

PO BOX HM 1026, HAMILTON HM DX, BERMUDA
TELEPHONE: (441) 295-5111
FAX: EXECUTIVE (441) 292-8975
CUSTOMER SERVICE (441) 292-7832
EMAIL: info@belco.bm
WEBSITE: www.belco.bm



PLEASE QUOTE OUR REF

August 17, 2016

The Energy Commission
c/o The Ministry of Energy, Telecommunications and E-Commerce
PO Box HM 101
Hamilton, HM AX

Attention: Mr. Michael Leverock, Chairman

TARIFF FILING

Dear Mr. Leverock,

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 8.75 cents per kilowatt-hour sold for August 2016 to 10.50 cents per kilowatt-hour sold for September 2016 ; **and**
2. CRSEER - **Increase** from 13.97 cents per kilowatt-hour for August 2016 to 15.48 cents per kilowatt-hour for all meters read during the month of September 2016.

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

As directed by the Energy Commission in accordance with Schedule 1 Paragraph 16 of the Energy Act 2009, our submission in support of this request is attached for your review.

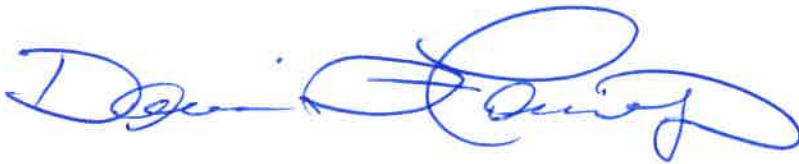
The actual fuel adjustment cost recovery position as at 31st July, 2016 was \$569,024 under recovered as compared to the projected \$181,961 over recovery position projected in June. The \$750,985 unfavorable variance is due to:

- The total actual barrels of fuel consumed in June were 7,846 barrels higher than projected, resulting in a **negative** impact on the recovery position of \$416,610;
- Net price variance **negatively** impacted the recovery position by \$7,706;
- Actual July electric sales were 1,077,237 KWH's lower than projected. This variance resulted in a net **negative** impact on the fuel recovery position of \$320,455; and
- Fuel interest finance cost incurred in July **negatively** impacted the recovery position by \$6,214.

As always, we are available to meet with the Energy Commission to discuss our FAR submission. 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 large, 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

September 2016

This information is provided to the Bermuda Energy Commission as directed by them on December 30, 2013, in accordance with Schedule 1, Paragraph 16 of the Bermuda Energy Act 2009. This information should be read in conjunction with documents filed by Ascendant Group Limited with the Bermuda Stock Exchange. Please refer to the Company's website at www.belco.bm for further information describing Bermuda Electric Light Company Limited. 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.



Fuel Adjustment Submission

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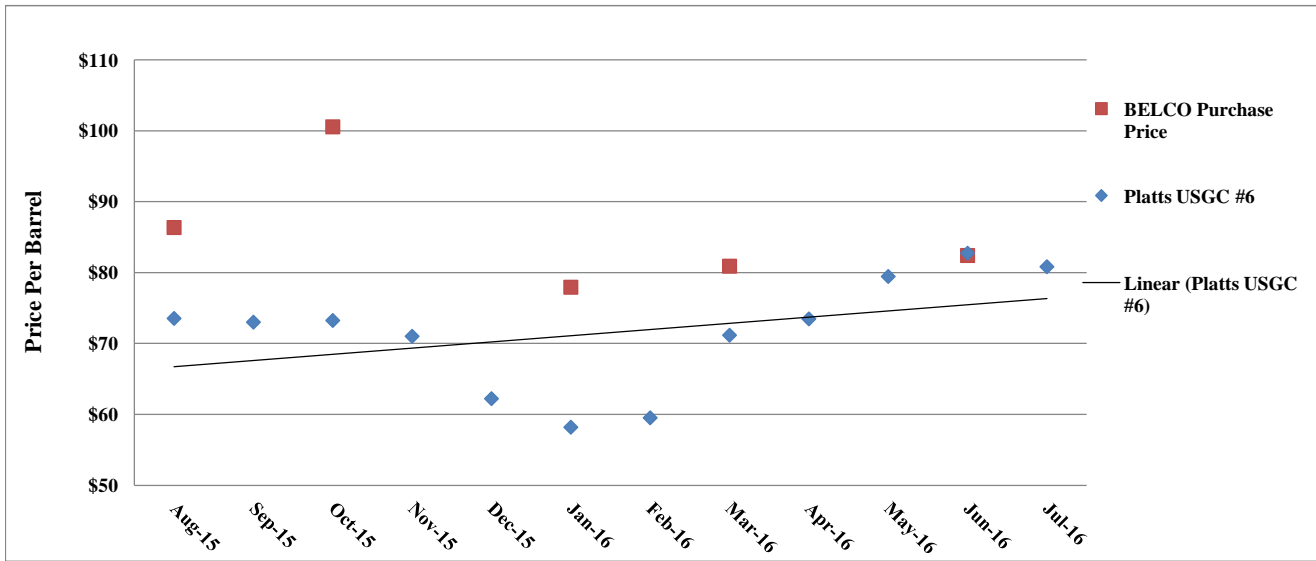


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

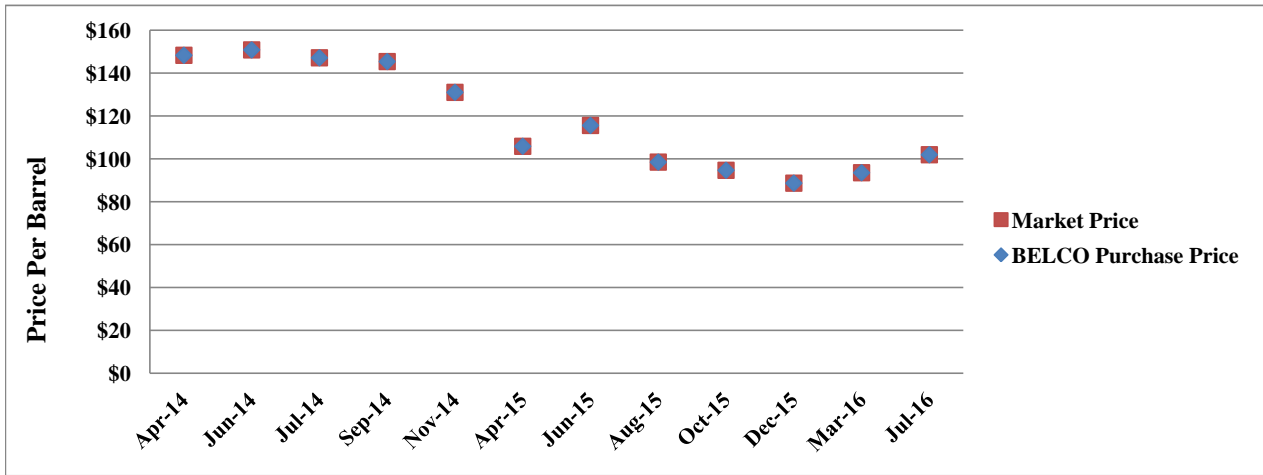


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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



Diesel Fuel Oil Purchased

Previous Twelve Months



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

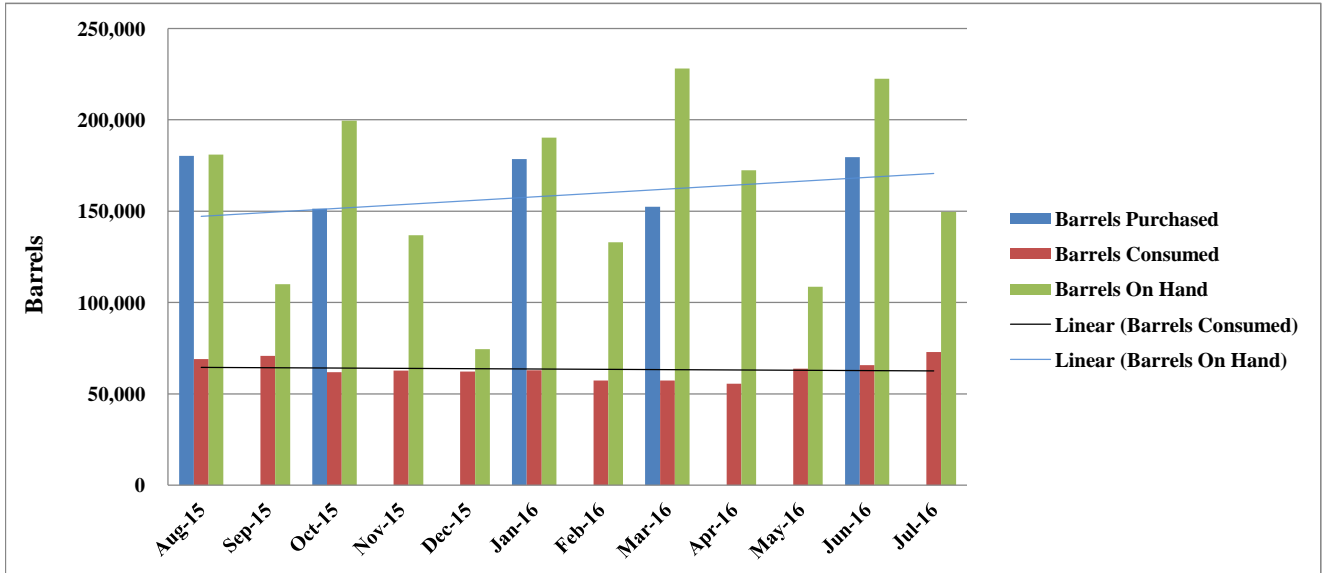
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
August, 2015	180,297.11	69,125.00	180,922.83
September, 2015	-	70,852.00	110,070.83
October, 2015	151,329.70	61,874.55	199,525.98
November, 2015	-	62,737.00	136,788.98
December, 2015	-	62,251.00	74,553.17
January, 2016	178,534.67	62,874.00	190,213.84
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



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

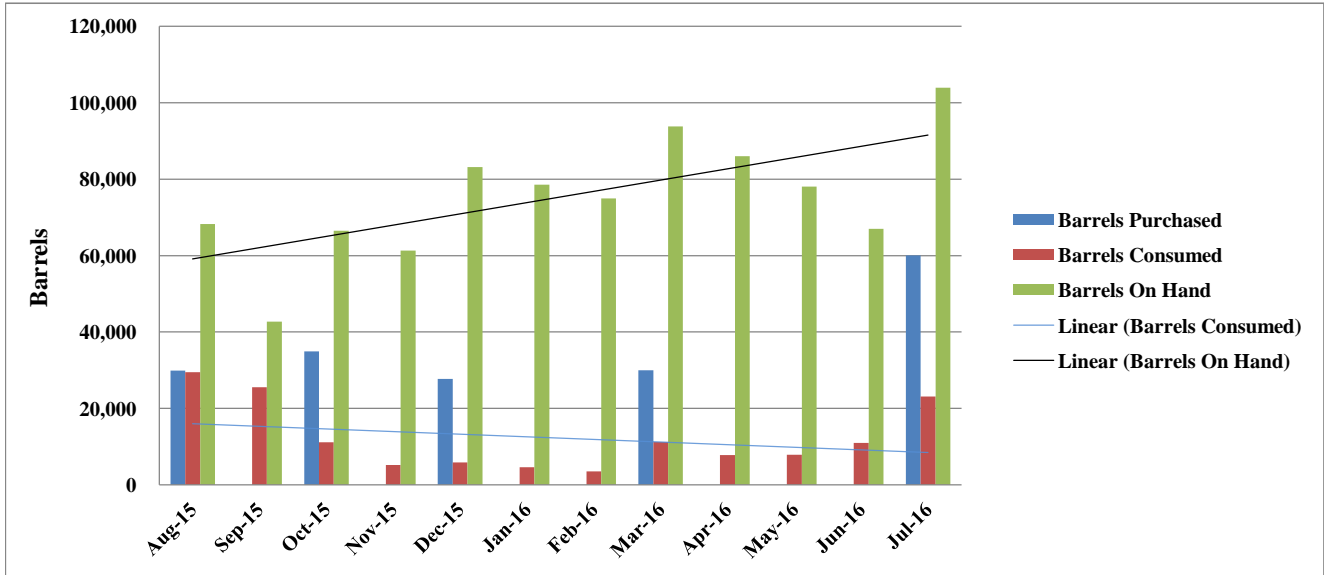
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
August, 2015	29,940.60	29,499.00	68,276.84
September, 2015	-	25,552.00	42,724.84
October, 2015	34,952.60	11,171.00	66,506.44
November, 2015	-	5,216.00	61,290.44
December, 2015	27,725.60	5,874.00	83,142.70
January, 2016	-	4,594.07	78,548.63
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



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

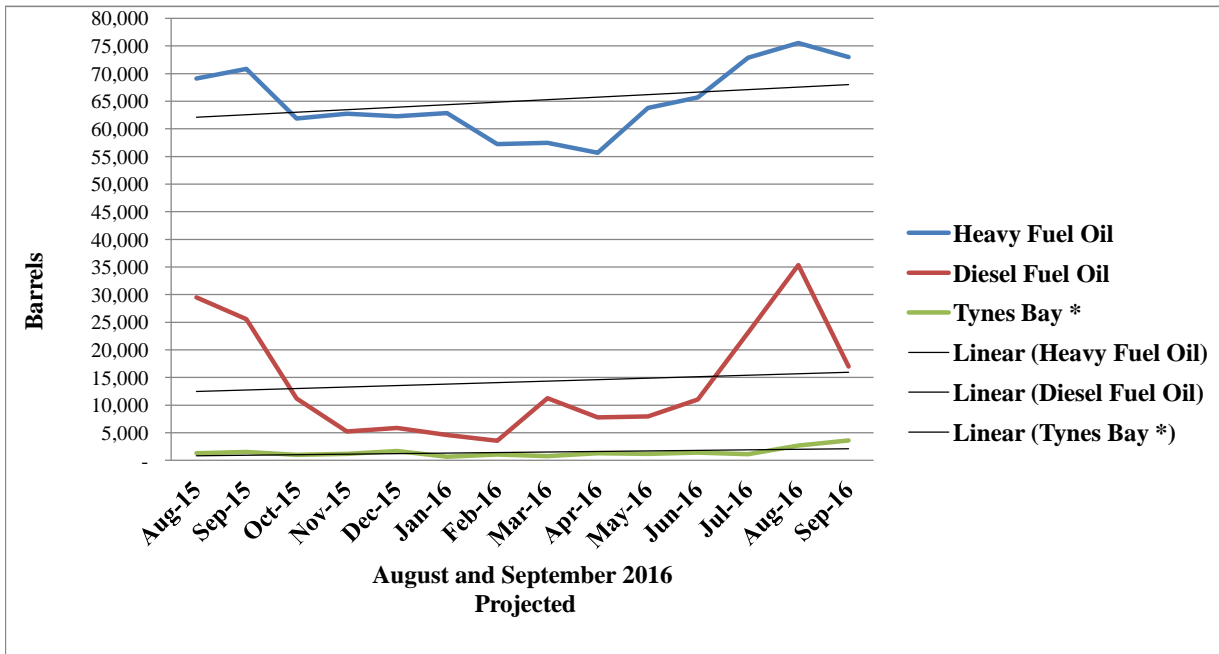
In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



Barrels of Fuel Consumed

Previous Twelve Months

Plus Two Month Forward Projection



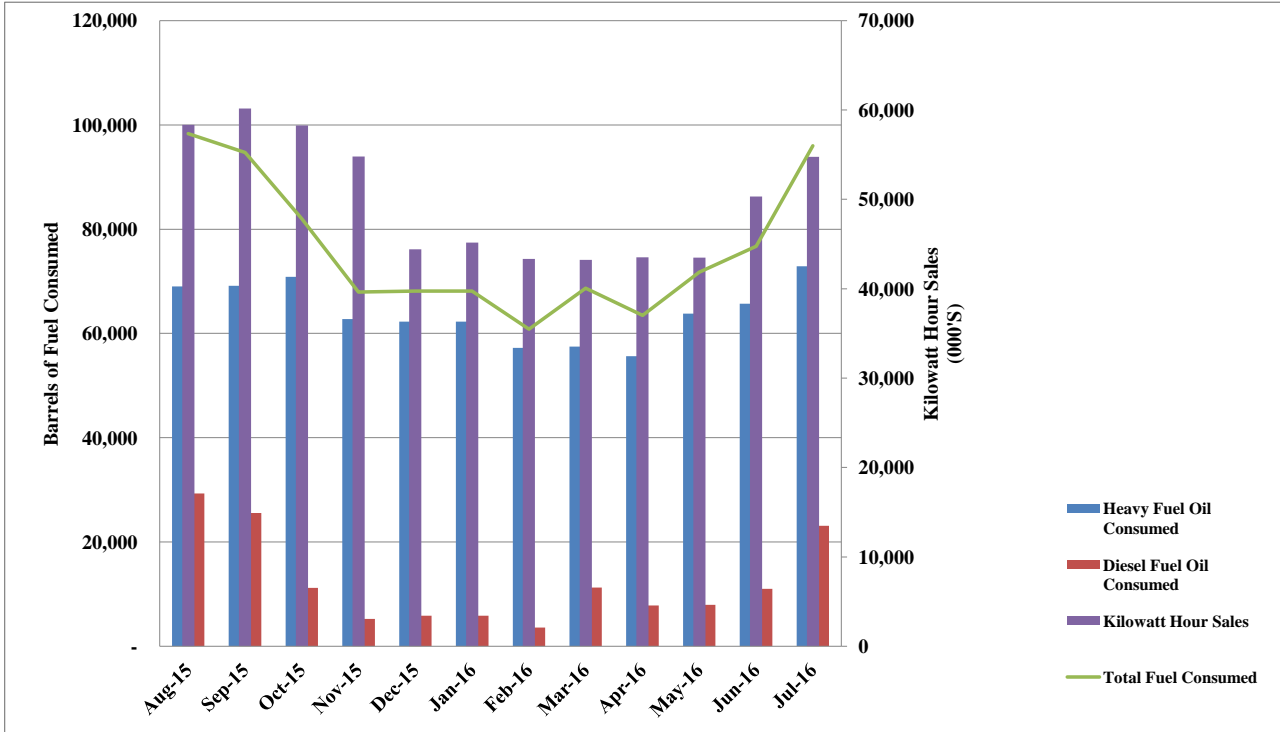
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

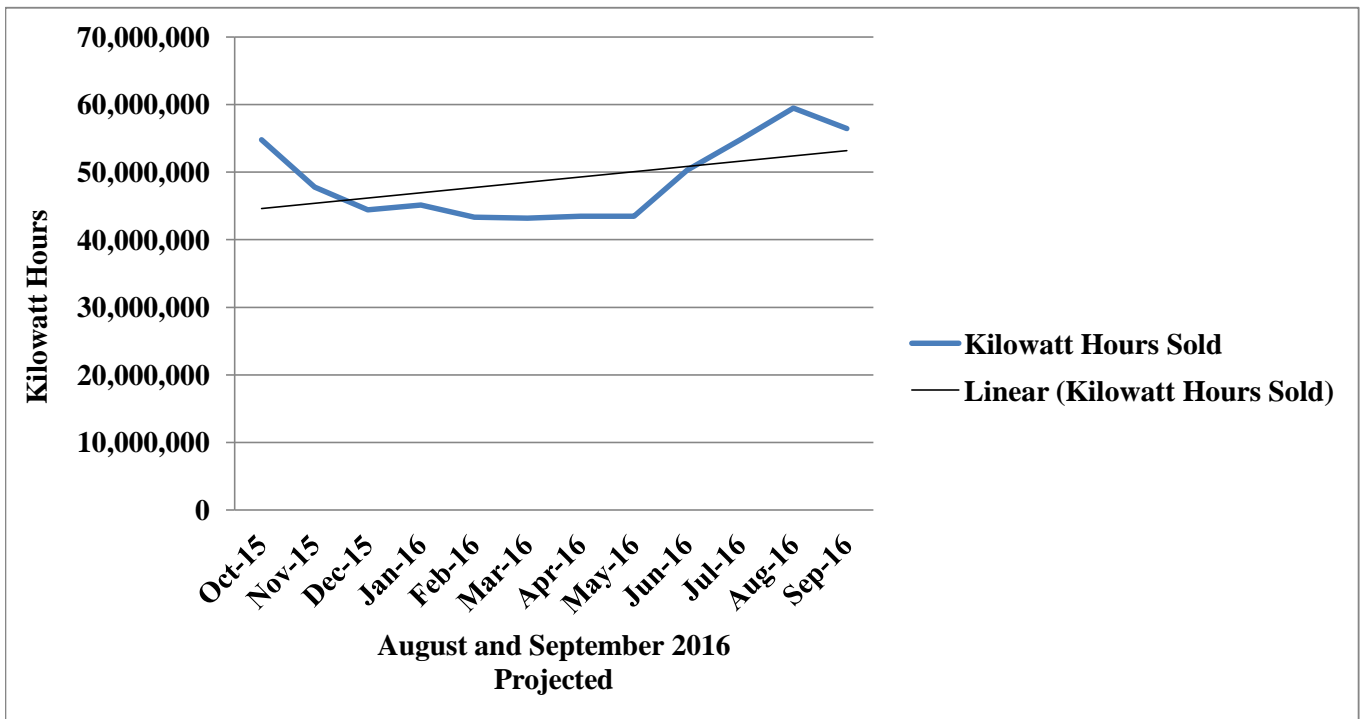


BELCO

Kilowatt Hour Sales

Previous Twelve Months

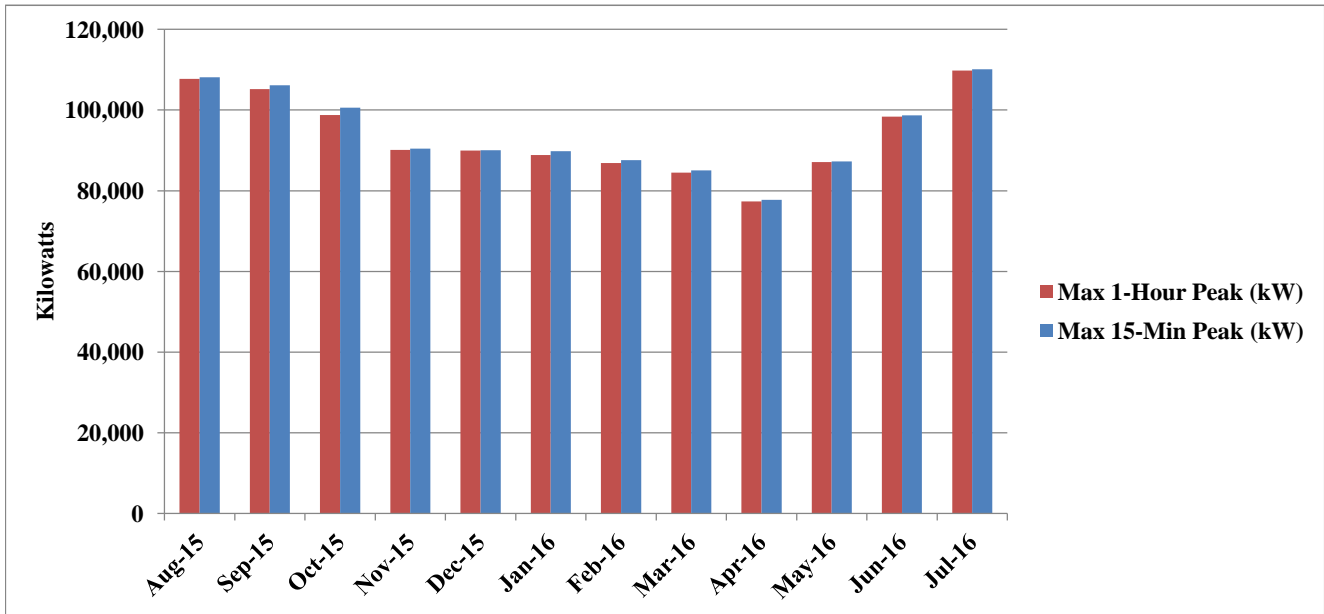
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

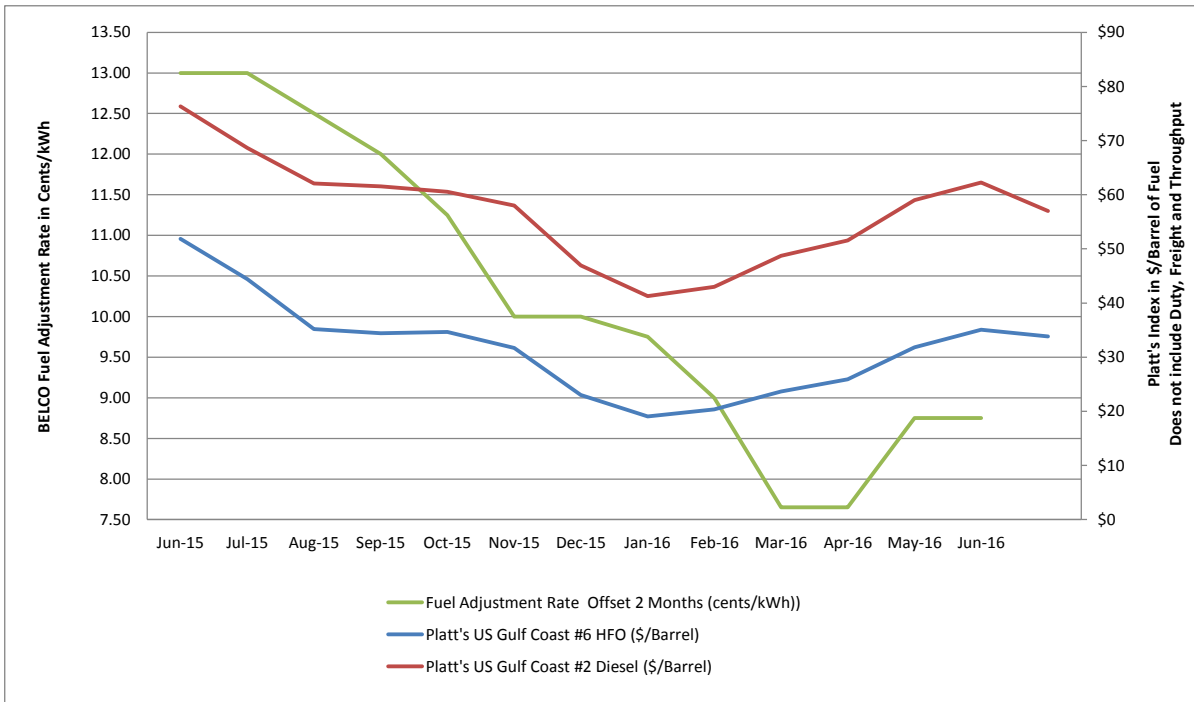




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31st July 2016

	\$	\$	\$
Opening Balance at 1 July 2016			(70,565)
<u>Fuel Consumption</u>			
Diesel -23,110.99 @ \$94.8955	2,193,129		
Less: Fuel Consumption @ \$30/bbl	<u>(693,330)</u>	1,499,799	
Heavy - 42,889.35 bbls @ \$71.2334	3,055,154		
Heavy - 29,990.65 bbls @ \$86.0560	2,580,875		
Less: Fuel Consumption @ \$30/bbl	<u>(2,186,400)</u>	3,449,629	
Tynes Bay - 776,860 kWh @ \$0.185	143,719		
Less: (776,860 kWh /677.9) 1,145.98 bbls @ \$30/bbl	<u>(34,379)</u>	109,340	
		5,058,768	
Deduct: Fuel Adjustment Revenue		<u>4,566,524</u>	
July over / (under) recovery			(492,245)
Interest Expense			(6,214)
Ending Balance at 31 July 2016			<u>(569,024)</u>

BELCO

Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
June 2016	Heavy	Yes	9.35	86.0571	56.0571
June 2016	Heavy	Yes	30,000.00	83.3233	53.3233
June 2016	Heavy	Yes	30,000.00	78.7163	48.7163
June 2016	Heavy	No	89,621.88	82.1192	52.1192
September 2016	Heavy	Yes	30,000.00	87.6791	57.6791
September 2016	Heavy	Yes	30,000.00	85.0466	55.0466
September 2016	Heavy	Yes	30,000.00	80.9460	50.9460
December 15	Diesel	No	13,884.04	94.9818	64.9818
March 16	Diesel	No	30,023.88	93.5711	63.5711
July 16	Diesel	No	60,013.52	101.9777	71.9777



Fuel Adjustment Over/(Under) Recovery Projections

At Existing Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:					\$ (569,024)
Projected kWh Sales - August 2016	59,484,232		FADJ 8.75		\$ 5,204,870
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
	Diesel	December 2015	13,884	\$ (64.98)	\$ (902,209.91)
	Diesel	March 2016	21,443	\$ (63.57)	\$ (1,363,152.55)
	Heavy	June 2016	9	\$ (56.06)	\$ (524.13)
	Heavy	June 2016	30,000	\$ (53.32)	\$ (1,599,699.00)
	Heavy	June 2016	30,000	\$ (48.72)	\$ (1,461,489.00)
	Heavy	June 2016	15,503	\$ (52.12)	\$ (807,985.72)
	Tynes Bay	N/A	2,670	\$ (93.23)	\$ (248,907.92)
	Total Barrels		113,509		(1,179,098)
Projected Over (Under) Recovery account as at end of this month:					(1,748,122)
Projected kWh Sales - September 2016	56,427,246		FADJ 8.75		\$ 4,937,384
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
	Diesel	March 2016	8,581	\$ (63.57)	\$ (545,498.52)
	Diesel	July 2016	8,415	\$ (71.98)	\$ (605,698.10)
	Heavy	June 2016	73,017	\$ (52.12)	\$ (3,805,587.63)
	Tynes Bay	N/A	3,638	\$ (95.21)	\$ (346,395.06)
	Total Barrels		93,651		(365,795)
Projected Over (Under) Recovery account as at end of this month:					(2,113,917)
Projected kWh Sales - October 2016	53,233,173		FADJ 8.75		\$ 4,657,903
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
	Diesel	July 2016	9,591	\$ (71.98)	\$ (690,338.12)
	Heavy	June 2016	1,102	\$ (52.12)	\$ (57,443.16)
	Heavy	September 2016	30,000	\$ (57.68)	\$ (1,730,373.00)
	Heavy	September 2016	30,000	\$ (55.05)	\$ (1,651,398.00)
	Heavy	September 2016	7,206	\$ (50.95)	\$ (367,105.16)
	Tynes Bay	N/A	3,612	\$ (100.83)	\$ (364,210.83)
	Total Barrels		81,511		(202,966)
Projected Over (Under) Recovery account as at end of this month:					(2,316,883)



Fuel Adjustment Over/(Under) Recovery Projections
At Requested Fuel Adjustment Rate
Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (569,024)
Projected kWh Sales - August 2016	59,484,232		FADJ	8.75		\$ 5,204,870
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	December 2015	13,884	\$ (64.98)	\$ (902,209.91)	
	Diesel	March 2016	21,443	\$ (63.57)	\$ (1,363,152.55)	
	Heavy	June 2016	9	\$ (56.06)	\$ (524.13)	
	Heavy	June 2016	30,000	\$ (53.32)	\$ (1,599,699.00)	
	Heavy	June 2016	30,000	\$ (48.72)	\$ (1,461,489.00)	
	Heavy	June 2016	15,503	\$ (52.12)	\$ (807,985.72)	
	Tynes Bay	N/A	2,670	\$ (93.23)	\$ (248,907.92)	
	Total Barrels		113,509			(1,179,098)
Projected Over (Under) Recovery account as at end of this month:						(1,748,122)
Projected kWh Sales - September 2016	56,427,246		FADJ	10.50		\$ 5,924,861
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	March 2016	8,581	\$ (63.57)	\$ (545,498.52)	
	Diesel	July 2016	8,415	\$ (71.98)	\$ (605,698.10)	
	Heavy	June 2016	73,017	\$ (52.12)	\$ (3,805,587.63)	
	Tynes Bay	N/A	3,638	\$ (95.21)	\$ (346,395.06)	
	Total Barrels		93,651			621,682
Projected Over (Under) Recovery account as at end of this month:						(1,126,440)
Projected kWh Sales - October 2016	53,233,173		FADJ	11.00		\$ 5,855,649
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	9,591	\$ (71.98)	\$ (690,338.12)	
	Heavy	June 2016	1,102	\$ (52.12)	\$ (57,443.16)	
	Heavy	September 2016	30,000	\$ (57.68)	\$ (1,730,373.00)	
	Heavy	September 2016	30,000	\$ (55.05)	\$ (1,651,398.00)	
	Heavy	September 2016	7,206	\$ (50.95)	\$ (367,105.16)	
	Tynes Bay	N/A	3,612	\$ (100.83)	\$ (364,210.83)	
	Total Barrels		81,511			994,781
Projected Over (Under) Recovery account as at end of this month:						(131,659)



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate - Full Cost

Three Months Forward

Projected Over (Under) Recovery account as at end of August:						\$ (1,748,122)
Projected kWh Sales - September 2016	56,427,246		FADJ	15.48		\$ 8,734,938
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	March 2016	8,581	\$ (93.57)	\$ (802,926.12)	
	Diesel	July 2016	8,415	\$ (101.98)	\$ (858,150.50)	
	Heavy	June 2016	73,017	\$ (82.12)	\$ (5,996,097.63)	
	Tynes Bay	N/A	3,638	\$ (125.21)	\$ (455,544.00)	
	Total Barrels		93,651			622,219
Projected Over (Under) Recovery account as at end of this month:						(1,125,902)
Projected kWh Sales - October 2016	53,233,173		FADJ	15.59		\$ 8,299,052
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	9,591	\$ (101.98)	\$ (978,068.12)	
	Heavy	June 2016	1,102	\$ (82.12)	\$ (90,510.06)	
	Heavy	September 2016	30,000	\$ (87.68)	\$ (2,630,373.00)	
	Heavy	September 2016	30,000	\$ (85.05)	\$ (2,551,398.00)	
	Heavy	September 2016	7,206	\$ (80.95)	\$ (583,278.26)	
	Tynes Bay	N/A	3,612	\$ (130.83)	\$ (472,578.80)	
	Total Barrels		81,511			992,845
Projected Over (Under) Recovery account as at end of this month:						(133,057)



Generators Available for Service

July 2016

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	11008	684
E2	Yes	HFO	7418	676
E3	Yes	HFO	8270	704
E4	Yes	HFO	8510	704
E5	Yes	HFO	6649	694
E6	Yes	HFO	10937	704
E7	Yes	HFO	12304	727
E8	Yes	HFO	12699	734
D3	Yes	LFO	4567	596
D8	Yes	LFO	4472	615
D10	Yes	LFO	4685	605
D14	Yes	LFO	1185	570
GT4	Yes	LFO	0	0
GT5	Yes	LFO	3173	415
GT6	Yes	LFO	801	453
GT7	Yes	LFO	579	452
GT8	Yes	LFO	475	444

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



Generators Out of Service

July 2016

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E5	Main Engine	FO (Postpone)	LTCW sensing line cinch ring failed.	07/31/16	07/31/16
E3	Auxiliary Systems	FO (Postpone)	FVCW return line from engine rubber bellows has failed.	07/31/16	07/31/16
GT6	Electrical System	FO (Immediate)	Panel air conditioner found to be leaking water into panel. Unit forced out pending EMD inspection of LEP.	07/28/16	07/30/16
E6	Main Engine	MO	Fuel leaks at Cyl 1B to be addressed	07/26/16	07/27/16
E6	Electrical System	FO (Immediate)	Loss of supply to Rad Fans	07/25/16	07/25/16
E6	Electrical System	FO (Immediate)	E6 electrical issue at station breaker.	07/25/16	07/26/16
D3	Main Engine	MO	D3 M/O for foundation bolts and JCW pipe repair	07/25/16	07/27/16
D14	Main Engine	FO (Immediate)	engine tripped from low JCW pressure caused by a leak from cylinder 9	07/23/16	07/23/16
E2	Main Engine	FO (Postpone)	cylinder #7 high exhaust temperature due to burnt valve	07/23/16	07/23/16
E6	Auxiliary Systems	MO	Unit out to repair HTCW, Cy L/o, and F/o leaks.	07/22/16	07/24/16
E2	Electrical System	FO (Immediate)	Unit tripped due to issues with the station Breaker	07/19/16	07/19/16
E1	Electrical System	FO (Immediate)	Unit tripped due to EACB Breaker Tripped	07/18/16	07/19/16
E2	Electrical System	FO (Immediate)	Unit tripped due to EACB Breaker tripping	07/18/16	07/19/16
GT5	Electrical System	FO (Immediate)		07/18/16	07/20/16
E6	Main Engine	MO	HV bus bar, HT brackets, sensing lines and fuel manifold	07/16/16	07/16/16
GT5	Electrical System	FO (Immediate)	Turbine tripped on an HV fault. Loadshed of 3 circuits at Admiralty 1551, 1552, 1555. Fault is being investigated by GO and EMD	07/16/16	07/17/16
D14	Main Engine	MO	D14 M/O for emissions correction and L.O. strainer and filter cleaning	07/14/16	07/15/16
E7	Main Engine	FO (Immediate)	Cylinder 2A failed injector and various articulated heads	07/14/16	07/14/16
GT8	Auxiliary Systems	FO (Immediate)	Fuel oil leak has filled the package. Just cleaners called in.	07/14/16	07/15/16
E3	Instrumentation & Control System	MO	Partial discharge investigation	07/13/16	07/14/16
GT5	Instrumentation & Control System	FO (Immediate)	Unit tripped due to faulty "running/not running" pressure switch for the Gas Generator Room Fan.	07/12/16	07/12/16
D3	Main Engine	FO (Immediate)	D3 fuel oil leak LHS fuel rail below cyl #1	07/12/16	07/13/16
D3	Main Engine	FO (Immediate)	Fuel leaks	07/11/16	07/12/16
GT8	Electrical System	FO (Immediate)	Gt8 tripped further inspection by GO and protection	07/11/16	07/13/16
D10	Main Engine	MO	Unit to M/O to allow MMD to balance the fuel rack.	07/09/16	07/09/16
E2	Main Engine	SE of PO	Unit out for follow up jobs and Main breaker servicing by GO	07/09/16	07/10/16

D14	Main Engine	MO	D14 fuel leak and crankcase door seal	07/05/16	07/06/16
D3	Electrical System	FO (Immediate)	D3 tripped station breaker failed to open after unit closed. master trip. GO assistance on stand by	07/04/16	07/04/16

BELCO

Scheduled Generator Maintenance

July 2016

Generator	Maintenance Type	Outage Date	Return Date
E7	15K	7/25/2016	8/16/2016
E6	3K	8/22/2016	8/28/2016
E4	13.5K	8/28/2016	9/21/2016



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.**
The increase in duty on fuel imports effective 1 April 2016 increases fuel adjustment rates.
3. **Changes in Debt Facilities Affecting the Fuel Adjustment Rate.**
The overdraft facility has been renewed until 28 February 2017 at a reduced level of \$18 million.
4. **Change in the Discount calculated on customer invoices**
Starting in July 2016 the early payment discount offered to customers will no longer be calculated on the fuel adjustment.