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PLEASE QUOTE OUR REF.

February 8, 2017

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

Attention: Mr. Mathew Copeland, CEO

TARIFF FILING

Dear Mr. Copeland,

This is to advise you that we wish to make the following changes to the fuel adjustment rate ("FAR") and Commercial renewable system excess energy rate ("CRSEER"):

1. FAR - **Increase** from the existing rate of 8.00 cents per kilowatt-hour sold for February 2017 to 9.00 cents per kilowatt-hour sold for March 2017 ; **and**
2. CRSEER - **Increase** from 12.73 cents per kilowatt-hour for February 2017 to 14.25 cents per kilowatt-hour for all meters read during the month of March 2017.

The CRSEER represents the rate BELCO will pay commercial owners for excess energy they have generated but not consumed and have exported to BELCO.

Please note that our submission is provided using the minimum filing report ("MFR") format established by the former Energy Commission.

The actual fuel adjustment cost recovery position as at January 31, 2017 was \$1,212,806 over recovered as compared to the projected \$910,647 over recovery position projected in December. The \$302,159 favorable variance is due to:

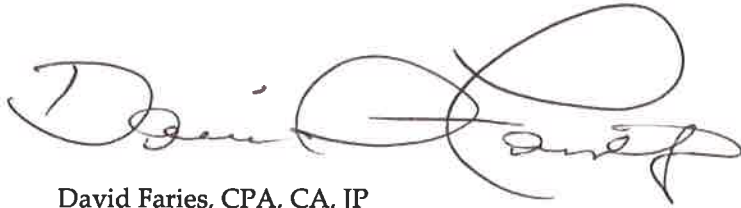
- The total actual barrels of fuel consumed in December were 4,538 barrels lower than projected, resulting in a **positive** impact on the recovery position of \$280,801;
- Net price variance **positively** impacted the recovery position by \$5,391; and
- Actual December electric sales were 261,302 KWH's higher than projected. This variance resulted in a net **positive** impact on the fuel recovery position of \$15,967.

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 email dated 25 January 2017.

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 black ink, appearing to read "David Faries". The signature is fluid and cursive, with a large loop at the end.

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



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

March 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

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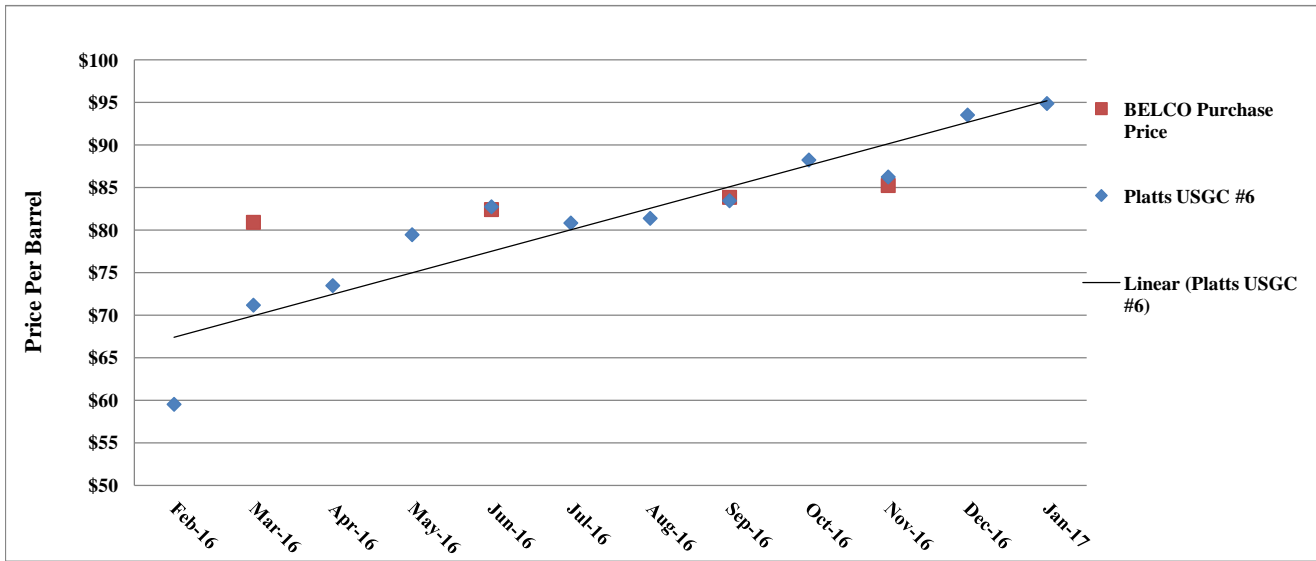


Heavy Fuel Oil Purchased

Versus

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

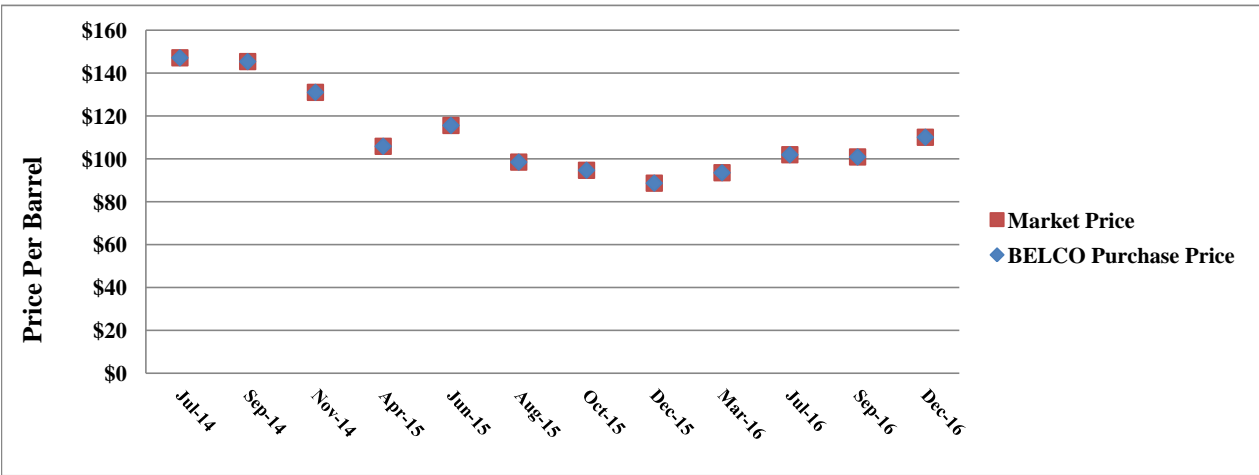
Previous Twelve Months



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

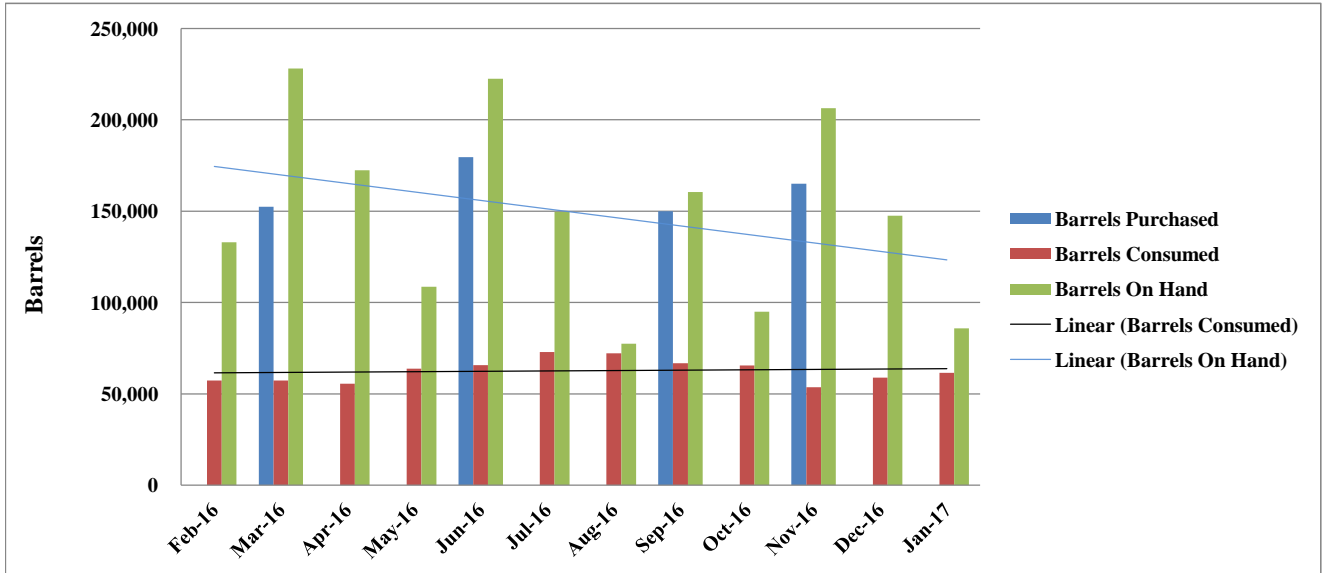
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
February, 2016	-	57,254.00	132,959.84
March, 2016	152,460.51	57,382.00	228,038.35
April, 2016	-	55,652.00	172,386.35
May, 2016	-	63,805.00	108,581.35
June, 2016	179,621.88	65,692.00	222,511.23
July, 2016	-	72,880.00	149,631.23
August, 2016	-	72,216.00	77,415.23
September, 2016	149,880.68	66,740.00	160,555.91
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



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

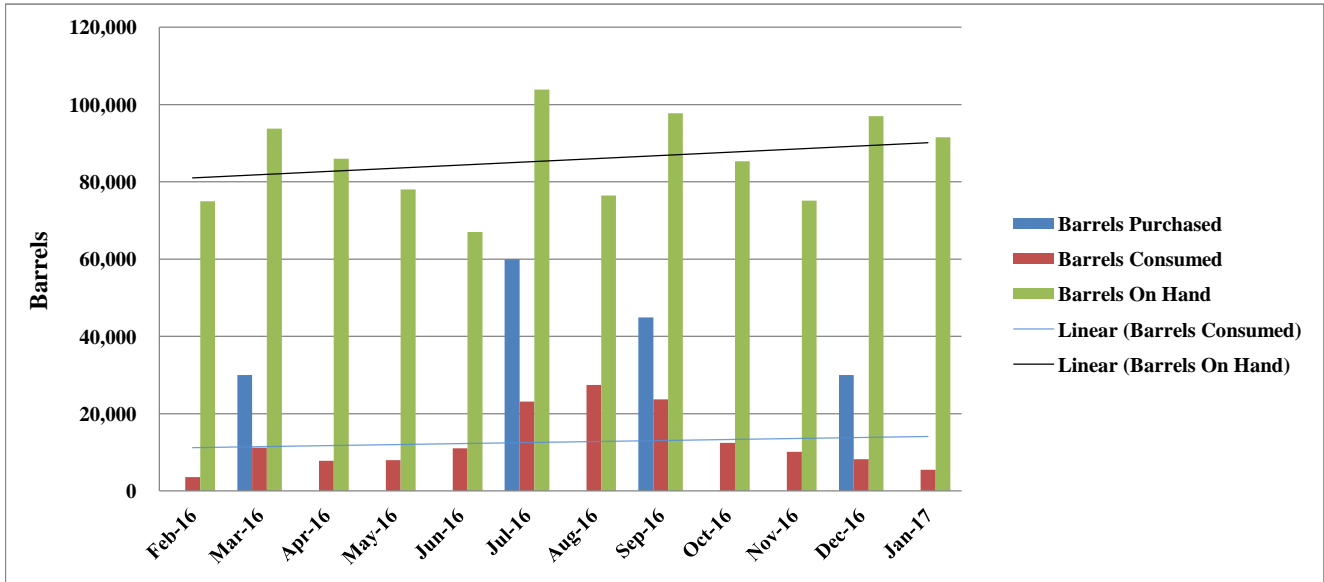
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
February, 2016	-	3,566.00	74,982.63
March, 2016	30,023.88	11,234.65	93,771.86
April, 2016	-	7,806.00	85,965.86
May, 2016	-	7,934.26	78,031.60
June, 2016	-	11,012.69	67,018.91
July, 2016	60,013.52	23,110.99	103,921.44
August, 2016	-	27,414.40	76,507.04
September, 2016	44,939.15	23,686.64	97,759.55
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



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

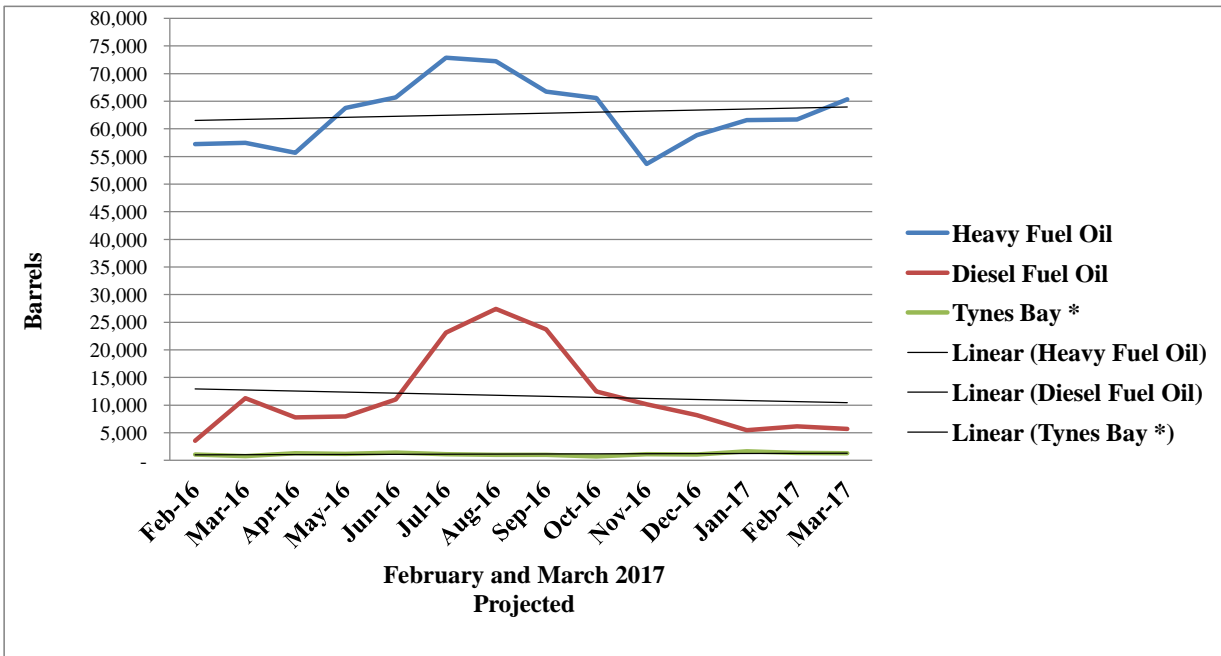
In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



Barrels of Fuel Consumed

Previous Twelve Months

Plus Two Month Forward Projection



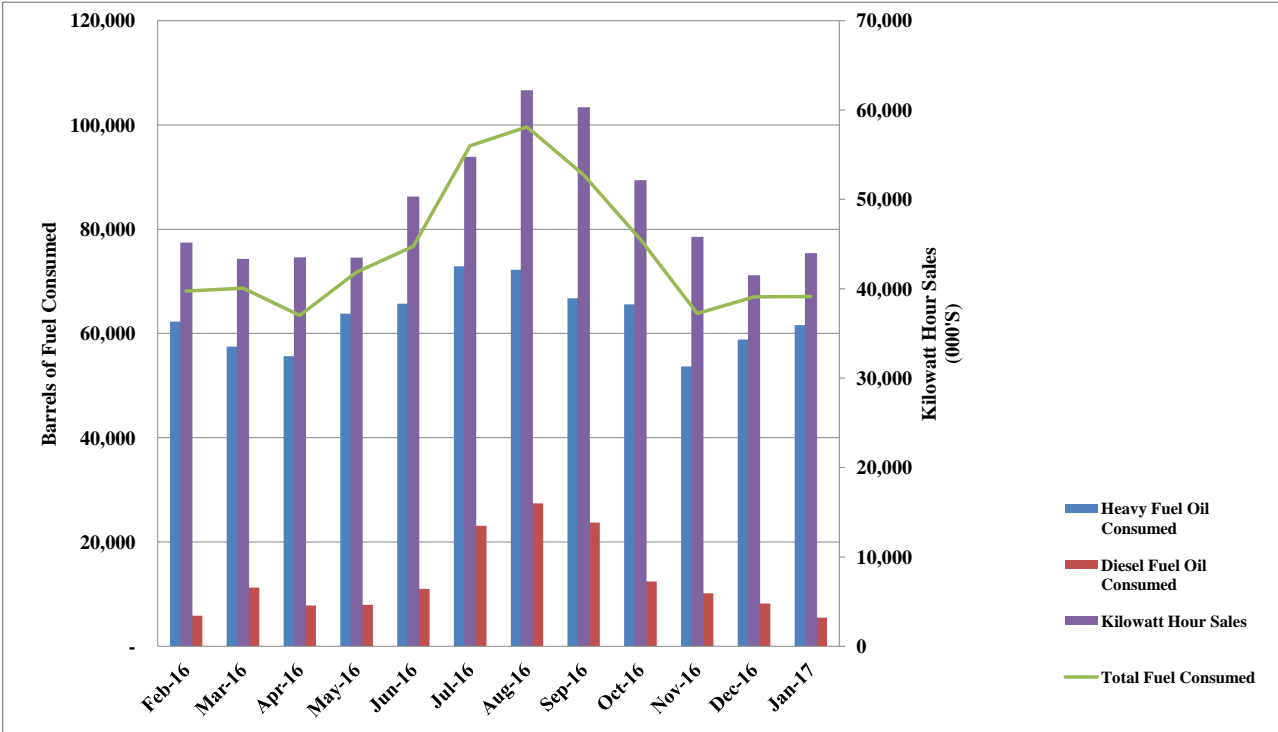
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

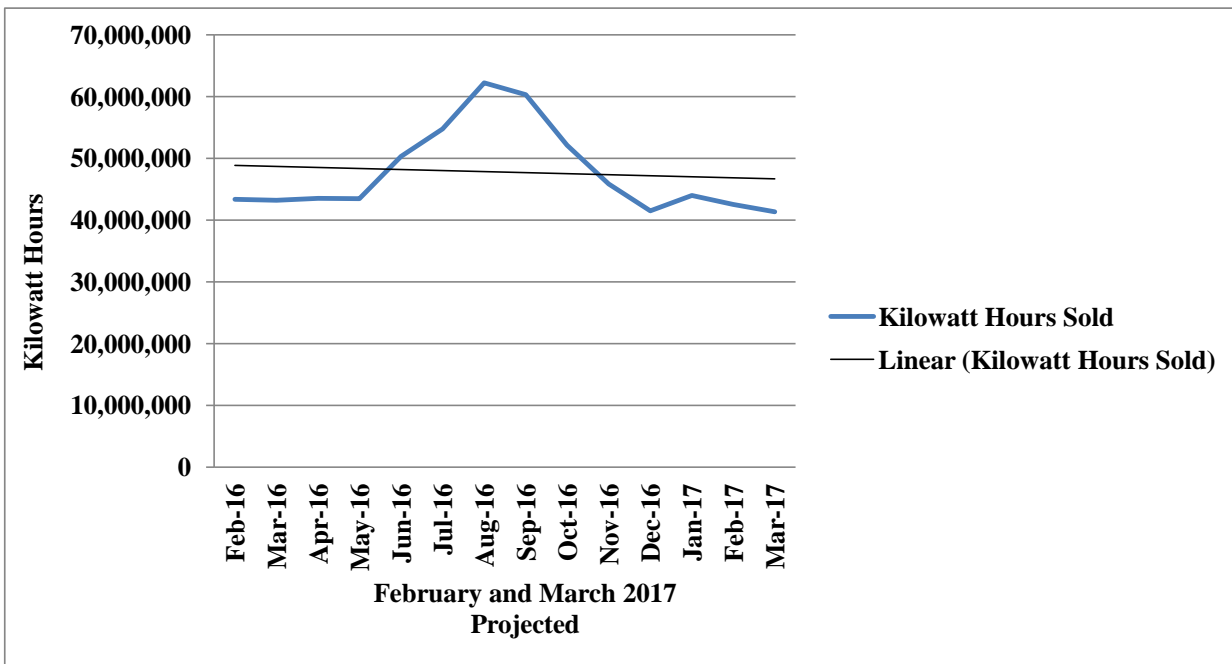




Kilowatt Hour Sales

Previous Twelve Months

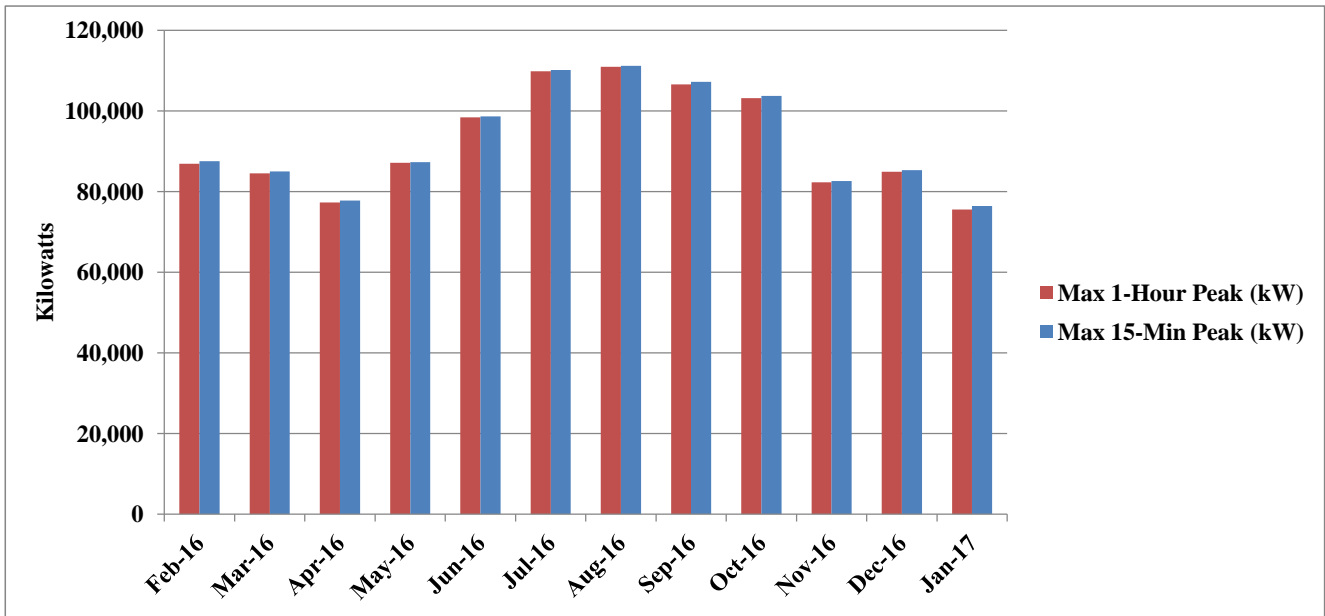
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

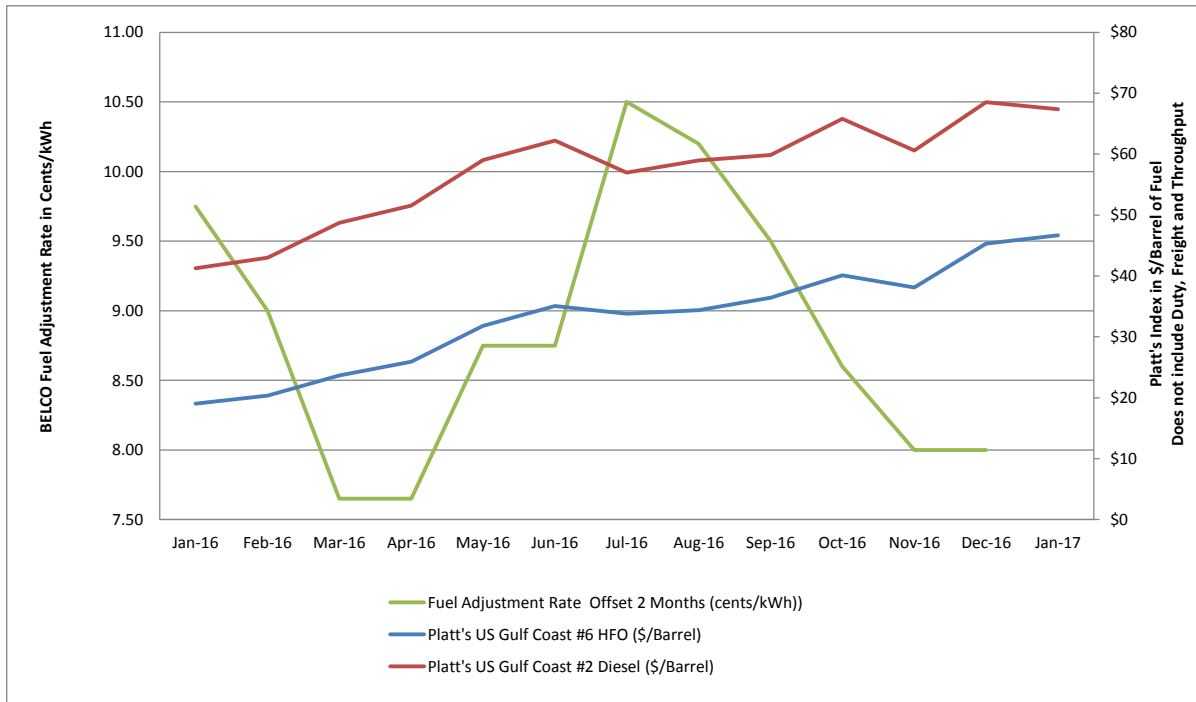




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31st January 2017

	\$	\$	\$
Opening Balance at 1 January 2017			1,609,217
<u>Fuel Consumption</u>			
Diesel - 5,468.49 @ \$101.9777	557,664		
Less: Fuel Consumption @ \$30/bbl	<u>(164,055)</u>	393,609	
Heavy - 12,487.91 bbls @ \$84.0321	1,049,385		
Heavy - 30,000.00 bbls @ \$82.9183	2,487,549		
Heavy - 19,100.09 bbls @ \$87.0697	1,663,039		
Less: Fuel Consumption @ \$30/bbl	<u>(1,847,640)</u>	3,352,333	
Tynes Bay - 1,155,276 kWh @ \$0.185	213,726		
Less: (1,155,276 kWh /706.3) 1,635.67 bbls @ \$30/bbl	<u>(49,070)</u>	164,656	
		3,910,598	
Deduct: Fuel Adjustment Revenue		<u>3,514,187</u>	
December over / (under) recovery			(396,411)
Interest Expense			-
Ending Balance at 31 January 2017			<u>1,212,806</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 31st January 2017

	Diesel	Heavy	Tynes Bay	Total
Cost Analysis:				
Projections:				
Barrels	8,241	63,678	1,311	73,230
Total Fuel Adjustment Cost	\$ 593,168	\$ 3,471,609	\$ 132,013	\$ 4,196,790
Fuel Adjustment Cost / Barrel	\$ 71.98	\$ 54.52	\$ 100.70	\$ 57.31
Actual:				
Barrels	5,469	61,588	1,636	68,692
Total Fuel Cost	\$ 557,664	\$ 5,199,973	\$ 213,726	\$ 5,971,363
Total Fuel Adjustment Cost	\$ 393,607	\$ 3,352,333	\$ 164,655	\$ 3,910,595
Fuel Adjustment Cost / Barrel	\$ 71.98	\$ 54.43	\$ 100.66	\$ 56.93

Sales Analysis:

FAR (cents/kwh)

8.00 Requested

8.00 Approved

		Total KWH Sales	Total \$ Sales
Fuel Adjustment Sales	Projected:	43,727,752	\$ 3,498,220
	Actual:	43,989,054	\$ 3,514,187
	Variance	261,302	\$ 15,967
	% Variance	0.60%	0.46%

Summary - projected vs. actual variances:

	Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):	2,772	2,090	(325)	4,538
Costs:				
Price variance	\$ 7	\$ 5,334	\$ 54	\$ 5,391
Quantity variance	\$ 199,555	\$ 113,943	\$ (32,696)	\$ 280,801
Add: Fuel Loan Interest				-
Total variance	\$ 199,561	\$ 119,277	\$ (32,642)	\$ 286,192
Sales:				\$ 15,967
Total projected vs. actual variance (January 2017)				\$ 302,159

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Balance as at 1 January 2017:	1,609,217	1,609,217
Projected change in over / (under) recovery position	(698,570)	(698,570)
Variance (Actual vs. Projected) - see above		302,159
Actual change in over / (under) recovery position	(698,570)	(396,411)
Balance as at 31 January 2017:	910,647	1,212,806

BELCO

Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
November 2016	Heavy	Yes	10,899.91	87.0697	57.0697
November 2016	Heavy	No	75,045.90	86.8042	56.8042
February 2017	Heavy	Yes	30,000.00	79.9402	49.9402
February 2017	Heavy	Yes	60,000.00	89.9133	59.9133
February 2017	Heavy	Yes	30,000.00	97.9323	67.9323
February 2017	Heavy	No	30,000.00	97.9323	67.9323
July 2016	Diesel	No	16,569.22	101.9777	71.9777
September 2016	Diesel	No	44,939.15	101.0355	71.0355



Fuel Adjustment Over/(Under) Recovery Projections

At Existing Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 1,212,806
Projected kWh Sales - February 2017	42,546,604		FADJ 8.00			\$ 3,403,728
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	6,172	\$ (71.98)	\$ (444,246.36)	
	Heavy	November 2016	10,900	\$ (57.07)	\$ (622,054.59)	
	Heavy	November 2016	50,826	\$ (56.80)	\$ (2,887,135.38)	
	Tynes Bay	N/A	1,327	\$ (102.79)	\$ (136,401.41)	
	Total Barrels		69,225			(686,109)
Projected Over (Under) Recovery account as at end of this month:						526,697
Projected kWh Sales - March 2017	41,308,560		FADJ 8.00			\$ 3,304,685
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	5,703	\$ (71.98)	\$ (410,488.82)	
	Heavy	November 2016	24,220	\$ (56.80)	\$ (1,375,786.93)	
	Heavy	February 2017	30,000	\$ (49.94)	\$ (1,498,206.00)	
	Heavy	February 2017	11,143	\$ (59.91)	\$ (667,625.29)	
	Tynes Bay	N/A	1,294	\$ (101.33)	\$ (131,170.54)	
	Total Barrels		72,360			(778,593)
Projected Over (Under) Recovery account as at end of this month:						(251,896)
Projected kWh Sales - April 2017	42,595,982		FADJ 8.00			\$ 3,407,679
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	4,694	\$ (71.98)	\$ (337,879.16)	
	Diesel	September 2016	35	\$ (71.04)	\$ (2,470.61)	
	Heavy	February 2017	48,857	\$ (59.91)	\$ (2,927,172.71)	
	Heavy	February 2017	15,679	\$ (67.93)	\$ (1,065,123.44)	
	Tynes Bay	N/A	1,309	\$ (101.92)	\$ (133,439.03)	
	Total Barrels		70,574			(1,058,406)
Projected Over (Under) Recovery account as at end of this month:						(1,310,303)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 1,212,806
Projected kWh Sales - February 2017	42,546,604		FADJ 8.00			\$ 3,403,728
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	6,172	\$ (71.98)	\$ (444,246.36)	
	Heavy	November 2016	10,900	\$ (57.07)	\$ (622,054.59)	
	Heavy	November 2016	50,826	\$ (56.80)	\$ (2,887,135.38)	
	Tynes Bay	N/A	1,327	\$ (102.79)	\$ (136,401.41)	
	Total Barrels		69,225			(686,109)
Projected Over (Under) Recovery account as at end of this month:						526,697
Projected kWh Sales - March 2017	41,308,560		FADJ 9.00			\$ 3,717,770
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	5,703	\$ (71.98)	\$ (410,488.82)	
	Heavy	November 2016	24,220	\$ (56.80)	\$ (1,375,786.93)	
	Heavy	February 2017	30,000	\$ (49.94)	\$ (1,498,206.00)	
	Heavy	February 2017	11,143	\$ (59.91)	\$ (667,625.29)	
	Tynes Bay	N/A	1,294	\$ (101.33)	\$ (131,170.54)	
	Total Barrels		72,360			(365,507)
Projected Over (Under) Recovery account as at end of this month:						161,189
Projected kWh Sales - April 2017	42,595,982		FADJ 10.00			\$ 4,259,598
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	4,694	\$ (71.98)	\$ (337,879.16)	
	Diesel	September 2016	35	\$ (71.04)	\$ (2,470.61)	
	Heavy	February 2017	48,857	\$ (59.91)	\$ (2,927,172.71)	
	Heavy	February 2017	15,679	\$ (67.93)	\$ (1,065,123.44)	
	Tynes Bay	N/A	1,309	\$ (101.92)	\$ (133,439.03)	
	Total Barrels		70,574			(206,487)
Projected Over (Under) Recovery account as at end of this month:						(45,297)



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of January:						\$ 526,697
Projected kWh Sales - March 2017	41,308,560		CRSEER	14.25	\$	5,886,470
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel		Total Cost
	Diesel	July 2016	5,703	\$ (101.98)	\$	(581,578.82)
	Heavy	November 2016	24,220	\$ (86.80)	\$	(2,102,381.23)
	Heavy	February 2017	30,000	\$ (79.94)	\$	(2,398,206.00)
	Heavy	February 2017	11,143	\$ (89.91)	\$	(1,001,920.99)
	Tynes Bay	N/A	1,294	\$ (131.33)	\$	(170,004.64)
	Total Barrels		72,360			(367,622)
Projected Over (Under) Recovery account as at end of this month:						159,075
Projected kWh Sales - April 2017	42,595,982		CRSEER	14.98	\$	6,380,878
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel		Total Cost
	Diesel	July 2016	4,694	\$ (101.98)	\$	(478,705.76)
	Diesel	September 2016	35	\$ (101.04)	\$	(3,514.01)
	Heavy	February 2017	48,857	\$ (89.91)	\$	(4,392,877.01)
	Heavy	February 2017	15,679	\$ (97.93)	\$	(1,535,499.14)
	Tynes Bay	N/A	1,309	\$ (131.92)	\$	(172,715.26)
	Total Barrels		70,574			(202,433)
Projected Over (Under) Recovery account as at end of this month:						(43,358)



Generators Available for Service

January 2017

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	8771	682
E2	Yes	HFO	10292	676
E3	Yes	HFO	5486	694
E4	Yes	HFO	5430	707
E5	Yes	HFO	11291	689
E6	Yes	HFO	11490	704
E7	Yes	HFO	598	710
E8	Yes	HFO	11331	736
D3	Yes	LFO	1145	615
D8	Yes	LFO	1351	626
D10	Yes	LFO	1984	616
D14	Yes	LFO	128	600
GT4	Yes	LFO	65	335
GT5	No	LFO	0	0
GT6	Yes	LFO	34	459
GT7	Yes	LFO	16	432
GT8	Yes	LFO	55	285

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



Generators Out of Service

January 2016

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E6	Auxiliary Systems	MO	ICW leak and HT sensing line leak	01/31/17	01/31/17
E3	Auxiliary Systems	FO (Immediate)	Fuel pump transfer failure	01/28/17	01/29/17
E6	Main Engine	MO	ICW pipe weld and bracket	01/24/17	01/25/17
D3	Main Engine	MO	cylinder head leak 3L	01/23/17	01/25/17
E6	Main Engine	FO (Immediate)	icw rail leak	01/22/17	01/22/17
GT5	Electrical System	FO (Immediate)	No 48v DC supply	01/19/17	02/01/17
GT5	Electrical System	MO	MO to replace Vibration Transitter on the NDE	01/18/17	01/21/17
E1	Main Engine	FO (Immediate)	Exhaust bellow leak and support cracks	01/15/17	01/20/17
E8	Other Systems	FO (Immediate)	A Bank charge air cooler leak	01/14/17	01/15/17
E4	Auxiliary Systems	MO	Fuel oil leaks, cylinder lub oil box #1 and JCW inlet manifold	01/13/17	01/14/17
D3	Auxiliary Systems	MO	Unit out to blank off old radiator fans	01/12/17	01/12/17
E5	Main Engine	MO	Unit out to change fuel injector on cylinder 3B and verify tappet settings	01/12/17	01/13/17
E3	Main Engine	MO	Unit out to replace fuel injector at 8B and check tappets at 2A	01/11/17	01/12/17
E8	Auxiliary Systems	FO (Immediate)	e8 tripped from loss of Start air supply to shutdown air.	01/08/17	01/08/17
E5	Main Engine	FO (Immediate)	E5 start air leak	01/08/17	01/08/17
D3	Electrical System	FO (Immediate)	Heavy rain causing flooding in MCC room. Unit forced out as a precaution.	01/05/17	01/05/17
D8	Electrical System	FO (Immediate)	Heavy rain causing flooding in MCC room. Unit forced out as a precaution.	01/05/17	01/05/17
D10	Electrical System	FO (Immediate)	Heavy rain causing flooding in MCC room. Unit forced out as a precaution.	01/05/17	01/05/17
E5	Instrumentation & Control System	FO (Postpone)	Unit out address governor fault.	01/04/17	01/04/17
E5	Instrumentation & Control System	FO (Immediate)	Loss of governor control from Ops Centre and LEP	01/03/17	01/03/17
E7	Main Engine	PO	Unit out at for 18K service	01/03/17	01/03/17
E3	Main Engine	MO	This unit was forced out lunch time to repair cylinder 5R fuel oil HP line.	01/03/17	01/03/17
E6	Auxiliary Systems	MO	Unit out to replace HTCW bellows	01/03/17	01/04/17
E7	Main Engine	MO	MO due to Tripping Cyl LO pp 2 and Tripping V/v Seat pp	01/01/17	01/01/17

BELCO

Scheduled Generator Maintenance

February 2017

Generator	Maintenance Type	Outage Date	Return Date
E8	6K	Mon 2/6/17	Tue 2/21/17
E1	12K(major service)	Tue 2/21/17	Sat 3/25/17



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.**
There have been no other events having a direct impact on the Fuel Adjustment Rate during the filing period.
3. **Changes in Debt Facilities Affecting the Fuel Adjustment Rate.**
The current overdraft facility of \$18 million expires 28 February 2017.
4. **Change in the Discount calculated on customer invoices**
There have been no changes to the Discounts calculated on customer invoices during the filing period.