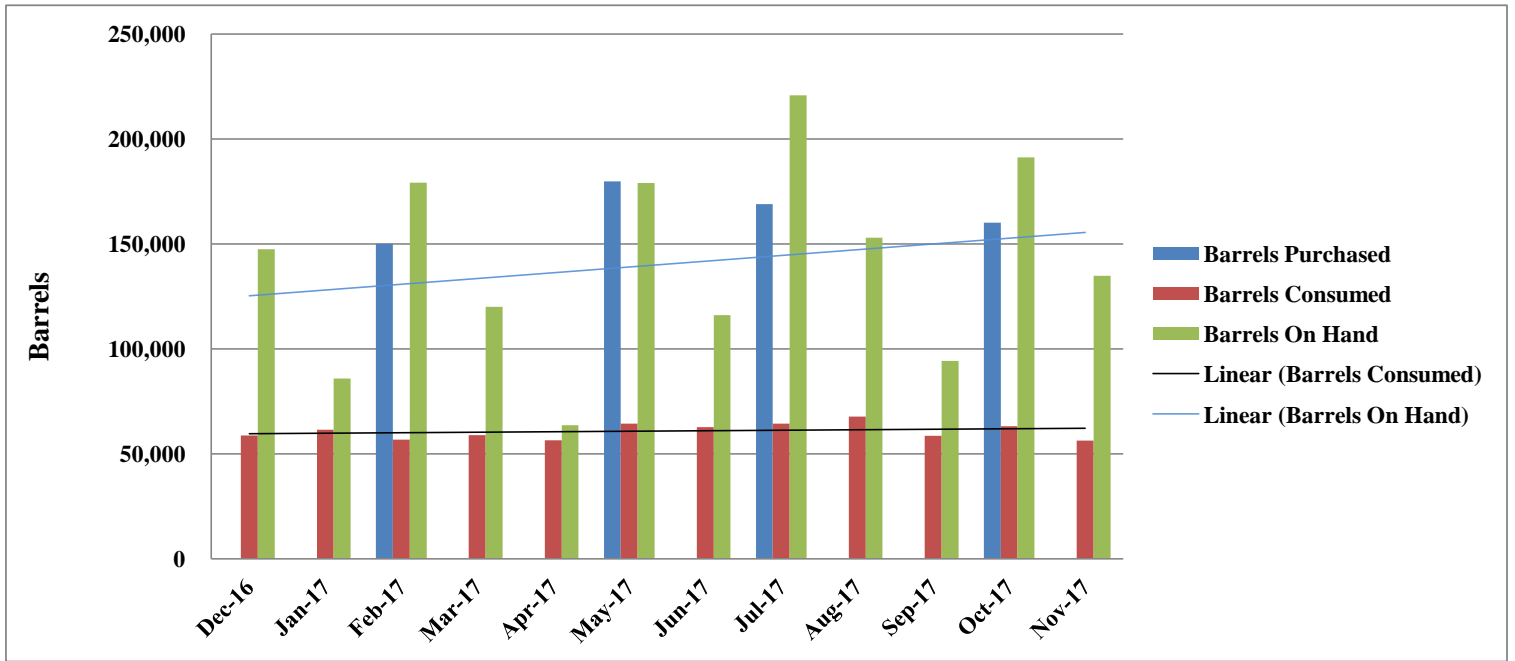
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
October, 2017	160,225.96	63,314.00	191,205.76
November, 2017	-	56,357.00	134,848.76



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

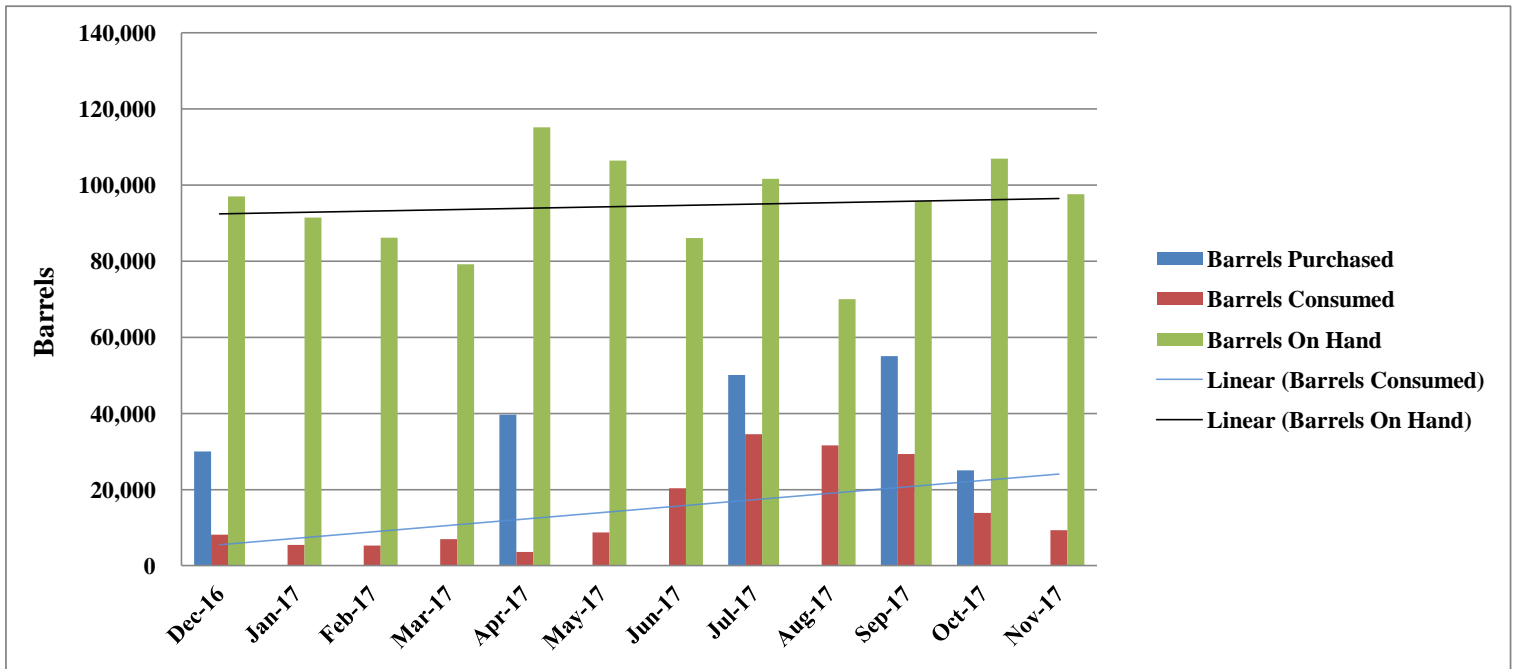
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
October, 2017	25,022.67	13,840.55	106,910.81
November, 2017	-	9,292.15	97,618.66



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.

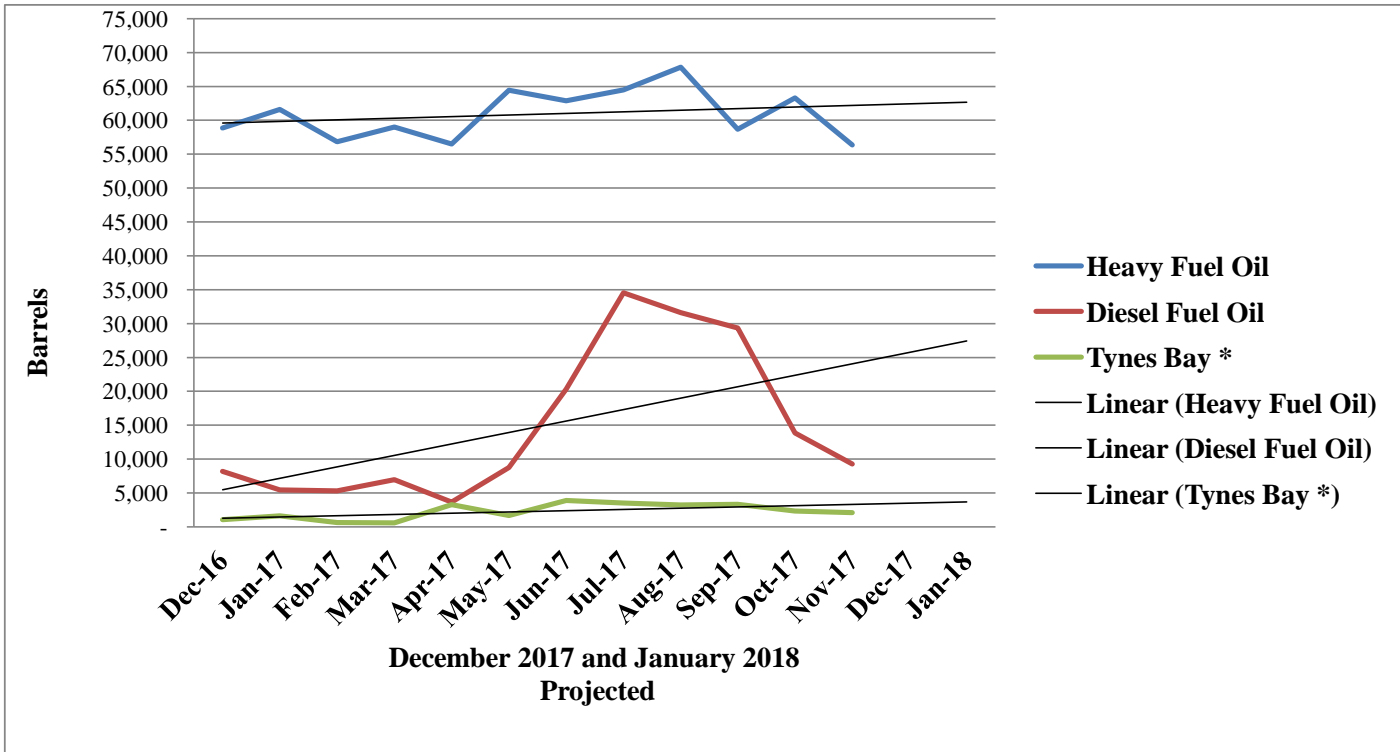


Diesel Fuel Oil Costs Per Shipment

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



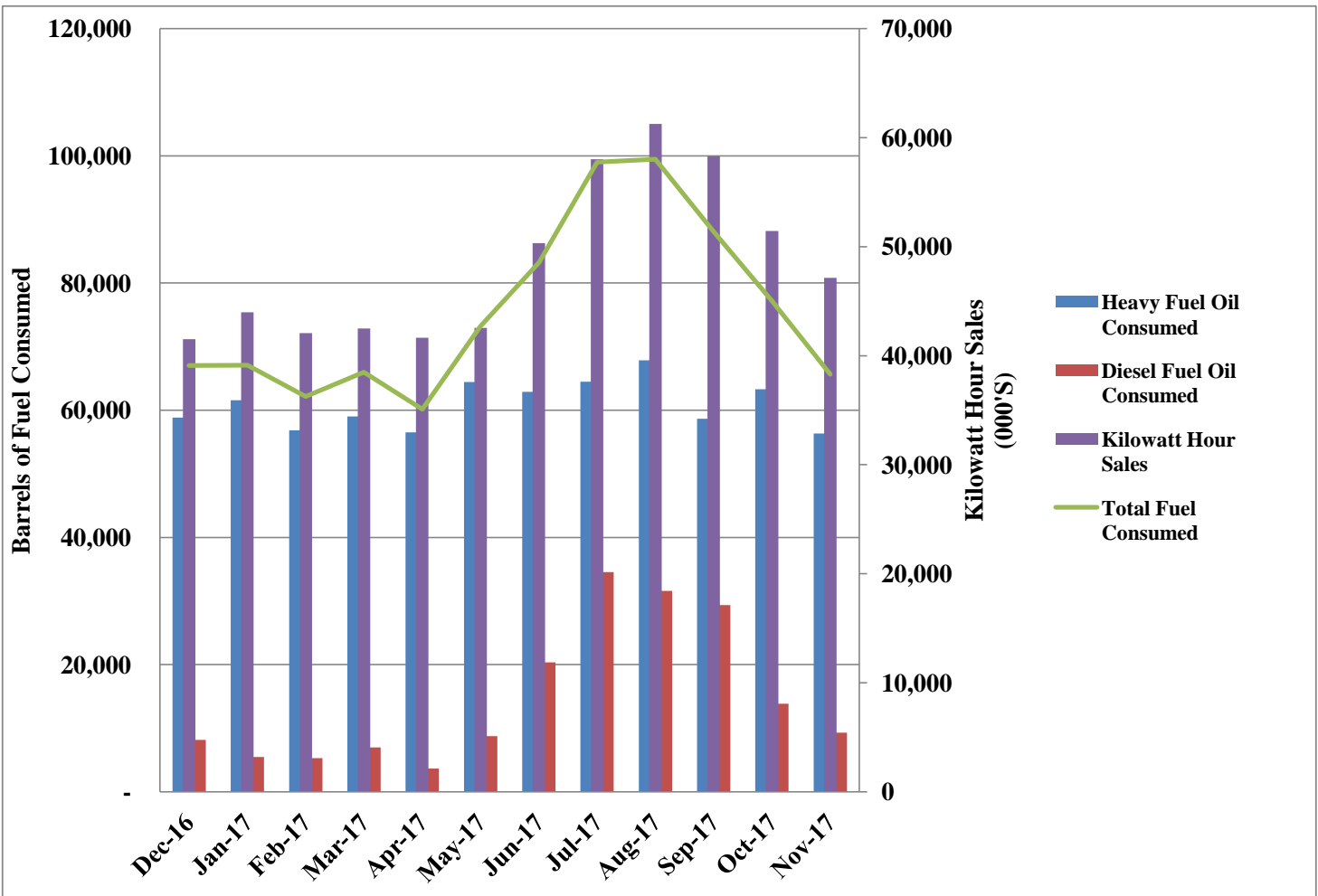
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

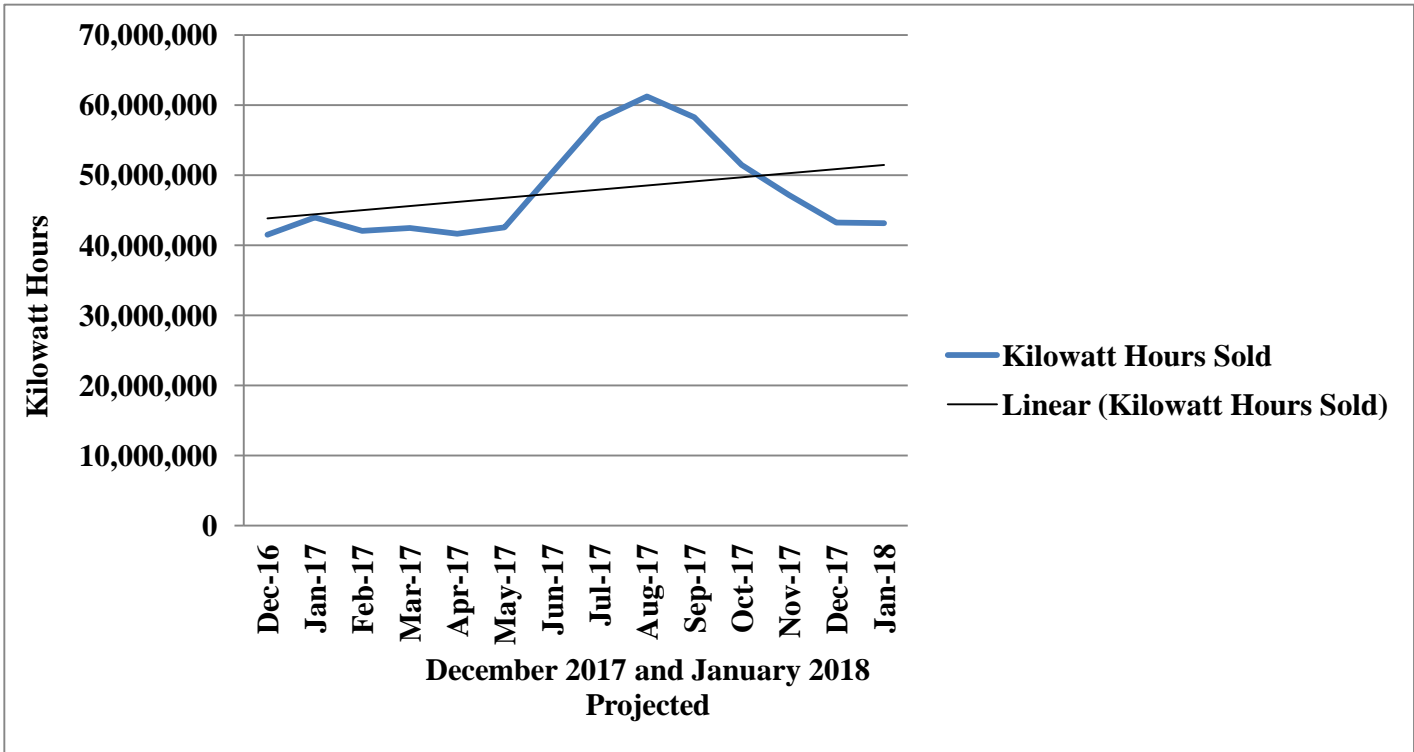




Kilowatt Hour Sales

Previous Twelve Months

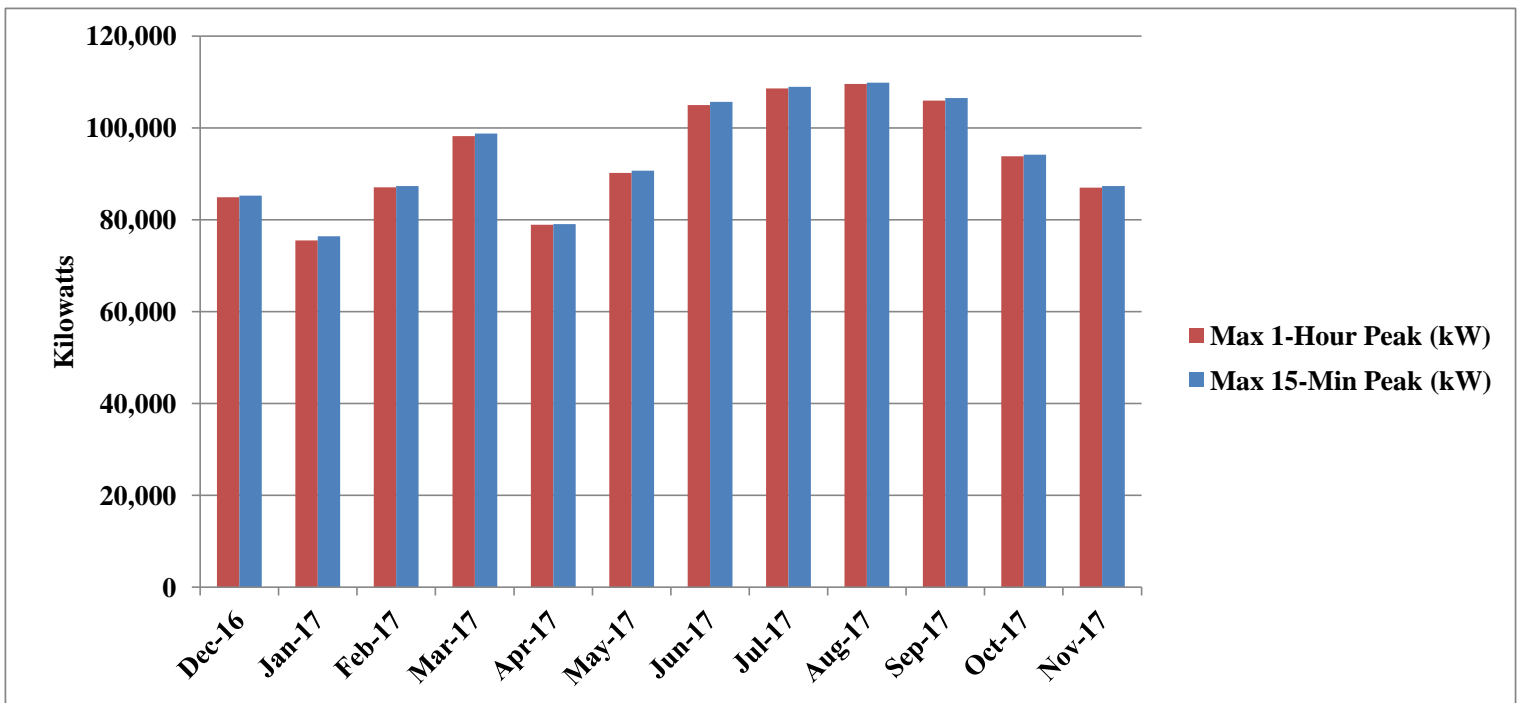
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

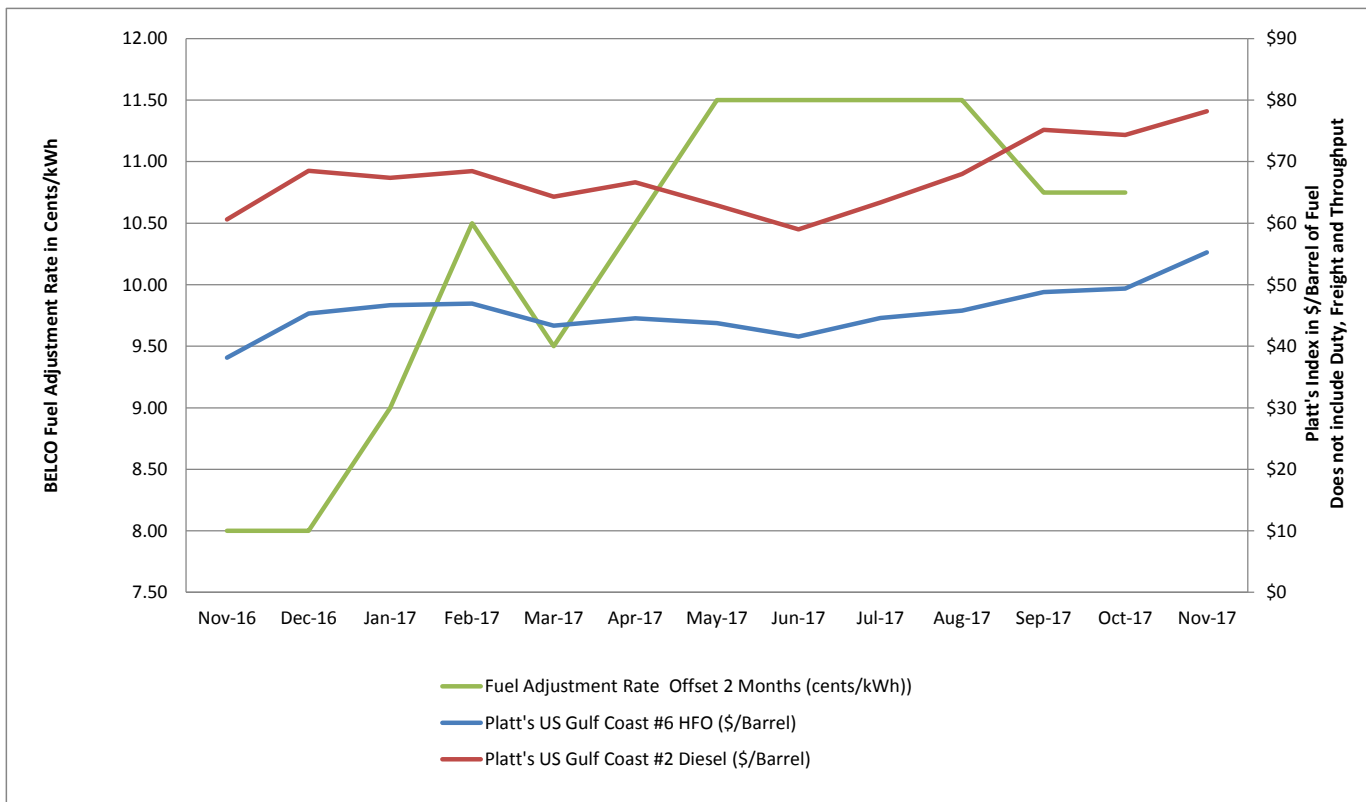




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 30 November 2017

	\$	\$	\$
Opening Balance at 1 November 2017			910,707
<u>Fuel Consumption</u>			
Diesel - 9,292.15 @ \$102.8318	955,529		
Less: Fuel Consumption @ \$30/bbl	<u>(278,765)</u>	676,765	
Heavy - 21,918.40 bbls @ \$94.4166	2,069,461		
Heavy - 9,061.40 bbls @ \$91.7556	831,435		
Heavy -25,377.20 bbls @ \$94.5705	2,399,934		
Less: Fuel Consumption @ \$30/bbl	<u>(1,690,710)</u>	3,610,120	
Tynes Bay - 1,509,592 kWh @ \$0.185	279,275		
Less: (1,509,592 kWh /712.8) 2,117.83 bbls @ \$30/bbl	<u>(63,535)</u>	215,740	
		4,502,624	
Deduct: Fuel Adjustment Revenue		<u>5,069,419</u>	
<u>Purchased Power:</u>			
Labor	(149,371)		
Aggreko Contract	(714,500)		
Materials	(23,460)		
Fuel	<u>(70,857)</u>	(958,188)	
October over / (under) recovery			(391,393)
Ending Balance at 30 November 2017			<u>519,314</u>



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
October 2017	Heavy	Yes	4,622.80	94.5705	64.5705
October 2017	Heavy	Yes	30,000.00	91.2805	61.2805
October 2017	Heavy	Yes	50,000.00	96.6929	66.6929
October 2017	Heavy	No	50,225.96	98.9653	68.9653
December 2017	Heavy	Yes	30,000.00	92.4446	62.4446
December 2017	Heavy	Yes	30,000.00	97.7298	67.7298
July 2017	Diesel	No	17,548.54	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:						\$ 519,314
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	4,584	\$ (72.83)	\$ (333,860.97)	
	Heavy	October 2017	4,623	\$ (64.57)	\$ (298,496.51)	
	Heavy	October 2017	30,000	\$ (61.28)	\$ (1,838,415.00)	
	Heavy	October 2017	27,762	\$ (66.69)	\$ (1,851,541.63)	
	Tynes Bay	N/A	2,571	\$ (102.35)	\$ (263,135.78)	
	Total Barrels		69,540			60,621
Projected Over (Under) Recovery account as at end of this month:						579,935
Projected kWh Sales - January 2018	43,129,841		FADJ	10.75		\$ 4,636,458
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	3,417	\$ (72.83)	\$ (248,866.26)	
	Heavy	October 2017	22,238	\$ (66.69)	\$ (1,483,103.37)	
	Heavy	October 2017	40,657	\$ (68.97)	\$ (2,803,936.00)	
	Tynes Bay	N/A	3,529	\$ (103.06)	\$ (363,717.60)	
	Total Barrels		69,841			(263,165)
Projected Over (Under) Recovery account as at end of this month:						316,770
Projected kWh Sales - February 2018	42,191,597		FADJ	10.75		\$ 4,535,597
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	2,688	\$ (72.83)	\$ (195,771.88)	
	Heavy	October 2017	9,569	\$ (68.97)	\$ (659,912.40)	
	Heavy	December 2017	30,000	\$ (62.44)	\$ (1,873,338.00)	
	Heavy	December 2017	16,875	\$ (67.73)	\$ (1,142,956.63)	
	Tynes Bay	N/A	2,506	\$ (101.81)	\$ (255,136.30)	
	Total Barrels		61,638			408,482
Projected Over (Under) Recovery account as at end of this month:						725,251



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 519,314
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	4,584	\$ (72.83)	\$ (333,860.97)	
	Heavy	October 2017	4,623	\$ (64.57)	\$ (298,496.51)	
	Heavy	October 2017	30,000	\$ (61.28)	\$ (1,838,415.00)	
	Heavy	October 2017	27,762	\$ (66.69)	\$ (1,851,541.63)	
	Tynes Bay	N/A	2,571	\$ (102.35)	\$ (263,135.78)	
	Total Barrels		69,540			60,621
Projected Over (Under) Recovery account as at end of this month:						579,935
Projected kWh Sales - January 2018	43,129,841		FADJ	10.25		\$ 4,420,809
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	3,417	\$ (72.83)	\$ (248,866.26)	
	Heavy	October 2017	22,238	\$ (66.69)	\$ (1,483,103.37)	
	Heavy	October 2017	40,657	\$ (68.97)	\$ (2,803,936.00)	
	Tynes Bay	N/A	3,529	\$ (103.06)	\$ (363,717.60)	
	Total Barrels		69,841			(478,815)
Projected Over (Under) Recovery account as at end of this month:						101,120
Projected kWh Sales - February 2018	42,191,597		FADJ	10.00		\$ 4,219,160
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	2,688	\$ (72.83)	\$ (195,771.88)	
	Heavy	October 2017	9,569	\$ (68.97)	\$ (659,912.40)	
	Heavy	December 2017	30,000	\$ (62.44)	\$ (1,873,338.00)	
	Heavy	December 2017	16,875	\$ (67.73)	\$ (1,142,956.63)	
	Tynes Bay	N/A	2,506	\$ (101.81)	\$ (255,136.30)	
	Total Barrels		61,638			92,045
Projected Over (Under) Recovery account as at end of this month:						193,165



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of December:						\$ 579,935
Projected kWh Sales - January 2018	43,129,841		CRSEER	15.11		\$ 6,516,919
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	3,417	\$ (102.83)	\$ (351,376.26)	
	Heavy	October 2017	22,238	\$ (96.69)	\$ (2,150,237.37)	
	Heavy	October 2017	40,657	\$ (98.97)	\$ (4,023,652.00)	
	Tynes Bay	N/A	3,529	\$ (133.06)	\$ (469,596.60)	
	Total Barrels		69,841			(477,943)
Projected Over (Under) Recovery account as at end of this month:						101,992
Projected kWh Sales - February 2018	42,191,597		CRSEER	14.38		\$ 6,067,152
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2017	2,688	\$ (102.83)	\$ (276,411.88)	
	Heavy	October 2017	9,569	\$ (98.97)	\$ (946,975.20)	
	Heavy	December 2017	30,000	\$ (92.44)	\$ (2,773,338.00)	
	Heavy	December 2017	16,875	\$ (97.73)	\$ (1,649,213.83)	
	Tynes Bay	N/A	2,506	\$ (131.81)	\$ (330,317.50)	
	Total Barrels		61,638			90,895
Projected Over (Under) Recovery account as at end of this month:						192,887

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

BELCO

Generators Available for Service

October 2017

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	9410	700
E2	Yes	HFO	9510	695
E3	Yes	HFO	5688	710
E4	Yes	HFO	6492	721
E5	Yes	HFO	8688	707
E6	Yes	HFO	0	N/A
E7	Yes	HFO	9762	739
E8	Yes	HFO	10673	748
D3	Yes	LFO	3453	472
D8	Yes	LFO	2190	619
D10	Yes	LFO	1032	608
D14	Yes	LFO	865	584
GT4	Yes	LFO	688	317
GT5	Yes	LFO	0	N/A
GT6	Yes	LFO	320	453
GT7	Yes	LFO	155	449
GT8	Yes	LFO	166	448

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



Generators Out of Service

October 2017

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E1	Main Engine	MO	MO for Cam LO leak on CYL 3 Exhaust Actuator	11/30/17	11/29/17
E1	Electrical System	MO	Unit out for T10 (13.8Kv incomer to MCC) breaker upgrade project	11/28/17	11/28/17
E2	Electrical System	MO	Unit out for T10 (13.8Kv incomer to MCC) breaker upgrade project	11/28/17	11/29/17
D10	Main Engine	MO	D10 for 1L head stud replacement	11/27/17	11/29/17
E1	Electrical System	MO	Unit out for MCC Breaker Upgrade Project	11/27/17	11/28/17
E2	Electrical System	MO	Unit out for MCC Breaker Upgrade Project	11/27/17	11/28/17
E2	Instrumentation & Control System	FO (Immediate)	E2 Alt bearing bearing temp fault	11/26/17	11/26/17
D3	Electrical System	MO	Unit out for MCC breaker upgrade project.	11/24/17	11/26/17
D8	Main Engine	FO (Immediate)	Exhaust Gas leak cylinder 3R	11/24/17	11/25/17
E8	Main Engine	FO (Immediate)	cylinder 2B injector failure	11/23/17	11/23/17
E3	Instrumentation & Control System	MO	Unit left out for I and C to check 828 governor pick ups	11/22/17	11/22/17
E8	Main Engine	FO (Immediate)	Injector #1B	11/22/17	11/23/17
E5	Main Engine	MO	Unit left out to adjust VIT	11/21/17	11/21/17
E7	Main Engine	FO (Immediate)	Gasket ruptured on HTCW outlet valve from HTCW/HW heat exchanger	11/19/17	11/20/17
E5	Main Engine	FO (Postpone)	Lub oil leak originating from under Turbo charger insulation. Unit out for inspection.	11/15/17	11/16/17
D8	Electrical System	MO	Unit out for D8 and D10 MCC Board Project	11/14/17	11/23/17
D10	Electrical System	MO	Unit out for D8 and D10 MCC Board Project	11/14/17	11/24/17
E7	Other Systems	FO (Postpone)	HT leak from outlet flange on CA cooler	11/6/17	11/7/17
E5	Main Engine	MO	Cylinder 5A head stud broken	11/6/17	11/13/17
E1	Main Engine	FO (Immediate)	JCW leak, elbow at 12 oclock position, cylinder #8	11/4/17	11/5/17
E7	Main Engine	FO (Immediate)	Terminating cap on fuel line at driven end of engine came off.	11/3/17	11/3/17



Scheduled Generator Maintenance

November 2017

Generator	Maintenance Type	Outage Date	Return Date
E8	12k Service	12/4/2017	12/12/2017



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