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PLEASE QUOTE OUR REF.

June 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 the existing rate of 12.00 cents per kilowatt-hour sold for June 2018 to 13.50 cents per kilowatt-hour sold for July 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 May 2018 was \$404,169 over recovered as compared to the \$517,620 over recovery position projected in our last filing. The \$113,451 unfavorable variance is due to:

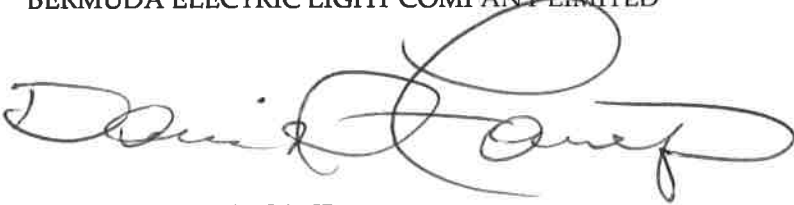
- The total actual barrels of fuel consumed in May were 2,838 barrels higher than projected, resulting in a negative impact on the recovery position of \$254,090;
- Net price variance negatively impacted the recovery position by \$1,377; and
- Actual May electric sales were 1,226,483 KWH's higher than projected. This variance resulted in a net positive impact on the fuel recovery position of \$142,016.

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.

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

July 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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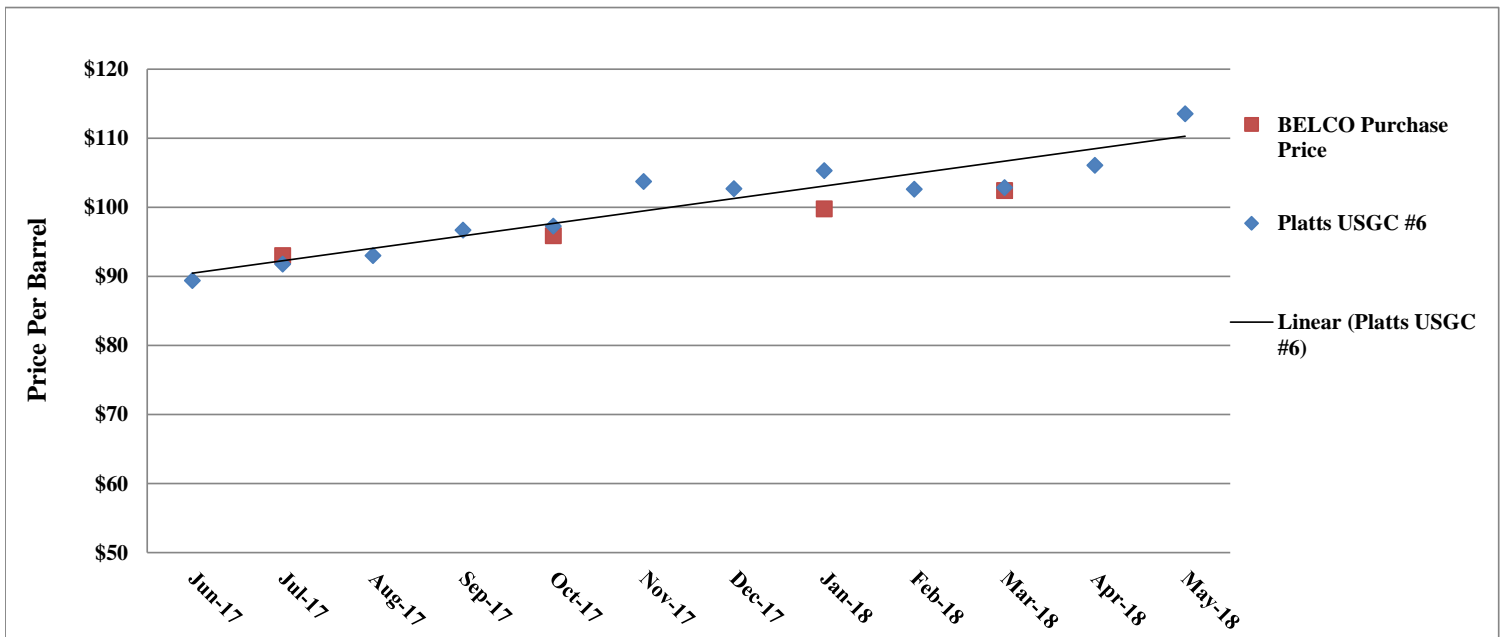


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

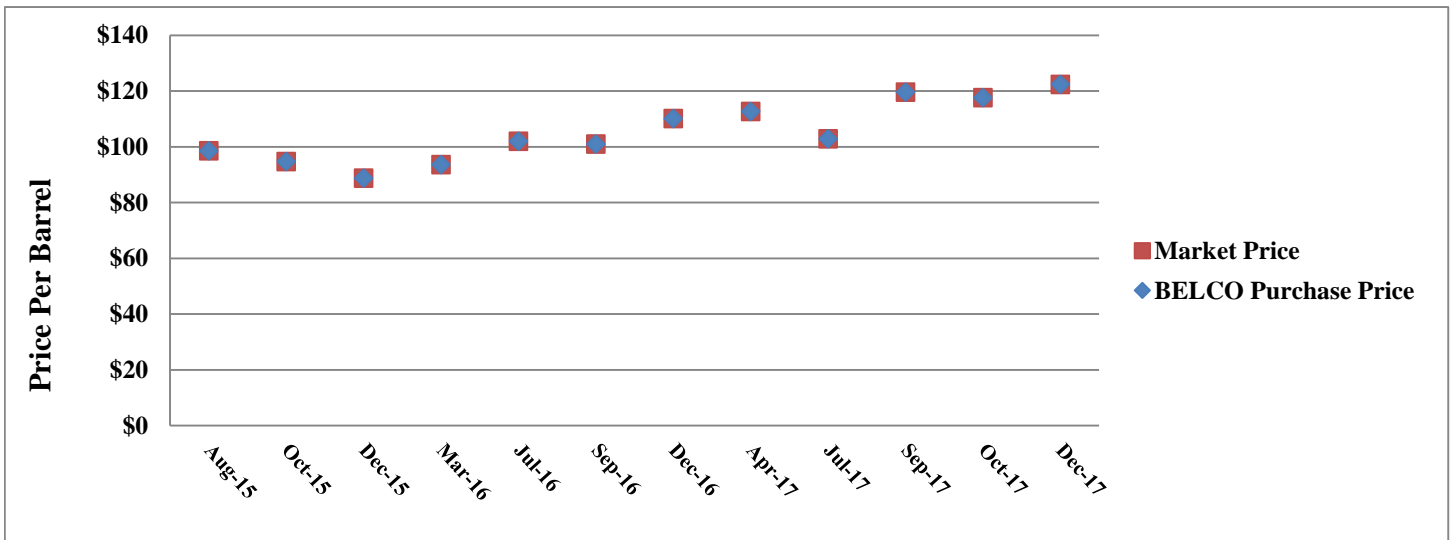


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

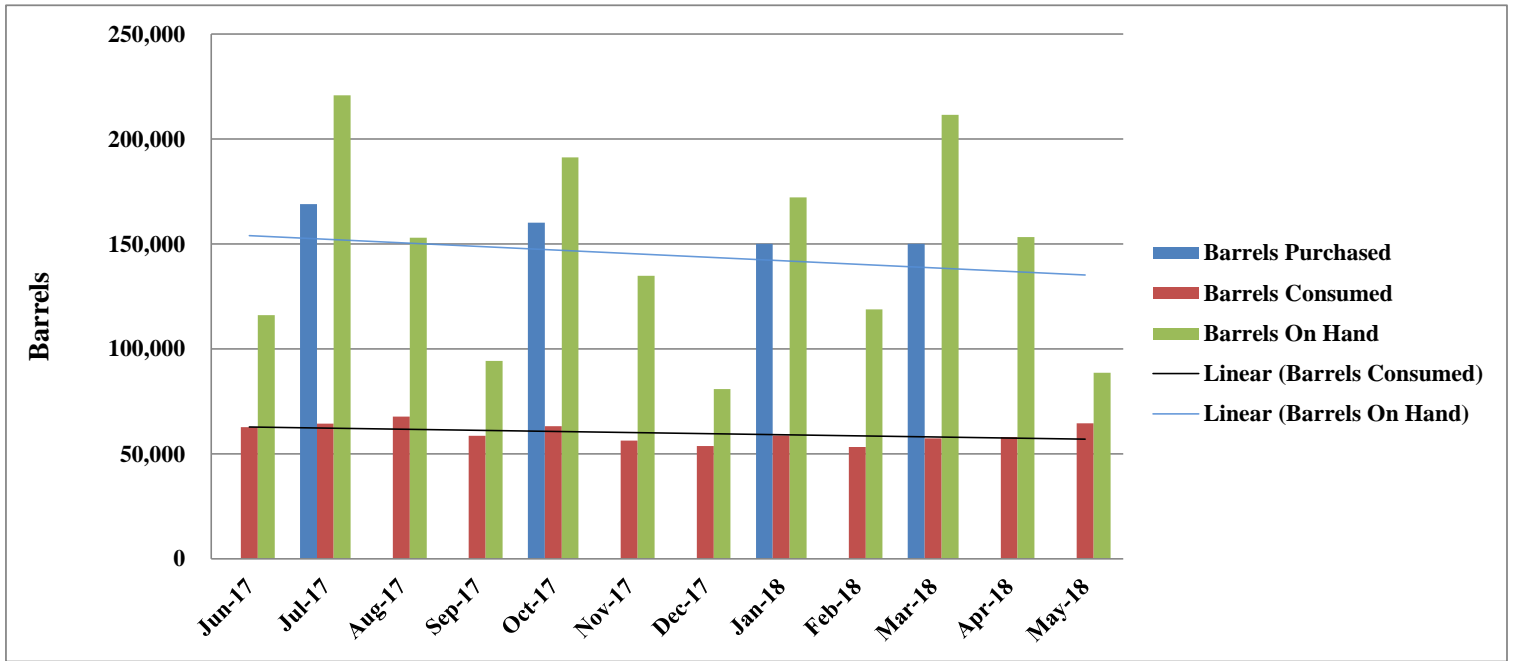
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
May, 2018	-	64,615.00	88,762.53



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

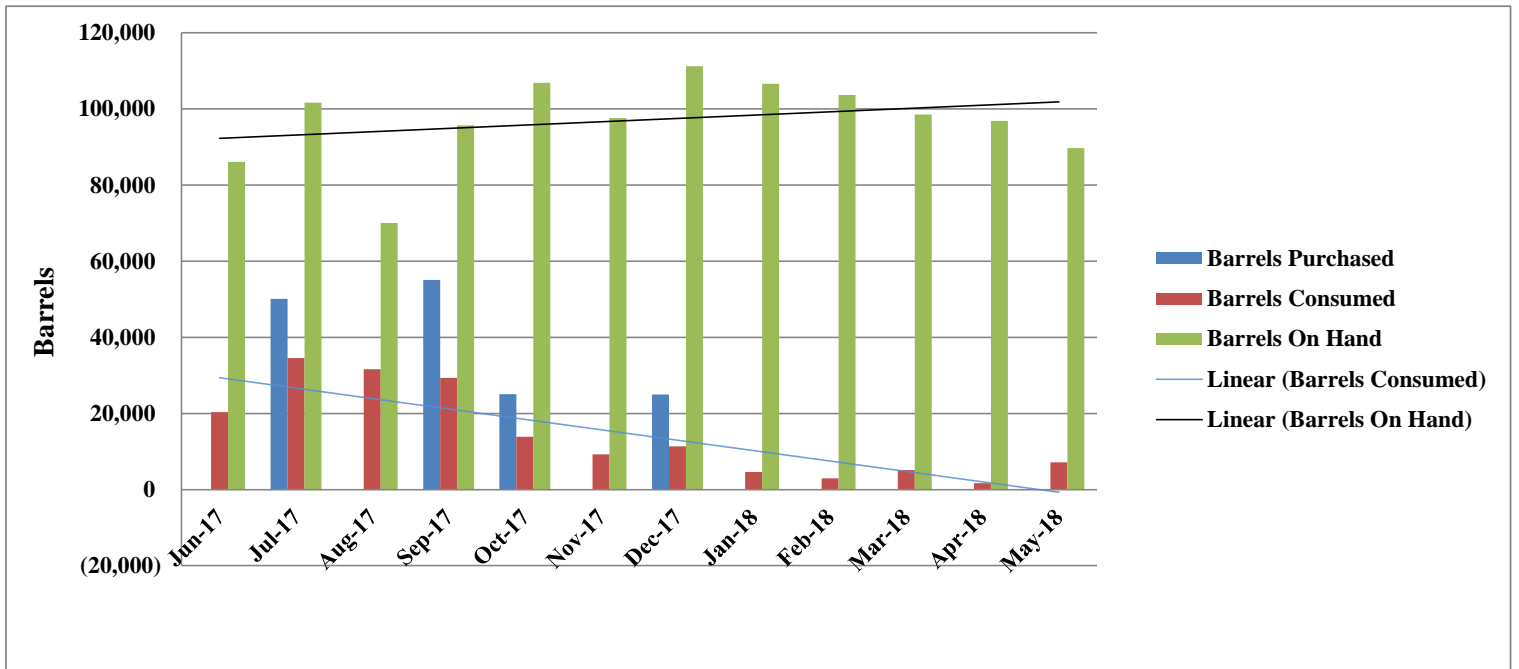
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
May, 2018	-	7,154.97	89,727.82



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.

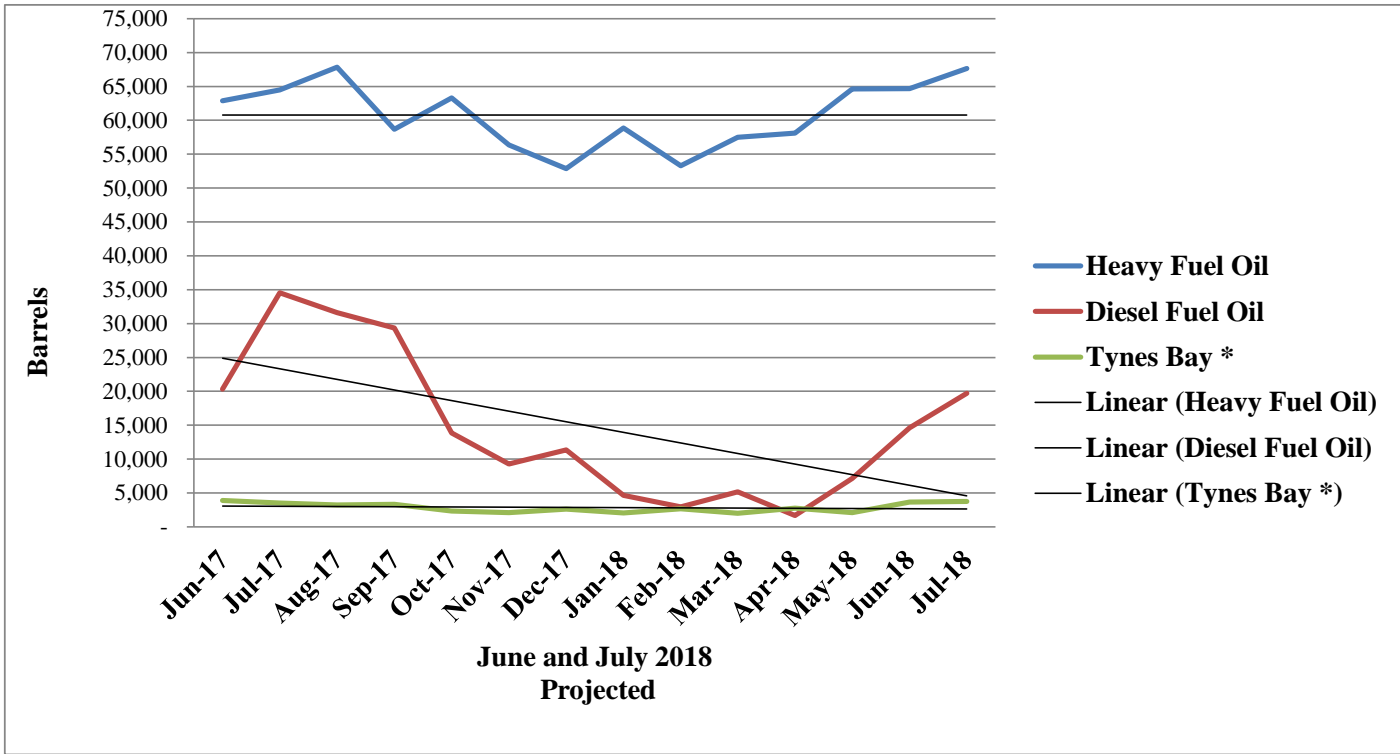


Diesel Fuel Oil Costs Per Shipment

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



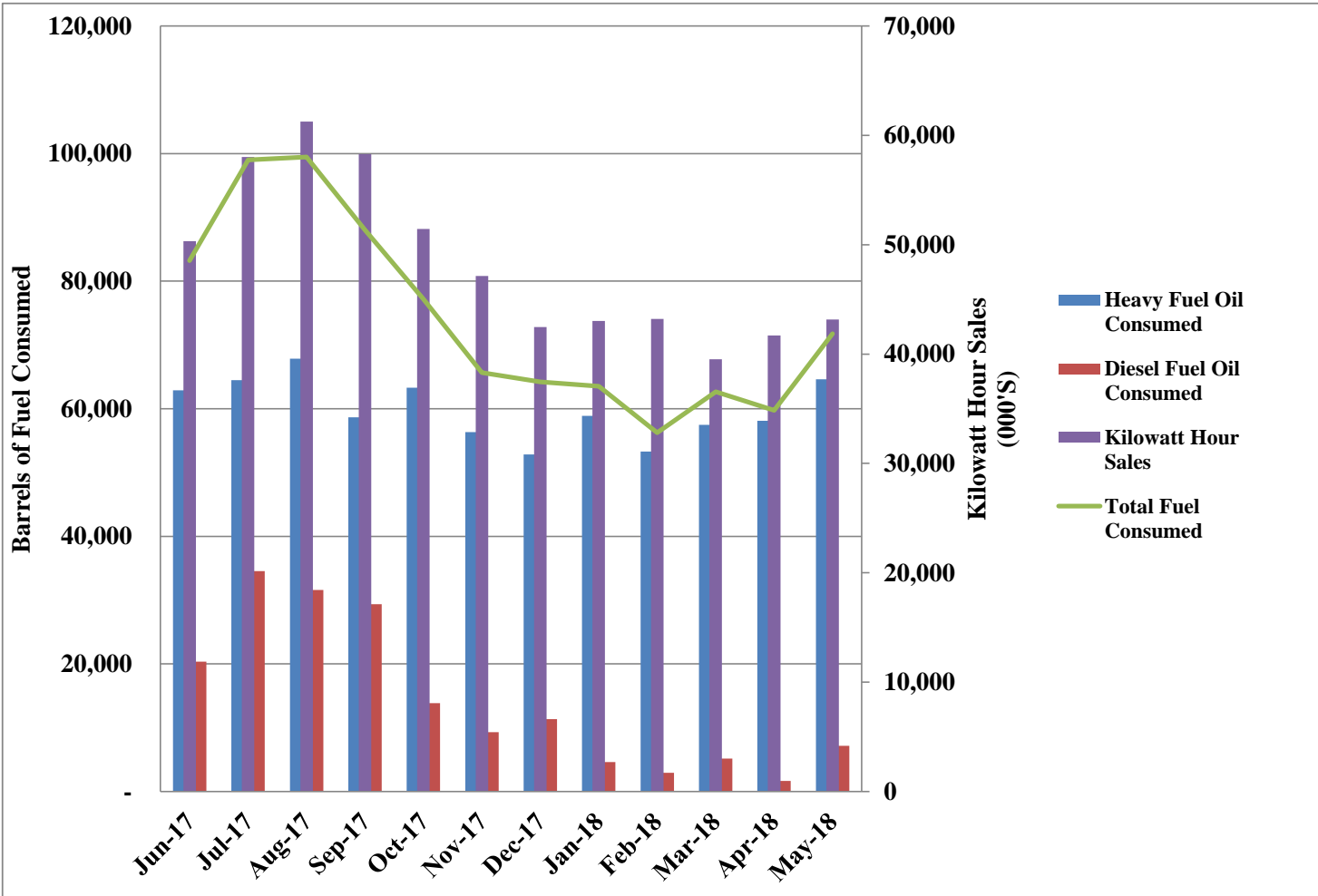
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

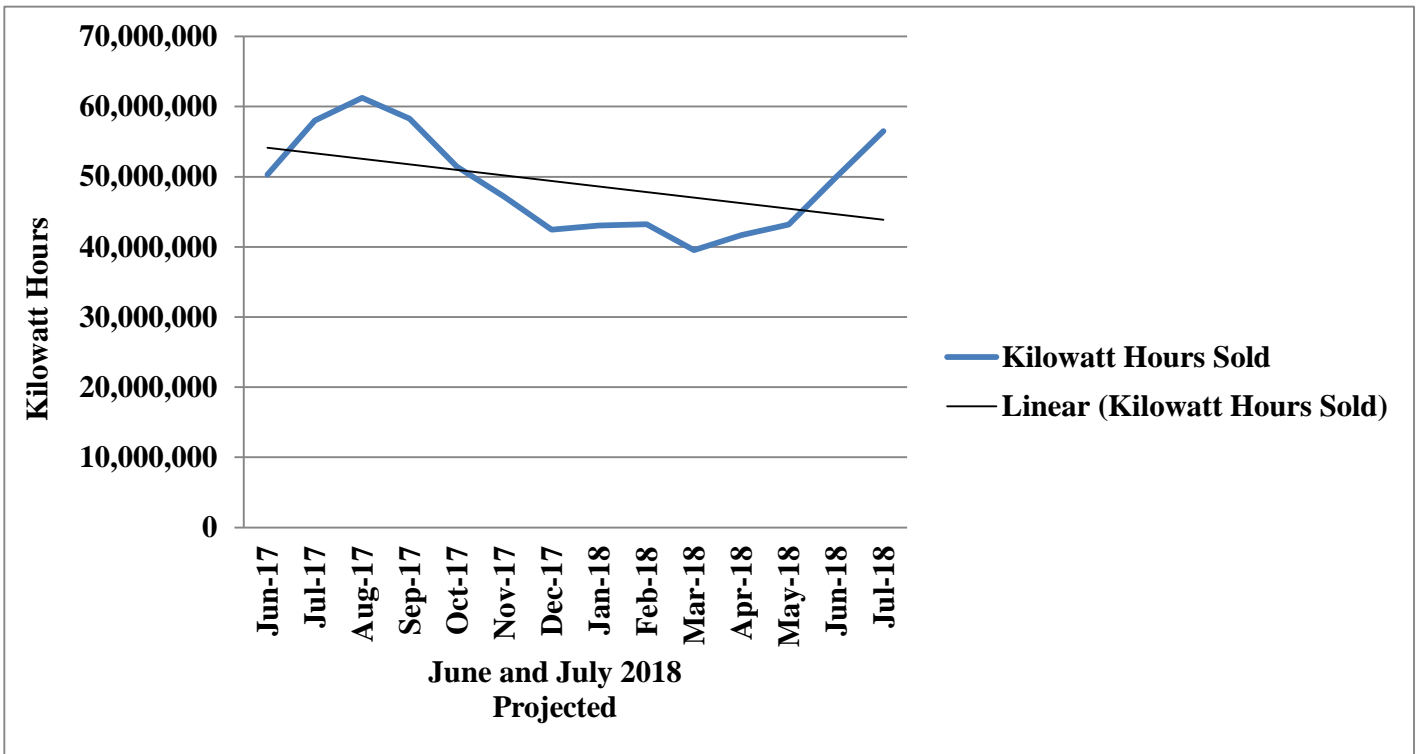




Kilowatt Hour Sales

Previous Twelve Months

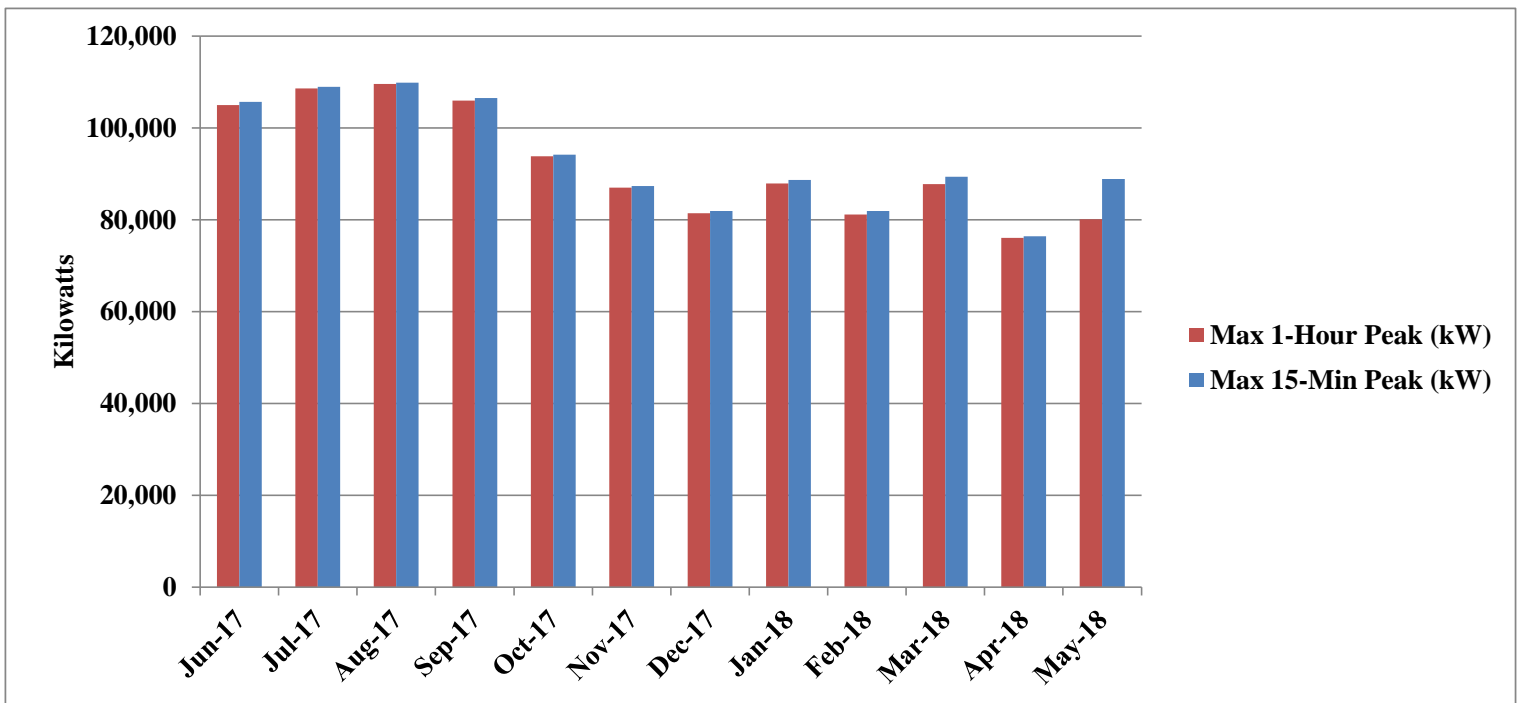
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

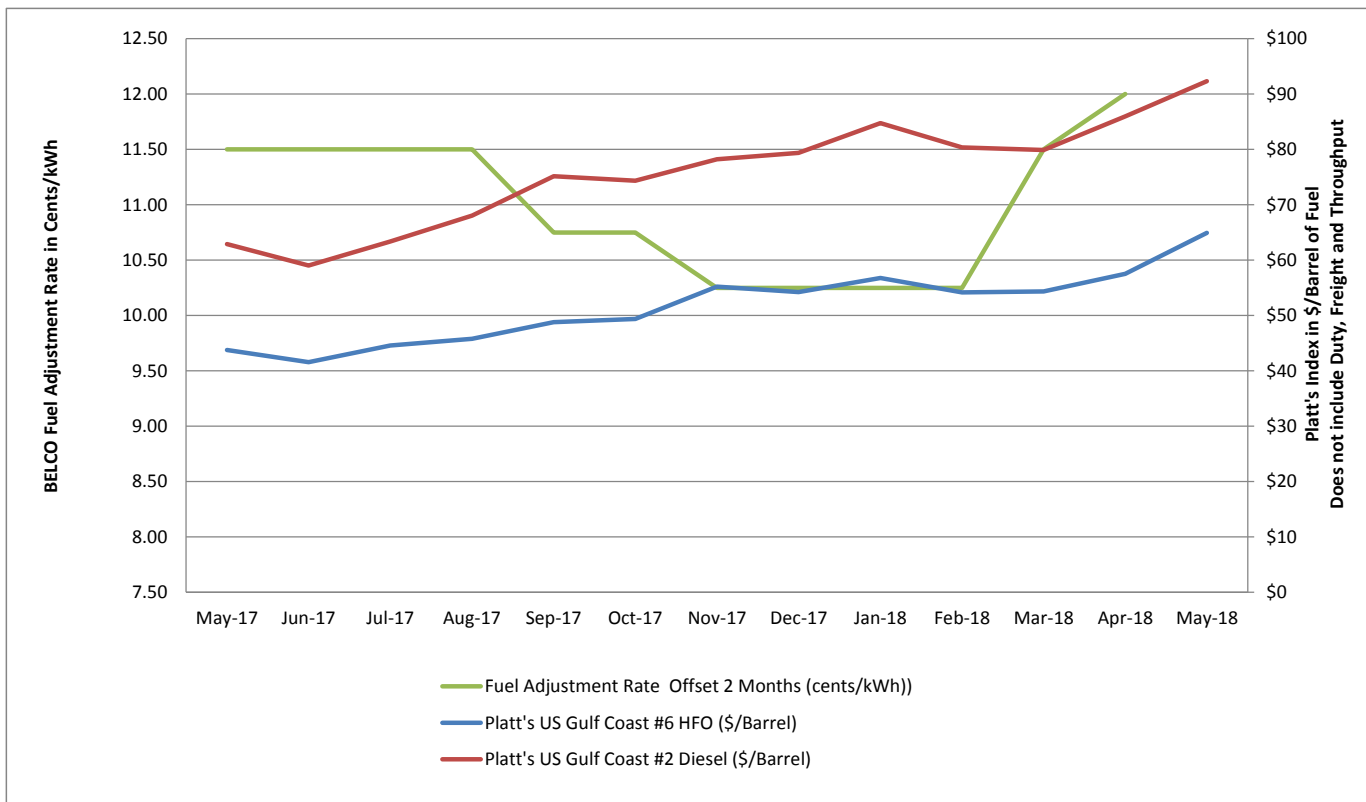




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31 May 2018

	\$	\$	\$
Opening Balance at 1 May 2018			784,361
 <u>Fuel Consumption</u>			
Diesel - 7,154.97 @ \$119.58000	855,591		
Less: Fuel Consumption @ \$30/bbl	<u>(214,649)</u>	640,942	
 Heavy -3,286.03 bbls @ \$104.9334	344,814		
Heavy -30,000.00 bbls @ \$98.3873	2,951,619		
Heavy -20,000.00 bbls @ \$95.8864	1,917,728		
Heavy -11,328.97 bbls @ \$107.1773	1,214,208		
Less: Fuel Consumption @ \$30/bbl	<u>(1,938,450)</u>	4,489,919	
 Tynes Bay - 1,498,560 kWh @ \$0.185	277,234		
Less: (1,498,560 kWh /719.5)2,082.78 bbls @ \$30/bbl	<u>(62,483)</u>	214,751	
		5,345,612	
 Deduct: Fuel Adjustment Revenue		<u>4,965,420</u>	
 May over / (under) recovery			(380,192)
 Ending Balance at 31 May 2018			<u>404,169</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 31 May 2018

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	4,752	64,435	1,827	71,014
Total Fuel Adjustment Cost	\$ 425,684	\$ 4,476,028	\$ 188,433	\$ 5,090,145
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 69.47	\$ 103.11	\$ 71.68

Actual:

Barrels	7,155	64,615	2,083	73,853
Total Fuel Cost	\$ 855,591	\$ 6,428,369	\$ 277,234	\$ 7,561,194
Total Fuel Adjustment Cost	\$ 640,942	\$ 4,489,919	\$ 214,750	\$ 5,345,611
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 69.49	\$ 103.11	\$ 72.38

Sales Analysis:

FAR (cents/kwh)

11.50 Requested

11.50 Approved

Fuel Adjustment Sales

Projected:
Actual:
Variance
% Variance

Total KWH Sales	Total \$ Sales
41,942,647	\$ 4,823,404
43,169,130	\$ 4,965,420
1,226,483	\$ 142,016
2.92%	2.94%

Summary - projected vs. actual variances:				
	Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):	(2,403)	(180)	(255)	(2,838)
Costs:				
Price variance	\$ 1	\$ (1,387)	\$ 9	\$ (1,377)
Quantity variance	\$ (215,259)	\$ (12,504)	\$ (26,327)	\$ (254,090)
Total variance	\$ (215,258)	\$ (13,891)	\$ (26,318)	\$ (255,467)
Sales:				\$ 142,016
Total projected vs. actual variance (May 2018)				\$ (113,451)

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 May 2018	784,361	784,361
Projected change in over / (under) recovery position	(266,741)	(266,741)
Variance (Actual vs. Projected) - see above		(113,451)
Actual change in over / (under) recovery position	(266,741)	(380,192)
Ending Balance at 31 May 2018	517,620	404,169



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel*	FADJ (less \$30/bbl)
March 2018	Heavy	Yes	18,671.03	107.1773	77.1773
March 2018	Heavy	No	70,091.50	104.1037	74.1037
June 2018	Heavy	No	180,000.00	114.0000	84.0000
September 2017	Diesel	No	39,714.15	119.5800	89.5800
October 2017	Diesel	No	25,022.67	117.8308	87.8308

*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:					\$ 404,169
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	14,621	\$ (89.58)	\$ (1,309,749.18)
	Heavy	March 2018	18,671	\$ (77.18)	\$ (1,440,979.68)
	Heavy	March 2018	46,021	\$ (74.10)	\$ (3,410,324.15)
	Tynes Bay	N/A	3,649	\$ (100.79)	\$ (367,733.70)
	Total Barrels		82,962		(535,326)
Projected Over (Under) Recovery account as at end of this month:					(131,157)
Projected kWh Sales - July 2018	56,503,874		FADJ	12.00	\$ 6,780,465
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
	Diesel	September 2017	19,733	\$ (89.58)	\$ (1,767,682.14)
	Heavy	March 2018	24,071	\$ (74.10)	\$ (1,783,715.33)
	Heavy	June 2018	43,594	\$ (84.00)	\$ (3,661,935.48)
	Tynes Bay	N/A	3,774	\$ (96.45)	\$ (363,978.00)
	Total Barrels		91,172		(796,846)
Projected Over (Under) Recovery account as at end of this month:					(928,003)
Projected kWh Sales - August 2018	60,204,300		FADJ	12.00	\$ 7,224,516
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
	Diesel	September 2017	5,360	\$ (89.58)	\$ (480,162.24)
	Diesel	October 2017	18,856	\$ (87.83)	\$ (1,656,124.39)
	Heavy	June 2018	68,234	\$ (84.00)	\$ (5,731,656.00)
	Tynes Bay	N/A	3,824	\$ (94.77)	\$ (362,454.30)
	Total Barrels		96,274		(1,005,881)
Projected Over (Under) Recovery account as at end of this month:					(1,933,884)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ 404,169
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	14,621	\$ (89.58)	\$ (1,309,749.18)	
	Heavy	March 2018	18,671	\$ (77.18)	\$ (1,440,979.68)	
	Heavy	March 2018	46,021	\$ (74.10)	\$ (3,410,324.15)	
	Tynes Bay	N/A	3,649	\$ (100.79)	\$ (367,733.70)	
	Total Barrels		82,962			(535,326)
Projected Over (Under) Recovery account as at end of this month:						(131,157)
Projected kWh Sales - July 2018	56,503,874		FADJ	13.50		\$ 7,628,023
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	19,733	\$ (89.58)	\$ (1,767,682.14)	
	Heavy	March 2018	24,071	\$ (74.10)	\$ (1,783,715.33)	
	Heavy	June 2018	43,594	\$ (84.00)	\$ (3,661,935.48)	
	Tynes Bay	N/A	3,774	\$ (96.45)	\$ (363,978.00)	
	Total Barrels		91,172			50,712
Projected Over (Under) Recovery account as at end of this month:						(80,445)
Projected kWh Sales - August 2018	60,204,300		FADJ	13.75		\$ 8,278,091
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	5,360	\$ (89.58)	\$ (480,162.24)	
	Diesel	October 2017	18,856	\$ (87.83)	\$ (1,656,124.39)	
	Heavy	June 2018	68,234	\$ (84.00)	\$ (5,731,656.00)	
	Tynes Bay	N/A	3,824	\$ (94.77)	\$ (362,454.30)	
	Total Barrels		96,274			47,694
Projected Over (Under) Recovery account as at end of this month:						(32,750)



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of June:						\$ (131,157)
Projected kWh Sales - July 2018	56,503,874		CRSEER	18.34		\$ 10,362,810
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	19,733	\$ (119.58)	\$ (2,359,672.14)	
	Heavy	March 2018	24,071	\$ (104.10)	\$ (2,505,831.23)	
	Heavy	June 2018	43,594	\$ (114.00)	\$ (4,969,769.58)	
	Tynes Bay	N/A	3,774	\$ (126.45)	\$ (477,189.00)	
	Total Barrels		91,172			50,349
Projected Over (Under) Recovery account as at end of this month:						(80,808)
Projected kWh Sales - August 2018	60,204,300		CRSEER	18.55		\$ 11,167,898
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	5,360	\$ (119.58)	\$ (640,966.74)	
	Diesel	October 2017	18,856	\$ (117.83)	\$ (2,221,799.89)	
	Heavy	June 2018	68,234	\$ (114.00)	\$ (7,778,676.00)	
	Tynes Bay	N/A	3,824	\$ (124.77)	\$ (477,189.00)	
	Total Barrels		96,274			49,266
Projected Over (Under) Recovery account as at end of this month:						(31,542)

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

BELCO

Generators Available for Service

May 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	10158	690
E2	Yes	HFO	7184	672
E3	Yes	HFO	5541	690
E4	Yes	HFO	6264	694
E5	Yes	HFO	11166	725
E6	Yes	HFO	9514	704
E7	Yes	HFO	6321	761
E8	Yes	HFO	11298	758
D3	Yes	LFO	8323	160
D8	Yes	LFO	9631	162
D10	Yes	LFO	355	164
D14	Yes	LFO	282	580
GT4	Yes	LFO	0	NA
GT5	Yes	LFO	0	NA
GT6	Yes	LFO	169	266
GT7	Yes	LFO	105	353
GT8	Yes	LFO	31	436

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



Generators Out of Service

May 2018

Unit	Type	Forced Outage Details	Outage Date	Return Date
E7	MO	Unit out to change injector tip from previous outage.	5/30/18	5/31/18
E7	MO	Unit out to replace Injector at cylinder 5B to address Nozzle Cooling Water System leak.	5/29/18	5/30/18
E6	PO	3K service	5/28/18	6/12/18
E2	MO	E2 Taken out of service @1520 to address cam filter changeover issue.	5/24/18	5/24/18
E4	FO (Immediate)	Unit FO due to LoLo HTCW press Trip	5/24/18	5/25/18
E3	MO	MO Due to planned replacement of Cyl Covers 3L and 1 R	5/23/18	5/26/18
E7	MO	Pedestal Bearing Oil Supply Line leaking	5/23/18	5/24/18
E1	FO (Immediate)	Unit FO due to Lo Exhaust temp on Cyl No 5	5/22/18	5/22/18
D14	MO	FO due to Hi Diff on LO filters	5/21/18	5/22/18
D3	FO (Immediate)	Engine trip on over speed.	5/19/18	5/20/18
D3	FO (Immediate)	Unit forced out after smoke and small flames discovered in LEP during stop sequence.	5/18/18	5/19/18
E4	FO (Start-Up Failure)	E4 mechanical overspeed trip activated. engine isolated for mmd and emd to inspect crankcase and alternator respectively	5/12/18	5/13/18
D8	MO	D8 JCW vent line leak	5/12/18	5/12/18
E7	PO	E7 Removed from service for 9K service @2235.	5/10/18	5/22/18
E2	FO (Immediate)	JCW bellow leak	5/10/18	5/12/18
E7	MO	Unit stopped for EMD to fix fault with main start air solenoid.	5/8/18	5/9/18
E3	MO	Unit out to repair fuel leaks, upper and lower pipes, cylinder 1LHS	5/7/18	5/7/18
E1	FO (Immediate)	Unit shut down during test change over of lub oil circulation pumps.	5/7/18	5/7/18
E6	FO (Postpone)	Water washing pipe failure and welding jobs	5/1/18	5/2/18



Scheduled Generator Maintenance

Jun-18

Generator	Maintenance Type	Outage Date	Return Date
E8	15K Service	6/11/2018	6/17/2018
E3	4.5K Service	6/18/2018	6/28/2018



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