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PLEASE QUOTE OUR REF

April 11, 2018

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

Attention: Mr. Aaron Smith, 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"):

Increase from the existing rate of 10.25 cents per kilowatt-hour sold for April 2018 to 11.50 cents per kilowatt-hour sold for May 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 April 2018 FAR MFR submission as directed per Regulatory Authority letter dated 18 April 2017.

The actual fuel adjustment cost recovery position as at 31st March 2018 was \$1,300,749 over recovered as compared to the \$1,141,686 over recovery position projected in our last filing. The \$159,646 favorable variance is due to:

- The total actual barrels of fuel consumed in March were 4,801 barrels lower than projected, resulting in a positive impact on the recovery position of \$318,349;
- Net price variance positively impacted the recovery position by \$35,597; and
- Actual March electric sales were 194,300 KWH's lower than projected. This variance resulted in a net negative impact on the fuel recovery position of \$194,300.

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.

As noted in both our previous and current submissions, the cost of fuel used in operations is projected to increase requiring an increase in the FAR. In order to minimize the price shock to the consumer, our May FAR request of 11.50 cents per kWh is submitted with the intent to maintain the FAR requirement for June below 12 cents per kWh when average consumption is projected to begin increasing. Please note that if a break-even FAR of 10.82 cents per kWh for May is used, this results in a required break-even FAR of 12.36 cents per kWh in June, based on current sales and fuel consumption projections.

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", is written over the company name.

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



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

May 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

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>

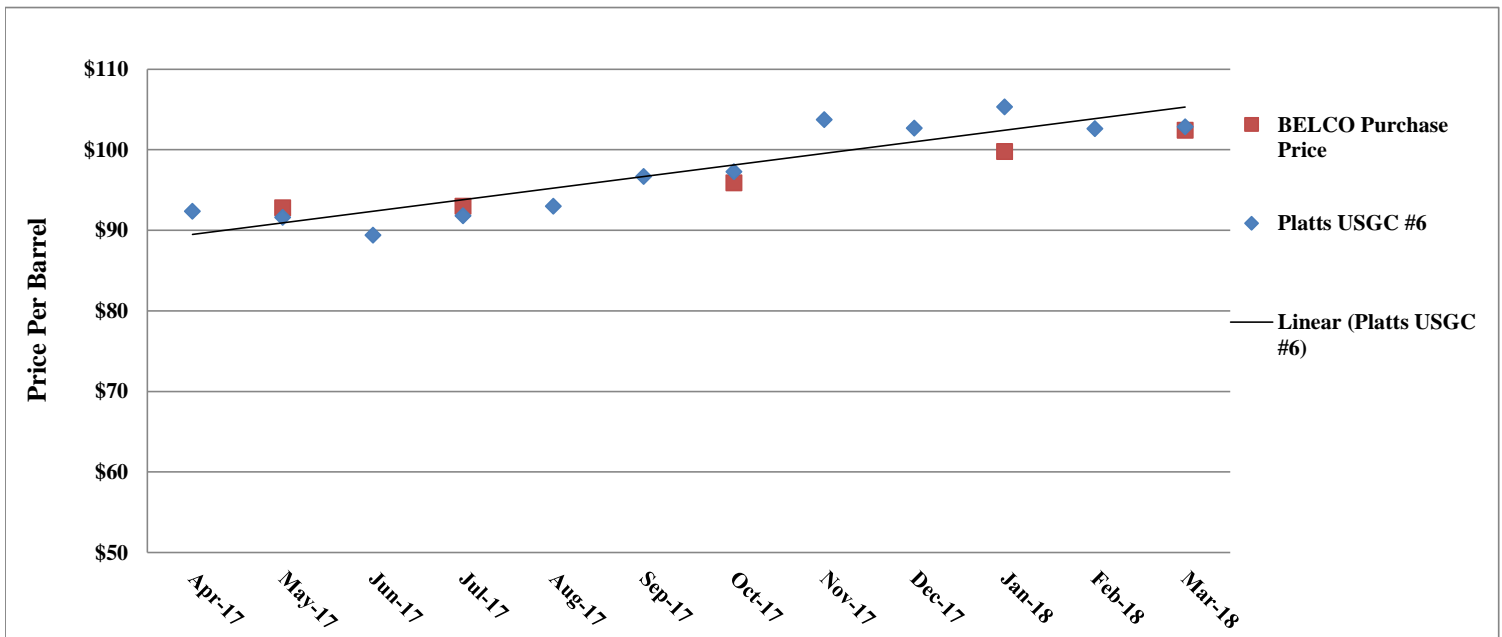


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

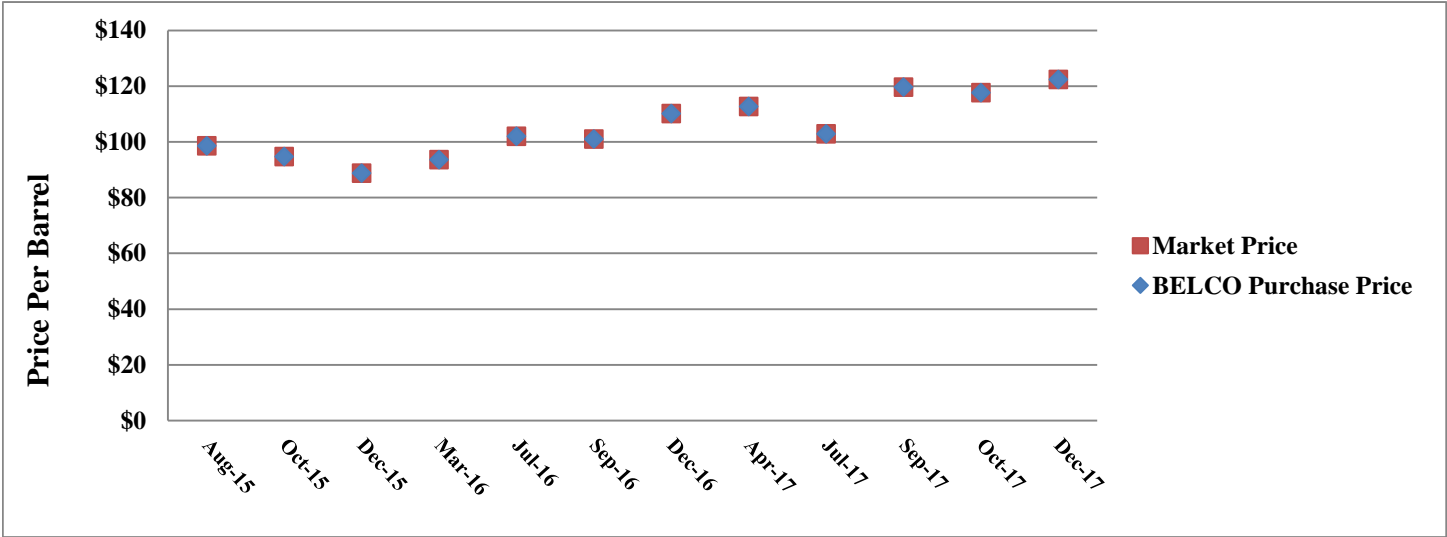


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

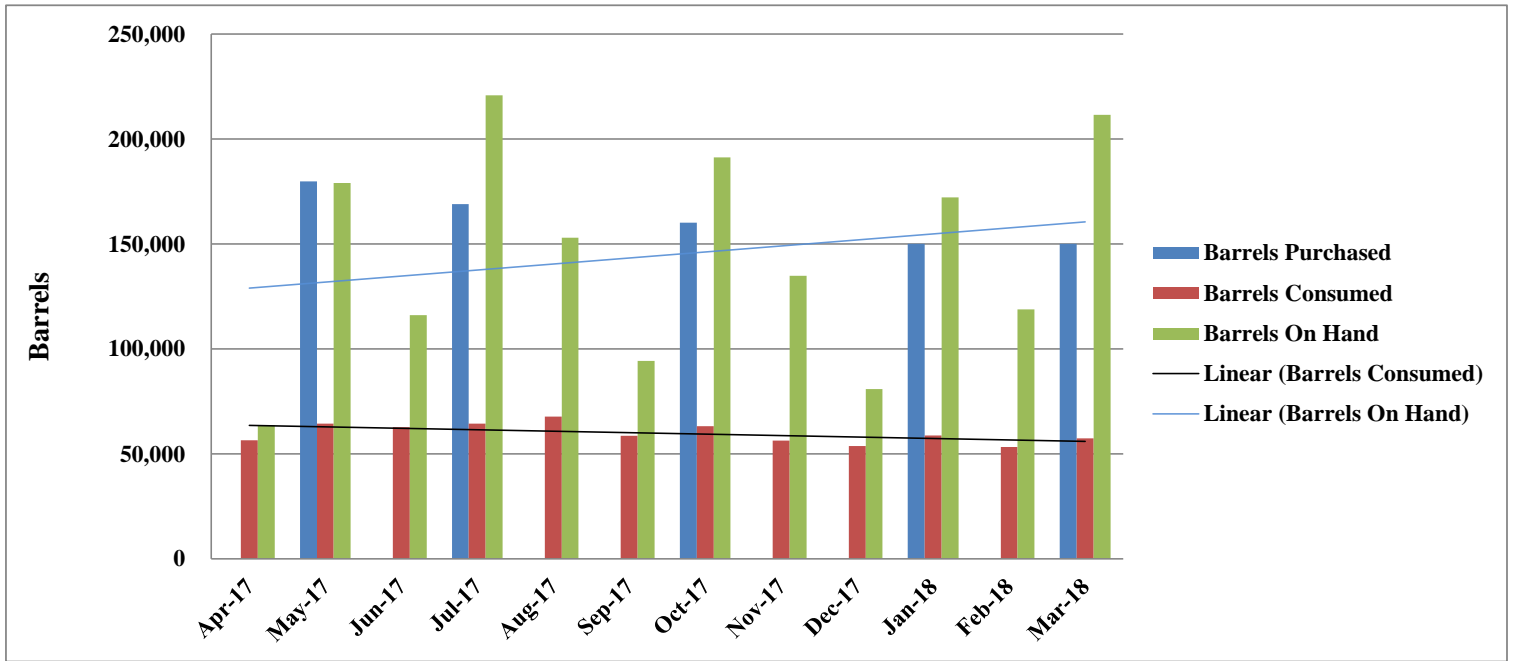
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
December, 2017	-	53,872.50	80,976.26
January, 2018	150,085.77	58,870.00	172,192.03
February, 2018	-	53,291.00	118,901.03
March, 2018	150,091.50	57,494.00	211,498.53



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

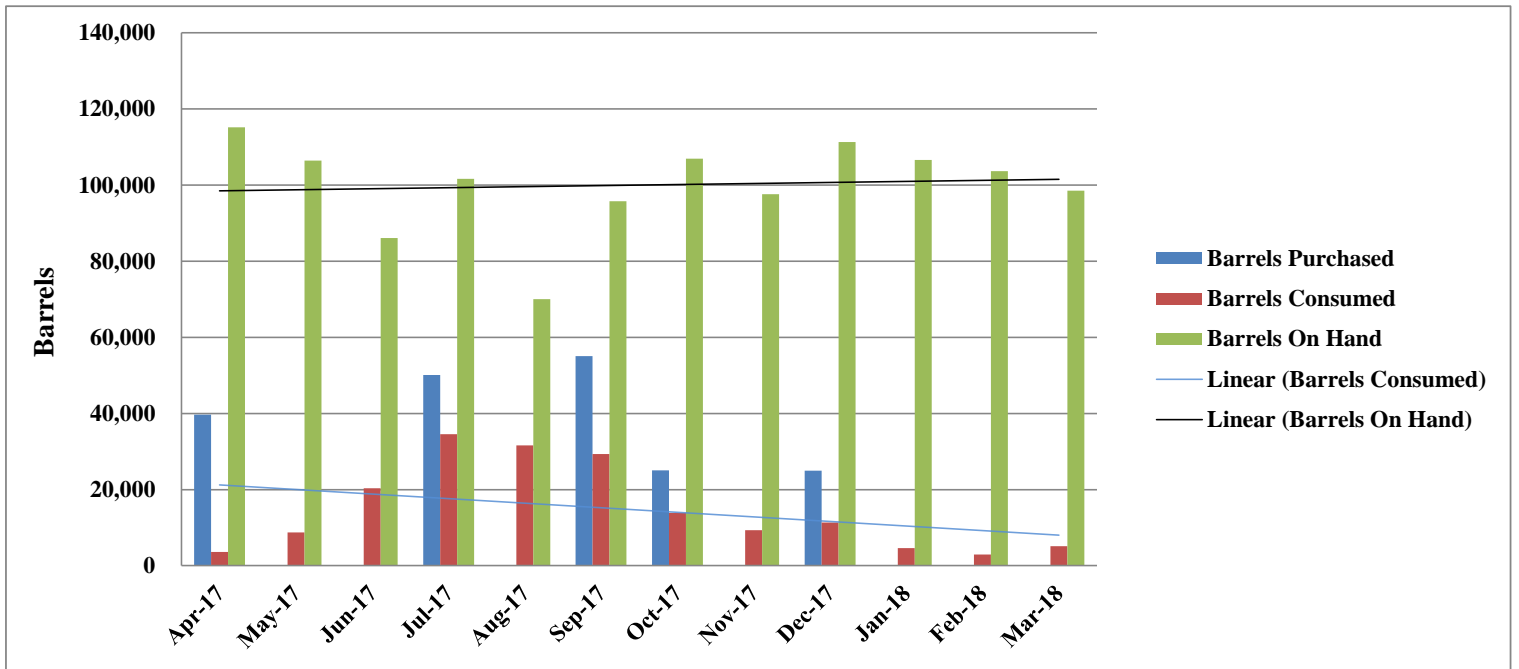
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
December, 2017	24,991.00	11,332.18	111,277.48
January, 2018	-	4,642.56	106,634.92
February, 2018	-	2,951.47	103,683.45
March, 2018	-	5,150.31	98,533.14



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.

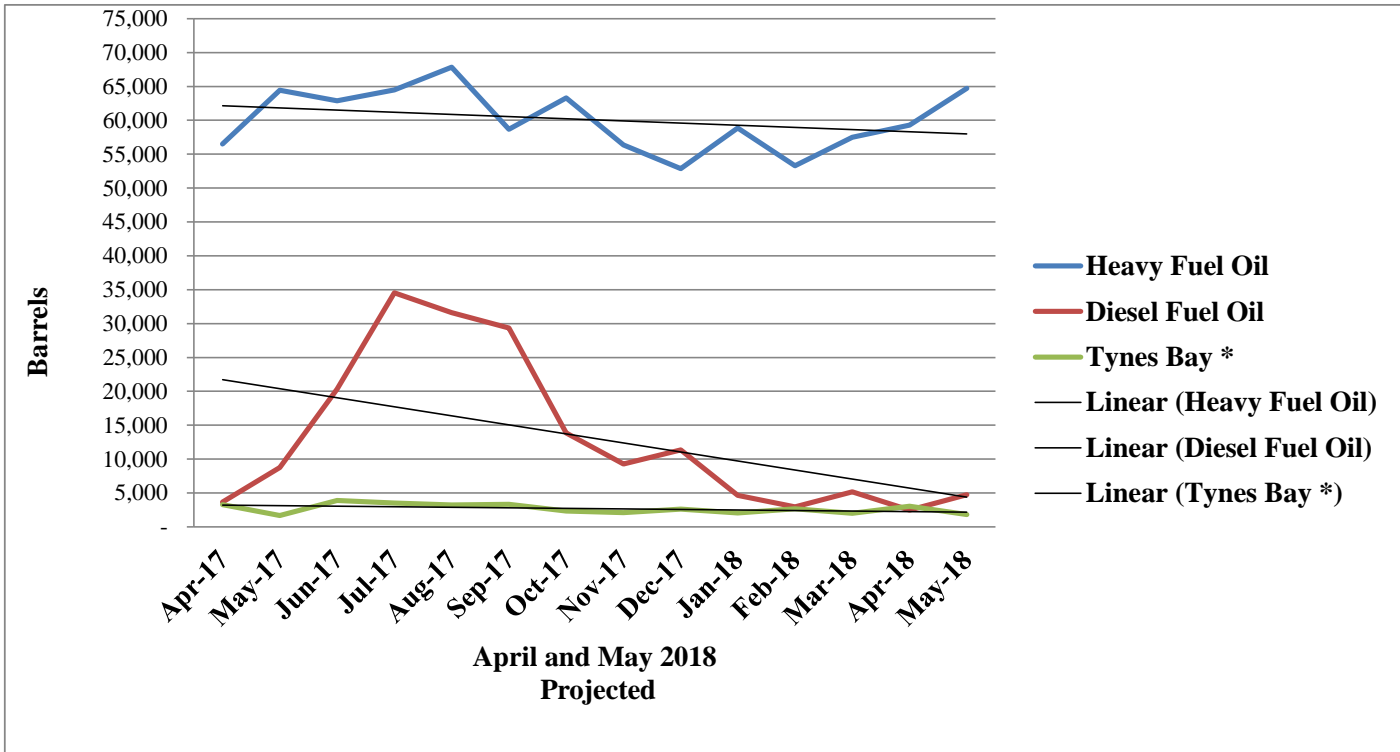


Diesel Fuel Oil Costs Per Shipment

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



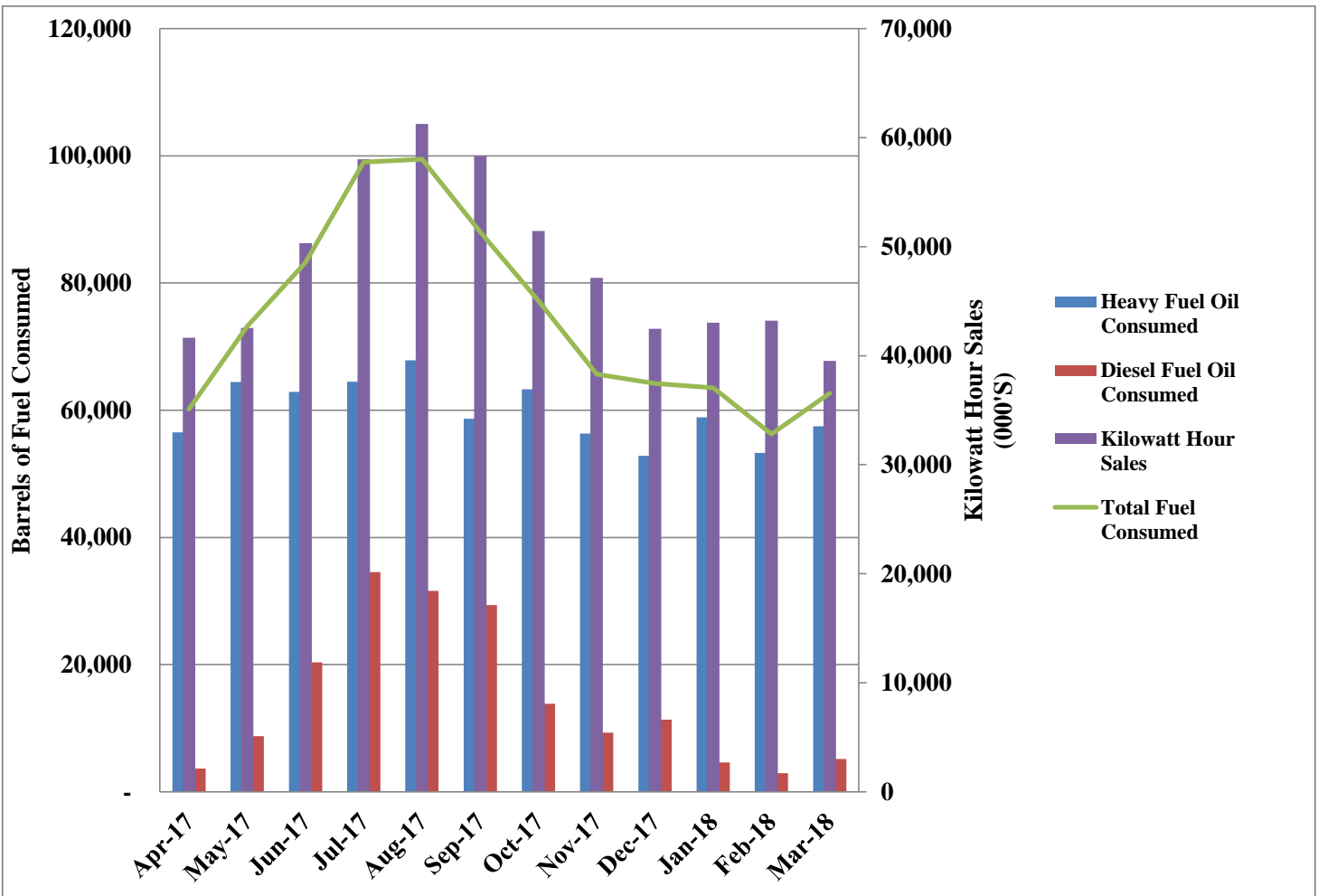
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

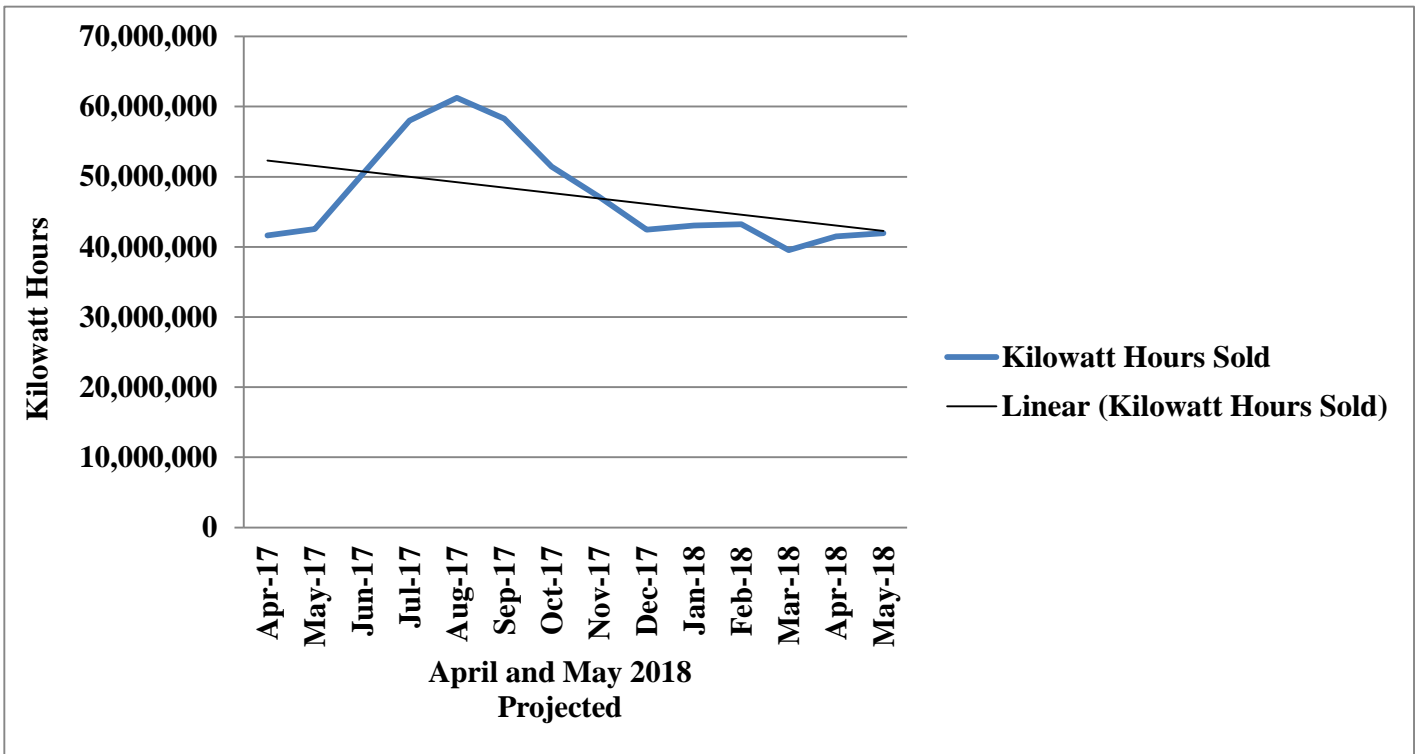




Kilowatt Hour Sales

Previous Twelve Months

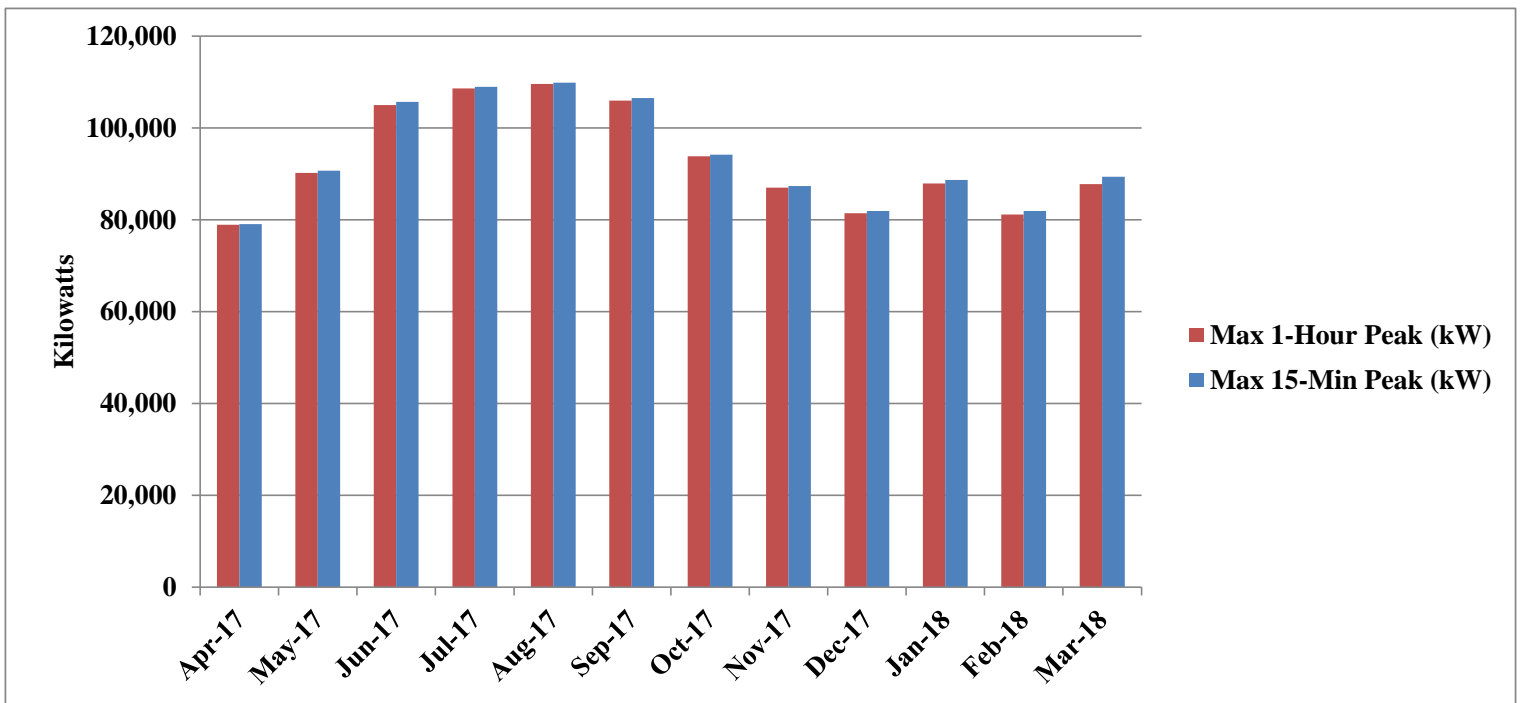
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

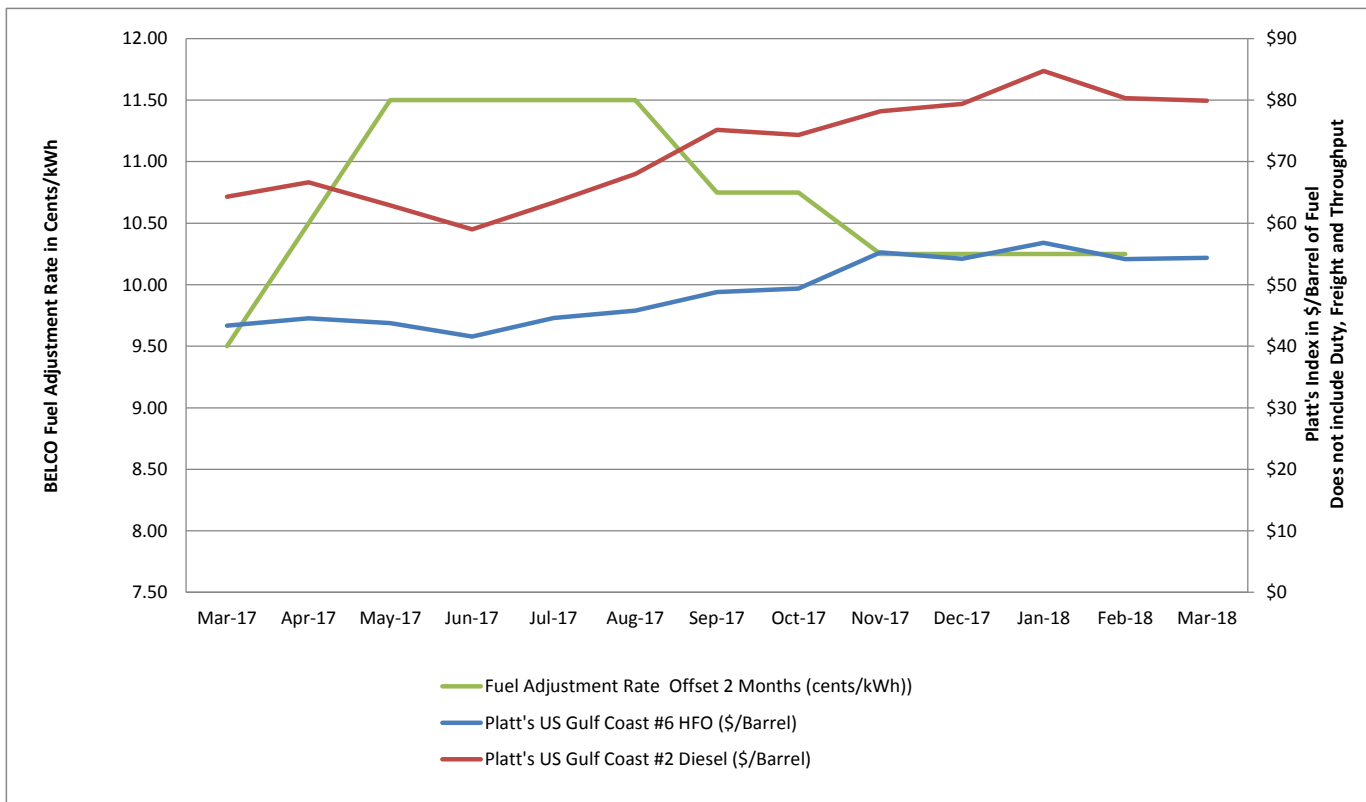




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31 March 2018

	\$	\$	\$
Opening Balance at 1 March 2018			1,830,726
 <u>Fuel Consumption</u>			
Diesel - 5,150.30 @ \$119.58000	615,873		
Less: Fuel Consumption @ \$30/bbl	<u>(154,509)</u>	461,364	
Heavy -28,815.26 bbls @ \$97.8304	2,819,008		
Heavy -20,000.00 bbls @ \$95.3801	1,907,602		
Heavy -8,678.74 bbls @ \$104.9334	910,690		
Less: Fuel Consumption @ \$30/bbl	<u>(1,724,820)</u>	3,912,480	
Tynes Bay - 1,440,440 kWh @ \$0.185	266,481		
Less: (1,440,440 kWh /717.8) 2,006.74 bbls @ \$30/bbl	<u>(60,202)</u>	206,279	
		<u>4,580,123</u>	
Deduct: Fuel Adjustment Revenue		<u>4,050,147</u>	
February over / (under) recovery			(529,977)
 Ending Balance at 31 March 2018			 <u>1,300,749</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 31 March 2018

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	3,720	63,181	2,551	69,452
Total Fuel Adjustment Cost	\$ 333,238	\$ 4,338,555	\$ 262,278	\$ 4,934,070
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 68.67	\$ 102.81	\$ 71.04

Actual:

Barrels	5,150	57,494	2,007	64,651
Total Fuel Cost	\$ 615,874	\$ 5,637,300	\$ 266,481	\$ 6,519,656
Total Fuel Adjustment Cost	\$ 461,365	\$ 3,912,480	\$ 206,279	\$ 4,580,124
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 68.05	\$ 102.79	\$ 70.84

Sales Analysis:

FAR (cents/kwh)

10.25 Requested

10.25 Approved

Fuel Adjustment Sales

Projected:
Actual:
Variance
% Variance

Total KWH Sales	Total \$ Sales
41,409,241	\$ 4,244,447
39,525,103	\$ 4,050,147
(1,884,138)	\$ (194,300)
-4.55%	-4.58%

Summary - projected vs. actual variances:

	Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):	(1,430)	5,687	544	4,801
Costs:				
Price variance	\$ -	\$ 35,556	\$ 41	\$ 35,597
Quantity variance	\$ (128,127)	\$ 390,519	\$ 55,957	\$ 318,349
Total variance	\$ (128,127)	\$ 426,075	\$ 55,998	\$ 353,946
Sales:				\$ (194,300)
Total projected vs. actual variance (March 2018)				\$ 159,646

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 March 2018	1,830,726	1,830,726
Projected change in over / (under) recovery position	(689,623)	(689,623)
Variance (Actual vs. Projected) - see above		159,646
Actual change in over / (under) recovery position	(689,623)	(529,977)
Ending Balance at 31 March 2018	1,141,103	1,300,749



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
January 2018	Heavy	No	61,407.03	104.9284	74.9284
March 2018	Heavy	Yes	30,000.00	98.3873	68.3873
March 2018	Heavy	Yes	20,000.00	95.8864	65.8864
March 2018	Heavy	Yes	30,000.00	107.1772	77.1772
March 2018	Heavy	No	70,091.50	103.9341	73.9341
September 2017	Diesel	No	48,519.47	119.5800	89.5800



Fuel Adjustment Over/(Under) Recovery Projections

At Existing Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 1,300,749
Projected kWh Sales - April 2018	41,475,837		FADJ	10.25		\$ 4,251,273
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	2,466	\$ (89.58)	\$ (220,904.28)	
	Heavy	January 2018	59,298	\$ (74.93)	\$ (4,443,104.26)	
	Tynes Bay	N/A	3,032	\$ (103.13)	\$ (312,679.45)	
	Total Barrels		64,796			(725,415)
Projected Over (Under) Recovery account as at end of this month:						575,334
Projected kWh Sales - May 2018	41,942,647		FADJ	10.25		\$ 4,299,121
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	4,752	\$ (89.58)	\$ (425,684.16)	
	Heavy	January 2018	2,109	\$ (74.93)	\$ (158,026.24)	
	Heavy	March 2018	30,000	\$ (68.39)	\$ (2,051,619.00)	
	Heavy	March 2018	20,000	\$ (65.89)	\$ (1,317,728.00)	
	Heavy	March 2018	12,592	\$ (77.18)	\$ (971,812.99)	
	Tynes Bay	N/A	1,827	\$ (103.11)	\$ (188,432.70)	
	Total Barrels		71,280			(814,182)
Projected Over (Under) Recovery account as at end of this month:						(238,847)
Projected kWh Sales - June 2018	49,945,505		FADJ	10.25		\$ 5,119,414
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	9,912	\$ (89.58)	\$ (887,916.96)	
	Heavy	March 2018	17,408	\$ (77.18)	\$ (1,343,503.01)	
	Heavy	March 2018	48,321	\$ (73.93)	\$ (3,572,567.43)	
	Tynes Bay	N/A	3,649	\$ (100.79)	\$ (367,733.70)	
	Total Barrels		79,290			(1,052,307)
Projected Over (Under) Recovery account as at end of this month:						(1,291,154)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 1,300,749
Projected kWh Sales - April 2018	41,475,837		FADJ	10.25		\$ 4,251,273
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	2,466	\$ (89.58)	\$ (220,904.28)	
	Heavy	January 2018	59,298	\$ (74.93)	\$ (4,443,104.26)	
	Tynes Bay	N/A	3,032	\$ (103.13)	\$ (312,679.45)	
	Total Barrels		64,796			(725,415)
Projected Over (Under) Recovery account as at end of this month:						575,334
Projected kWh Sales - May 2018	41,942,647		FADJ	11.50		\$ 4,823,404
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	4,752	\$ (89.58)	\$ (425,684.16)	
	Heavy	January 2018	2,109	\$ (74.93)	\$ (158,026.24)	
	Heavy	March 2018	30,000	\$ (68.39)	\$ (2,051,619.00)	
	Heavy	March 2018	20,000	\$ (65.89)	\$ (1,317,728.00)	
	Heavy	March 2018	12,592	\$ (77.18)	\$ (971,812.99)	
	Tynes Bay	N/A	1,827	\$ (103.11)	\$ (188,432.70)	
	Total Barrels		71,280			(289,899)
Projected Over (Under) Recovery account as at end of this month:						285,436
Projected kWh Sales - June 2018	49,945,505		FADJ	11.80		\$ 5,893,570
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	9,912	\$ (89.58)	\$ (887,916.96)	
	Heavy	March 2018	17,408	\$ (77.18)	\$ (1,343,503.01)	
	Heavy	March 2018	48,321	\$ (73.93)	\$ (3,572,567.43)	
	Tynes Bay	N/A	3,649	\$ (100.79)	\$ (367,733.70)	
	Total Barrels		79,290			(278,152)
Projected Over (Under) Recovery account as at end of this month:						7,284



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of March:						\$ 575,334
Projected kWh Sales - May 2018	41,942,647		CRSEER	16.60		\$ 6,962,479
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	4,752	\$ (119.58)	\$ (568,244.16)	
	Heavy	January 2018	2,109	\$ (104.93)	\$ (221,297.14)	
	Heavy	March 2018	30,000	\$ (98.39)	\$ (2,951,619.00)	
	Heavy	March 2018	20,000	\$ (95.89)	\$ (1,917,728.00)	
	Heavy	March 2018	12,592	\$ (107.18)	\$ (1,349,572.09)	
	Tynes Bay	N/A	1,827	\$ (133.11)	\$ (243,256.50)	
	Total Barrels		71,280			(289,237)
Projected Over (Under) Recovery account as at end of this month:						286,097
Projected kWh Sales - June 2018	49,945,505		CRSEER	16.56		\$ 8,270,976
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	9,912	\$ (119.58)	\$ (1,185,276.96)	
	Heavy	March 2018	17,408	\$ (107.18)	\$ (1,865,743.91)	
	Heavy	March 2018	48,321	\$ (103.93)	\$ (5,022,196.53)	
	Tynes Bay	N/A	3,649	\$ (130.79)	\$ (477,189.00)	
	Total Barrels		79,290			(279,431)
Projected Over (Under) Recovery account as at end of this month:						6,666

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

BELCO

Generators Available for Service

March 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	8692	688
E2	Yes	HFO	9863	680
E3	Yes	HFO	3990	702
E4	Yes	HFO	3946	609
E5	Yes	HFO	5401	689
E6	Yes	HFO	9450	700
E7	Yes	HFO	10836	759
E8	Yes	HFO	10145	762
D3	Yes	LFO	773	611
D8	Yes	LFO	1114	623
D10	Yes	LFO	571	618
D14	Yes	LFO	34	573
GT4	Yes	LFO	0	N/A
GT5	Yes	LFO	0	N/A
GT6	Yes	LFO	46	452
GT7	Yes	LFO	2	462
GT8	Yes	LFO	20	254

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



Generators Out of Service

March 2018

Unit	Type	Forced Outage Details	Outage Date	Return Date
D14	FO (Immediate)	JCW keep warm pump seized.	3/31/18	3/31/18
E4	FO (Postpone)	main station supply breaker not operating	3/27/18	3/27/18
E4	FO (Immediate)	JCW inlet header leak A bank flange.	3/27/18	3/27/18
E1	FO (Immediate)	Major Governor Alarm	3/27/18	3/27/18
E1	FO (Immediate)	Major Governor Alarm	3/27/18	3/27/18
E2	MO	cylinder #2 exhaust gas temp. thermocouple and local gauge replaced	3/26/18	3/27/18
E3	FO (Postpone)	No communication on PLC.	3/24/18	3/24/18
E6	MO	Engine taken O/S in order to replace radiator fan interconnect valves to JCW system.	3/22/18	3/23/18
E8	FO (Postpone)	cylinder 1A fuel leak due to a broken bolt on the fuel rail	3/20/18	3/21/18
E1	FO (Immediate)	stator temperature probe connection	3/19/18	3/20/18
E1	FO (Immediate)	stator temperature probe connection	3/19/18	3/20/18
E5	FO (Start-Up Failure)	Governor limit switch wound out.	3/16/18	3/16/18
D3	MO	Several fuel leaks to be addressed	3/15/18	3/15/18
D8	MO	MO for Follow up Jobs	3/12/18	3/14/18
E8	FO (Postpone)	Water wash line sheared off.	3/11/18	3/12/18
E7	MO	MO to repair Nutshell lines	3/10/18	3/11/18
E3	MO	Unit out to replace JCW leaks on several heads	3/10/18	3/15/18
E4	MO	Crankcase inspection	3/9/18	3/9/18
D3	FO (Immediate)	Cylinder 2L Fuel Pump Jammed	3/6/18	3/6/18
E8	FO (Immediate)	Cylinder 1A Injector Failure	3/4/18	3/4/18
E6	FO (Immediate)	Exhaust valve cage failure	3/3/18	3/3/18
E8	FO (Immediate)	Cylinder 4B Cracked Injector	3/2/18	3/2/18
D14	MO	Exhaust uptake work and head seal leaks	3/2/18	3/9/18



Scheduled Generator Maintenance

Apr-18

Generator	Maintenance Type	Outage Date	Return Date
E2	4K Service	4/16/2018	4/26/2018
D10	18K Major Service	4/2/2018	5/3/2018



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