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PLEASE QUOTE OUR REF.

March 12, 2018

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"):

Increase from the existing rate of 10.25 cents per kilowatt-hour sold for March 2018 to 10.75 cents per kilowatt-hour sold for April 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 28th February 2018 was \$1,830,726 over recovered as compared to the \$1,488,686 over recovery position projected in our last filing. The \$342,040 favorable variance is due to:

- The total actual barrels of fuel consumed in February were 3,472 barrels lower than projected, resulting in a positive impact on the recovery position of \$227,140;
- Net price variance positively impacted the recovery position by \$10,002; and
- Actual February electric sales were 103,513 KWH's higher than projected. This variance resulted in a net positive impact on the fuel recovery position of \$104,898.

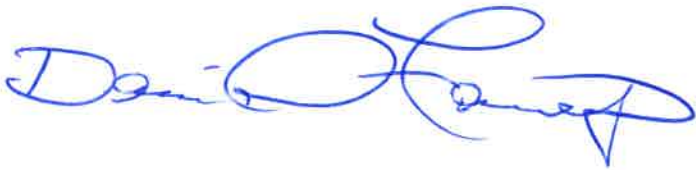
Our detailed working paper supporting this analysis has been included in the MFR (please refer to Page 17 "FAR Recovery Variance Analysis") as requested per the Authority's email dated 25 January 2017.

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", with a stylized flourish at the end.

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



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

FOR PUBLIC DISCLOSURE

April 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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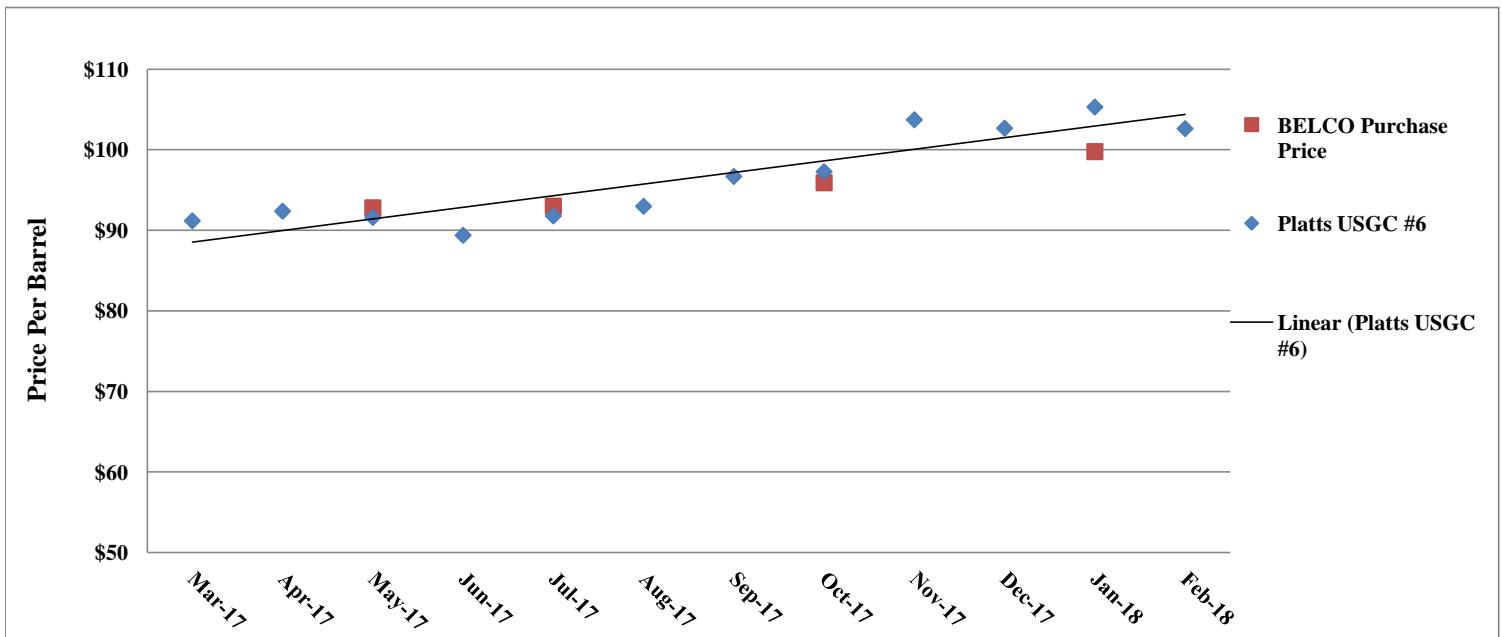


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

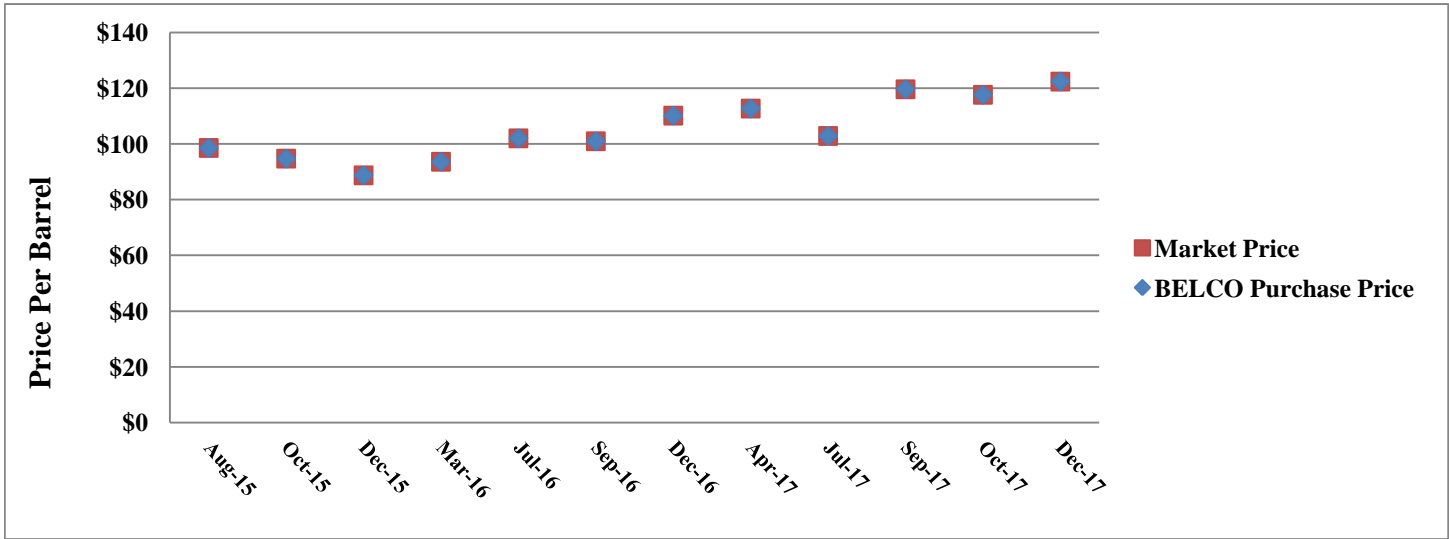


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

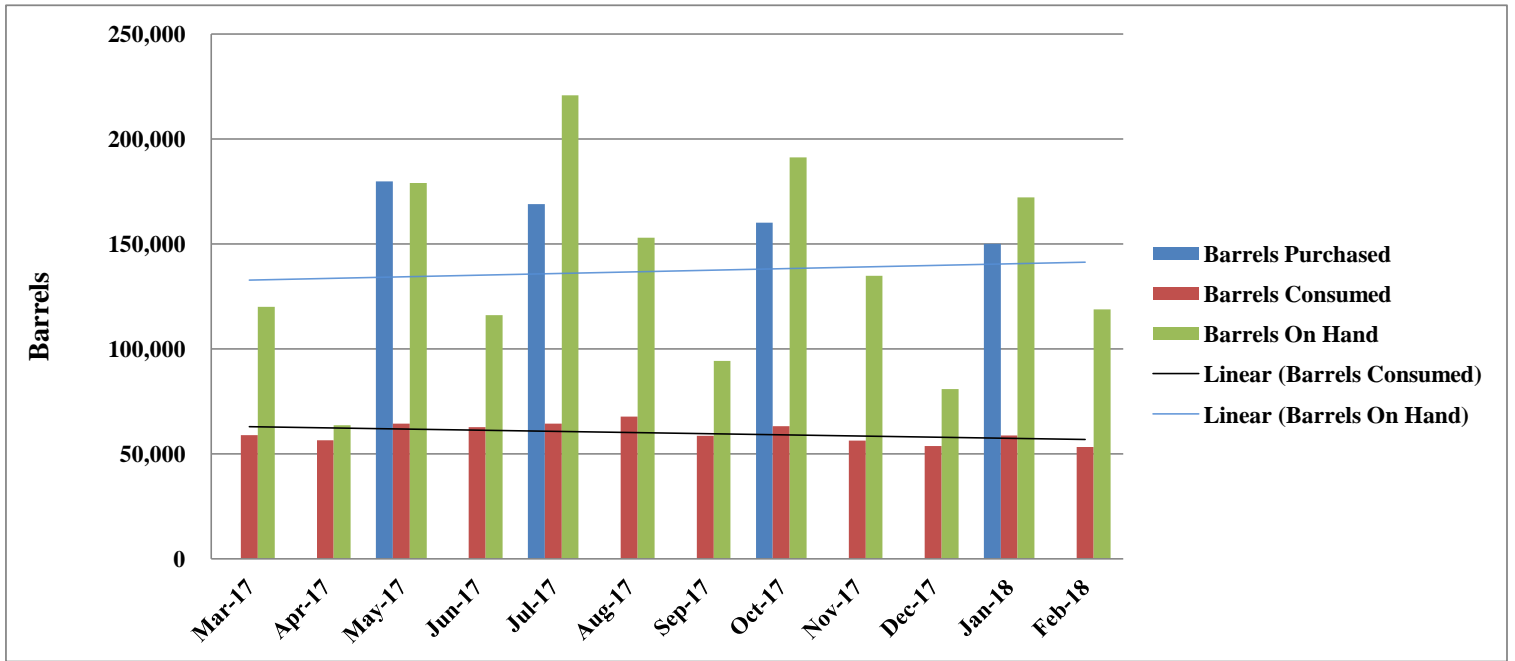
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
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



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

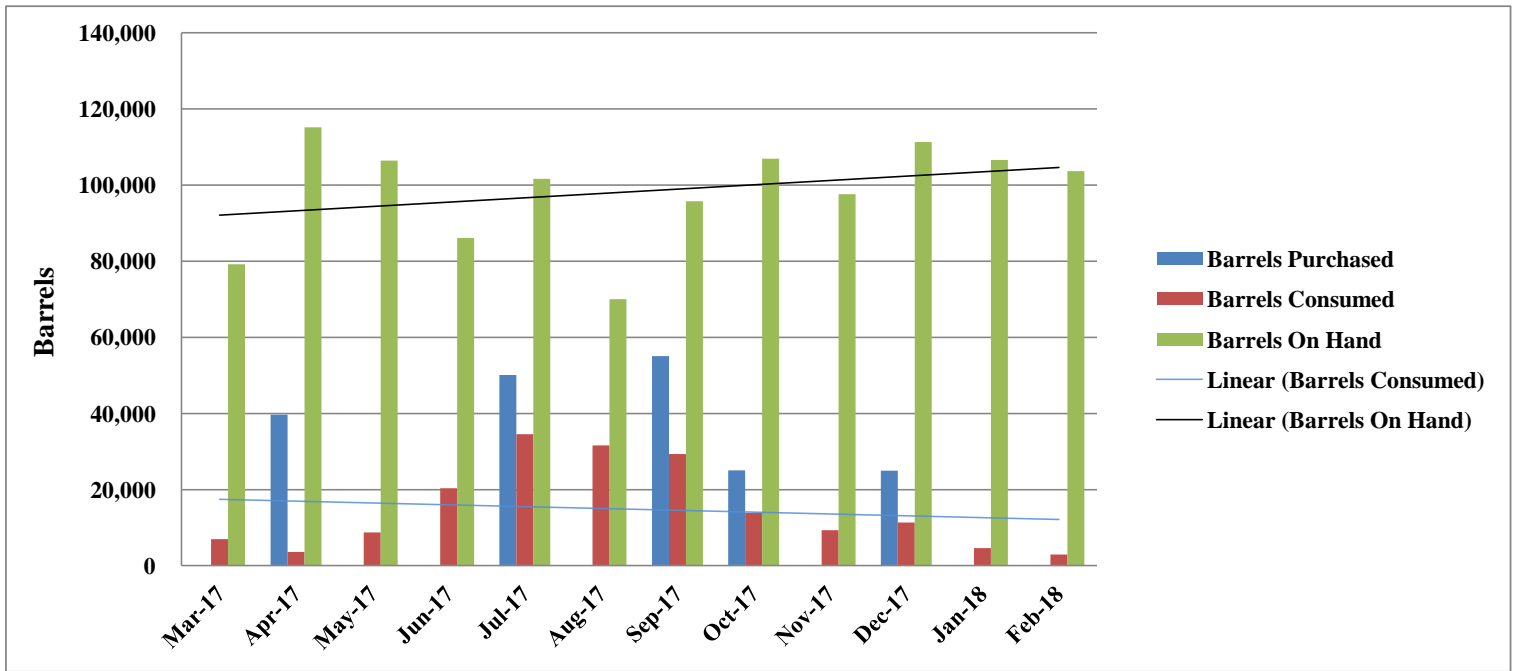
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
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



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.

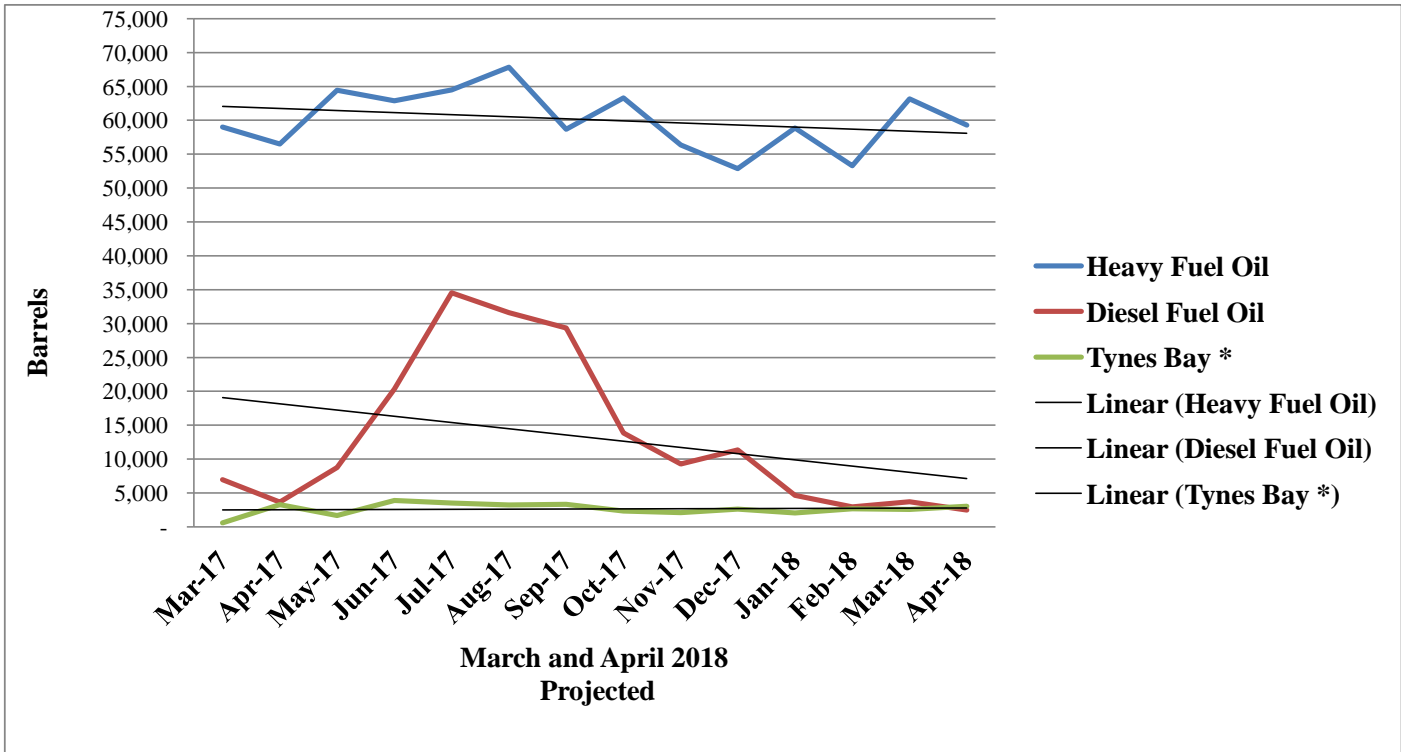


Diesel Fuel Oil Costs Per Shipment

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



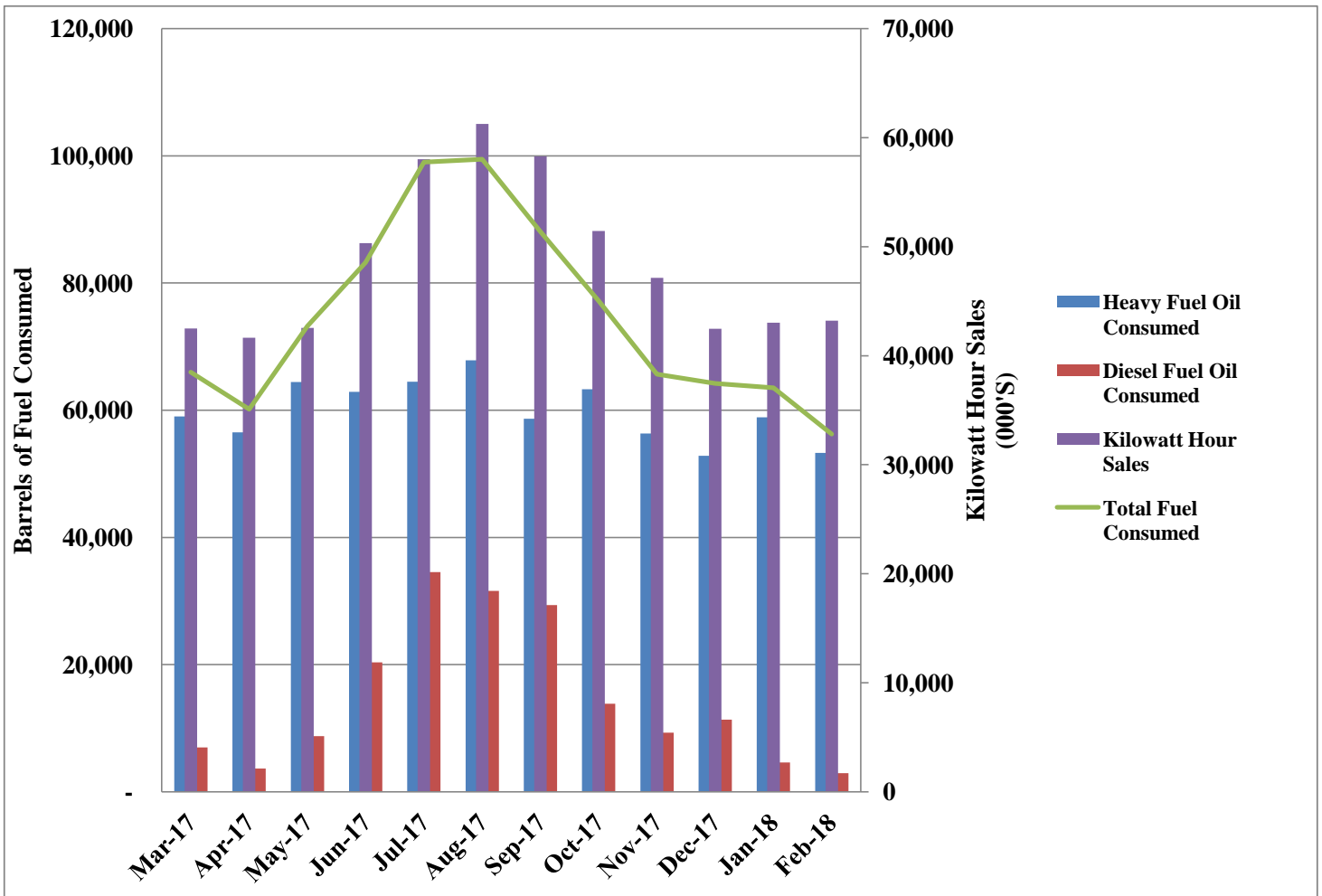
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

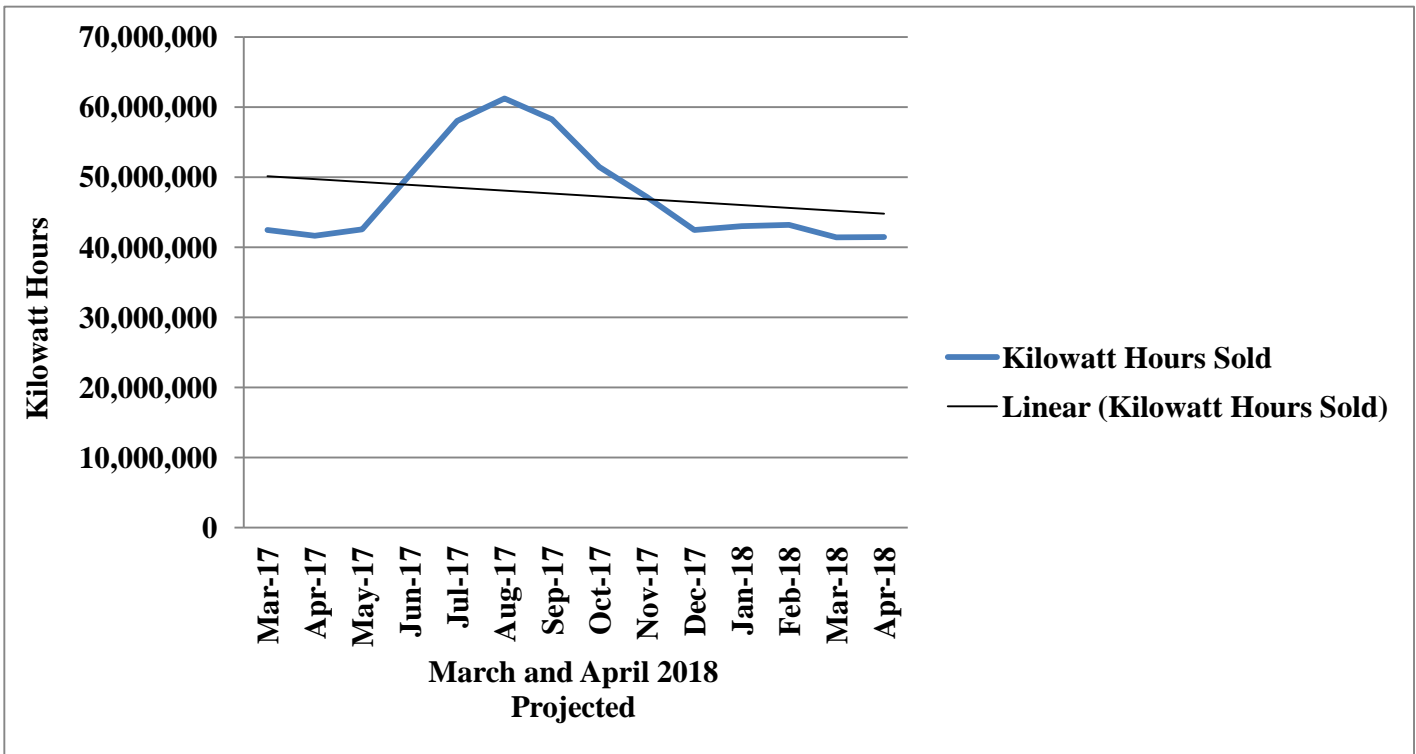




Kilowatt Hour Sales

Previous Twelve Months

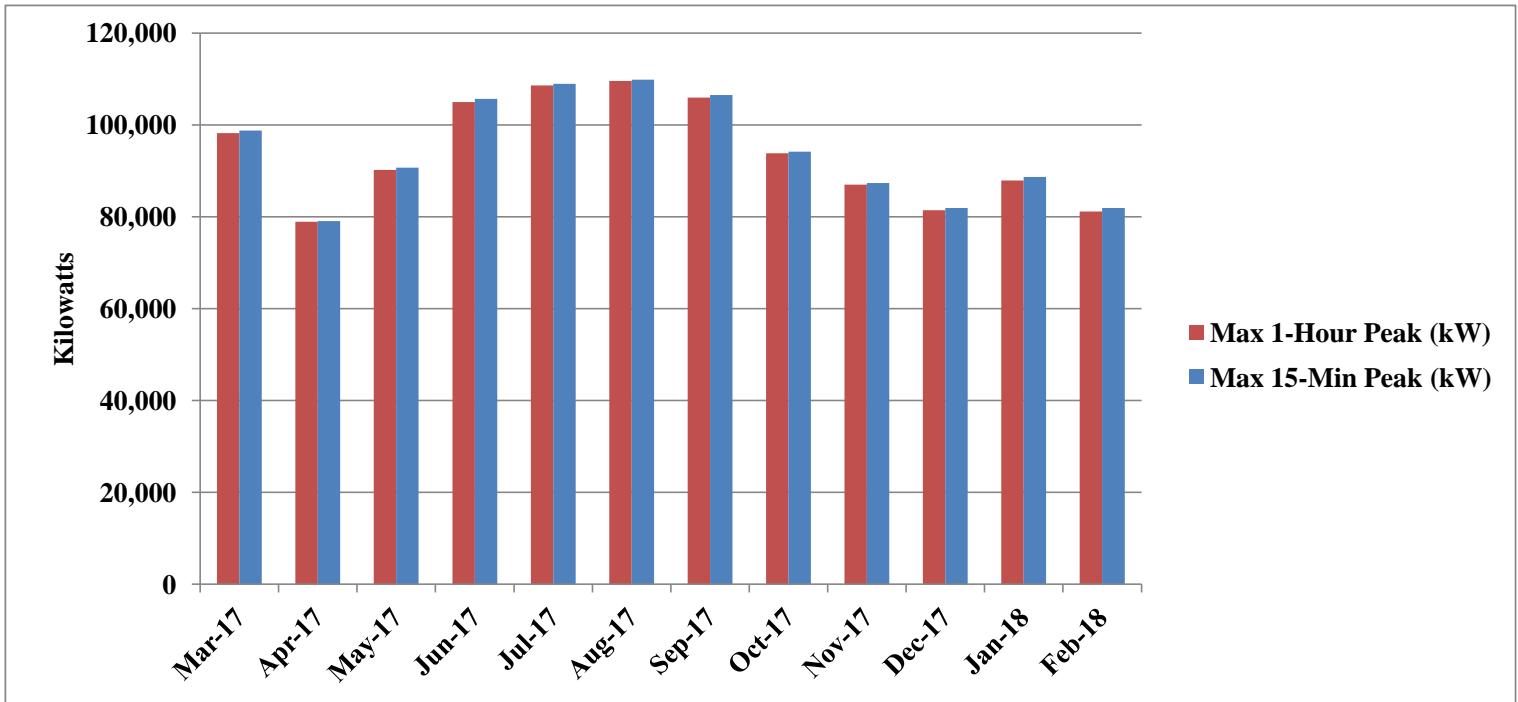
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

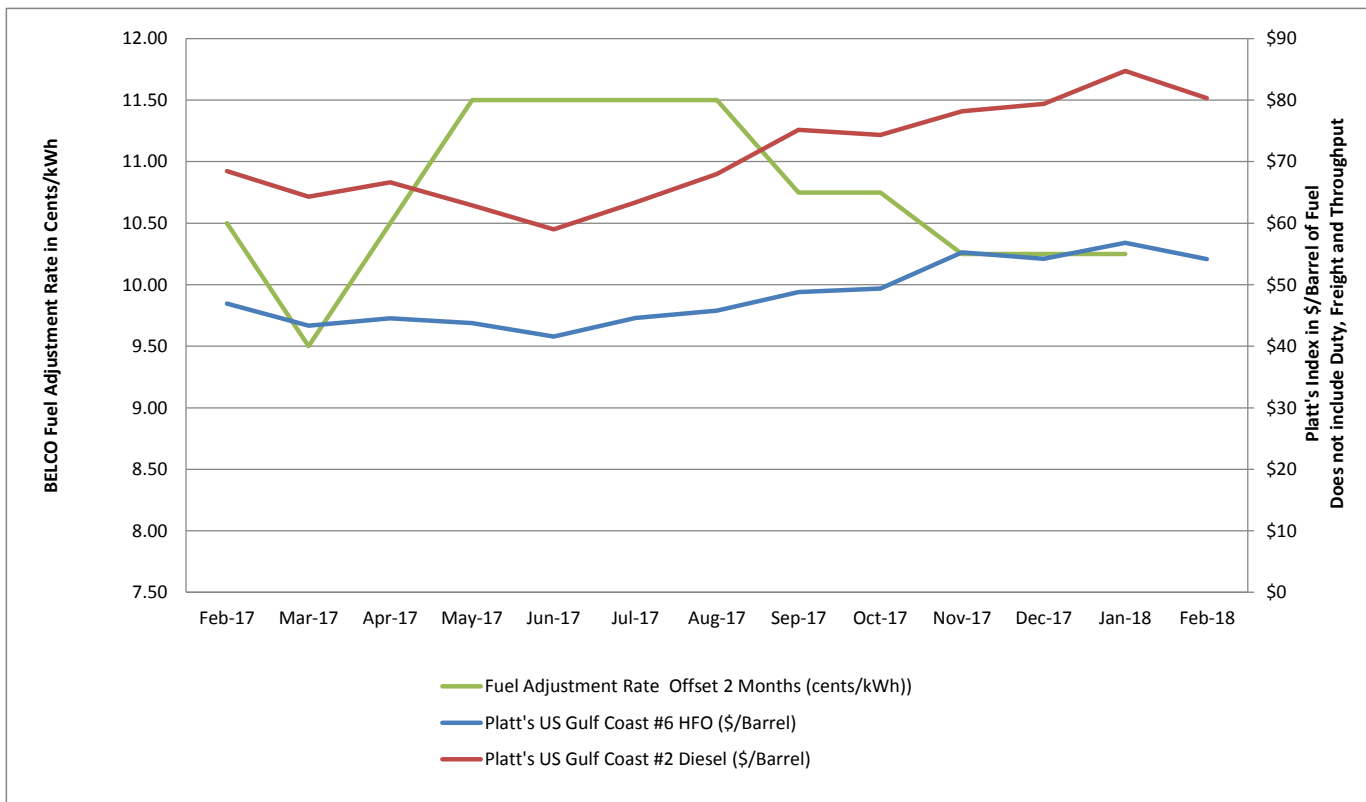




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 28 February 2018

	\$	\$	\$
Opening Balance at 1 February 2018			1,393,681
 <u>Fuel Consumption</u>			
Diesel - 1,573.80 @ \$102.8318	161,837		
Diesel - 1,377.67 @ \$119.5800	164,742		
Less: Fuel Consumption @ \$30/bbl	<u>(88,544)</u>	238,035	
 Heavy -22,106.26 bbls @ \$99.1326	2,191,451		
Heavy -30,000.00 bbls @ \$92.5450	2,776,350		
Heavy -1,184.74 bbls @ \$97.8304	115,904		
Less: Fuel Consumption @ \$30/bbl	<u>(1,598,730)</u>	3,484,975	
 Tynes Bay - 1,885,880 kWh @ \$0.185	348,888		
Less: (1,885,880 kWh /712.5) 2,646.85 bbls @ \$30/bbl	<u>(79,406)</u>	269,482	
		3,992,492	
 Deduct: Fuel Adjustment Revenue		<u>4,429,536</u>	
 February over / (under) recovery			437,045
 Ending Balance at 28 February 2018			<u>1,830,726</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 28 February 2018

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	3,248	56,607	2,506	62,361
Total Fuel Adjustment Cost	\$ 264,598	\$ 3,709,900	\$ 255,136	\$ 4,229,634
Fuel Adjustment Cost / Barrel	\$ 81.46	\$ 65.54	\$ 101.81	\$ 67.83

Actual:

Barrels	2,951	53,291	2,647	58,889
Total Fuel Cost	\$ 326,578	\$ 5,083,706	\$ 348,888	\$ 5,759,172
Total Fuel Adjustment Cost	\$ 238,034	\$ 3,484,976	\$ 269,482	\$ 3,992,492
Fuel Adjustment Cost / Barrel	\$ 80.65	\$ 65.40	\$ 101.81	\$ 67.80

Sales Analysis:

FAR (cents/kwh)

10.25 Requested

10.25 Approved

Fuel Adjustment Sales

Projected:
Actual:
Variance
% Variance

Total KWH Sales	Total \$ Sales
42,191,597	\$ 4,324,639
43,214,500	\$ 4,429,537
1,022,903	\$ 104,898
2.42%	2.43%

Summary - projected vs. actual variances:

		Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):		297	3,316	(141)	3,472
Costs:	Price variance	\$ 2,407	\$ 7,601	\$ (6)	\$ 10,002
	Quantity variance	\$ 24,157	\$ 217,323	\$ (14,340)	\$ 227,140
	Total variance	\$ 26,564	\$ 224,924	\$ (14,346)	\$ 237,142
Sales:					\$ 104,898
Total projected vs. actual variance (February 2018)					\$ 342,040

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 February 2018	1,393,681	1,393,681
Projected change in over / (under) recovery position	95,005	95,005
Variance (Actual vs. Projected) - see above		342,040
Actual change in over / (under) recovery position	95,005	437,045
Ending Balance at 28 February 2018	1,488,686	1,830,726



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
January 2018	Heavy	Yes	28,815.26	97.8304	67.8304
January 2018	Heavy	Yes	20,000.00	95.3801	65.3801
January 2018	Heavy	No	70,085.77	104.9284	74.9284
March 2018	Heavy	Yes	30,000.00	98.3884	68.3884
March 2018	Heavy	Yes	30,000.00	95.8875	65.8875
March 2018	Heavy	Yes	30,000.00	107.1769	77.1769
September 2017	Diesel	No	53,669.78	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:						\$ 1,830,726
Projected kWh Sales - March 2018	41,409,241		FADJ	10.25		\$ 4,244,447
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	3,720	\$ (89.58)	\$ (333,237.60)	
	Heavy	January 2018	28,815	\$ (67.83)	\$ (1,954,550.61)	
	Heavy	January 2018	20,000	\$ (65.38)	\$ (1,307,602.00)	
	Heavy	January 2018	14,366	\$ (74.93)	\$ (1,076,401.91)	
	Tynes Bay	N/A	2,551	\$ (102.80)	\$ (262,278.05)	
	Total Barrels		69,452			(689,623)
Projected Over (Under) Recovery account as at end of this month:						1,141,103
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	55,720	\$ (74.93)	\$ (4,175,012.70)	
	Heavy	March 2018	3,578	\$ (68.39)	\$ (244,691.64)	
	Tynes Bay	N/A	3,032	\$ (103.13)	\$ (312,679.45)	
	Total Barrels		64,796			(702,015)
Projected Over (Under) Recovery account as at end of this month:						439,088
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	6,024	\$ (89.58)	\$ (539,629.92)	
	Heavy	March 2018	26,422	\$ (68.39)	\$ (1,806,960.36)	
	Heavy	March 2018	30,000	\$ (65.89)	\$ (1,976,625.00)	
	Heavy	March 2018	7,189	\$ (77.18)	\$ (554,822.42)	
	Tynes Bay	N/A	1,827	\$ (103.11)	\$ (188,432.70)	
	Total Barrels		71,462			(767,349)
Projected Over (Under) Recovery account as at end of this month:						(328,261)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 1,830,726
Projected kWh Sales - March 2018	41,409,241		FADJ	10.25	\$	4,244,447
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	3,720	\$ (89.58)	\$ (333,237.60)	
	Heavy	January 2018	28,815	\$ (67.83)	\$ (1,954,550.61)	
	Heavy	January 2018	20,000	\$ (65.38)	\$ (1,307,602.00)	
	Heavy	January 2018	14,366	\$ (74.93)	\$ (1,076,401.91)	
	Tynes Bay	N/A	2,551	\$ (102.80)	\$ (262,278.05)	
	Total Barrels		69,452		(689,623)	
Projected Over (Under) Recovery account as at end of this month:						1,141,103
Projected kWh Sales - April 2018	41,475,837		FADJ	10.75	\$	4,458,652
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	2,466	\$ (89.58)	\$ (220,904.28)	
	Heavy	January 2018	55,720	\$ (74.93)	\$ (4,175,012.70)	
	Heavy	March 2018	3,578	\$ (68.39)	\$ (244,691.64)	
	Tynes Bay	N/A	3,032	\$ (103.13)	\$ (312,679.45)	
	Total Barrels		64,796		(494,636)	
Projected Over (Under) Recovery account as at end of this month:						646,467
Projected kWh Sales - May 2018	41,942,647		FADJ	11.25	\$	4,718,548
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	6,024	\$ (89.58)	\$ (539,629.92)	
	Heavy	March 2018	26,422	\$ (68.39)	\$ (1,806,960.36)	
	Heavy	March 2018	30,000	\$ (65.89)	\$ (1,976,625.00)	
	Heavy	March 2018	7,189	\$ (77.18)	\$ (554,822.42)	
	Tynes Bay	N/A	1,827	\$ (103.11)	\$ (188,432.70)	
	Total Barrels		71,462		(347,923)	
Projected Over (Under) Recovery account as at end of this month:						298,545



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of March:						\$ 1,141,103
Projected kWh Sales - April 2018	41,475,837		CRSEER	14.94		\$ 6,196,490
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	2,466	\$ (119.58)	\$ (294,884.28)	
	Heavy	January 2018	55,720	\$ (104.93)	\$ (5,846,613.60)	
	Heavy	March 2018	3,578	\$ (98.39)	\$ (352,030.74)	
	Tynes Bay	N/A	3,032	\$ (133.13)	\$ (403,638.55)	
	Total Barrels		64,796			(700,677)
Projected Over (Under) Recovery account as at end of this month:						440,426
Projected kWh Sales - May 2018	41,942,647		CRSEER	15.79		\$ 6,622,744
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	6,024	\$ (119.58)	\$ (720,349.92)	
	Heavy	March 2018	26,422	\$ (98.39)	\$ (2,599,621.26)	
	Heavy	March 2018	30,000	\$ (95.89)	\$ (2,876,625.00)	
	Heavy	March 2018	7,189	\$ (107.18)	\$ (770,491.52)	
	Tynes Bay	N/A	1,827	\$ (133.11)	\$ (243,256.50)	
	Total Barrels		71,462			(587,600)
Projected Over (Under) Recovery account as at end of this month:						(147,175)

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

BELCO

Generators Available for Service

February 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	3203	688
E2	Yes	HFO	8345	684
E3	Yes	HFO	4213	704
E4	Yes	HFO	2947	705
E5	Yes	HFO	9180	698
E6	Yes	HFO	9898	708
E7	Yes	HFO	10024	729
E8	Yes	HFO	9601	739
D3	Yes	LFO	687	608
D8	Yes	LFO	9	328
D10	Yes	LFO	371	612
D14	Yes	LFO	67	584
GT4	Yes	LFO	51	24
GT5	Yes	LFO	23	338
GT6	Yes	LFO	31	447
GT7	Yes	LFO	3	350
GT8	Yes	LFO	3	520

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



Generators Out of Service

February 2018

Unit	Type	Forced Outage Details	Outage Date	Return Date
E1	FO	Forced Out for leak from JW Header	2/23/18	2/23/18
E2	MO	Camshaft oil leak	2/16/18	2/16/18
E2	MO	MO Corrective work to Camshaft Pump	2/19/18	2/19/18
E2	FO	FO Cylinder #3 Exhaust Temp HiHi	2/24/18	2/25/18
E3	FO	F/O @ 12:00 HT bellows split	2/11/18	2/11/18
E4	MO	M/O @ 21:21 to replace top fuel pipe on cyl 8R	2/3/18	2/4/18
E4	MO	9k service	2/19/18	3/1/18
E5	FO	F/O @ 22:08 High Temp Water C/W Leak	2/2/18	2/4/18
E6	FO	Tripped & Shutdown, possible Emergency Stop activation fault	2/1/18	2/1/18
E6	MO	Fuel Leaks	2/6/18	2/6/18
E7	MO	M/O @ 21.08 HT By Pass V/V Repair	2/9/18	2/10/18
E7	FO	F/O 00:44 hrs. Possible faulty injector	2/26/18	2/27/18
E8	FO	F/O at 09:18 hrs for FO Injector 5A	2/5/18	2/5/18
E8	FO	F/O @ 18:35 Exhaust Dev. Cyl. 4A	2/5/18	2/6/18
E8	FO	FO Possible Cracked Fuel Oil Injector Cylinder 1A	2/8/18	2/9/18
D3	FO	FO Unit tripped & S/D down due to Fuel Starvation	2/14/18	2/15/18
E1		JW Leak	2/28/18	3/2/18



Scheduled Generator Maintenance

Mar-18

Generator	Maintenance Type	Outage Date	Return Date
E5	6K Service	3/12/2018	3/24/2018
D10	18K Service	3/26/2018	4/26/2018



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