

October 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"):

Decrease from the existing rate of 14.00 cents per kilowatt-hour sold for October 2018 to 13.75 cents per kilowatt-hour sold for November 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 August 2018 FAR MFR submission as directed per Regulatory Authority letter dated 18 April 2017.

The actual fuel adjustment cost recovery position as at 30th September 2018 was \$50,391 under recovered as compared to the \$490,451 under recovery position projected in our last filing. The \$440,060 favorable variance is due to:

- The total actual barrels of fuel consumed in September were 7,397 barrels lower than projected, resulting in a positive impact on the recovery position of \$644,662;
- Net price variance positively impacted the recovery position by \$2,370; and
- Actual September electric sales were 1,516,243 KWH's lower than projected. This variance resulted in a net negative impact on the fuel recovery position of \$206,973.

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.



441 295 5111

P.O. BOX HM 1026
HAMILTON, HM DX
BERMUDA

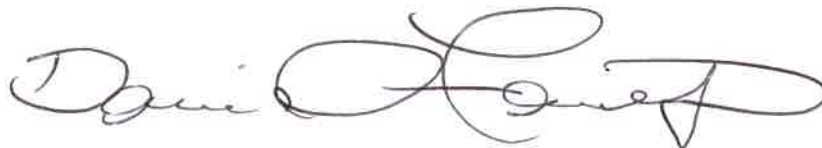
27 SERPENTINE RD
HAMILTON, HM 07
BERMUDA

BELCO.BM

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

441.295.5111

P.O. BOX HM 1026
HAMILTON, HM DX
BERMUDA

27 SERPENTINE RD
HAMILTON, HM 07
BERMUDA

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BELCO

The logo consists of a stylized green and blue geometric shape, resembling a hexagon or a series of overlapping planes, with the word "BELCO" written in white capital letters across it.



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

November 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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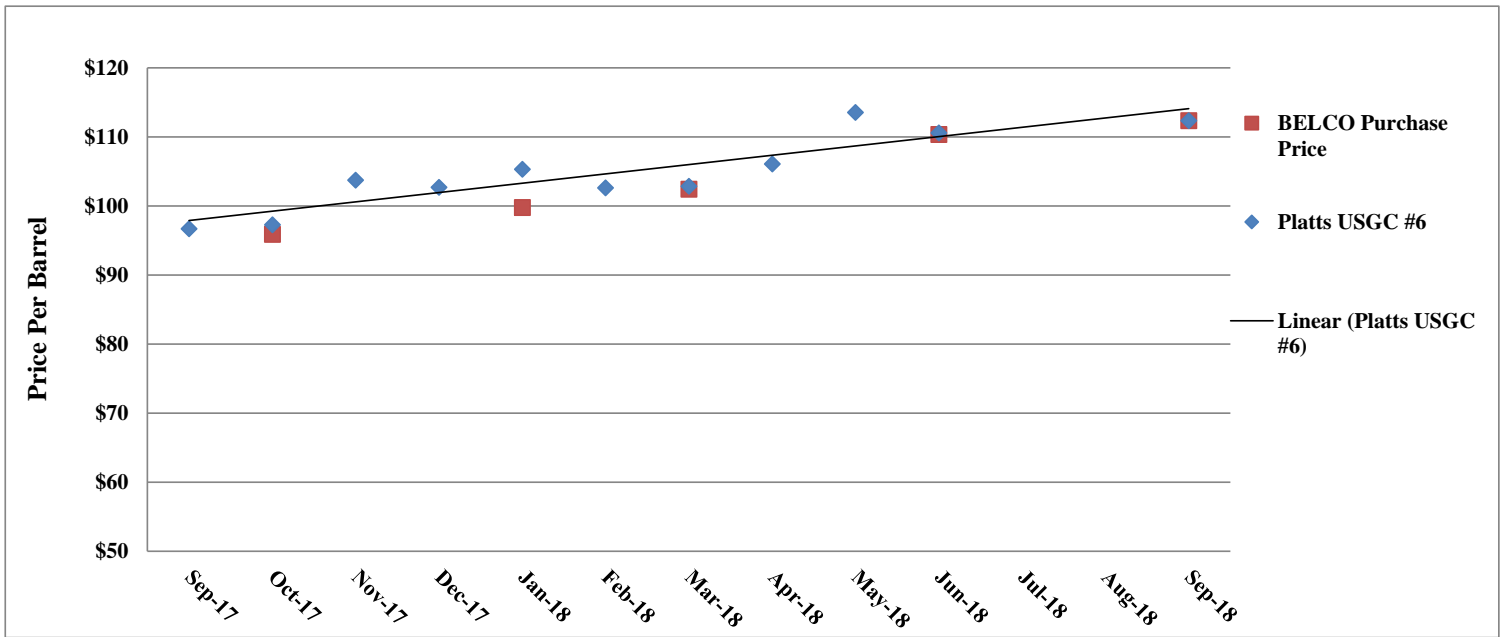


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

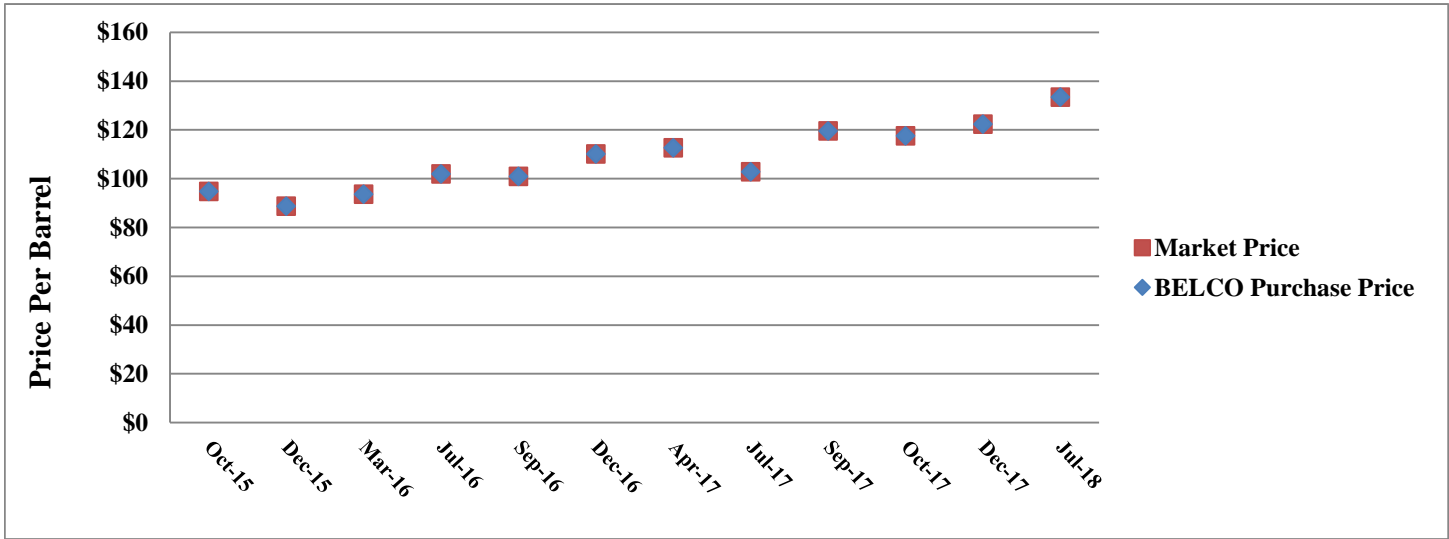


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

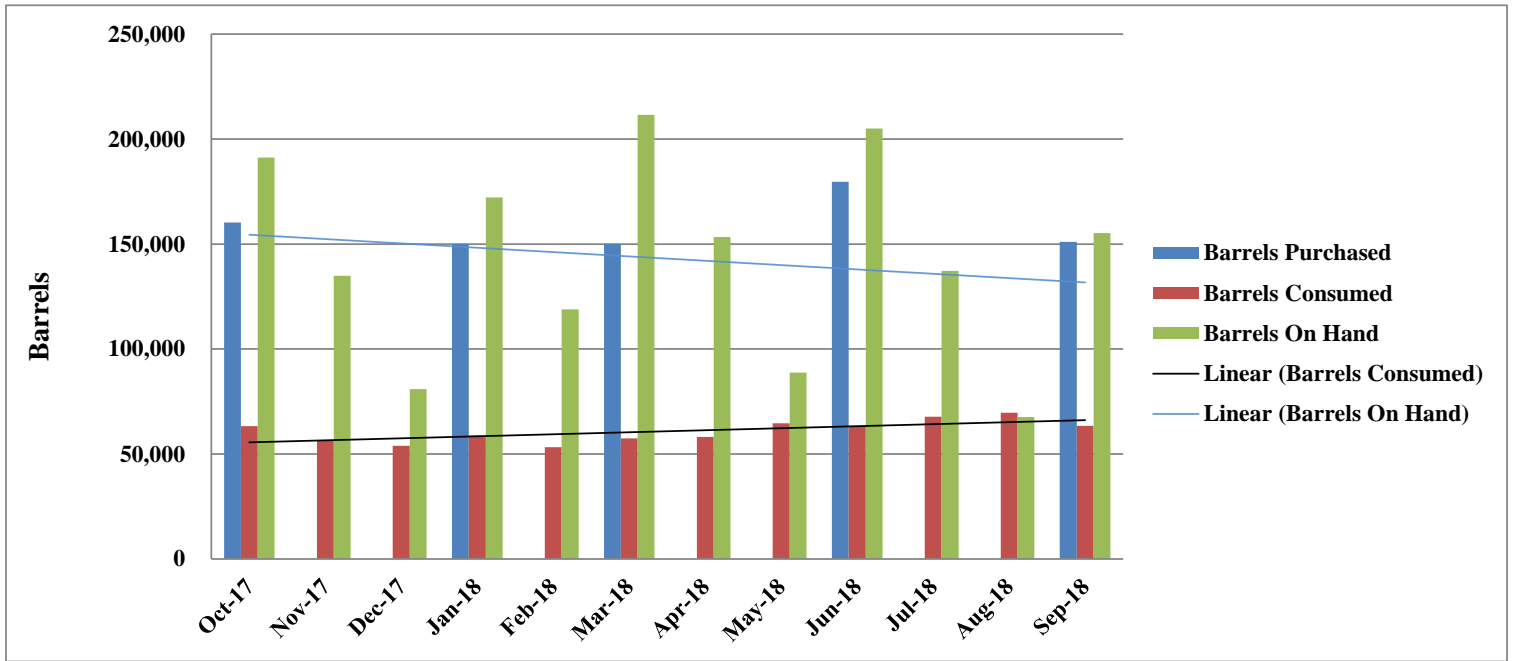
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
May, 2018	-	64,615.00	88,762.53
June, 2018	179,633.98	63,386.00	205,010.51
July, 2018	-	67,766.00	137,244.51
August, 2018	-	69,598.00	67,646.51
September, 2018	151,041.71	63,446.00	155,242.22



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

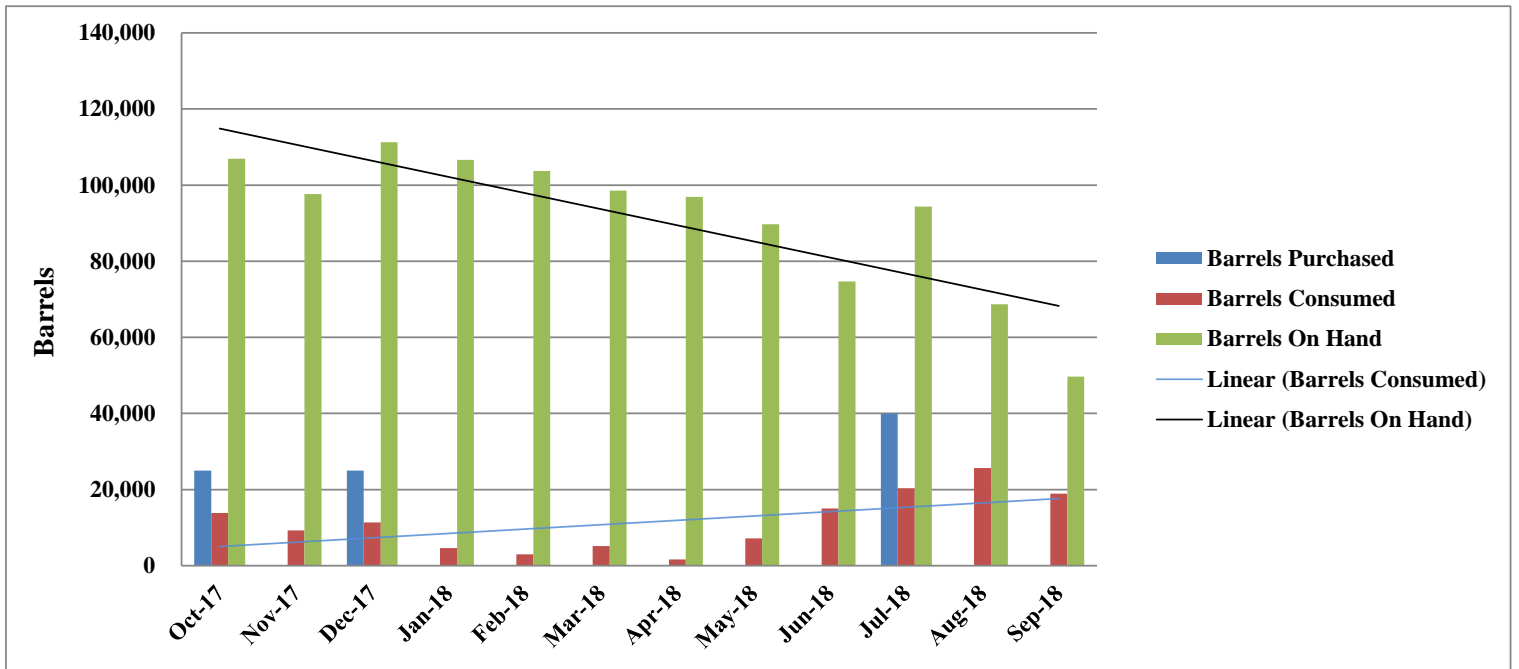
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
May, 2018	-	7,154.97	89,727.82
June, 2018	-	15,027.01	74,700.81
July, 2018	39,967.59	20,336.75	94,331.65
August, 2018	-	25,676.02	68,655.63
September, 2018	-	18,960.72	49,694.91



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.

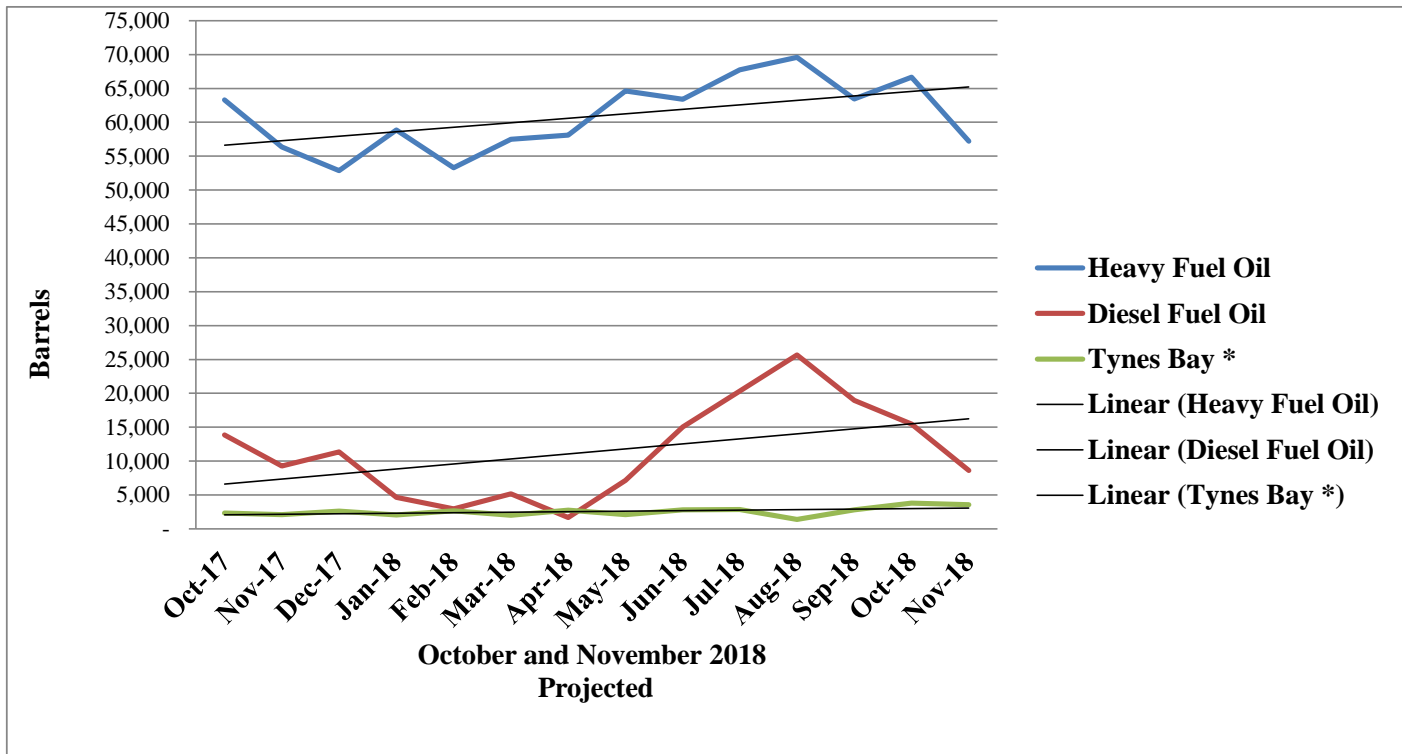


Diesel Fuel Oil Costs Per Shipment

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



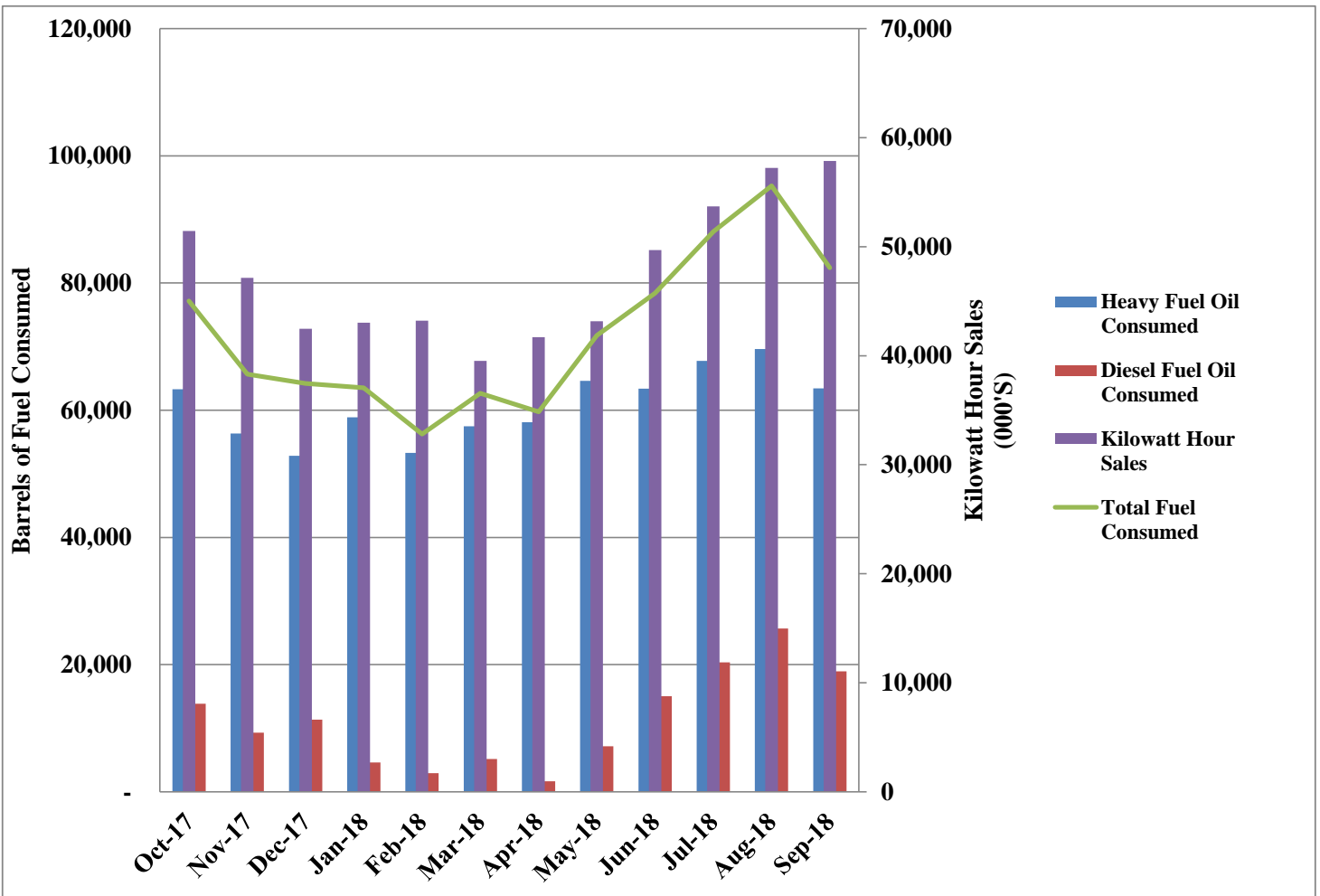
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

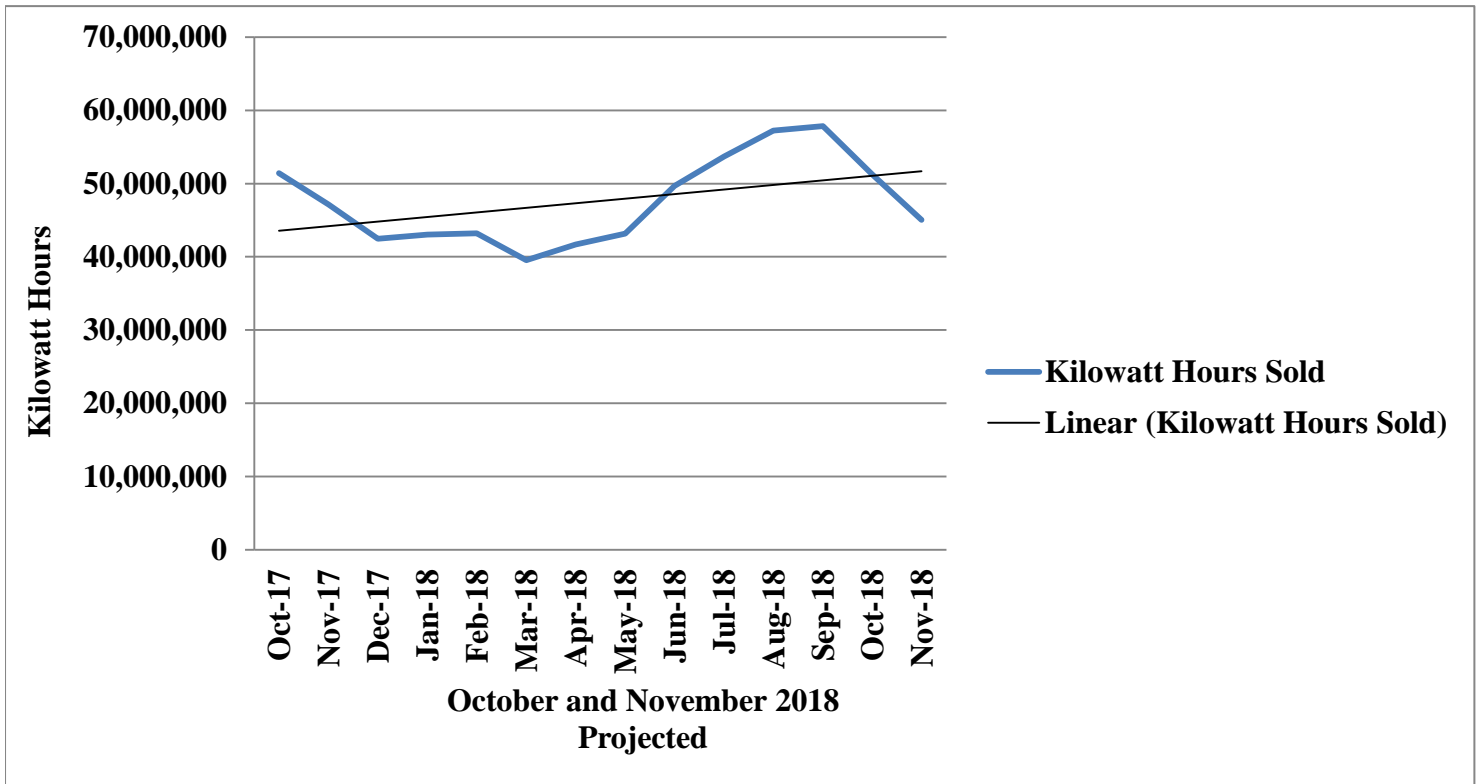


BELCO

Kilowatt Hour Sales

Previous Twelve Months

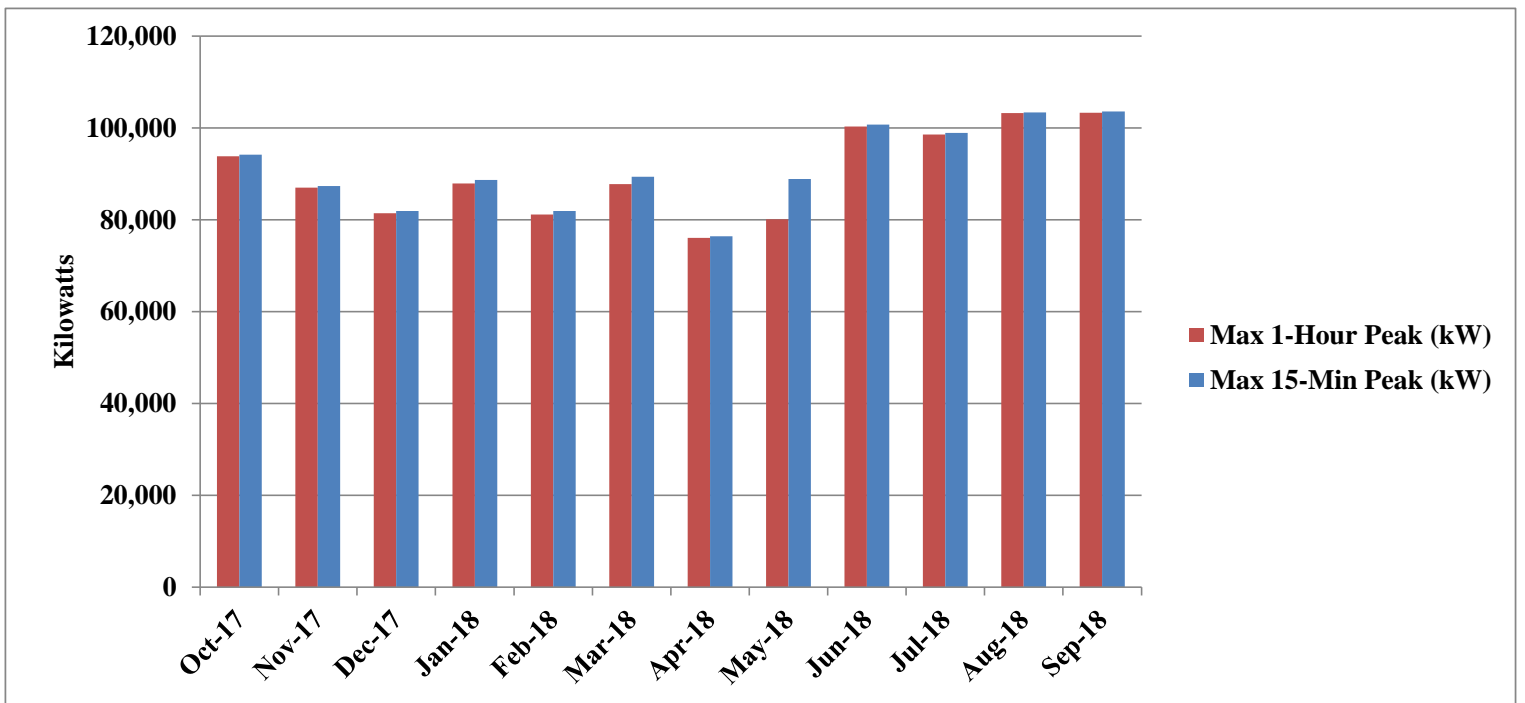
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

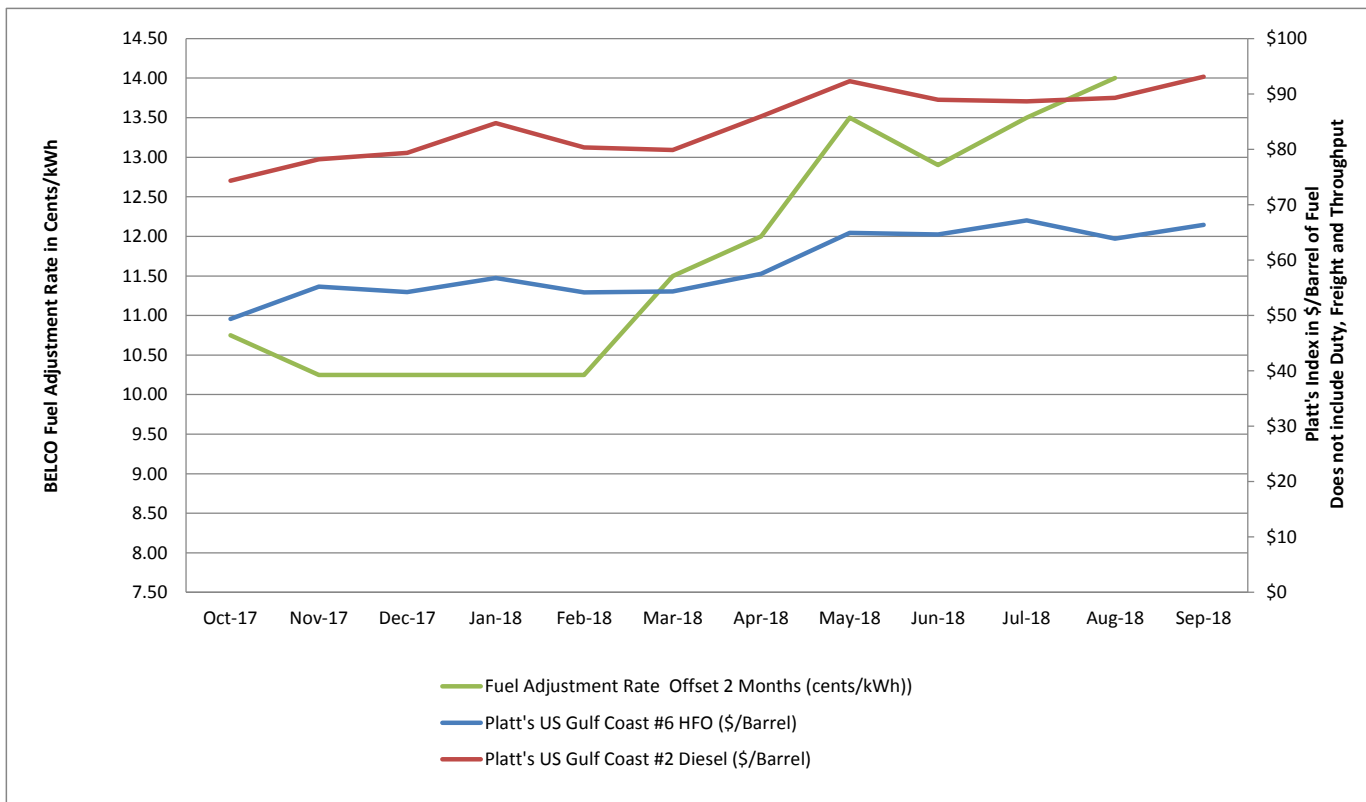




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 30 September 2018

	\$	\$	\$
Opening Balance at 1 September 2018			(759,053)
 <u>Fuel Consumption</u>			
Diesel - 3,697.04 @ \$117.8308	435,625		
Diesel - 15,263.68 @ \$122.3334	1,867,258		
Less: Fuel Consumption @ \$30/bbl	<u>(568,822)</u>	1,734,061	
 Heavy - 63,446 bbls @ \$110.3247	 6,999,661		
Less: Fuel Consumption @ \$30/bbl	<u>(1,903,380)</u>	5,096,281	
 Tynes Bay - 1,924,144 kWh @ \$0.185	 355,967		
Less: (1,924,144 kWh /682.3)2,820.09 bbls @ \$30/bbl	<u>(84,603)</u>	271,364	
		7,101,706	
 Deduct: Fuel Adjustment Revenue		<u>7,810,368</u>	
 September over / (under) recovery			708,662
 Ending Balance at 30 September 2018			<u>(50,391)</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 30 September 2018

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	22,087	66,757	3,780	92,624
Total Fuel Adjustment Cost	\$ 2,022,721	\$ 5,362,236	\$ 363,781	\$ 7,748,738
Fuel Adjustment Cost / Barrel	\$ 91.58	\$ 80.32	\$ 96.23	\$ 83.66

Actual:

Barrels	18,961	63,446	2,820	85,227
Total Fuel Cost	\$ 2,302,883	\$ 6,999,658	\$ 355,967	\$ 9,658,508
Total Fuel Adjustment Cost	\$ 1,734,061	\$ 5,096,278	\$ 271,365	\$ 7,101,705
Fuel Adjustment Cost / Barrel	\$ 91.46	\$ 80.32	\$ 96.23	\$ 83.33

Sales Analysis:

FAR (cents/kwh)

13.50 Requested

13.50 Approved

Fuel Adjustment Sales

Projected:

Actual:

Variance

% Variance

Total KWH Sales	Total \$ Sales
59,387,701	\$ 8,017,340
57,871,458	\$ 7,810,368
(1,516,243)	\$ (206,973)
-2.55%	-2.58%

Summary - projected vs. actual variances:

	Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):	3,126	3,311	960	7,397
Costs:				
Price variance	\$ 2,357	\$ -	\$ 13	\$ 2,370
Quantity variance	\$ 286,304	\$ 265,955	\$ 92,403	\$ 644,662
Total variance	\$ 288,661	\$ 265,955	\$ 92,416	\$ 647,032
Sales:				\$ (206,973)
Total projected vs. actual variance (September 2018)				\$ 440,060

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 September 2018	(759,053)	(759,053)
Projected change in over / (under) recovery position	268,602	268,602
Variance (Actual vs. Projected) - see above		440,060
Actual change in over / (under) recovery position	268,602	708,662
Ending Balance at 30 September 2018	(490,451)	(50,391)



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel*	FADJ (less \$30/bbl)
June 2018	Heavy	No	4,200.51	110.3247	80.3247
September 2018	Heavy	No	151,041.71	112.2732	82.2732
November 2018	Heavy	No	152,000.00	114.0000	84.0000
December 2017	Diesel	No	9,727.32	122.3334	92.3334
July 2018	Diesel	No	39,967.59	133.3830	103.3830

*Cost for November 2018 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:						\$ (50,391)
Projected kWh Sales - October 2018	51,270,581		FADJ	14.00	\$	7,177,881
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	December 2017	9,727	\$ (92.33)	\$ (898,156.17)	
	Diesel	July 2018	5,754	\$ (103.38)	\$ (594,832.70)	
	Heavy	June 2018	4,201	\$ (80.32)	\$ (337,404.71)	
	Heavy	September 2018	62,475	\$ (82.27)	\$ (5,140,058.48)	
	Tynes Bay	N/A	3,802	\$ (95.52)	\$ (363,142.50)	
	Total Barrels		85,959			(155,713)
Projected Over (Under) Recovery account as at end of this month:						(206,104)
Projected kWh Sales - November 2018	45,036,595		FADJ	14.00	\$	6,305,123
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	8,611	\$ (103.38)	\$ (890,231.01)	
	Heavy	September 2018	57,196	\$ (82.27)	\$ (4,705,697.95)	
	Tynes Bay	N/A	3,581	\$ (103.26)	\$ (369,765.30)	
	Total Barrels		69,388			339,429
Projected Over (Under) Recovery account as at end of this month:						133,325
Projected kWh Sales - December 2018	41,936,229		FADJ	14.00	\$	5,871,072
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	2,376	\$ (103.38)	\$ (245,638.01)	
	Heavy	September 2018	31,370	\$ (82.27)	\$ (2,580,928.38)	
	Heavy	November 2018	30,012	\$ (84.00)	\$ (2,520,989.52)	
	Tynes Bay	N/A	3,589	\$ (102.95)	\$ (369,514.80)	
	Total Barrels		67,347			154,001
Projected Over (Under) Recovery account as at end of this month:						287,326



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (50,391)
Projected kWh Sales - October 2018	51,270,581		FADJ	14.00		\$ 7,177,881
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	December 2017	9,727	\$ (92.33)	\$ (898,156.17)	
	Diesel	July 2018	5,754	\$ (103.38)	\$ (594,832.70)	
	Heavy	June 2018	4,201	\$ (80.32)	\$ (337,404.71)	
	Heavy	September 2018	62,475	\$ (82.27)	\$ (5,140,058.48)	
	Tynes Bay	N/A	3,802	\$ (95.52)	\$ (363,142.50)	
	Total Barrels		85,959			(155,713)
Projected Over (Under) Recovery account as at end of this month:						(206,104)
Projected kWh Sales - November 2018	45,036,595		FADJ	13.75		\$ 6,192,532
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	8,611	\$ (103.38)	\$ (890,231.01)	
	Heavy	September 2018	57,196	\$ (82.27)	\$ (4,705,697.95)	
	Tynes Bay	N/A	3,581	\$ (103.26)	\$ (369,765.30)	
	Total Barrels		69,388			226,838
Projected Over (Under) Recovery account as at end of this month:						20,734
Projected kWh Sales - December 2018	41,936,229		FADJ	13.75		\$ 5,766,232
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	2,376	\$ (103.38)	\$ (245,638.01)	
	Heavy	September 2018	31,370	\$ (82.27)	\$ (2,580,928.38)	
	Heavy	November 2018	30,012	\$ (84.00)	\$ (2,520,989.52)	
	Tynes Bay	N/A	3,589	\$ (102.95)	\$ (369,514.80)	
	Total Barrels		67,347			49,161
Projected Over (Under) Recovery account as at end of this month:						69,894



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of August:						\$ (206,104)
Projected kWh Sales - November 2018	45,036,595		CRSEER	18.37		\$ 8,273,222
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	8,611	\$ (133.38)	\$ (1,148,561.01)	
	Heavy	September 2018	57,196	\$ (112.27)	\$ (6,421,577.95)	
	Tynes Bay	N/A	3,581	\$ (133.26)	\$ (477,189.00)	
	Total Barrels		69,388			225,894
Projected Over (Under) Recovery account as at end of this month:						19,791
Projected kWh Sales - December 2018	41,936,229		CRSEER	18.57		\$ 7,787,558
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2018	2,376	\$ (133.38)	\$ (316,918.01)	
	Heavy	September 2018	31,370	\$ (112.27)	\$ (3,522,034.98)	
	Heavy	November 2018	30,012	\$ (114.00)	\$ (3,421,342.92)	
	Tynes Bay	N/A	3,589	\$ (132.95)	\$ (477,189.00)	
	Total Barrels		67,347			50,073
Projected Over (Under) Recovery account as at end of this month:						69,863

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

BELCO

Generators Available for Service

September 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	10134	680
E2	Yes	HFO	10052	661
E3	Yes	HFO	7788	689
E4	Yes	HFO	7881	702
E5	Yes	HFO	11320	705
E6	Yes	HFO	10143	715
E7	Yes	HFO	1290	709
E8	Yes	HFO	11159	733
D3	Yes	LFO	3876	604
D8	Yes	LFO	4086	613
D10	Yes	LFO	4711	607
D14	Yes	LFO	1090	596
GT4	Yes	LFO	82	318
GT5	Yes	LFO	1418	408
GT6	Yes	LFO	937	453
GT7	Yes	LFO	673	454
GT8	Yes	LFO	888	443

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



Generators Out of Service

September 2018

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E4	Main Engine	PO	13.5K service	9/30/18	10/23/18
E5	Main Engine	MO	HT expansion tank drained and re-pressurized	9/24/18	9/25/18
D14	Auxiliary Systems	MO	Replace Lo Filter elements	9/20/18	9/20/18
D10	Main Engine	MO	Broken head stud cylinder 5L.	9/19/18	9/21/18
E3	Auxiliary Systems	MO	Cylinder 1 right fuel leak from inlet pipe.	9/18/18	9/19/18
E5	Electrical System	MO	Unit out for Alternator inspection	9/15/18	9/15/18
E3	Main Engine	FO (Immediate)	Cylinder 3R Fuel Oil supply pipe	9/15/18	9/15/18
E6	Main Engine	FO (Immediate)	HFO P/p #1 lost fuel pressure	9/15/18	9/15/18
E6	Electrical System	MO	Unit out for Alternator inspection.	9/14/18	9/15/18
D14	Main Engine	FO (Postpone)	RG Lo Leak on supply line to cylinder 15	9/13/18	9/13/18
D3	Electrical System	FO (Immediate)	DC power supply failure	9/12/18	9/12/18
E6	Main Engine	FO (Immediate)	Nutshell line broke completely off from RHS	9/9/18	9/9/18
D8	Main Engine	MO	INC to fix JKW flow switch and EMD to fix FVCW P/p motor.	9/9/18	9/9/18
E6	Main Engine	MO	Pipe repair and replacement to N/S system	9/7/18	9/8/18
E2	Main Engine	FO (Immediate)	Fuel leak from northern injector body, cylinder #8.	9/6/18	9/6/18
E7	Main Engine	PO	Unit to PO	9/3/18	9/30/18



Scheduled Generator Maintenance

Oct-18

Generator	Maintenance Type	Outage Date	Return Date
E4	13.5K Service	10/1/2018	10/23/2018
E8	18K Service	10/29/2018	11/30/2018



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