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PLEASE QUOTE OUR REF.

January 13, 2015

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 - Maintain the existing FAR of 12.0 cents per kilowatt-hour sold for February 2015; and
2. CRSEER - Increase from 16.65 cents per kilowatt-hour for January 2015 to 17.45 cents per kilowatt-hour for all meters read during the month of February 2015.

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 December 31<sup>st</sup>, 2014 was \$246,213 under recovered as compared to the projected \$617,087 over recovery position reported last month. The \$863,300 unfavorable variance is due to:

- Actual barrels of fuel consumed in December were more than projected by 7,192 barrels. This negatively impacted the recovery position by \$833,378;
- Net price variance positively impacted the recovery position by \$150;
- Actual December electric sales were 168,892 KWH's more than projected positively impacting the recovery position by \$12,643;
- Year End temperature gain adjustment per SOL pump quantity for the year positively impacting the recovery position by \$56,564; and

- Fuel interest finance cost incurred in December negatively impacting the recovery position by \$99,279.

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 extending to the right.

David Faries, C.A., J.P.  
Vice President, Finance & Group Controller



Bermuda Electric Light Company Limited

Fuel Adjustment Submission

**FOR PUBLIC DISCLOSURE**

February 2015

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](http://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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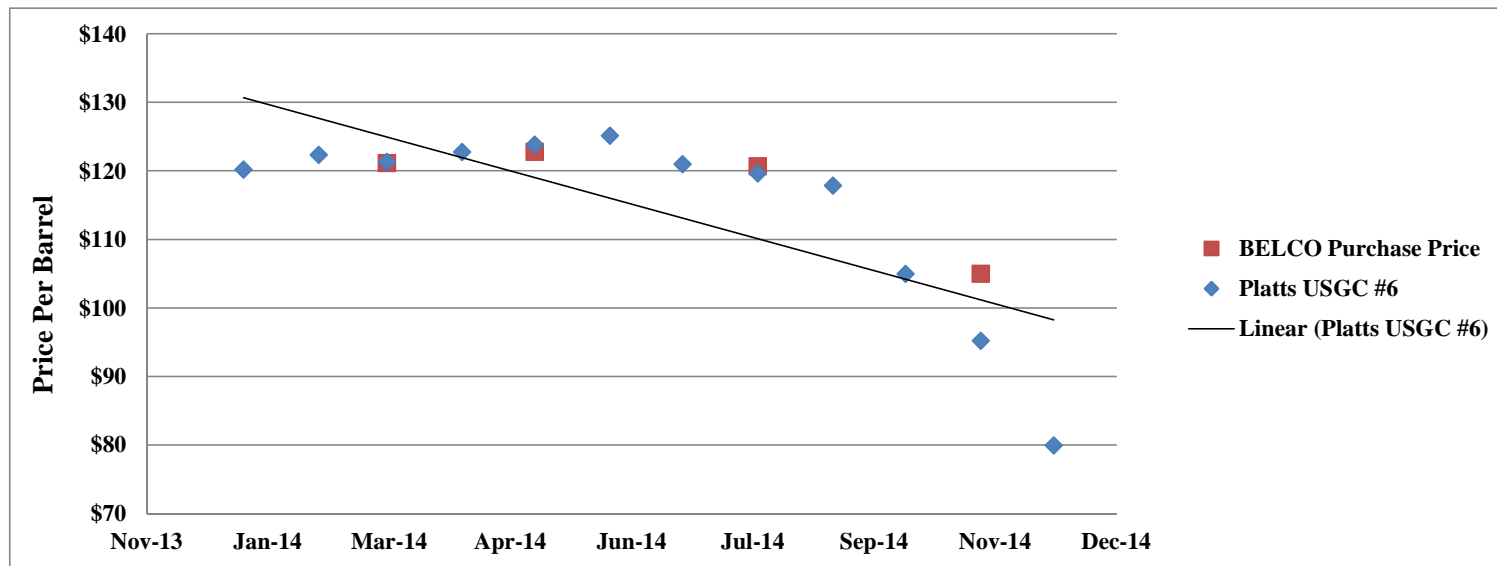


### Heavy Fuel Oil Purchased

Versus

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

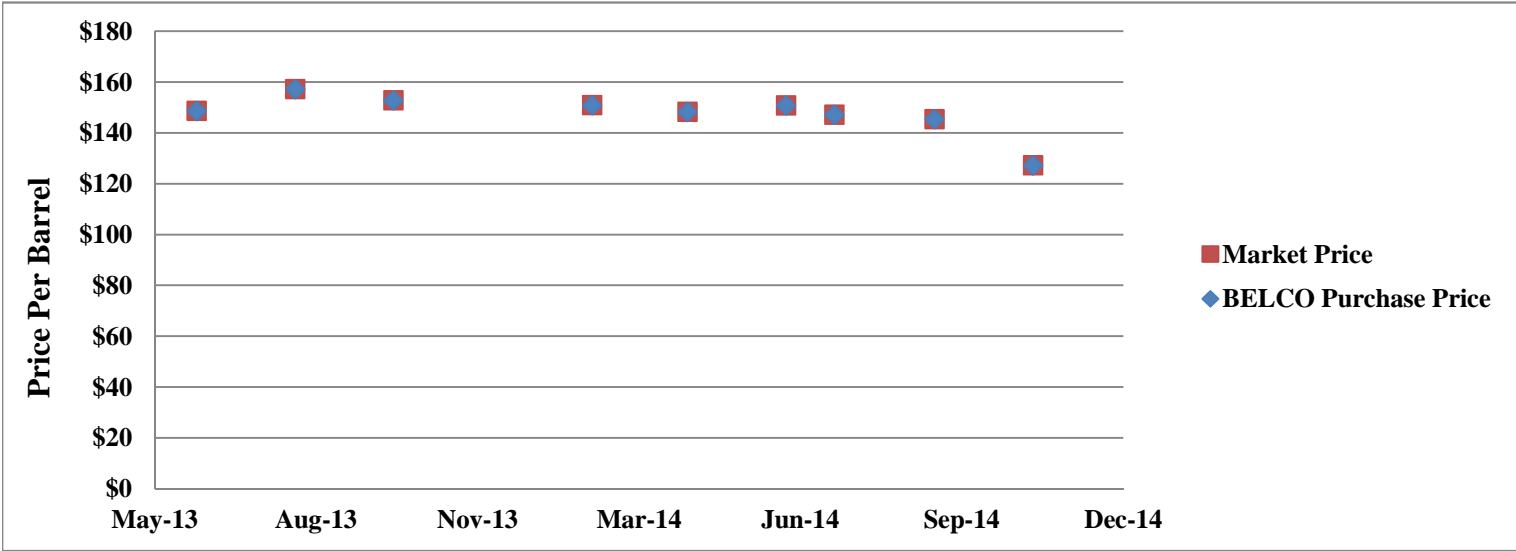
Previous Twelve Months



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>
January, 2014	-	60,805.00	158,552.94
February, 2014	-	52,977.00	105,575.94
March, 2014	148,841.61	60,961.00	193,456.55
April, 2014	-	58,072.00	135,384.55
May, 2014	149,555.88	53,049.00	231,891.43
June, 2014	-	50,421.00	181,470.43
July, 2014	-	63,298.00	118,172.43
August, 2014	180,041.29	65,499.00	232,714.72
September, 2014	-	67,611.00	165,103.72
October, 2014	-	59,804.00	105,299.72
November, 2014	180,159.88	59,619.00	225,840.60
December, 2014	-	57,212.00	169,174.72



**Graph of Heavy Fuel Oil Inventory Activity**

**Previous Twelve Months**







## Diesel Fuel Oil Inventory Activity

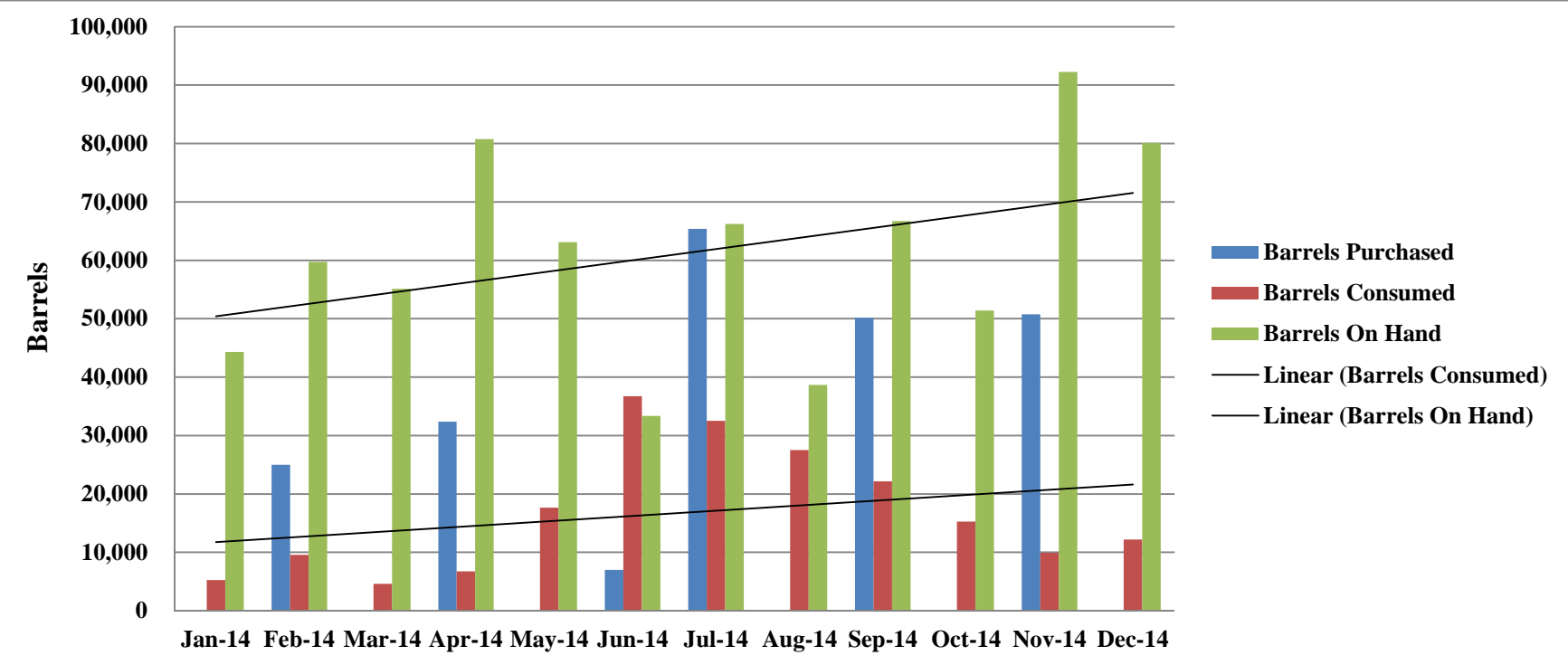
### Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
January, 2014	-	5,246.00	44,304.67
February, 2014	24,990.00	9,573.00	59,721.67
March, 2014	-	4,623.00	55,098.67
April, 2014	32,385.20	6,720.00	80,763.87
May, 2014	-	17,668.00	63,095.87
June, 2014	6,992.52	36,709.00	33,379.39
July, 2014	65,377.73	32,538.00	66,219.12
August, 2014	-	27,530.00	38,689.12
September, 2014	50,189.00	22,176.00	66,702.12
October, 2014	-	15,290.00	51,412.12
November, 2014	50,764.86	9,913.00	92,263.98
December, 2014	-	12,177.00	80,088.52



**Graph of Diesel Fuel Oil Inventory Activity**

**Previous Twelve Months**





## **y 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.



## **Fuel Oil Costs Per Shipment**

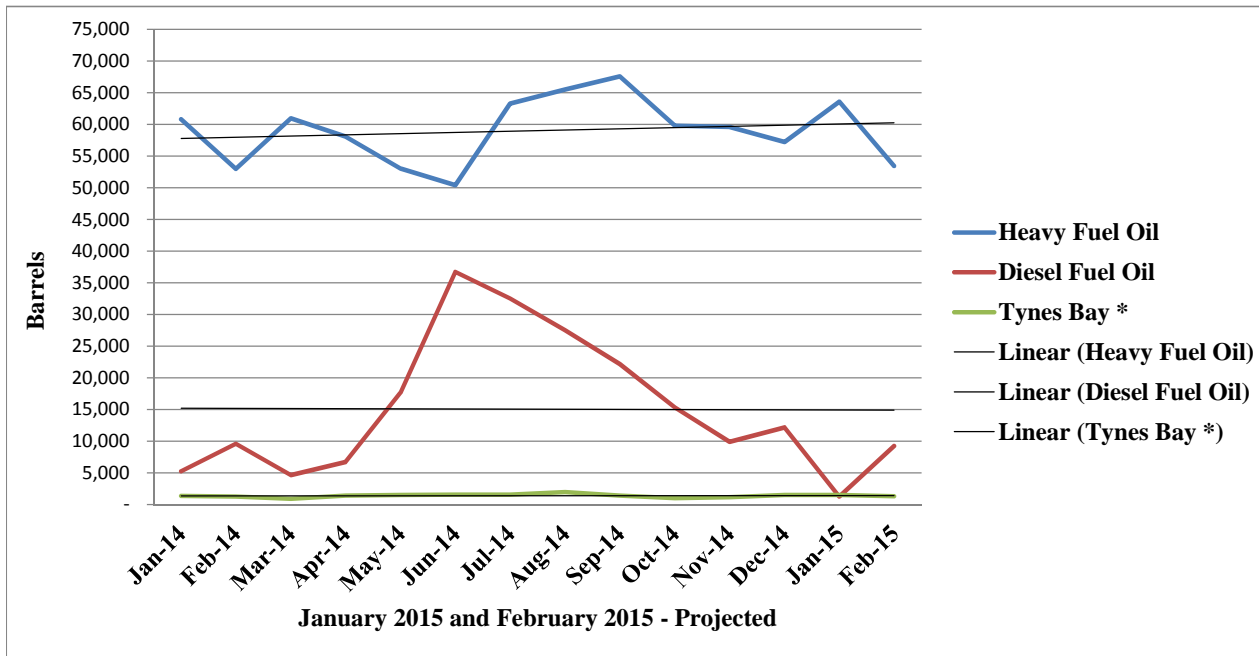
In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



**Barrels of Fuel Consumed**

**Previous Twelve Months**

**Plus Two Month Forward Projection**



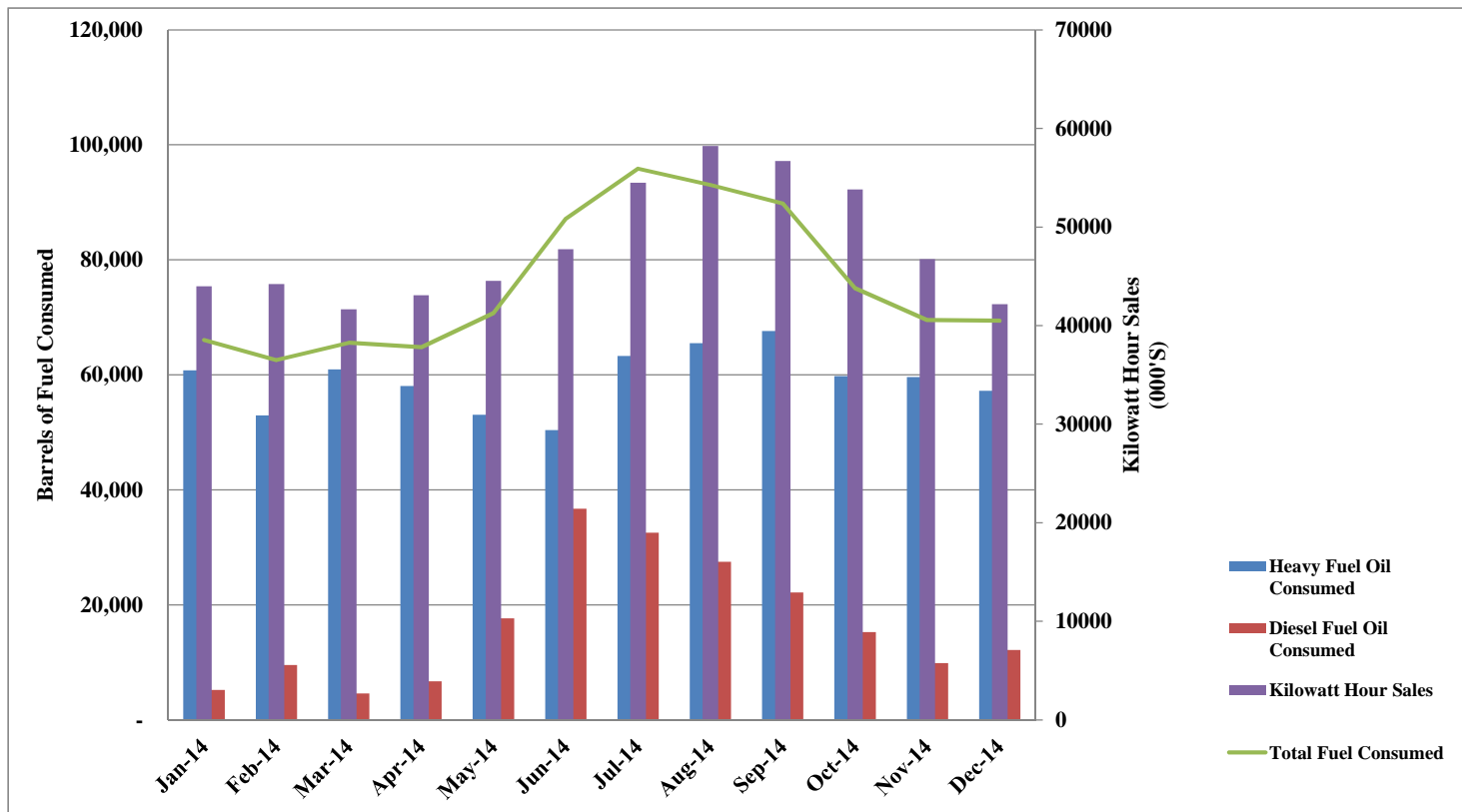
\* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes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

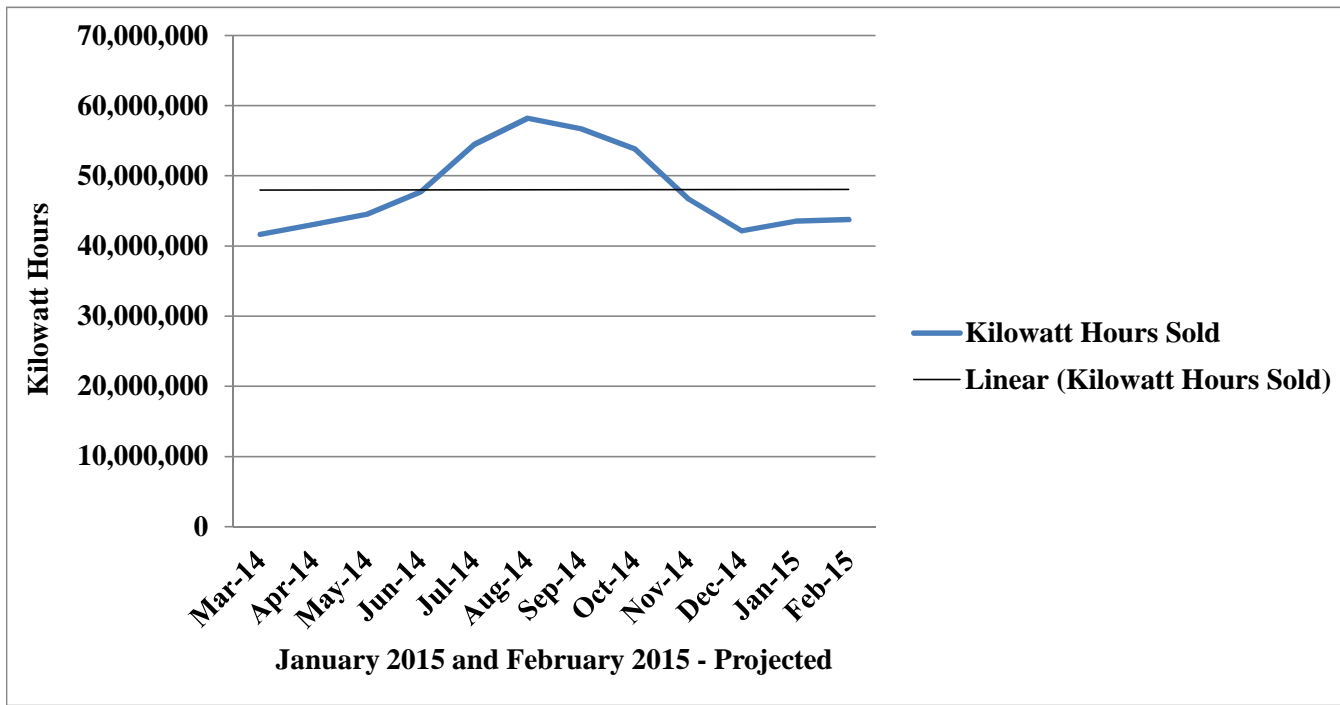




## Kilowatt Hour Sales

Previous Twelve Months

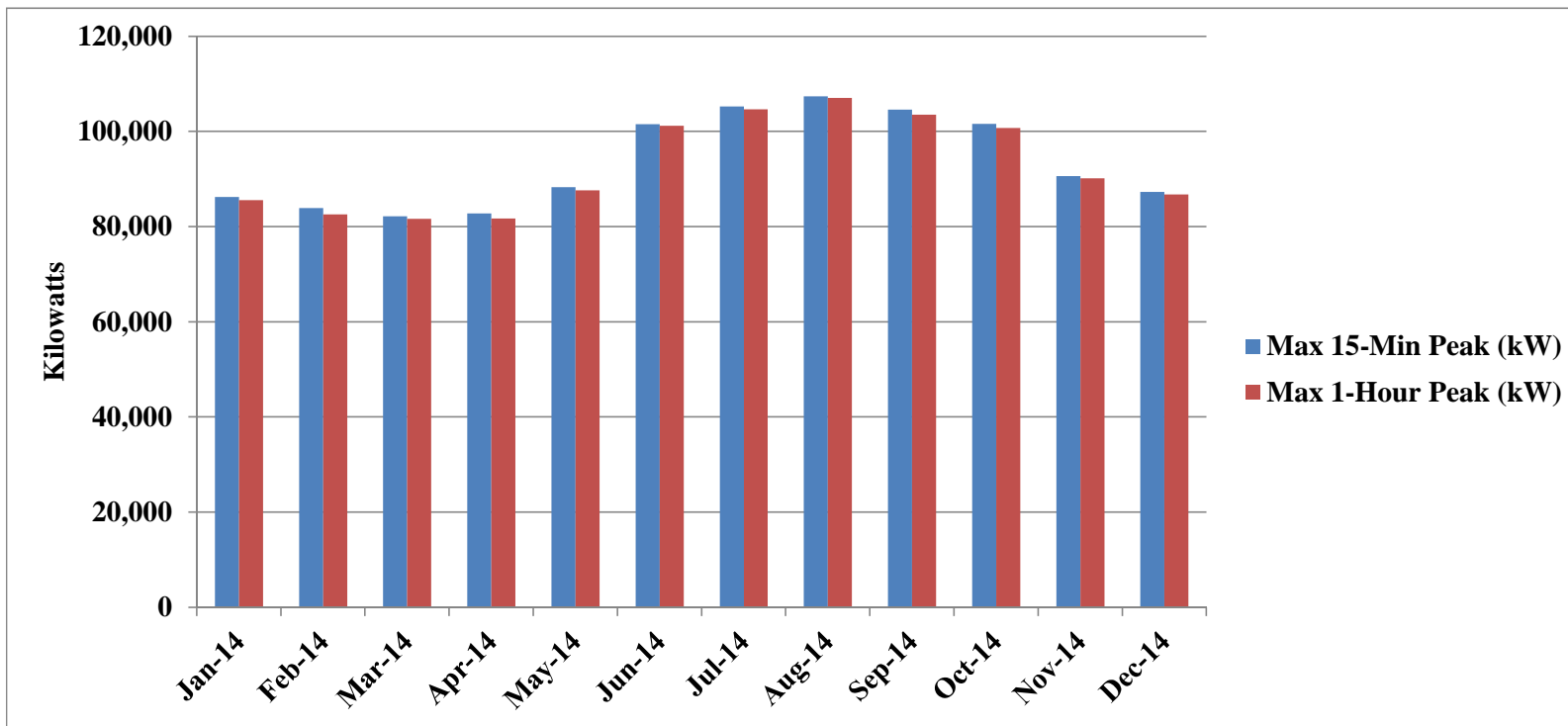
Plus Two Month Forward Projection





## Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months



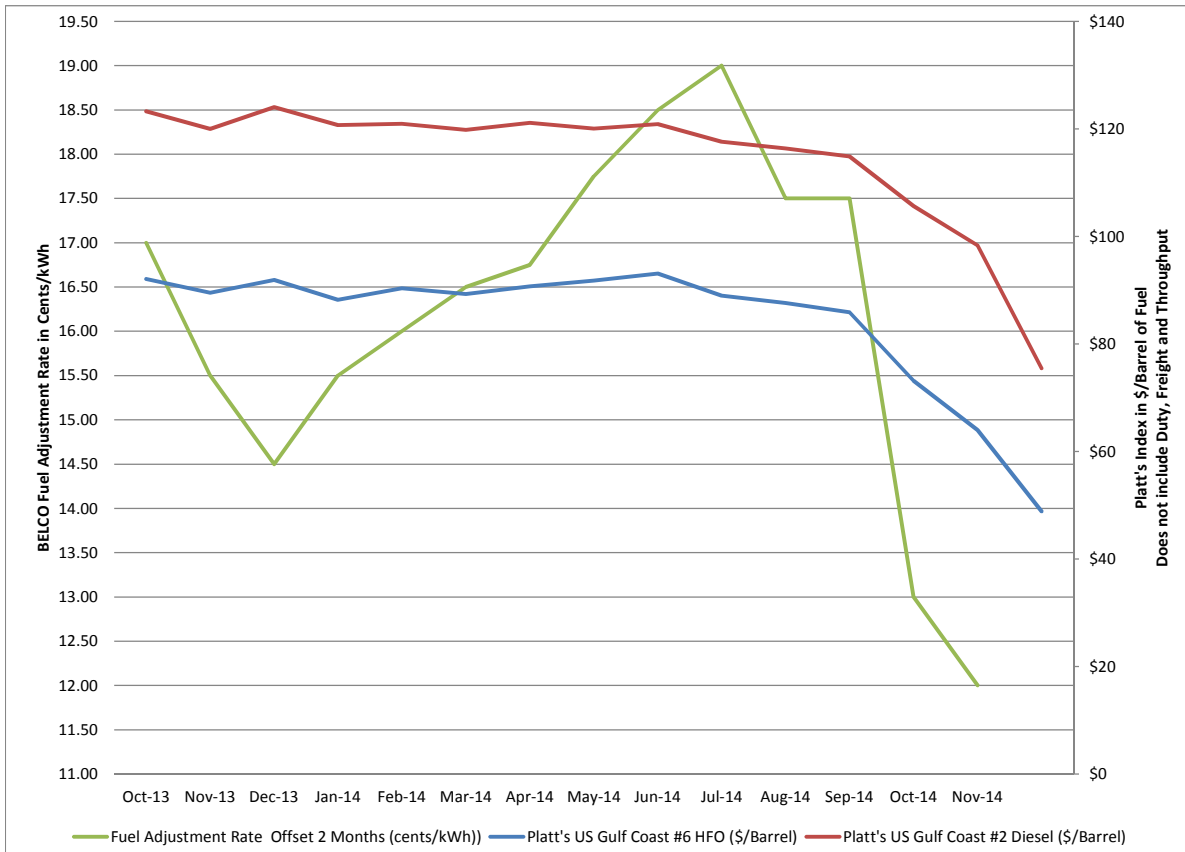




**Fuel Adjustment Rate**

**Versus**

**Platt's Indices for Heavy and Diesel Fuel Oils**





**Fuel Adjustment Over / (Under) Recovery**

**For the Month Ended December 31<sup>st</sup>, 2014**

	\$	\$	\$
<b>Opening Balance at 1 December 2014</b>			<b>1,250,608</b>
<b><u>Fuel Consumption</u></b>			
Diesel - 12,177 bbls @ 145.4164	1,770,736		
Less: Fuel Consumption @ \$30/bbl	<u>(365,310)</u>	1,405,426	
Heavy - 15,680.72 @ 120.5602	1,890,471		
Heavy - 30,000.00 @ 119.3739	3,581,214		
Heavy - 11,531.28 @ 117.5553	1,355,563		
Less: Fuel Consumption @ \$30/bbl	<u>(1,716,360)</u>	5,110,888	
Tynes Bay - 1,077,028 kWh @ 0.185	199,250		
Less: (1,077,028 kWh /721.70) 1,492.35 bbls @ \$30/bbl	<u>(44,771)</u>	154,480	
		<u>6,670,793</u>	
Deduct: Fuel Adjustment Revenue (after discount)	\$5,473,102 @ .95315	<u>5,216,687</u>	
December over / (under) recovery			(1,454,106)
Interest Expense			(99,279)
Year End temperature gain adjustment per SOL pump quantity			56,564
Cost of Power Purchased from Commercial Providers			0
<b>Ending Balance at 31 December 2014</b>			<b><u>(246,213)</u></b>

# BELCO

## Fuel Consumption Projections

### Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
November 14	Heavy	Yes	19,014.84	117.5553	87.5553
November 14	Heavy	Yes	30,000.00	104.4434	74.4434
November 14	Heavy	Yes	30,000.00	119.7828	89.7828
November 14	Heavy	No	60,000.00	96.7074	66.7074
November 14	Heavy	No	30,159.88	94.7584	64.7584
January 15	Heavy	Yes	30,000.00	102.6644	72.6644
January 15	Heavy	Yes	30,000.00	105.1956	75.1956
January 15	Heavy	Yes	30,000.00	89.2994	59.2994
September 14	Diesel	No	29,323.66	145.4164	115.4164
November 14	Diesel	No	50,764.86	127.2852	97.2852



**Fuel Adjustment Over/(Under) Recovery Projections**

**At Existing Fuel Adjustment Rate**

**Three Months Forward**

<b>Over (Under) Recovery account as at end of previous month:</b>						<b>\$ (246,213)</b>
<b>Projected kWh Sales - Jan 2015</b>	43,513,466		At 12.0 FADJ	@ 95315 (discount)	\$	4,976,983
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	<b>Diesel</b>	<b>September 2014</b>	1,254	\$ (115.42)	\$ (144,732.17)	
	<b>Heavy</b>	<b>November 2014</b>	19,015	\$ (87.56)	\$ (1,664,850.02)	
	<b>Heavy</b>	<b>November 2014</b>	30,000	\$ (74.44)	\$ (2,233,302.00)	
	<b>Heavy</b>	<b>November 2014</b>	14,601	\$ (89.78)	\$ (1,310,933.03)	
	<b>Tynes Bay</b>	<b>N/A</b>	1,484	\$ (105.40)	\$ (156,423.37)	
	<b>Total Barrels</b>		<b>66,354</b>			<b>(533,257)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(779,470)</b>
<b>Projected kWh Sales - Feb 2015</b>	43,780,385		At 12.0 FADJ	@ 95315 (discount)	\$	5,007,513
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	<b>Diesel</b>	<b>September 2014</b>	9,254	\$ (115.42)	\$ (1,068,063.37)	
	<b>Heavy</b>	<b>November 2014</b>	15,399	\$ (89.78)	\$ (1,382,550.97)	
	<b>Heavy</b>	<b>November 2014</b>	38,027	\$ (66.71)	\$ (2,536,692.97)	
	<b>Tynes Bay</b>	<b>N/A</b>	1,310	\$ (104.20)	\$ (136,521.37)	
	<b>Total Barrels</b>		<b>63,990</b>			<b>(116,316)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(895,786)</b>
<b>Projected kWh Sales - Mar 2015</b>	41,298,581		At 12.0 FADJ	@ 95315 (discount)	\$	4,723,649
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	<b>Diesel</b>	<b>September 2014</b>	622	\$ (115.42)	\$ (71,789.00)	
	<b>Heavy</b>	<b>November 2014</b>	21,973	\$ (66.71)	\$ (1,465,751.03)	
	<b>Heavy</b>	<b>November 2014</b>	30,160	\$ (64.76)	\$ (1,953,105.57)	
	<b>Heavy</b>	<b>January 2015</b>	8,429	\$ (72.66)	\$ (612,508.57)	
	<b>Tynes Bay</b>	<b>N/A</b>	1,910	\$ (105.88)	\$ (202,250.42)	
	<b>Total Barrels</b>		<b>63,094</b>			<b>418,245</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(477,542)</b>



**Fuel Adjustment Over/(Under) Recovery Projections**

**At Requested Fuel Adjustment Rate**

**Three Months Forward**

<b>Over (Under) Recovery account as at end of previous month:</b>						<b>\$ (246,213)</b>
<b>Projected kWh Sales - Jan 2015</b>	43,513,466		At 12.0 FADJ	@ 95315 (discount)	\$	4,976,983
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>		<b>Total Cost</b>
	<b>Diesel</b>	<b>September 2014</b>	1,254	\$ (115.42)	\$	(144,732.17)
	<b>Heavy</b>	<b>November 2014</b>	19,015	\$ (87.56)	\$	(1,664,850.02)
	<b>Heavy</b>	<b>November 2014</b>	30,000	\$ (74.44)	\$	(2,233,302.00)
	<b>Heavy</b>	<b>November 2014</b>	14,601	\$ (89.78)	\$	(1,310,933.03)
	<b>Tynes Bay</b>	<b>N/A</b>	1,484	\$ (105.40)	\$	(156,423.37)
	<b>Total Barrels</b>		<b>66,354</b>			<b>(533,257)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(779,470)</b>
<b>Projected kWh Sales - Feb 2015</b>	43,780,385		At 12.0 FADJ	@ 95315 (discount)	\$	5,007,513
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>		<b>Total Cost</b>
	<b>Diesel</b>	<b>September 2014</b>	9,254	\$ (115.42)	\$	(1,068,063.37)
	<b>Heavy</b>	<b>November 2014</b>	15,399	\$ (89.78)	\$	(1,382,550.97)
	<b>Heavy</b>	<b>November 2014</b>	38,027	\$ (66.71)	\$	(2,536,692.97)
	<b>Tynes Bay</b>	<b>N/A</b>	1,310	\$ (104.20)	\$	(136,521.37)
	<b>Total Barrels</b>		<b>63,990</b>			<b>(116,316)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(895,786)</b>
<b>Projected kWh Sales - Mar 2015</b>	41,298,581		At 12.0 FADJ	@ 95315 (discount)	\$	4,723,649
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>		<b>Total Cost</b>
	<b>Diesel</b>	<b>September 2014</b>	622	\$ (115.42)	\$	(71,789.00)
	<b>Heavy</b>	<b>November 2014</b>	21,973	\$ (66.71)	\$	(1,465,751.03)
	<b>Heavy</b>	<b>November 2014</b>	30,160	\$ (64.76)	\$	(1,953,105.57)
	<b>Heavy</b>	<b>January 2015</b>	8,429	\$ (72.66)	\$	(612,508.57)
	<b>Tynes Bay</b>	<b>N/A</b>	1,910	\$ (105.88)	\$	(202,250.42)
	<b>Total Barrels</b>		<b>63,094</b>			<b>418,245</b>



**Fuel Adjustment Over/(Under) Recovery Projections**

**At Requested Fuel Adjustment Rate - Full Cost**

**Three Months Forward**

<b>Over (Under) Recovery account as at end of January:</b>						<b>\$ (779,470)</b>
<b>Projected kWh Sales - Feb 2015</b>	43,780,385		At 17.45 FADJ	@ 95315 (discount)	\$	7,281,758
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>		<b>Total Cost</b>
	<b>Diesel</b>	<b>September 2014</b>	9,254	\$ (145.42)	\$	(1,345,683.37)
	<b>Heavy</b>	<b>November 2014</b>	30,000	\$ (119.78)	\$	(3,593,484.00)
	<b>Heavy</b>	<b>November 2014</b>	23,426	\$ (96.71)	\$	(2,265,467.55)
	<b>Tynes Bay</b>	<b>N/A</b>	1,310	\$ (134.20)	\$	(175,827.33)
	<b>Total Barrels</b>		<b>63,990</b>			<b>(98,704)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(878,174)</b>
<b>Projected kWh Sales - Mar 2015</b>	41,298,581		At 11.80 FADJ	@ 95315 (discount)	\$	4,644,922
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>		<b>Total Cost</b>
	<b>Diesel</b>	<b>September 2014</b>	622	\$ (115.42)	\$	(71,789.00)
	<b>Heavy</b>	<b>November 2014</b>	36,574	\$ (66.71)	\$	(2,439,756.45)
	<b>Heavy</b>	<b>November 2014</b>	30,160	\$ (64.76)	\$	(1,953,105.57)
	<b>Heavy</b>	<b>January 2015</b>	-6,172	\$ (72.66)	\$	448,475.96
	<b>Tynes Bay</b>	<b>N/A</b>	1,910	\$ (105.88)	\$	(202,250.42)
	<b>Total Barrels</b>		<b>63,094</b>			<b>426,496</b>



**Generators Available for Service**

**December, 2014**

<b>Generator</b>	<b>Available</b>	<b>Type of fuel Consumed</b>	<b>Barrels of Fuel Consumed</b>	<b>Efficiency Rating*</b>
E1	Yes	Heavy Fuel Oil	9,084	697
E2	Yes	Heavy Fuel Oil	10,299	664
E4	Yes	Heavy Fuel Oil	5,713	684
E5	Yes	Heavy Fuel Oil	10,507	706
E6	Yes	Heavy Fuel Oil	10,274	709
E7	Yes	Heavy Fuel Oil	10,220	734
E8	Yes	Heavy Fuel Oil	4,517	737
D3	Yes	Diesel Fuel Oil	2,968	597
D8	Yes	Diesel Fuel Oil	2,735	611
GT4	Yes	Diesel Fuel Oil	2,213	322
GT5	Yes	Diesel Fuel Oil	1,499	427
GT7	Yes	Diesel Fuel Oil	865	356
GT3E	Yes	Diesel Fuel Oil	26	152

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



**Generators Out of Service**

**December, 2014**

<b>Unit</b>	<b>Category</b>	<b>Type</b>	<b>Forced Outage Details</b>	<b>Outage Date</b>	<b>Return Date</b>
E2	Instrumentation & Control System	MO	Unit out to replace themacouple Cy # 7	12/02/14	12/02/14
E4	Auxiliary Systems	MO	Unit out to replace all fuel pump seals	12/02/14	12/03/14
E8	Auxiliary Systems	MO	Unit out to replace Cy# 3A fuel pump seal.	12/02/14	12/03/14
E6	Auxiliary Systems	MO	Unit out to replace inlet and outlet valves on HTCW pump #1	12/03/14	12/04/14
E4	Other Systems	MO	Unit out to reseal E4 Stack door.	12/04/14	12/04/14
E4	Auxiliary Systems	MO	Unit out to repair nutshell line LHS T/C	12/04/14	12/04/14
E8	Auxiliary Systems	FO (Immediate)	Cylinder #1A top fuel rail seal failure.	12/05/14	12/06/14
E2	Other Systems	MO	Unit out to facilitate I and C replacing exhaust gas probe on cylinder #1.	12/06/14	12/06/14
E8	Main Engine	PO	Unit out for 6K Service.	12/08/14	12/23/14
GT3E	Main Engine	PO	Unit out for annual service.	12/08/14	12/12/14





**Scheduled Generator Maintenance**

**January 2015**

<b>Generator</b>	<b>Maintenance Type</b>	<b>Outage Date</b>	<b>Return Date</b>
E3	Major overhaul 13500 hrs	11/20/14	01/09/15
E7	3000hrs	01/10/15	01/18/14
D3	4500hrs	01/18/14	01/24/14
E1	9000hrs	12/25/14	01/31/15



### **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.**  
No major events have occurred during the filing period having an impact on the Fuel Adjustment Rate.
- 3. Changes in Debt Facilities Affecting the Fuel Adjustment Rate.**  
The existing \$50 million overdraft facility with a local bank expired on February 28, 2014, and was renewed for a further year and increas

ed to \$55 million.