



**GOVERNMENT OF BERMUDA**  
**Ministry of Economic Development**  
**Bermuda Energy Commission**

---

December 17, 2014

Our ref: EC/BEL-FAR01-15

**By Mail and Email**

Bermuda Electric Light Co. Ltd.  
P.O. Box HM 1026  
Hamilton HM DX  
*Attn: David Faries, VP Finance & Financial Controller*

**Re: Fuel Adjustment Rate Filing – January 1, 2015 to January 31, 2015**

**BACKGROUND**

By way of Advisory Letter and supporting data submissions dated 10<sup>th</sup> December, 2014 from Bermuda Electric Light Co. Ltd. (“BELCO”) requesting to decrease the approved Fuel Adjustment Rate (FAR) from \$0.130 to \$0.120 and the Commercial Renewable System Excess Energy Rate (CRSEER) from \$0.1775 to \$0.1665 with the Energy Commission (“Commission”), the Commission acknowledges receipt of your correspondence.

The Commission reviewed the tariff filing which included all of the calculations, graphs, tables, charts, and commentary accompanying the submission regarding the Projected Over/Under Recovery of Fuel Costs account (“FAR account”) as required by the FAR Minimum Filing Requirements (MFR) document.

The Commission reviewed the previous monthly fuel adjustment rate submissions made by BELCO.

The Commission did examine this tariff filing’s cover letter commentary from BELCO.

The Commission’s deliberations were conducted in accordance with Section 13(2 & 3) of the Energy Act 2009.

**FINDING/REASONING**

It is noted that BELCO’s submission was fully compliant with the FAR Minimum Filing Requirements (MFR) document.



**GOVERNMENT OF BERMUDA**  
**Ministry of Economic Development**  
**Bermuda Energy Commission**

---

The Commission continues to find at this time that the FAR mechanism is in the public interest by way of facilitating “smooth” fluctuations of fuel prices above the \$30.00 per barrel cost that is embedded in BELCO’s base rates.

The Commission reasons that the FAR account is projected to be in an over recovery position at the end of December 2014.

The inclusion of the fuel full cost recovery projections for January 2015 and February 2015 were duly noted.

**DIRECTION**

The Commission thereby approves the request to decrease the FAR to 12.0 cents and the CRSEER to 16.65 cents effective January 1, 2015 subject to the following conditions:-

1. A prominent message will accompany BELCO’s billings (paper and email) for the month of informing its Customers that the Fuel Adjustment Rate and the Commercial Renewable System Excess Energy Rate have been reduced to 12.0 and to 16.65 cents kilowatt-hour respectively.
2. The Commission directs that the FAR will revert to 10.0 cents and the CRSEER will remain at 16.65 cents per Kilowatt-hour effective February 1, 2015 should a new tariff filing not be received before the close of business on January 30, 2015.
3. The Commission provides its approval of the \$0.120 and \$0.1665 rates for December (the “approved FAR” and “approved CRSEER”) on the condition that BELCO:
  - a. Continues to fully fulfill the requirements of the Far MFR document and submits all information in accordance with the document;
  - b. Is required to notify the Commission in writing of its intention every month after such approval has been given to retain the approved FAR.
4. Upon written notice made by BELCO to the Commission for approval to retain the approved FAR and CRSEER for the next month, the Commission shall if satisfied; confirm in writing to BELCO that such rate:
  - i. is approved to be retained; or
  - ii. is required to be varied; and may impose any term or condition required in connection therewith.



**GOVERNMENT OF BERMUDA**  
**Ministry of Economic Development**  
**Bermuda Energy Commission**

---

5. The Commission shall have regard to the matters set out under section 13 (2) of the Energy Act 2009 (the "Act") in relation to any notice made by BELCO prior to issuing any of the foregoing approvals.
6. BELCO shall continue to notify the Commission in accordance with Section 12 of the Act in relation to any approval for variation of the price or charge for a specified commodity or in relation to any published schedule of prices or charges for that commodity, which shall be submitted in accordance with the Commission's FAR Minimum Filing Requirements (MFR) document.

Sincerely,

A handwritten signature in black ink, appearing to be 'E. Michael Leverock'.

E. Michael Leverock  
Energy Commission Chairman