

July 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"):

Decrease from the existing rate of 13.50 cents per kilowatt-hour sold for July 2018 to 12.90 cents per kilowatt-hour sold for August 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 June 2018 was \$16,694 under recovered as compared to the \$131,156 under recovery position projected in our last filing. The \$114,462 favorable variance is due to:

- The total actual barrels of fuel consumed in June were 1,744 barrels lower than projected, resulting in a positive impact on the recovery position of \$146,661;
- Net price variance negatively impacted the recovery position by \$1,253; and
- Actual June electric sales were 267,189 KWH's lower than projected. This variance resulted in a net negative impact on the fuel recovery position of \$30,946.

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.



BELCO

441 295 5111

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

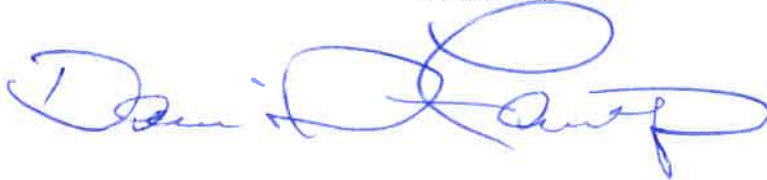
27 SERPENTINE RD
HAMILTON, HM 07
BERMUDA

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 blue 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

August 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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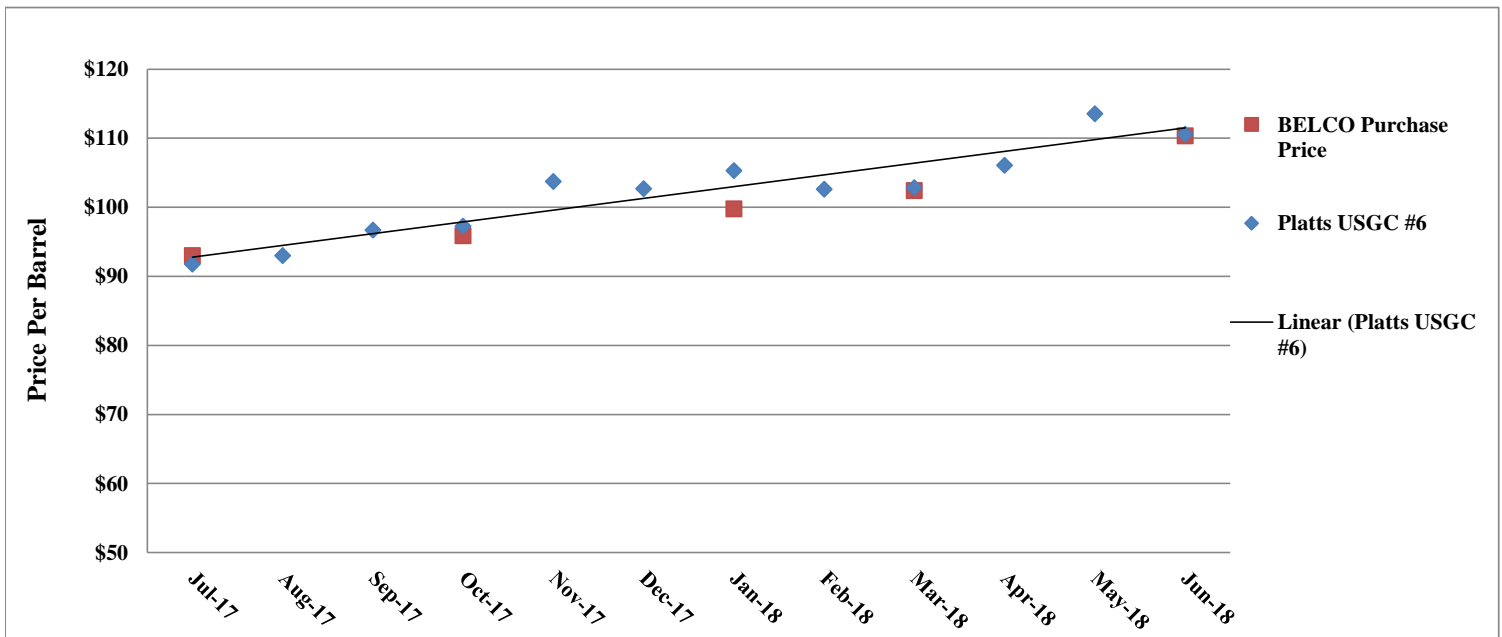


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

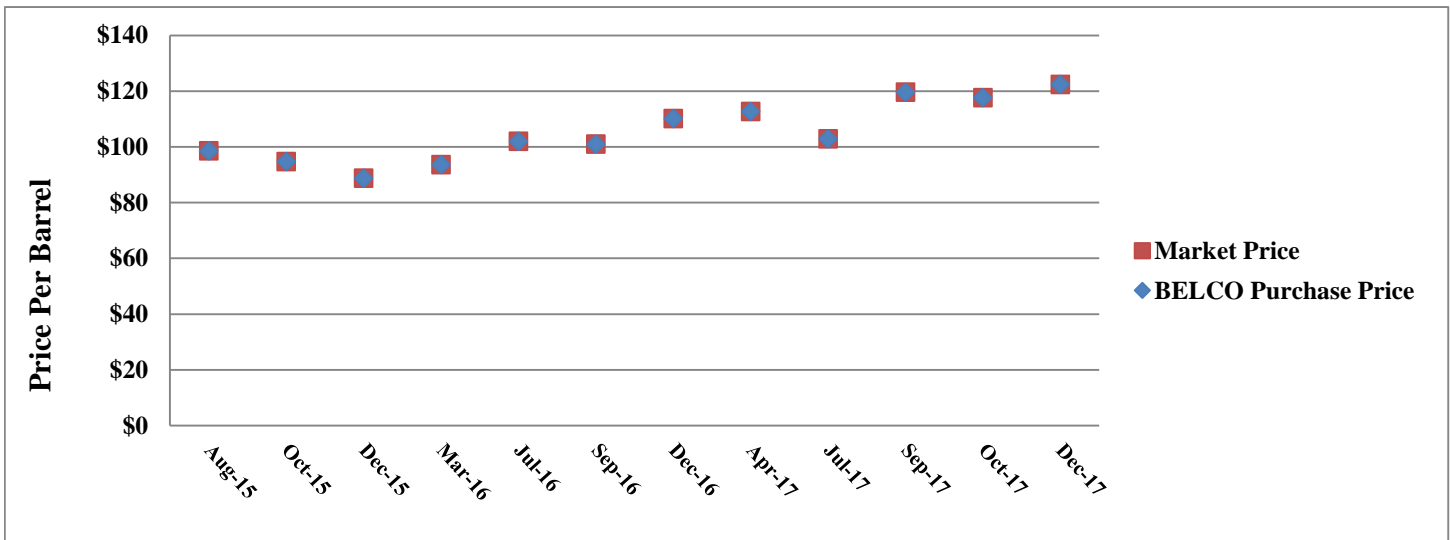


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

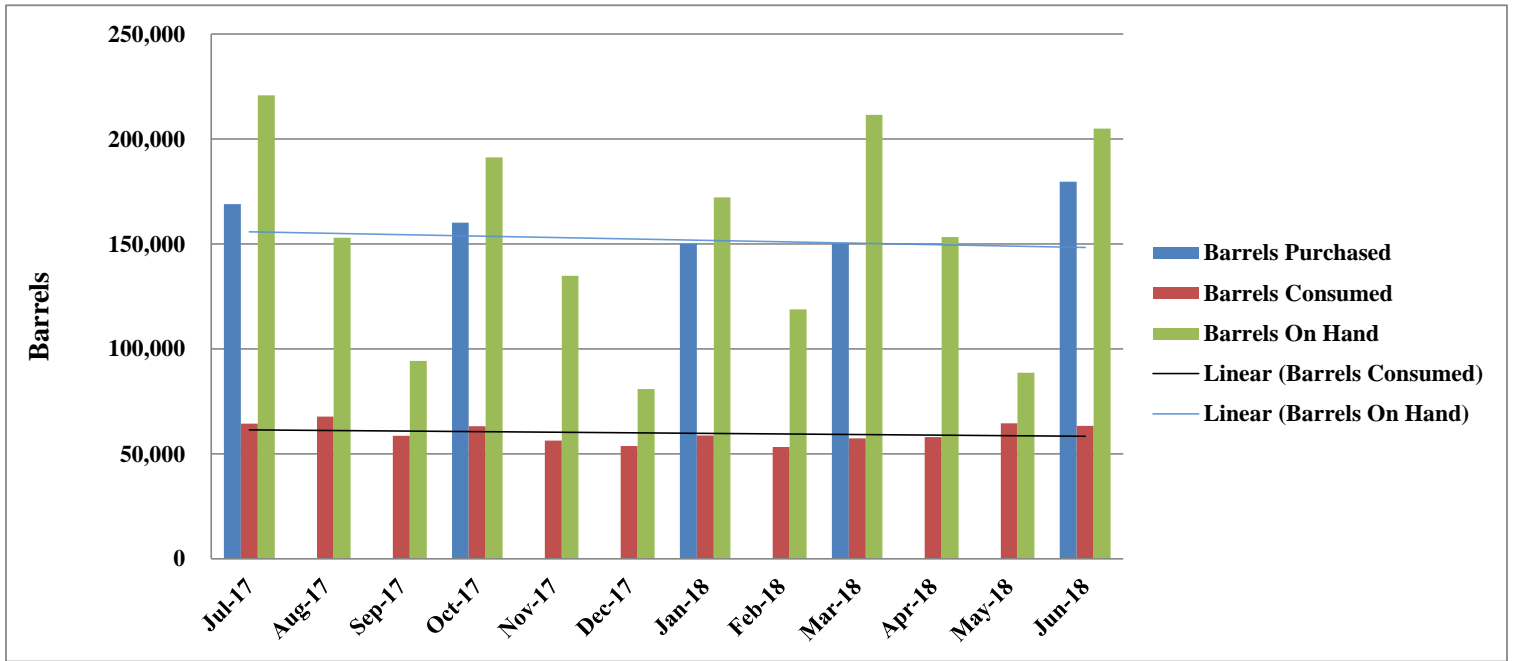
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
June, 2018	179,633.98	63,386.00	205,010.51



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

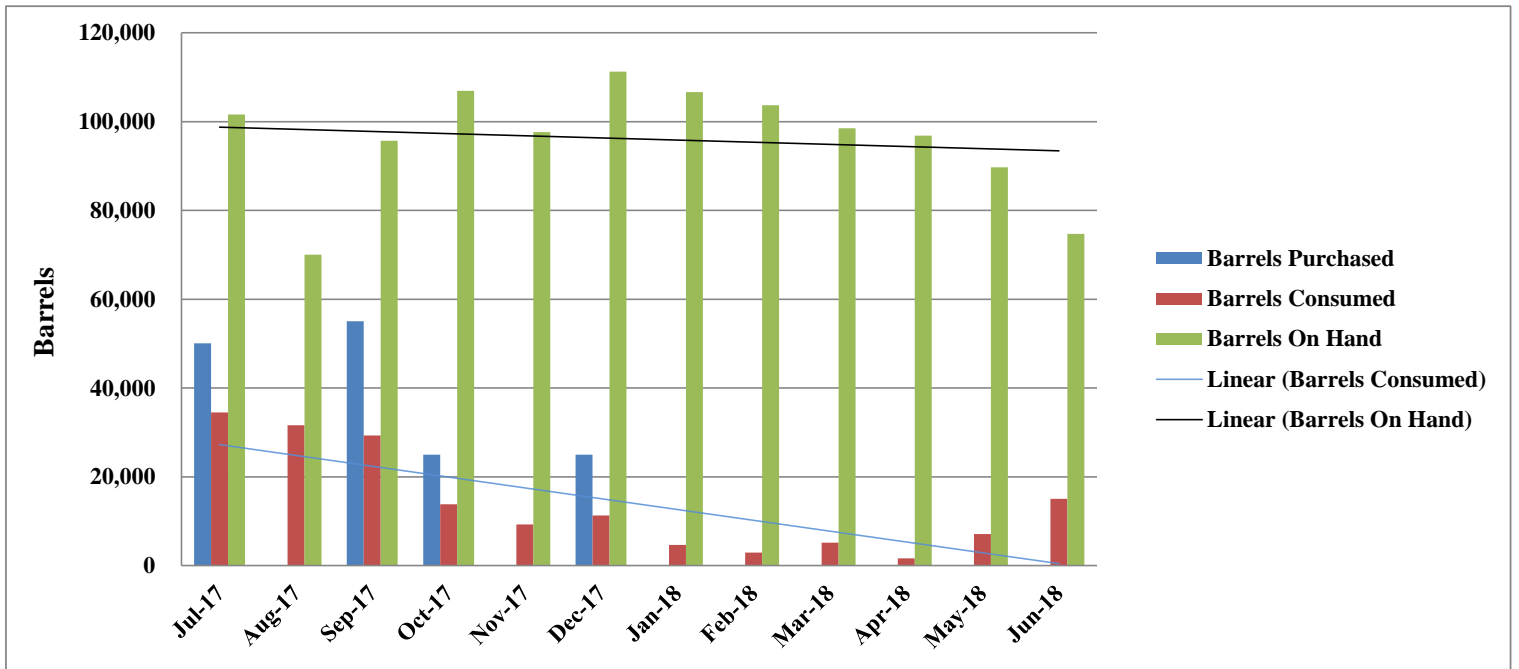
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
June, 2018	-	15,027.01	74,700.81



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.

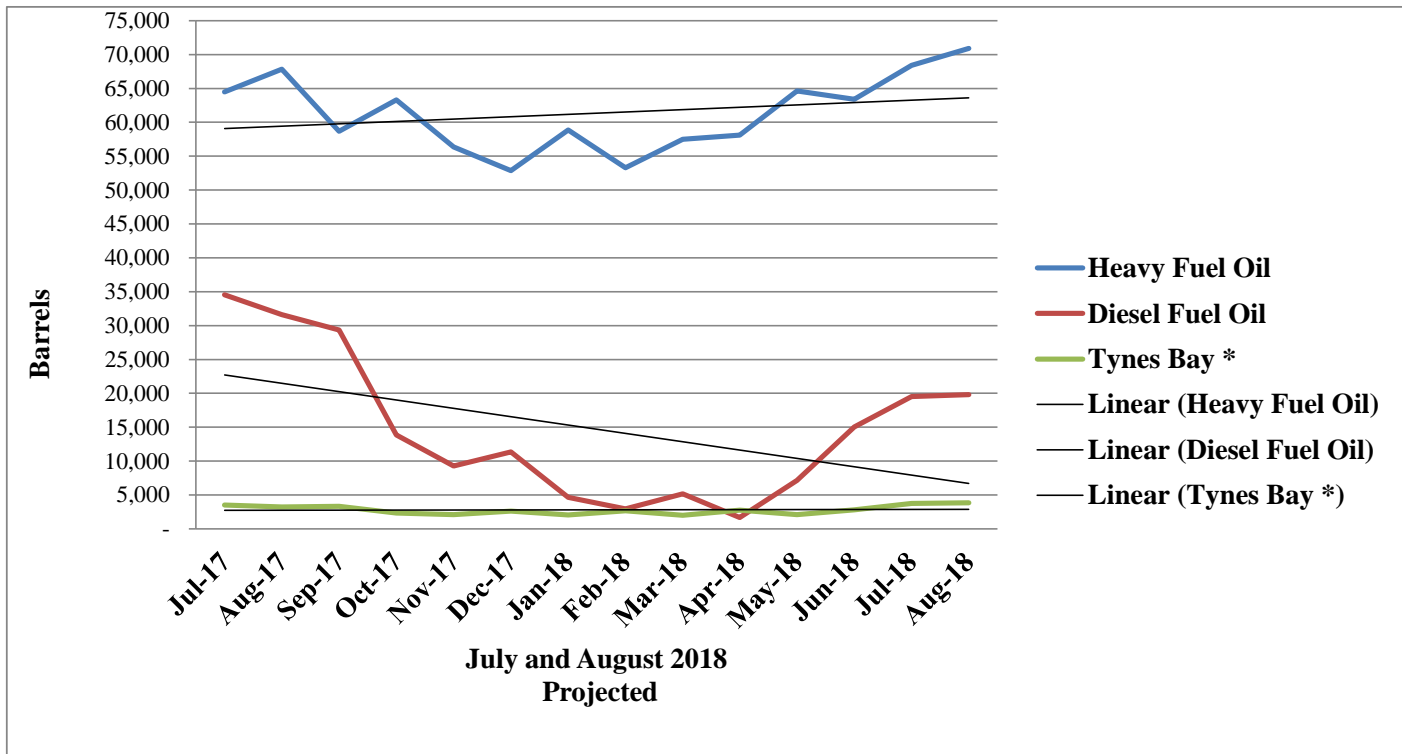


Diesel Fuel Oil Costs Per Shipment

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



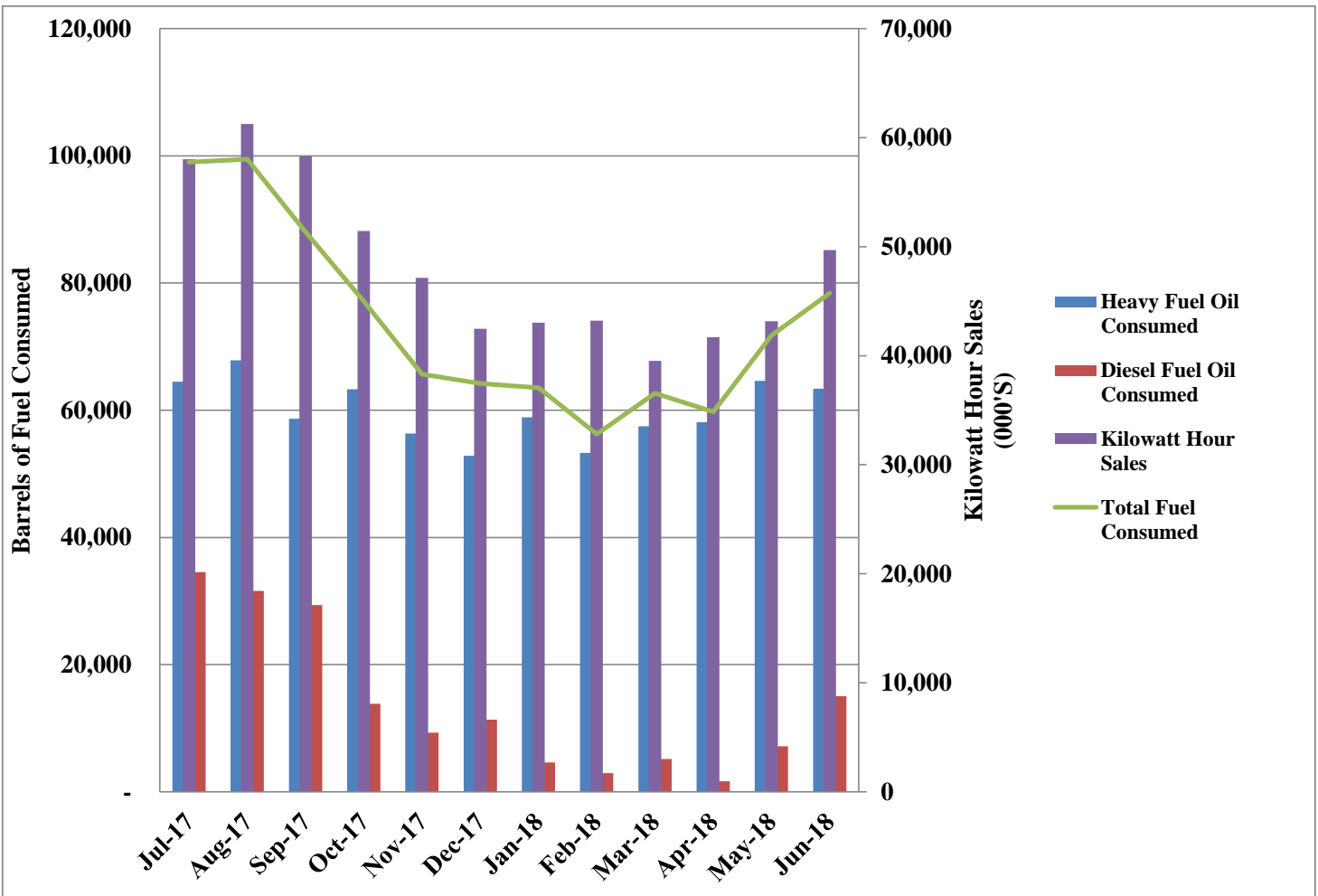
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

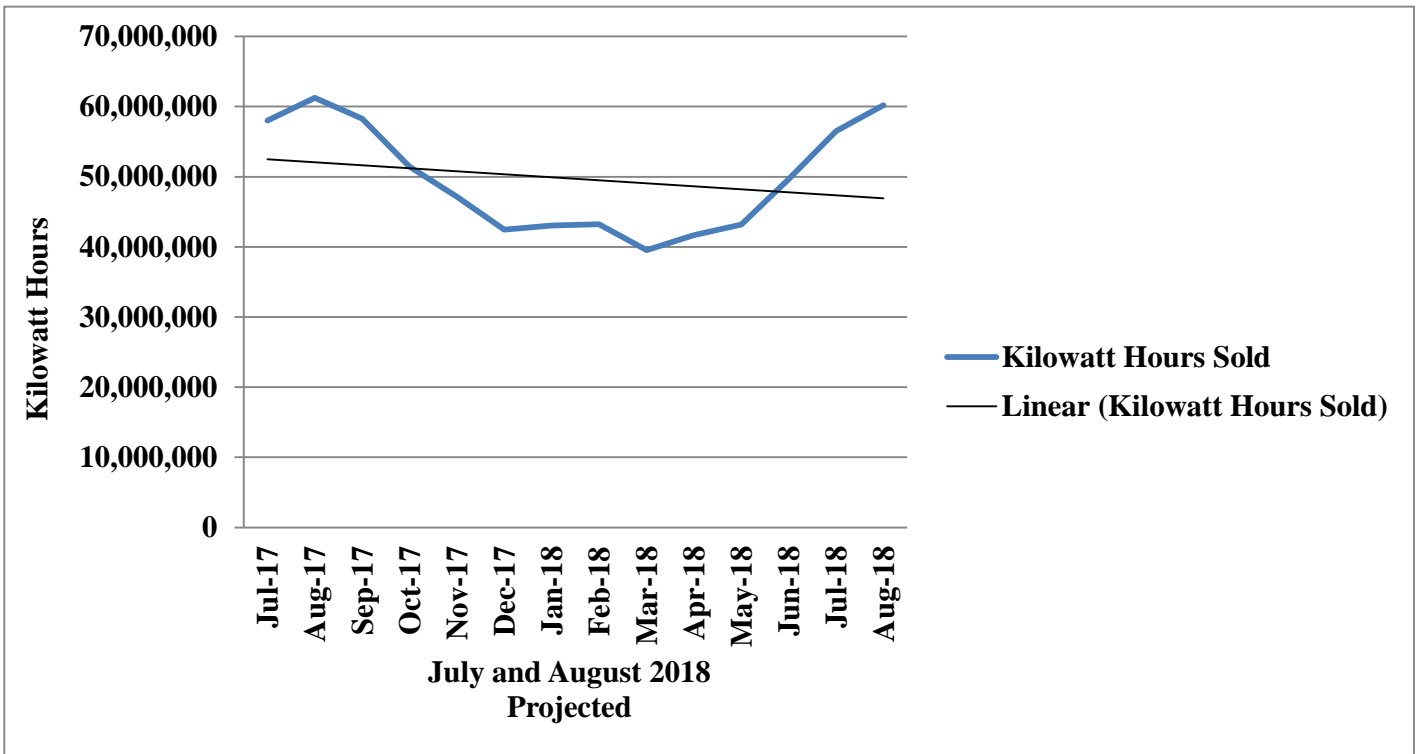




Kilowatt Hour Sales

Previous Twelve Months

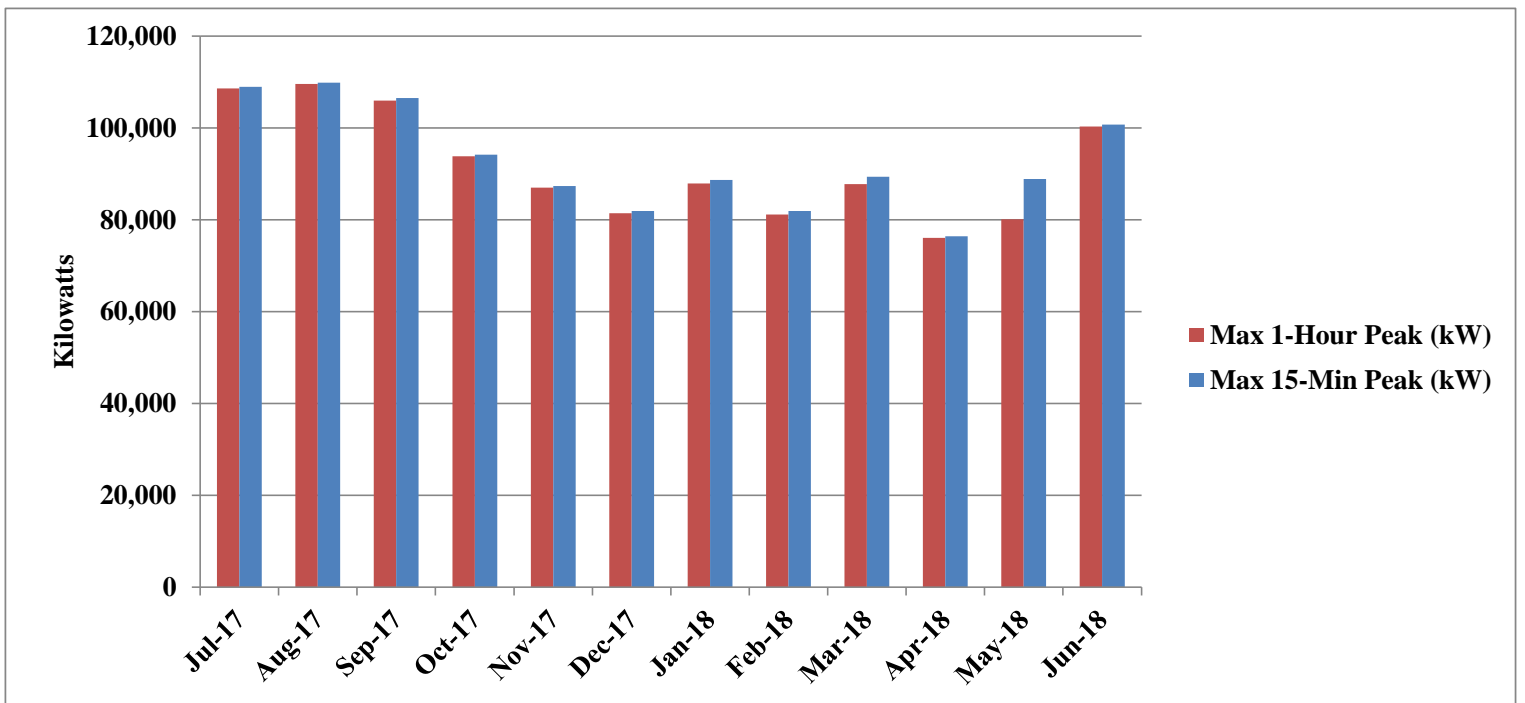
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

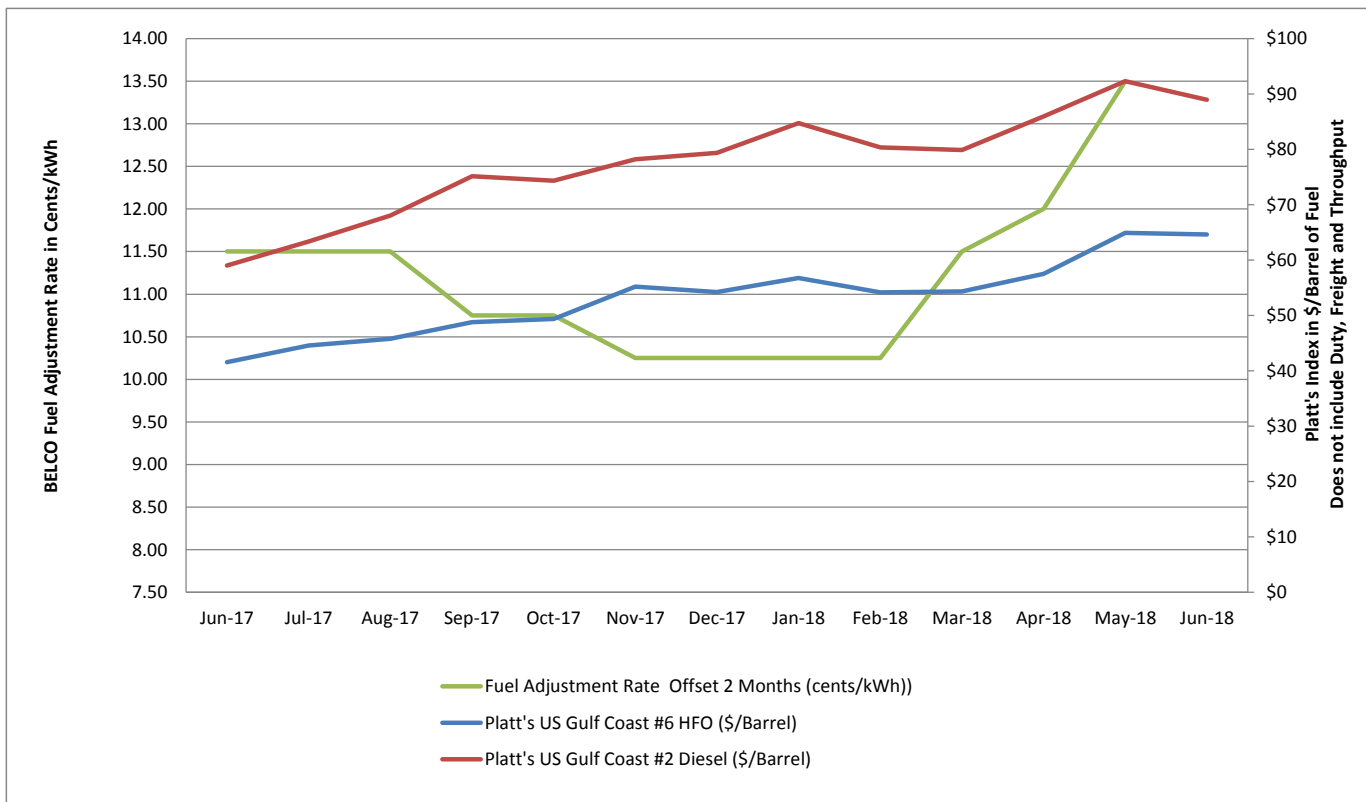




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 30 June 2018

	\$	\$	\$
Opening Balance at 1 June 2018			404,169
 <u>Fuel Consumption</u>			
Diesel - 15,027.01 @ \$119.58000	1,796,930		
Less: Fuel Consumption @ \$30/bbl	<u>(450,810)</u>	1,346,120	
Heavy -18,671.03 bbls @ \$107.1773	2,001,111		
Heavy -44,714.97 bbls @ \$104.1037	4,654,994		
Less: Fuel Consumption @ \$30/bbl	<u>(1,901,580)</u>	4,754,525	
Tynes Bay - 1,983,160 kWh @ \$0.185	366,885		
Less: (1,983,160 kWh /707.0)2,805.04 bbls @ \$30/bbl	<u>(84,151)</u>	282,734	
		6,383,379	
Deduct: Fuel Adjustment Revenue		<u>5,962,515</u>	
June over / (under) recovery			(420,864)
Ending Balance at 30 June 2018			<u>(16,694)</u>



Fuel Adjustment Over / (Under) Cost Recovery Variance Analysis

For the Month Ended 30 June 2018

Cost Analysis:

Projections:

	Diesel	Heavy	Tynes Bay	Total
Barrels	14,621	64,692	3,649	82,962
Total Fuel Adjustment Cost	\$ 1,309,749	\$ 4,851,304	\$ 367,734	\$ 6,528,786
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 74.99	\$ 100.79	\$ 78.70

Actual:

Barrels	15,027	63,386	2,805	81,218
Total Fuel Cost	\$ 1,796,929	\$ 6,656,103	\$ 366,885	\$ 8,819,917
Total Fuel Adjustment Cost	\$ 1,346,119	\$ 4,754,523	\$ 282,734	\$ 6,383,376
Fuel Adjustment Cost / Barrel	\$ 89.58	\$ 75.01	\$ 100.79	\$ 78.60

Sales Analysis:

FAR (cents/kwh)

12.00 Requested

12.00 Approved

Fuel Adjustment Sales

Projected:
Actual:
Variance
% Variance

Total KWH Sales	Total \$ Sales
49,945,505	\$ 5,993,461
49,678,315	\$ 5,962,515
(267,189)	\$ (30,946)
-0.53%	-0.52%

Summary - projected vs. actual variances:

	Diesel	HFO	Tynes Bay	Total (Rounded)
Quantity (Barrels):	(406)	1,306	843	1,744
Costs:				
Price variance	\$ (46)	\$ (1,193)	\$ (14)	\$ (1,253)
Quantity variance	\$ (36,326)	\$ 97,974	\$ 85,013	\$ 146,661
Total variance	\$ (36,372)	\$ 96,781	\$ 84,999	\$ 145,408
Sales:				\$ (30,946)
Total projected vs. actual variance (June 2018)				\$ 114,462

Fuel Adjustment Over / (Under) Cost Recovery (General Ledger Account 24205)	Projected \$	Actual \$
Opening Balance at 1 June 2018	404,169	404,169
Projected change in over / (under) recovery position	(535,325)	(535,325)
Variance (Actual vs. Projected) - see above		114,462
Actual change in over / (under) recovery position	(535,325)	(420,863)
Ending Balance at 30 June 2018	(131,156)	(16,694)



Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel*	FADJ (less \$30/bbl)
March 2018	Heavy	No	25,376.53	104.1037	74.1037
June 2018	Heavy	No	179,633.98	110.3247	80.3247
September 2017	Diesel	No	24,687.14	119.5800	89.5800
October 2017	Diesel	No	25,022.67	117.8308	87.8308
December 2017	Diesel	No	24,991.00	122.3334	92.3334

*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:						\$ (16,694)
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	19,504	\$ (89.58)	\$ (1,747,168.32)	
	Heavy	March 2018	25,377	\$ (74.10)	\$ (1,880,494.77)	
	Heavy	June 2018	43,048	\$ (80.32)	\$ (3,457,855.44)	
	Tynes Bay	N/A	3,774	\$ (96.45)	\$ (363,978.00)	
	Total Barrels		91,703			178,526
Projected Over (Under) Recovery account as at end of this month:						161,832
Projected kWh Sales - August 2018	60,204,300		FADJ	13.50		\$ 8,127,581
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	5,183	\$ (89.58)	\$ (464,305.68)	
	Diesel	October 2017	14,618	\$ (87.83)	\$ (1,283,898.34)	
	Heavy	June 2018	70,924	\$ (80.32)	\$ (5,696,949.02)	
	Tynes Bay	N/A	3,824	\$ (94.77)	\$ (362,454.30)	
	Total Barrels		94,549			319,973
Projected Over (Under) Recovery account as at end of this month:						481,805
Projected kWh Sales - September 2018	59,387,701		FADJ	13.50		\$ 8,017,340
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	October 2017	10,405	\$ (87.83)	\$ (913,862.79)	
	Diesel	December 2017	14,354	\$ (92.33)	\$ (1,325,370.64)	
	Heavy	June 2018	64,511	\$ (80.32)	\$ (5,181,826.72)	
	Tynes Bay	N/A	3,780	\$ (96.23)	\$ (363,781.20)	
	Total Barrels		93,050			232,498
Projected Over (Under) Recovery account as at end of this month:						714,303



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (16,694)
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	19,504	\$ (89.58)	\$ (1,747,168.32)	
	Heavy	March 2018	25,377	\$ (74.10)	\$ (1,880,494.77)	
	Heavy	June 2018	43,048	\$ (80.32)	\$ (3,457,855.44)	
	Tynes Bay	N/A	3,774	\$ (96.45)	\$ (363,978.00)	
	Total Barrels		91,703			178,526
Projected Over (Under) Recovery account as at end of this month:						161,832
Projected kWh Sales - August 2018	60,204,300		FADJ	12.90		\$ 7,766,355
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	September 2017	5,183	\$ (89.58)	\$ (464,305.68)	
	Diesel	October 2017	14,618	\$ (87.83)	\$ (1,283,898.34)	
	Heavy	June 2018	70,924	\$ (80.32)	\$ (5,696,949.02)	
	Tynes Bay	N/A	3,824	\$ (94.77)	\$ (362,454.30)	
	Total Barrels		94,549			(41,253)
Projected Over (Under) Recovery account as at end of this month:						120,579
Projected kWh Sales - September 2018	59,387,701		FADJ	12.90		\$ 7,661,013
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	October 2017	10,405	\$ (87.83)	\$ (913,862.79)	
	Diesel	December 2017	14,354	\$ (92.33)	\$ (1,325,370.64)	
	Heavy	June 2018	64,511	\$ (80.32)	\$ (5,181,826.72)	
	Tynes Bay	N/A	3,780	\$ (96.23)	\$ (363,781.20)	
	Total Barrels		93,050			(123,828)
Projected Over (Under) Recovery account as at end of this month:						(3,249)



Commercial Renewable System Excess Energy Rate ("CRSEER")

At Requested Fuel Adjustment Rate - Full Cost

Projected Over (Under) Recovery account as at end of July: \$						161,832
Projected kWh Sales - August 2018	60,204,300		CRSEER	17.61	\$	10,601,977
Projected fuel consumed		Shipment Date	Barrels	3	Total Cost	
	Diesel	September 2017	5,183	\$ (119.58)	\$ (619,799.88)	
	Diesel	October 2017	14,618	\$ (117.83)	\$ (1,722,434.14)	
	Heavy	June 2018	70,924	\$ (110.32)	\$ (7,824,669.02)	
	Tynes Bay	N/A	3,824	\$ (124.77)	\$ (477,189.00)	
	Total Barrels		94,549			(42,115)
Projected Over (Under) Recovery account as at end of this month:						119,717
Projected kWh Sales - September 2018	59,387,701		CRSEER	17.60	\$	10,452,235
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	October 2017	10,405	\$ (117.83)	\$ (1,226,007.09)	
	Diesel	December 2017	14,354	\$ (122.33)	\$ (1,755,996.34)	
	Heavy	June 2018	64,511	\$ (110.32)	\$ (7,117,156.72)	
	Tynes Bay	N/A	3,780	\$ (126.23)	\$ (477,189.00)	
	Total Barrels		93,050			(124,114)
Projected Over (Under) Recovery account as at end of this month:						(4,397)

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

BELCO

Generators Available for Service

June 2018

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	9619	685
E2	Yes	HFO	9099	683
E3	Yes	HFO	6910	704
E4	Yes	HFO	5329	699
E5	Yes	HFO	11682	705
E6	Yes	HFO	7074	706
E7	Yes	HFO	11648	724
E8	Yes	HFO	7409	732
D3	Yes	LFO	3476	606
D8	Yes	LFO	3205	617
D10	Yes	LFO	2275	608
D14	Yes	LFO	503	571
GT4	Yes	LFO	0	NA
GT5	Yes	LFO	1206	413
GT6	Yes	LFO	548	450
GT7	Yes	LFO	284	457
GT8	Yes	LFO	567	449

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



Generators Out of Service

June 2018

Unit	Type	Forced Outage Details	Outage Date	Return Date
E2	FO (Immediate)	Hi scavenge air temp on cyl #8	6/30/18	6/30/18
E1	MO	E1 to MO for cyl1 and cyl 6 and emd replacing breaker	6/30/18	7/1/18
GT6	FO (Immediate)	Unit out due to excessive vibration	6/28/18	6/28/18
E3	FO (Immediate)	Unit tripped on HTCW low pressure shut down	6/25/18	6/25/18
E2	FO (Immediate)	E2 Forced out due to JW Leak on cyl #8.	6/25/18	6/28/18
E5	MO	Unit to MO for B Bank HT Pipe Leak repair work	6/25/18	6/26/18
GT4	FO (Start-Up Failure)	Start system reservoir low level	6/25/18	6/28/18
GT5	MO	Unit out for battery change on fire system	6/23/18	6/25/18
E4	FO (Immediate)	Alternator cable ground fault	6/23/18	6/24/18
E3	FO (Immediate)	Lube Oil leaking from where the push rod meets the rocker gear box on cylinder 2R. Front right of cylinder.	6/20/18	6/20/18
E1	MO	MMD to change exhaust valve spring on cylinder #5	6/20/18	6/20/18
E8	PO	Engine out for its 15K service.	6/19/18	6/30/18
E1	FO (Immediate)	JCW leak at cylinder #4, outlet pipe.	6/18/18	6/19/18
D14	MO	D14 Out to repair exhaust bellows.	6/14/18	7/1/18
E5	MO	Repair broken w/w line and NS Line Coupling	6/13/18	7/1/18
GT4	MO		6/13/18	6/14/18
E6	FO (Immediate)	Fuel leak at Cylinder #1A. High pressure pipe holding nut was not torqued correctly from 3K service.	6/11/18	6/11/18
D14	MO	D14 jcw leak	6/9/18	6/14/18
E3	MO	Unit out to bypass control air receiver for inspection	6/8/18	6/9/18
E5	MO	check valve on fuel pump passing	6/7/18	6/8/18
E4	MO	nozzle ring cleaning	6/6/18	6/12/18
GT4	MO	Unit out for Air bottle and safety valve inspection	6/5/18	6/6/18
E8	MO	Unit out to weld broken HTCW pipe.	6/5/18	6/6/18
D10	FO (Immediate)	Cylinder failure at 3R	6/1/18	6/15/18



Scheduled Generator Maintenance

Jul-18

Generator	Maintenance Type	Outage Date	Return Date
E3	4.5K Service	7/2/2018	7/13/2018
E1	8K Service	7/17/2018	7/28/2018
E5	9K Service	7/30/2018	8/3/2018



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