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PLEASE QUOTE OUR REF.

May 9, 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 the existing rate of 11.50 cents per kilowatt-hour sold for May 2018 to 12.00 cents per kilowatt-hour sold for June 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 30th April 2018 was \$713,504 over recovered as compared to the \$575,334 over recovery position projected in our last filing. The \$138,170 favorable variance is due to:

- The total actual barrels of fuel consumed in April were 2,243 barrels lower than projected, resulting in a positive impact on the recovery position of \$187,069;
- Net price variance negatively impacted the recovery position by \$282;
- Inclusion of diesel fuel costs associated with purchased power in June 2017 resulted in a negative impact of \$70,857; and
- Actual April electric sales were 224,723 KWH's higher than projected. This variance resulted in a net positive impact on the fuel recovery position of \$22,240.

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.

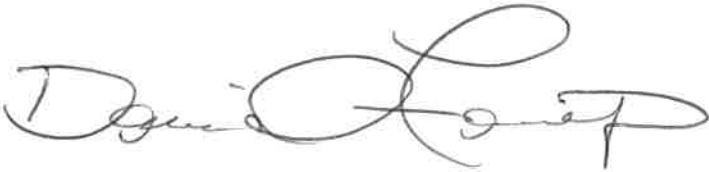
Please note the following concerning this submission:

- As noted above, fuel costs totaling \$70,857 associated with the 2017 America's Cup event have been included in our April fuel adjustment accounting as per our discussions around the treatment of the America's Cup costs over the last several months. We have most recently outlined the overall treatment for these costs in our letter to you dated 30 April 2018 (reference B-R79).
- Our submission includes an estimate for heavy fuels costs of \$110 per barrel based on current market feedback.

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 black 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

June 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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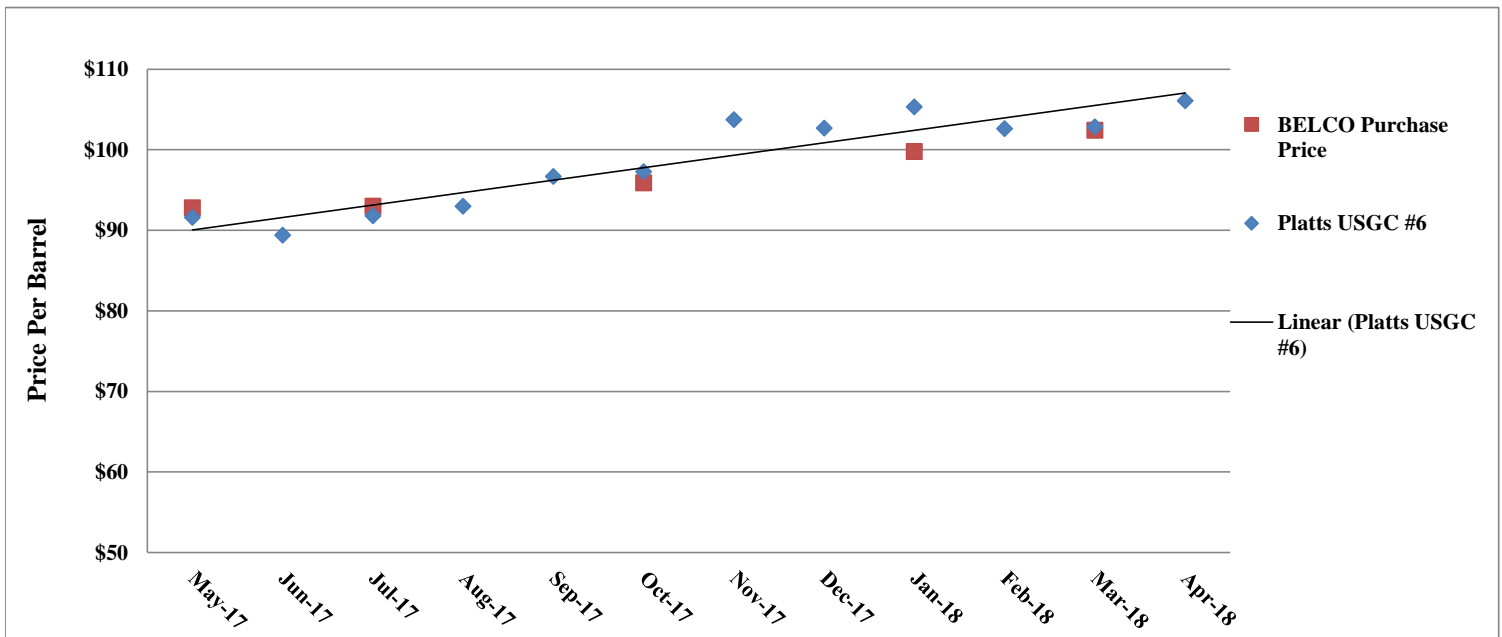


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

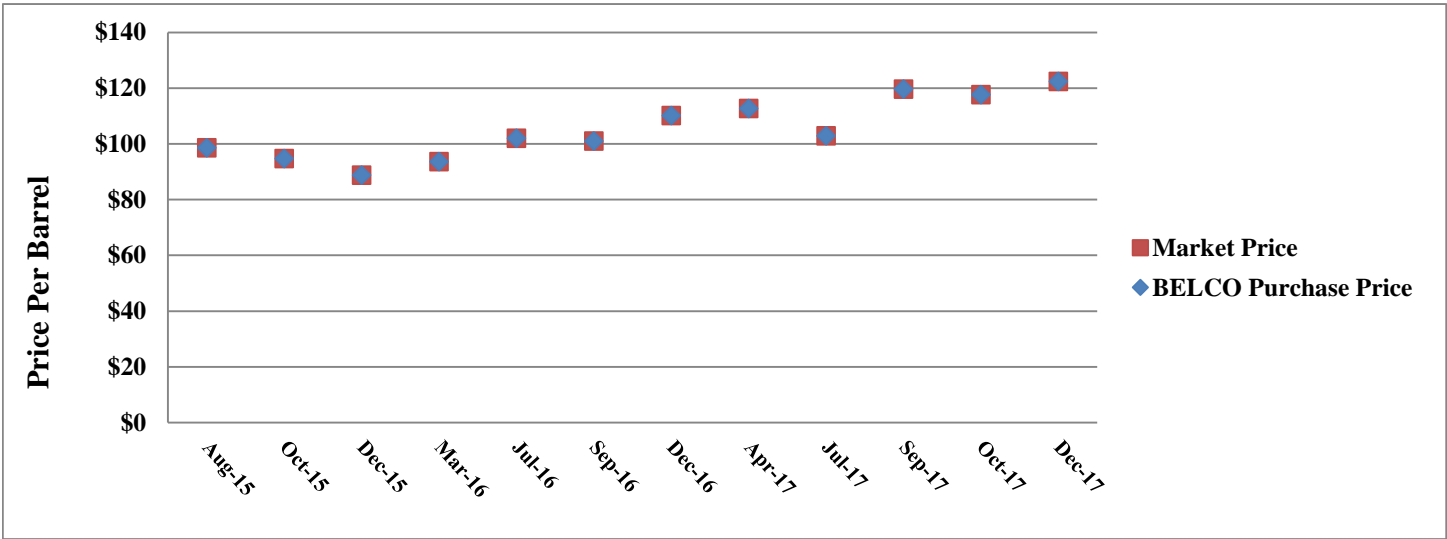


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

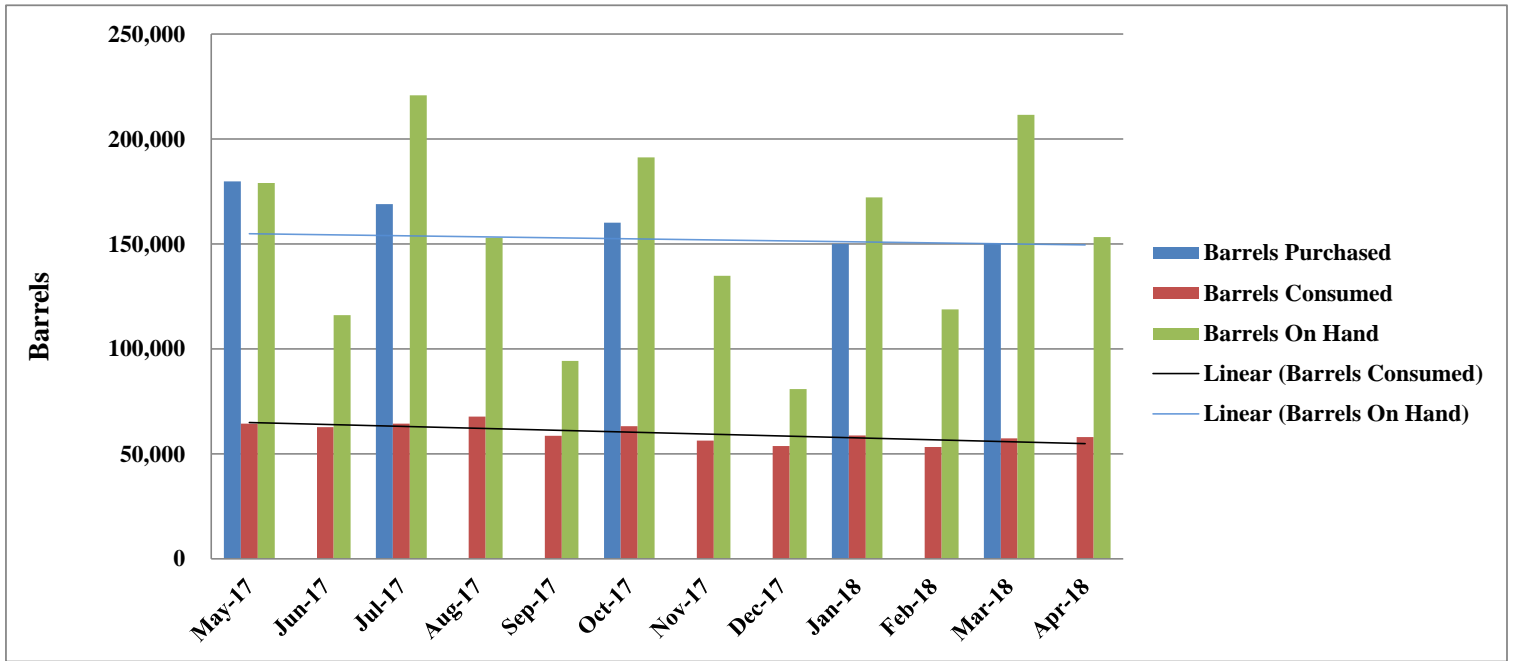
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
April, 2018	-	58,121.00	153,377.53



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

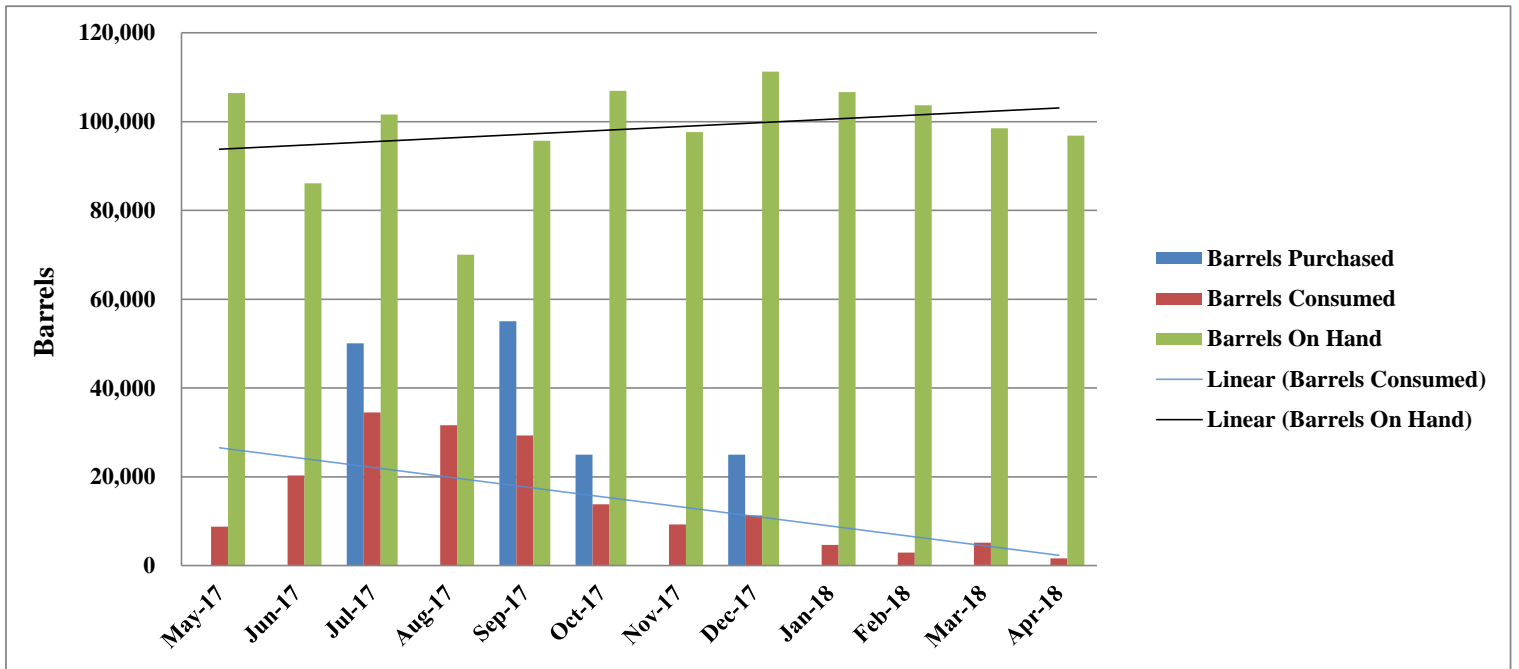
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
April, 2018	-	1,650.35	96,882.79



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.

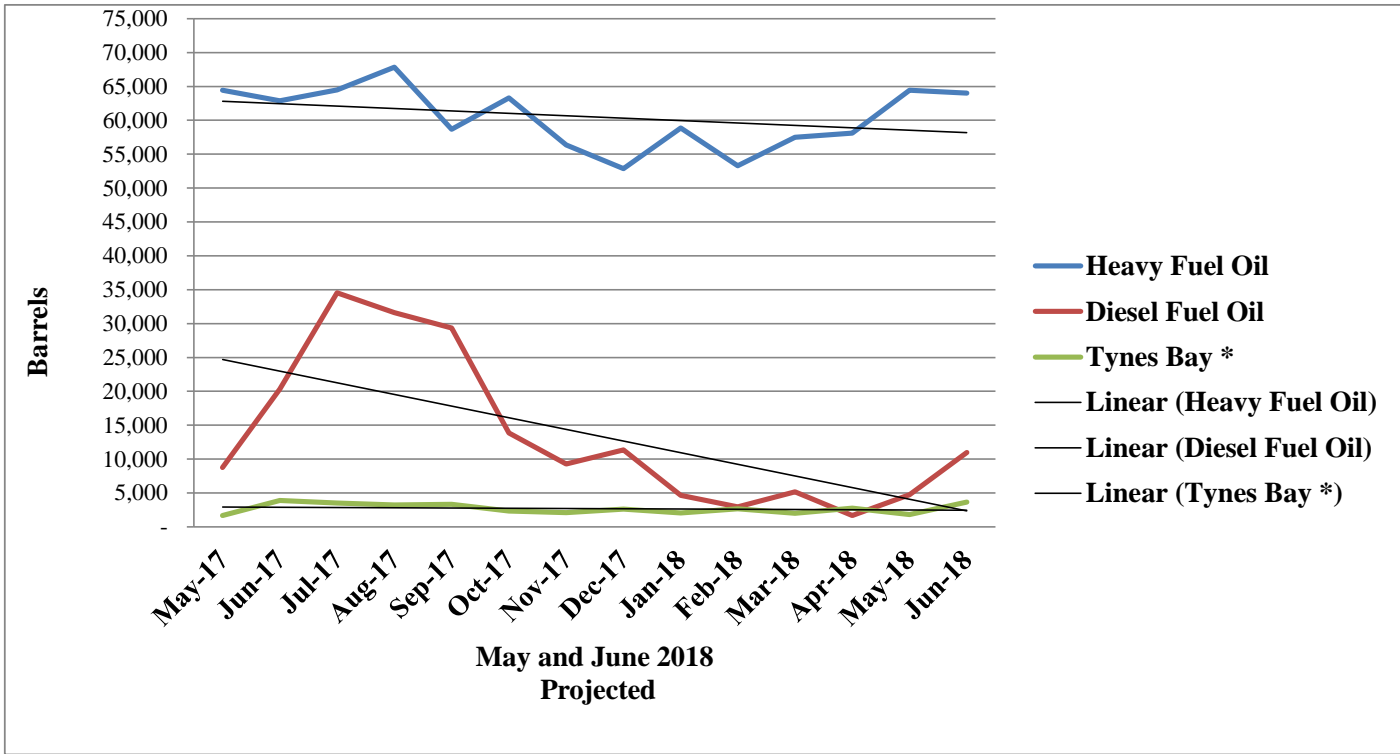


Diesel Fuel Oil Costs Per Shipment

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



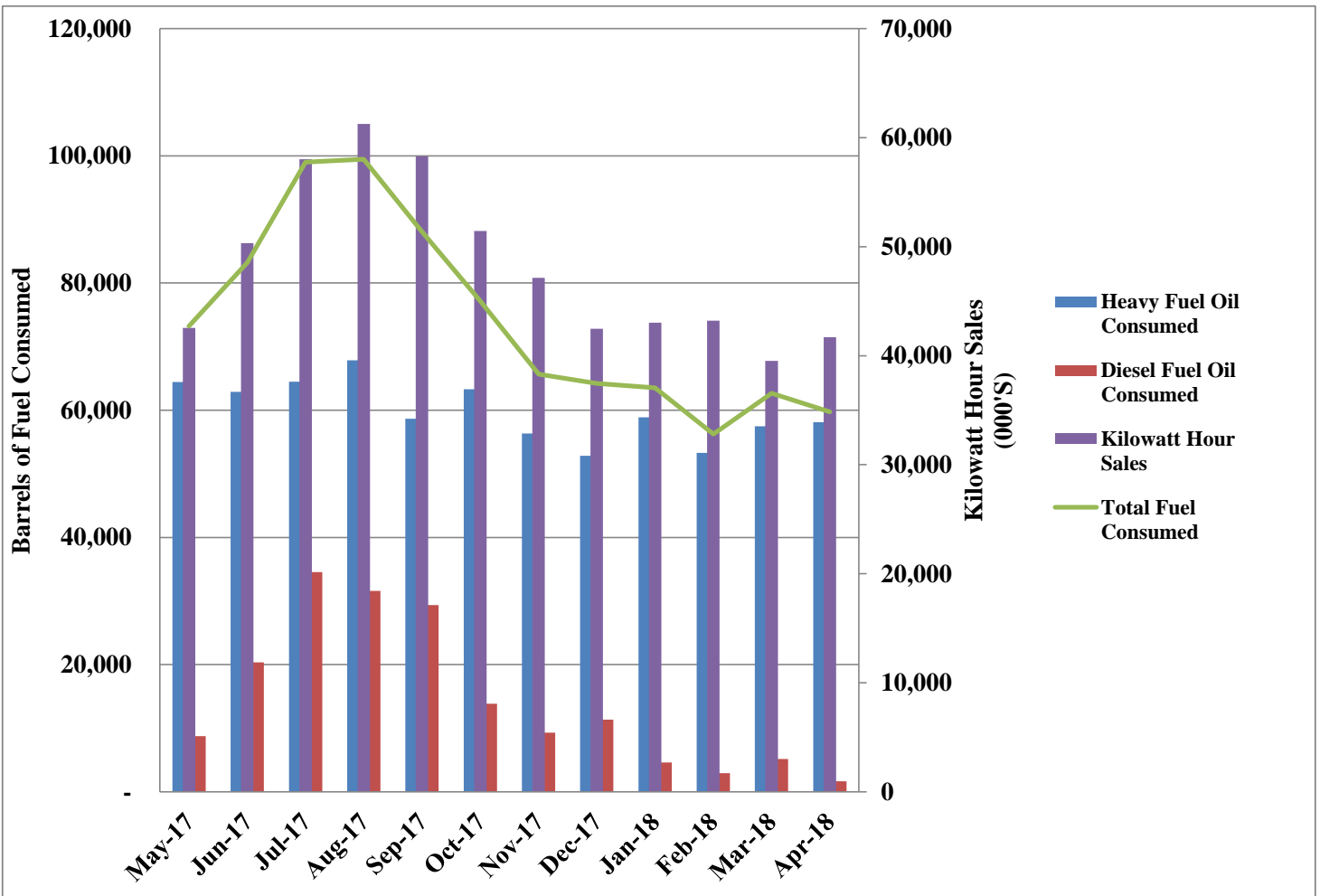
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

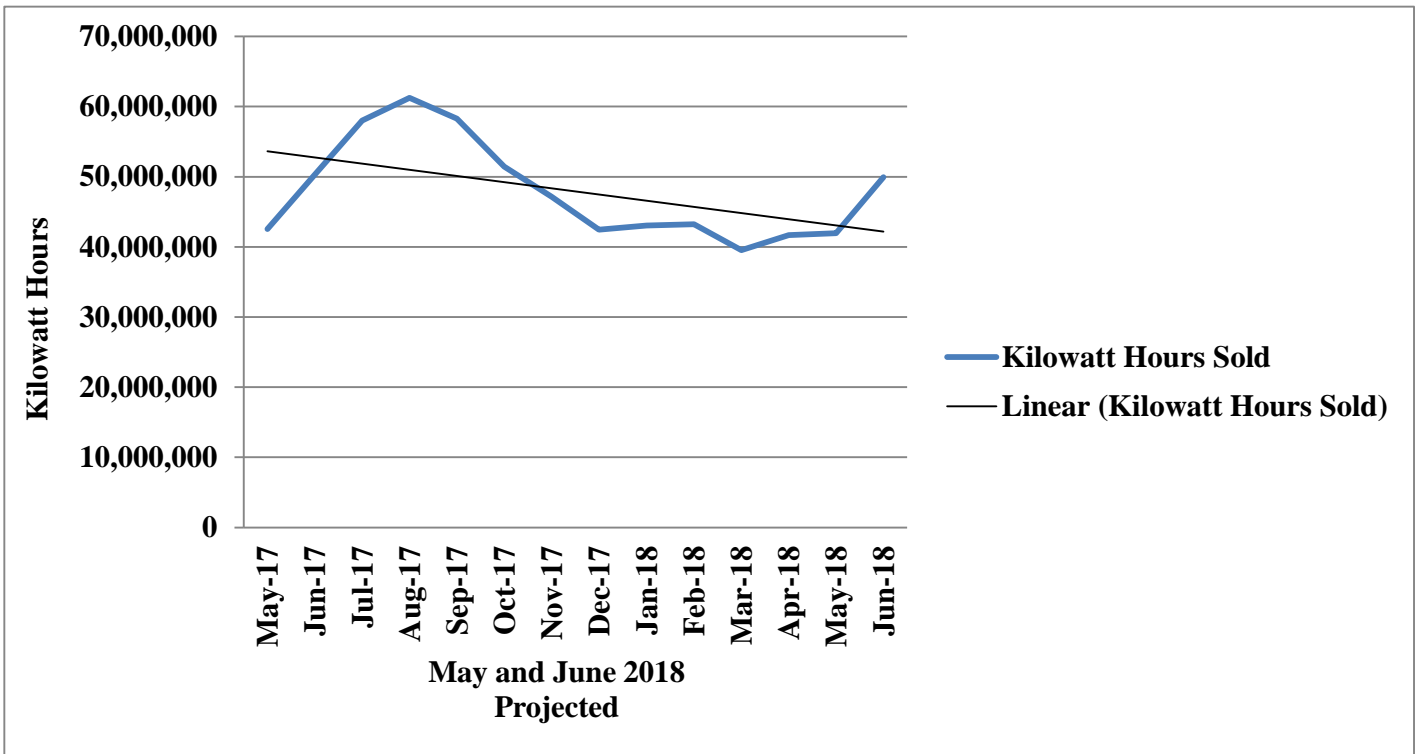




Kilowatt Hour Sales

Previous Twelve Months

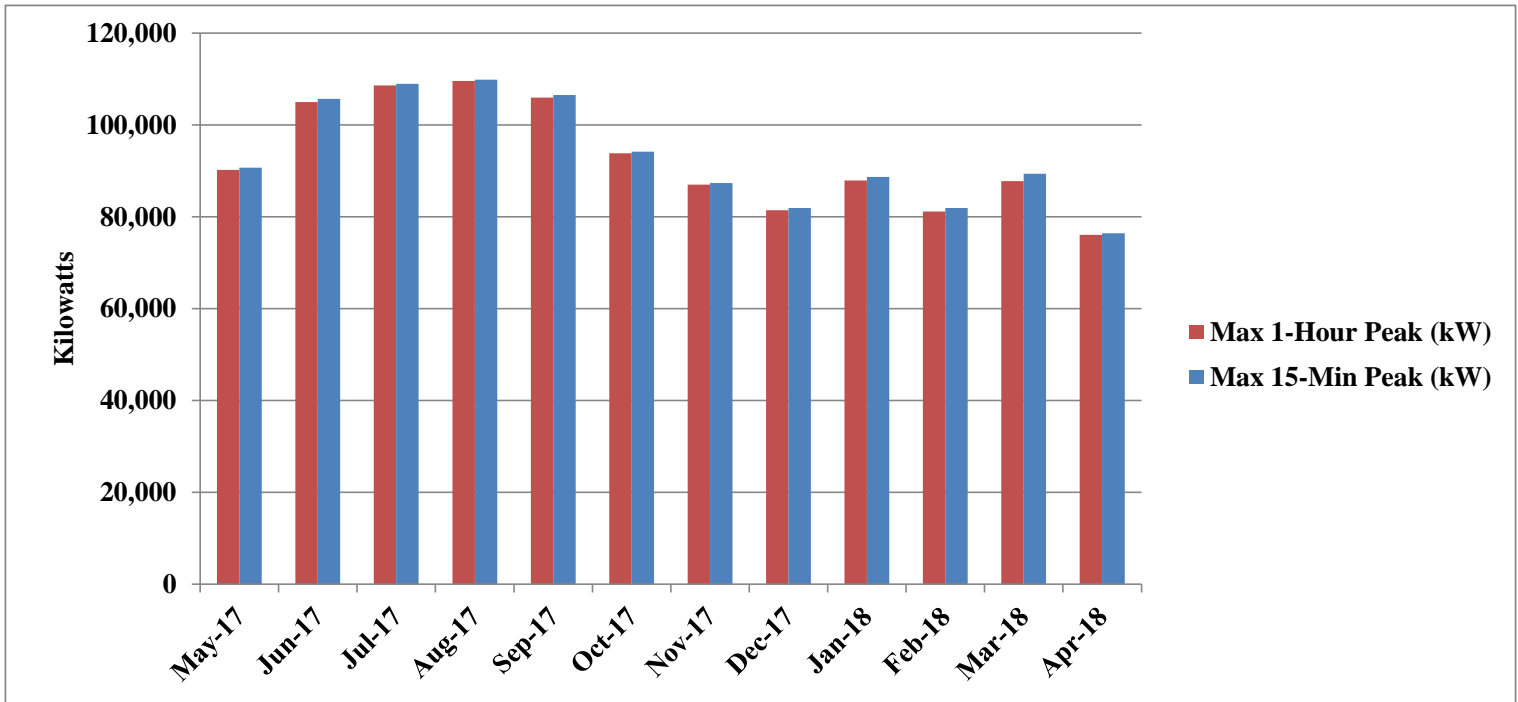
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

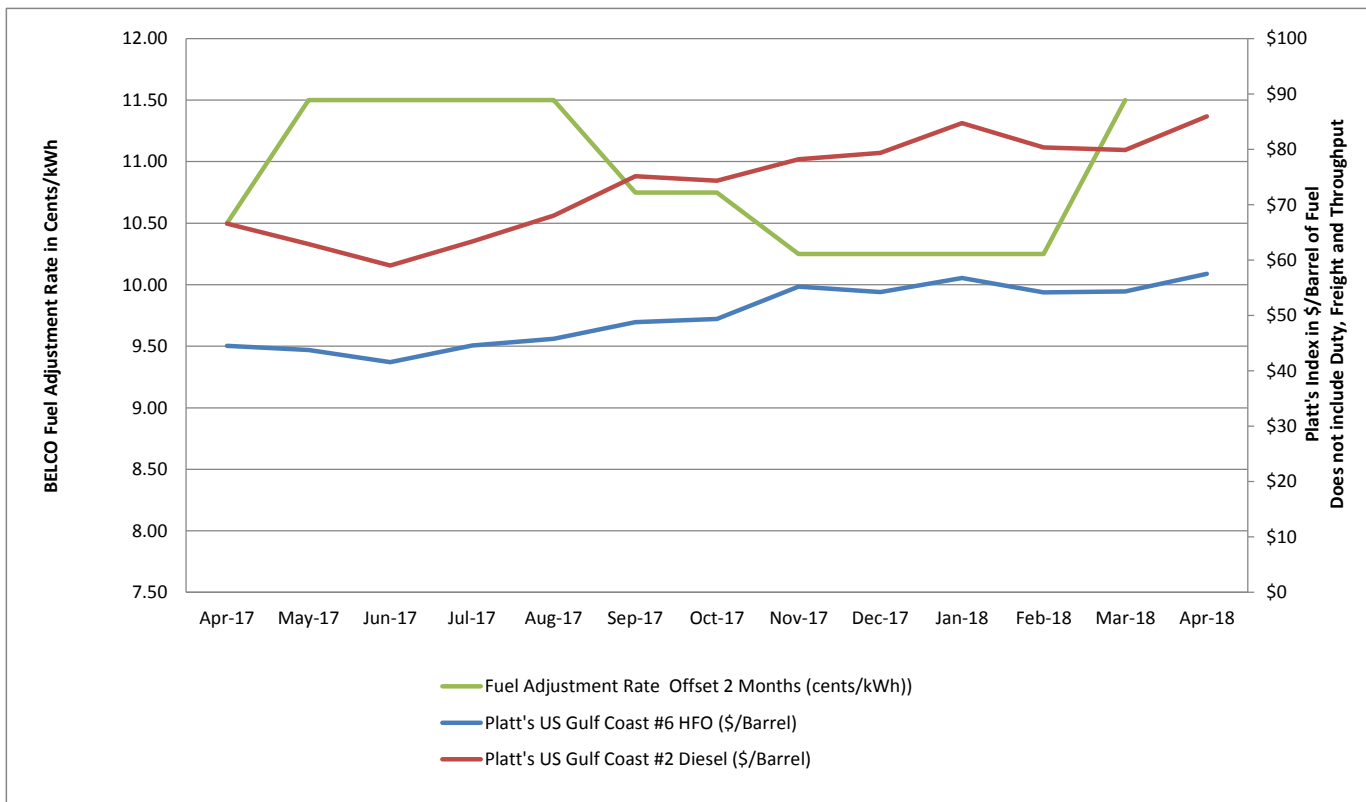




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 30 April 2018

	\$	\$	\$
Opening Balance at 1 April 2018			1,300,749
 <u>Fuel Consumption</u>			
Diesel - 1,650.35 @ \$119.58000	197,349		
Less: Fuel Consumption @ \$30/bbl	<u>(49,511)</u>	147,838	
Heavy -58,121.00 bbls @ \$104.9334	6,098,834		
Less: Fuel Consumption @ \$30/bbl	<u>(1,743,630)</u>	4,355,204	
Tynes Bay - 2,001,664 kWh @ \$0.185	370,308		
Less: (2,001,664 kWh /719.6) 2,781.63 bbls @ \$30/bbl	<u>(83,449)</u>	286,859	
		4,789,901	
Deduct: Fuel Adjustment Revenue		<u>4,273,513</u>	
April over / (under) recovery			(516,388)
Adjustment for AC purchased power fuel			(70,857)
Ending Balance at 30 April 2018			<u>713,504</u>



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel*	FADJ (less \$30/bbl)
January 2018	Heavy	No	3,286.03	104.9334	74.9334
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	107.1773	77.1773
March 2018	Heavy	No	70,091.50	104.1037	74.1037
June 2018	Heavy	No	170,000.00	110.0000	80.0000
September 2017	Diesel	No	46,869.12	119.5800	89.5800

*June shipment estimated



Fuel Adjustment Over/(Under) Recovery Projections

At Existing Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:					\$ 713,504
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	4,752	\$ (89.58)	\$ (425,684.16)
		Heavy	3,286	\$ (74.93)	\$ (246,233.40)
		Heavy	30,000	\$ (68.39)	\$ (2,051,619.00)
		Heavy	20,000	\$ (65.89)	\$ (1,317,728.00)
		Heavy	11,149	\$ (77.18)	\$ (860,447.40)
		Tynes Bay	1,827	\$ (103.11)	\$ (188,432.70)
		Total Barrels	71,014		(266,740)
Projected Over (Under) Recovery account as at end of this month:					446,764
Projected kWh Sales - June 2018	49,945,505		FADJ	11.50	\$ 5,743,733
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
		Diesel	10,992	\$ (89.58)	\$ (984,663.36)
		Heavy	18,851	\$ (77.18)	\$ (1,454,871.60)
		Heavy	45,159	\$ (74.10)	\$ (3,346,446.77)
		Tynes Bay	3,649	\$ (100.79)	\$ (367,733.70)
		Total Barrels	78,651		(409,982)
Projected Over (Under) Recovery account as at end of this month:					36,782
Projected kWh Sales - July 2018	56,503,874		FADJ	11.50	\$ 6,497,946
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
		Diesel	14,742	\$ (89.58)	\$ (1,320,588.36)
		Heavy	24,933	\$ (74.10)	\$ (1,847,592.72)
		Heavy	47,591	\$ (80.00)	\$ (3,807,317.60)
		Tynes Bay	3,774	\$ (96.45)	\$ (363,978.00)
		Total Barrels	91,040		(841,531)
Projected Over (Under) Recovery account as at end of this month:					(804,749)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 713,504
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	3,286	\$ (74.93)	\$ (246,233.40)	
	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	11,149	\$ (77.18)	\$ (860,447.40)	
	Tynes Bay	N/A	1,827	\$ (103.11)	\$ (188,432.70)	
	Total Barrels		71,014			(266,740)
Projected Over (Under) Recovery account as at end of this month:						446,764
Projected kWh Sales - June 2018	49,945,505		FADJ	12.00		\$ 5,993,461
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	10,992	\$ (89.58)	\$ (984,663.36)	
	Heavy	March 2018	18,851	\$ (77.18)	\$ (1,454,871.60)	
	Heavy	March 2018	45,159	\$ (74.10)	\$ (3,346,446.77)	
	Tynes Bay	N/A	3,649	\$ (100.79)	\$ (367,733.70)	
	Total Barrels		78,651			(160,255)
Projected Over (Under) Recovery account as at end of this month:						286,509
Projected kWh Sales - July 2018	56,503,874		FADJ	12.50		\$ 7,062,984
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	14,742	\$ (89.58)	\$ (1,320,588.36)	
	Heavy	March 2018	24,933	\$ (74.10)	\$ (1,847,592.72)	
	Heavy	June 2018	47,591	\$ (80.00)	\$ (3,807,317.60)	
	Tynes Bay	N/A	3,774	\$ (96.45)	\$ (363,978.00)	
	Total Barrels		91,040			(276,492)
Projected Over (Under) Recovery account as at end of this month:						10,017



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of March:						\$ 446,764
Projected kWh Sales - June 2018	49,945,505		CRSEER	16.72		\$ 8,350,888
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	10,992	\$ (119.58)	\$ (1,314,423.36)	
	Heavy	March 2018	18,851	\$ (107.18)	\$ (2,020,402.50)	
	Heavy	March 2018	45,159	\$ (104.10)	\$ (4,701,215.87)	
	Tynes Bay	N/A	3,649	\$ (130.79)	\$ (477,189.00)	
	Total Barrels		78,651			(162,342)
Projected Over (Under) Recovery account as at end of this month:						284,422
Projected kWh Sales - July 2018	56,503,874		CRSEER	17.34		\$ 9,797,772
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	14,742	\$ (119.58)	\$ (1,762,848.36)	
	Heavy	March 2018	24,933	\$ (104.10)	\$ (2,595,568.62)	
	Heavy	June 2018	47,591	\$ (110.00)	\$ (5,235,061.70)	
	Tynes Bay	N/A	3,774	\$ (126.45)	\$ (477,189.00)	
	Total Barrels		91,040			(272,896)
Projected Over (Under) Recovery account as at end of this month:						11,526

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

BELCO

Generators Available for Service

April 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	7638	657
E2	Yes	HFO	4320	679
E3	Yes	HFO	3780	700
E4	Yes	HFO	2856	703
E5	Yes	HFO	9288	730
E6	Yes	HFO	10205	743
E7	Yes	HFO	10806	731
E8	Yes	HFO	10821	741
D3	Yes	LFO	192	649
D8	Yes	LFO	1064	620
D10	No	LFO	0	NA
D14	Yes	LFO	22	642
GT4	Yes	LFO	103	NA
GT5	Yes	LFO	2	NA
GT6	Yes	LFO	15	432
GT7	Yes	LFO	11	398
GT8	Yes	LFO	6	305

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



Generators Out of Service

April 2018

Unit	Type	Forced Outage Details	Outage Date	Return Date
E3	FO (Postpone)	High exhaust gas temperatures cylinder #13	4/26/18	4/27/18
E5	FO (Postpone)	Unit out due to nozzle cooling water leak at support in front of B bank turbo charger	4/26/18	4/27/18
E4	FO (Immediate)	HTCW leak behind cylinder 2RHS and potential stuck start air valve	4/25/18	4/28/18
E7	FO (Postpone)	Charge air header strap split at Cylinder 7A	4/24/18	4/25/18
E1	FO (Immediate)	Unit FO due to LO cam Leak Cyl No 1 Glide seals Leaking	4/22/18	4/23/18
E1	FO (Immediate)	Fuel oil leak from heater. Could not see exactly where leak was coming from because cladding was covering it.	4/19/18	4/19/18
E1	MO	Engine taken O/S to address FO heater leak as well as Cylinder #1 exhaust valve replacement.	4/19/18	4/21/18
E4	MO	Engine taken O/S so MMD can change out Cylinder LO box and fix a fuel leak on cylinder 1L.	4/17/18	4/19/18
E2	PO	Unit out for 4K Service	4/15/18	OOS
E1	FO (Immediate)	Bearing temperatures starting spiking from 0 to full scale. Tripped unit.	4/12/18	4/14/18
E6	MO	Various small jobs	4/10/18	4/10/18
GT8	MO	MO to trouble shoot Fire Suppressant system Fault	4/9/18	4/9/18
E4	MO	MO to repair FO Filters leaking change-over cock and replace Filter Gasket	4/9/18	4/9/18/
E5	MO	Fuel oil leak at LHS inlet pipe	4/9/18	4/9/18
D8	MO	Unit out to change SCW pump motor and replace fuel cock	4/7/18	4/7/18
E1	FO (Immediate)	E1 tripped during emd inspection of bearing temp issue	4/5/18	4/5/18
E4	FO (Postpone)	Fuel oil leak on cylinder 1L	4/4/18	4/4/18
E1	FO (Immediate)	Speed detection / major governor alarm.	4/3/18	4/4/18
E2	FO (Immediate)	Moatti filters are being turned.. low pressure shut down	4/3/18	4/4/18
E5	SE of PO	Unit out for follow up jobs from Service	4/3/18	4/4/18
E2	FO (Postpone)	Cam shaft box #1 seal failed	4/2/18	4/3/18
D10	PO	D 10 out for 18 K service	4/1/18	OOS



Scheduled Generator Maintenance

May-18

Generator	Maintenance Type	Outage Date	Return Date
E7	9k Service	5/7/2018	5/17/2018
E6	3k Service	5/21/2018	5/25/2018
E8	15k Service	5/28/2018	6/1/2018



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