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PLEASE QUOTE OUR REF:

June 14, 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 7.65 cents per kilowatt-hour sold for June 2016 to 9.05 cents per kilowatt-hour sold for July 2016 ; **and**
2. CRSEER - **Increase** from 12.50 cents per kilowatt-hour for June 2016 to 13.97 cents per kilowatt-hour for all meters read during the month of July 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 31<sup>st</sup> May, 2016 was \$561,152 over recovered as compared to the projected \$781,814 over recovery position projected in April. The \$220,662 unfavorable variance is due to:

- The total actual barrels of fuel consumed in May were 4,904 barrels higher than projected resulting in a **negative** impact on the recovery position of \$191,600;
- Net price variance **negatively** impacted the recovery position by \$19,063;
- Actual May electric sales were 744,212 KWH's higher than projected. This variance resulted in a net **positive** impact on the fuel recovery position of \$53,597; and
- Fuel interest finance cost incurred in May **negatively** impacted the recovery position by \$63,596.

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



Carolyn Dutton  
Financial Accountant



# BELCO

Bermuda Electric Light Company Limited

Fuel Adjustment Submission

**FOR PUBLIC DISCLOSURE**

July 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](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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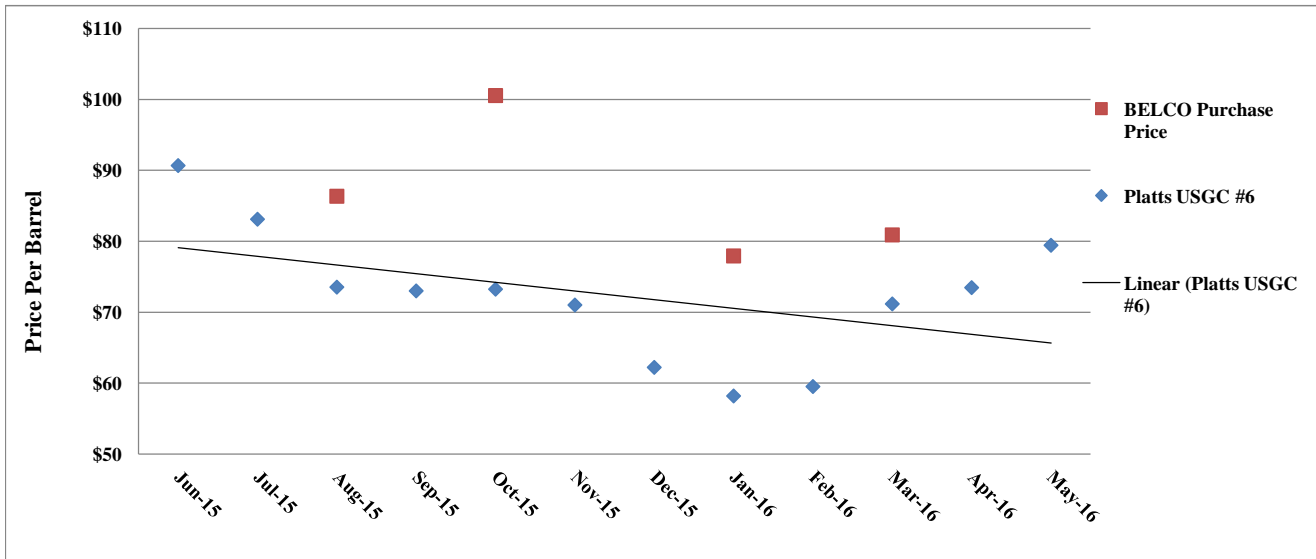


**Heavy Fuel Oil Purchased**

**Versus**

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

**Previous Twelve Months**

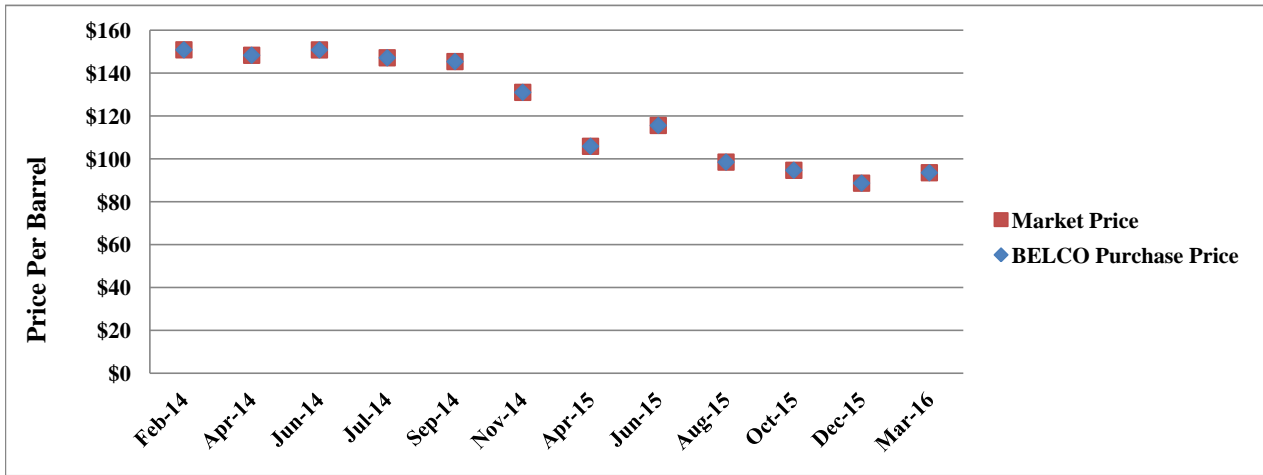


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

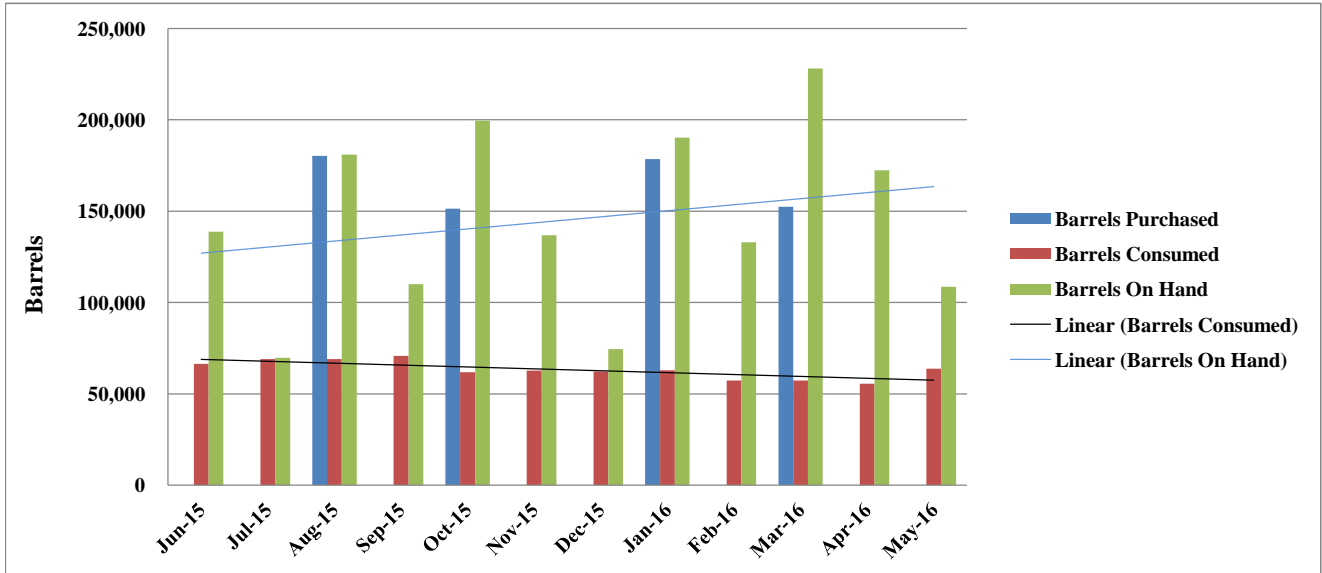
<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
June, 2015	-	66,399.00	138,772.72
July, 2015	-	69,022.00	138,772.72
August, 2015	180,297.11	69,125.00	249,944.83
September, 2015	-	70,852.00	179,092.83
October, 2015	151,329.70	61,874.55	268,547.98
November, 2015	-	62,737.00	205,810.98
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





## Graph of Heavy Fuel Oil Inventory Activity

### Previous Twelve Months



# BELCO

## Diesel Fuel Oil Inventory Activity

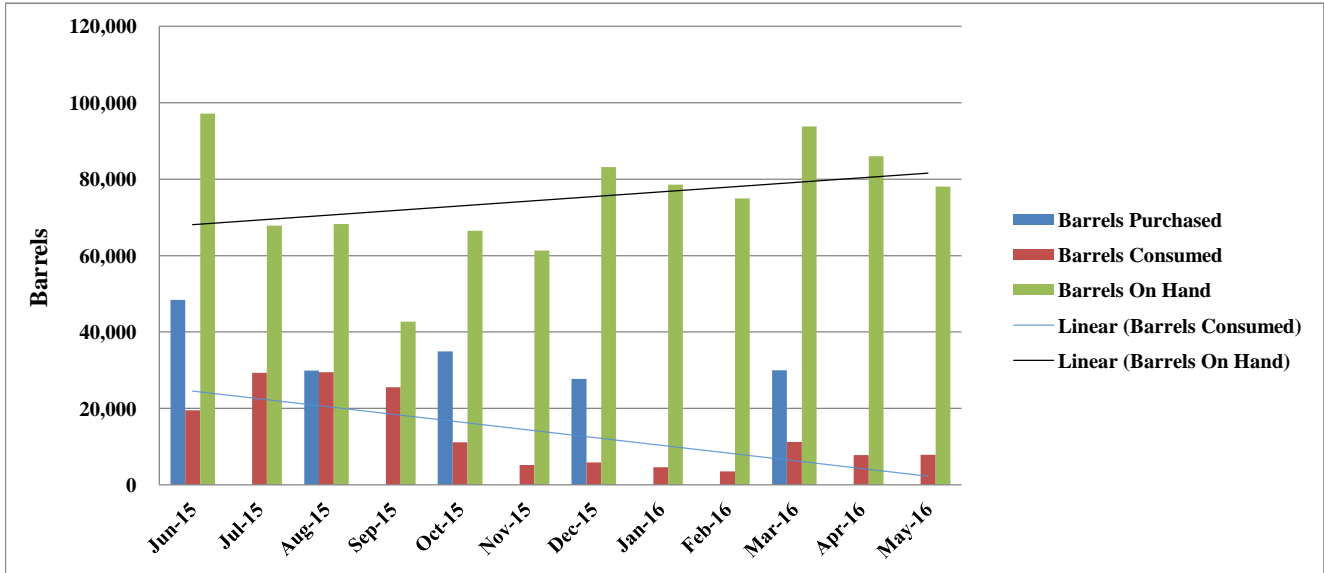
### Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
June, 2015	48,413.33	19,525.00	97,121.24
July, 2015	-	29,286.00	67,835.24
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



## 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**

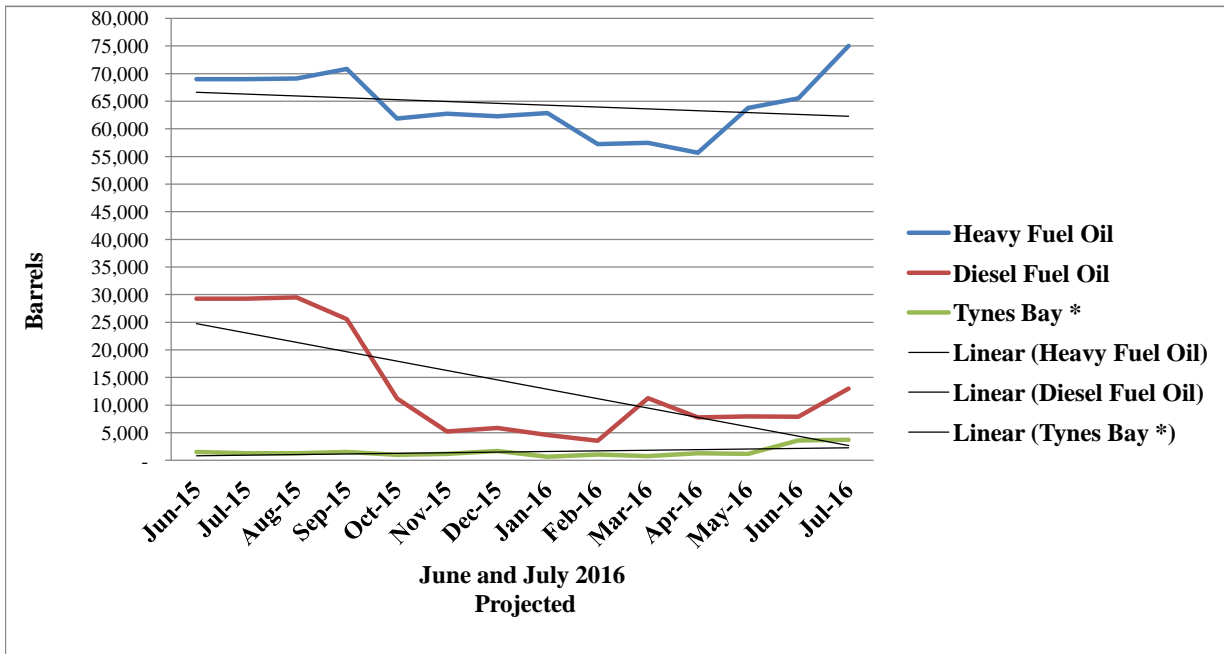
In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



**Barrels of Fuel Consumed**

**Previous Twelve Months**

**Plus Two Month Forward Projection**



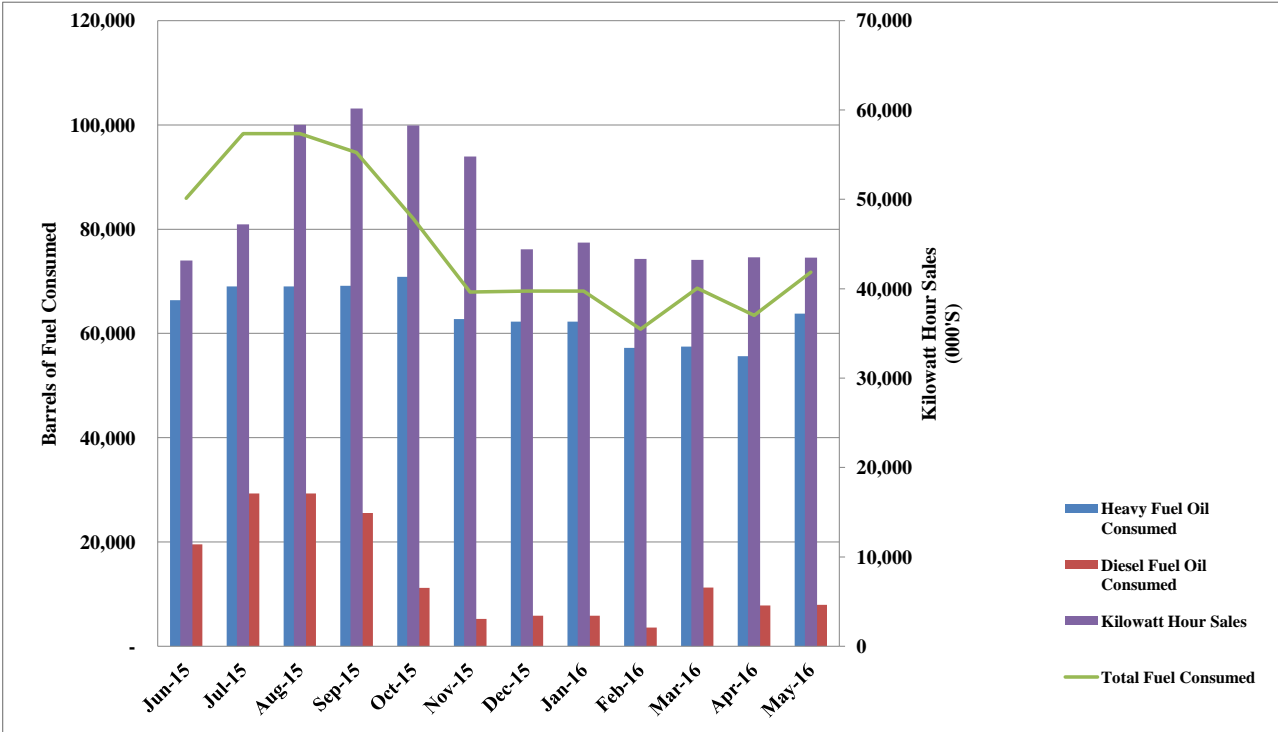
\* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes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

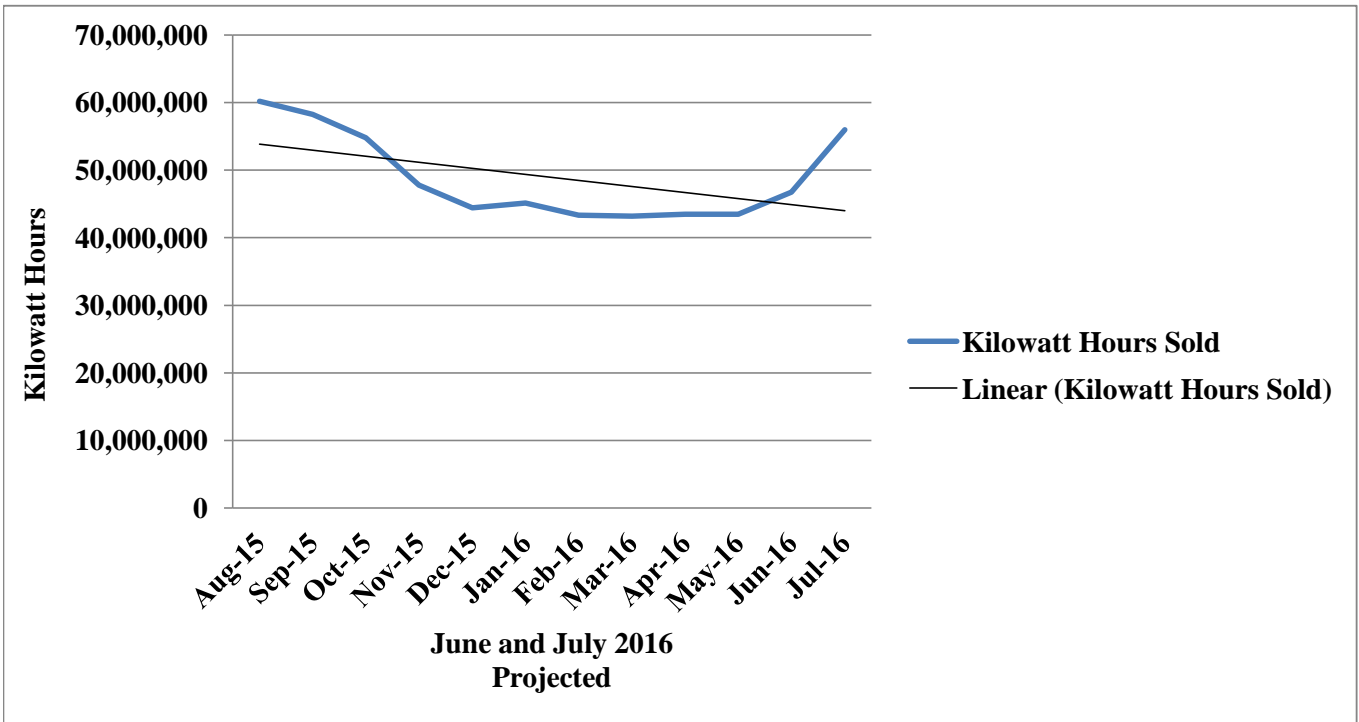




**Kilowatt Hour Sales**

**Previous Twelve Months**

**Plus Two Month Forward Projection**

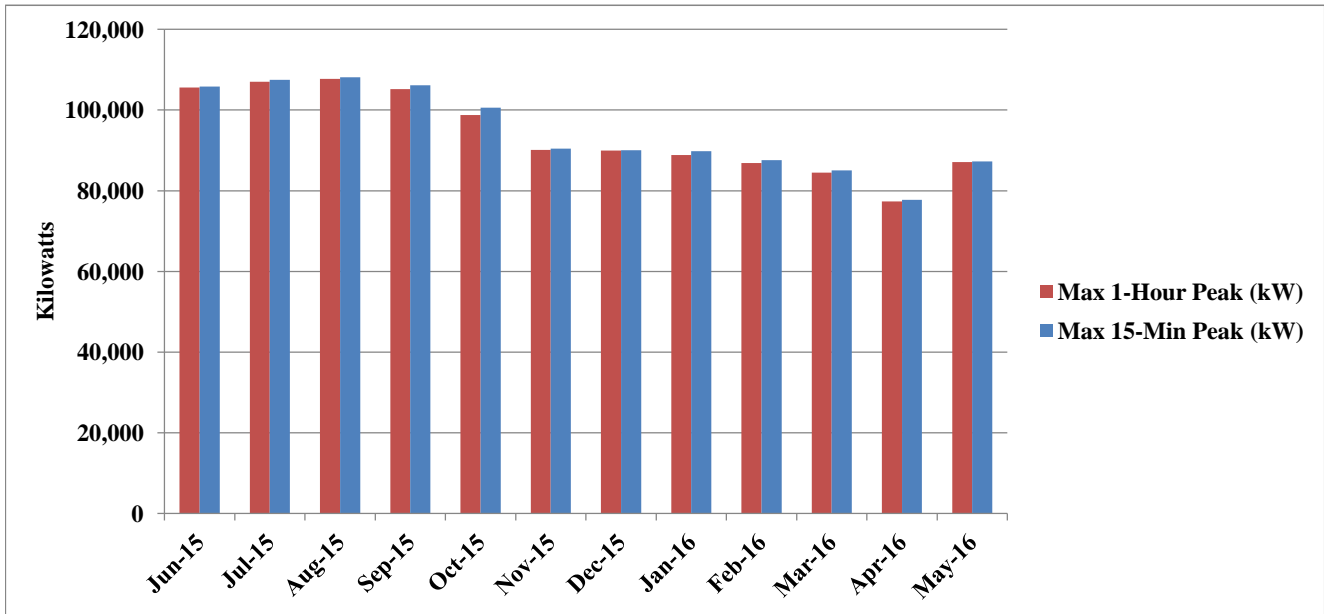






**Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand**

**Previous Twelve Months**

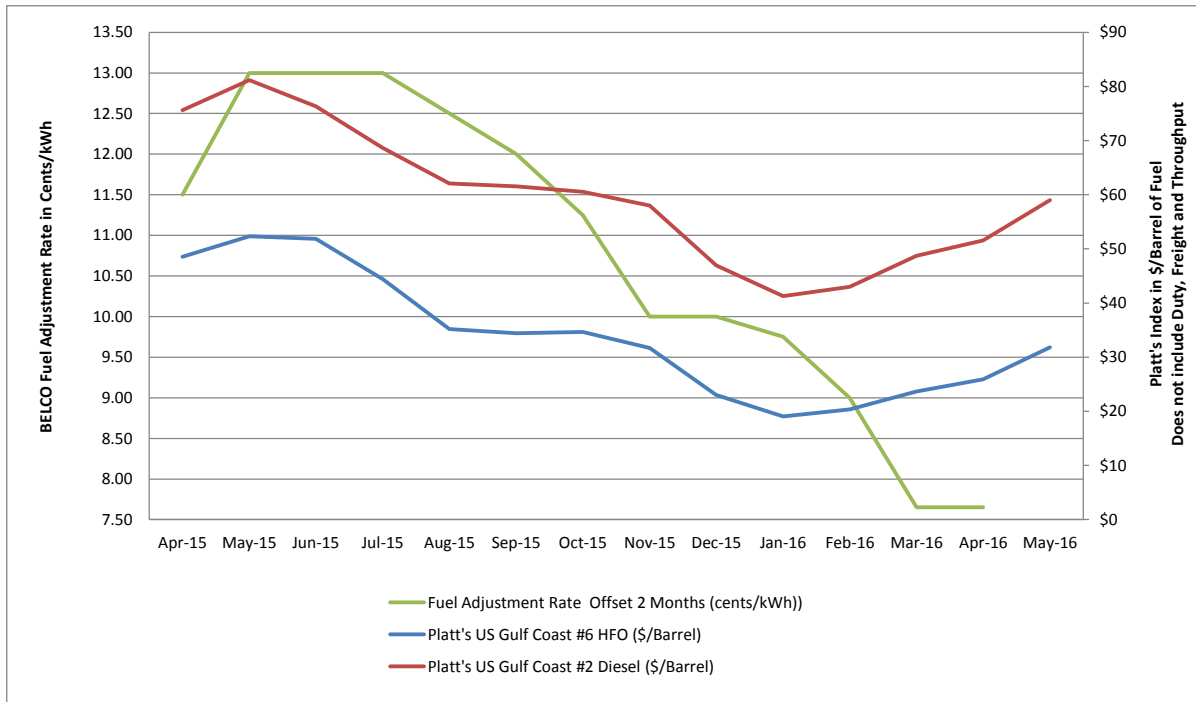




### Fuel Adjustment Rate

Versus

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





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

**For the Month Ended 31st May 2016**

	\$	\$	\$
<b>Opening Balance at 1 May 2016</b>			<b>1,370,559</b>
<u>Fuel Consumption</u>			
Diesel -7,934.26 @ \$94.7667	751,904		
Less: Fuel Consumption @ \$30/bbl	<u>(238,028)</u>	513,876	
Heavy - 19,925.84 bbls @ \$65.5166	1,305,473		
Heavy - 30,000 bbls @ \$88.7492	2,662,476		
Heavy - 13,879.16 bbls @ \$88.5872	1,229,516		
Less: Fuel Consumption @ \$30/bbl	<u>(1,914,150)</u>	3,283,315	
Tynes Bay - 827,524 kWh @ \$0.185	153,092		
Less: (827,524 kWh /718.1) 1,152.38 bbls @ \$30/bbl	<u>(34,571)</u>	118,521	
		3,915,712	
Deduct: Fuel Adjustment Revenue (after discount)			
	\$3,325,711 @ .95315	<u>3,169,901</u>	
May over / (under) recovery			(745,811)
Interest Expense			(63,596)
<b>Ending Balance at 31 May 2016</b>			<b><u>561,152</u></b>

# BELCO

## Fuel Consumption Projections

### Forward Three Months

<b>Shipment Date</b>	<b>Type</b>	<b>Hedged</b>	<b>Amount (Barrels)</b>	<b>Total Cost/Barrel</b>	<b>FADJ (less \$30/bbl)</b>
March 16	Heavy	Yes	16,120.84	88.5872	58.5872
March 16	Heavy	Yes	30,000.00	85.4991	55.4991
March 16	Heavy	No	62,460.51	71.2312	41.2312
June 2016	Heavy	Yes	30,000.00	86.0591	56.0591
June 2016	Heavy	Yes	30,000.00	83.3254	53.3254
June 2016	Heavy	Yes	30,000.00	78.7185	48.7185
June 2016	Heavy	Yes	90,000.00	84.7125	54.7125
October 15	Diesel	No	20,282.42	94.7667	64.7667
December 15	Diesel	No	27,725.30	94.9818	64.9818



**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>\$ 561,152</b>
<b>Projected kWh Sales - June 2016</b>	46,728,561		At 7.65 FADJ	@ 95315 (discount)	\$	3,407,259
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	October 2015	7,884	\$ (64.77)	\$ (510,620.66)	
	Heavy	March 2016	16,121	\$ (58.59)	\$ (944,474.88)	
	Heavy	March 2016	30,000	\$ (55.50)	\$ (1,664,973.00)	
	Heavy	March 2016	19,420	\$ (41.23)	\$ (800,716.50)	
	Tynes Bay	N/A	3,634	\$ (95.36)	\$ (346,523.93)	
	<b>Total Barrels</b>		<b>77,059</b>			(860,050)
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(298,898)</b>
<b>Projected kWh Sales - July 2016</b>	55,991,114		FADJ 7.65		\$	4,283,320
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	October 15	12,398	\$ (64.77)	\$ (803,004.75)	
	Diesel	December 15	619	\$ (64.98)	\$ (40,196.44)	
	Heavy	March 2016	43,040	\$ (41.23)	\$ (1,774,605.28)	
	Heavy	June 2016	30,000	\$ (56.06)	\$ (1,681,773.00)	
	Heavy	June 2016	1,995	\$ (53.33)	\$ (106,365.51)	
	Tynes Bay	N/A	3,753	\$ (95.41)	\$ (358,124.58)	
	<b>Total Barrels</b>		<b>91,805</b>			(480,749)
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(779,648)</b>
<b>Projected kWh Sales - August 2016</b>	60,076,866		FADJ 7.65		\$	4,595,880
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	December 2015	27,034	\$ (64.98)	\$ (1,756,717.98)	
	Heavy	June 2016	28,005	\$ (53.33)	\$ (1,493,396.49)	
	Heavy	June 2016	30,000	\$ (48.72)	\$ (1,461,555.00)	
	Heavy	June 2016	14,501	\$ (54.71)	\$ (793,366.81)	
	Tynes Bay	N/A	2,670	\$ (93.23)	\$ (248,907.92)	
	<b>Total Barrels</b>		<b>102,210</b>			(1,158,064)
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(1,937,712)</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>\$ 561,152</b>
<b>Projected kWh Sales - June 2016</b>	46,728,561		At 7.65 FADJ	@ 95315 (discount)	\$	3,407,259
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	October 2015	7,884	\$ (64.77)	\$ (510,620.66)	
	Heavy	March 2016	16,121	\$ (58.59)	\$ (944,474.88)	
	Heavy	March 2016	30,000	\$ (55.50)	\$ (1,664,973.00)	
	Heavy	March 2016	19,420	\$ (41.23)	\$ (800,716.50)	
	Tynes Bay	N/A	3,634	\$ (95.36)	\$ (346,523.93)	
	<b>Total Barrels</b>		<b>77,059</b>			<b>(860,050)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(298,898)</b>
<b>Projected kWh Sales - July 2016</b>	55,991,114		FADJ 9.05		\$	5,067,196
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	October 15	12,398	\$ (64.77)	\$ (803,004.75)	
	Diesel	December 15	619	\$ (64.98)	\$ (40,196.44)	
	Heavy	March 2016	43,040	\$ (41.23)	\$ (1,774,605.28)	
	Heavy	June 2016	30,000	\$ (56.06)	\$ (1,681,773.00)	
	Heavy	June 2016	1,995	\$ (53.33)	\$ (106,365.51)	
	Tynes Bay	N/A	3,753	\$ (95.41)	\$ (358,124.58)	
	<b>Total Barrels</b>		<b>91,805</b>			<b>303,126</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>4,228</b>
<b>Projected kWh Sales - August 2016</b>	60,076,866		FADJ 9.55		\$	5,737,341
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	December 2015	27,034	\$ (64.98)	\$ (1,756,717.98)	
	Heavy	June 2016	28,005	\$ (53.33)	\$ (1,493,396.49)	
	Heavy	June 2016	30,000	\$ (48.72)	\$ (1,461,555.00)	
	Heavy	June 2016	14,501	\$ (54.71)	\$ (793,366.81)	
	Tynes Bay	N/A	2,670	\$ (93.23)	\$ (248,907.92)	
	<b>Total Barrels</b>		<b>102,210</b>			<b>(16,604)</b>
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(12,376)</b>



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

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

**Three Months Forward**

<b>Projected Over (Under) Recovery account as at end of May:</b>						<b>\$ (298,898)</b>
<b>Projected kWh Sales - July 2016</b>	55,991,114		FADJ	13.97	\$	7,821,959
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	October 15	12,398	\$ (94.77)	\$ (1,174,957.35)	
	Diesel	December 15	619	\$ (94.98)	\$ (58,753.84)	
	Heavy	March 2016	43,040	\$ (71.23)	\$ (3,065,815.78)	
	Heavy	June 2016	30,000	\$ (86.06)	\$ (2,581,773.00)	
	Heavy	June 2016	1,995	\$ (83.33)	\$ (166,205.01)	
	Tynes Bay	N/A	3,753	\$ (125.41)	\$ (470,728.80)	
	<b>Total Barrels</b>		<b>91,805</b>			303,725
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>4,826</b>
<b>Projected kWh Sales - August 2016</b>	60,076,866		FADJ	14.65	\$	8,801,261
<b>Projected fuel consumed</b>		<b>Shipment Date</b>	<b>Barrels</b>	<b>FADJ Cost/Barrel</b>	<b>Total Cost</b>	
	Diesel	December 2015	27,034	\$ (94.98)	\$ (2,567,737.98)	
	Heavy	June 2016	28,005	\$ (83.33)	\$ (2,333,556.99)	
	Heavy	June 2016	30,000	\$ (78.72)	\$ (2,361,555.00)	
	Heavy	June 2016	14,501	\$ (84.71)	\$ (1,228,386.31)	
	Tynes Bay	N/A	2,670	\$ (123.23)	\$ (329,004.00)	
	<b>Total Barrels</b>		<b>102,210</b>			(18,979)
<b>Projected Over (Under) Recovery account as at end of this month:</b>						<b>(14,153)</b>



**Generators Available for Service**

**May 2016**

<b>Generator</b>	<b>Available</b>	<b>Type of fuel Consumed</b>	<b>Barrels of Fuel Consumed</b>	<b>Efficiency Rating*</b>
<b>E1</b>	Yes	HFO	7319	695
<b>E2</b>	Yes	HFO	9985	681
<b>E3</b>	Yes	HFO	6715	704
<b>E4</b>	Yes	HFO	5998	700
<b>E5</b>	Yes	HFO	11954	700
<b>E6</b>	Yes	HFO	11773	713
<b>E7</b>	Yes	HFO	11757	723
<b>E8</b>	Yes	HFO	3143	731
<b>D3</b>	Yes	LFO	2077	609
<b>D8</b>	Yes	LFO	1911	623
<b>D10</b>	Yes	LFO	1633	582
<b>D14</b>	Yes	LFO	158	576
<b>GT4</b>	Yes	LFO	234	233
<b>GT5</b>	Yes	LFO	54	341
<b>GT6</b>	Yes	LFO	58	590
<b>GT7</b>	Yes	LFO	9	522
<b>GT8</b>	Yes	LFO	11	605

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





## Generators Out of Service

May 2016

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
E4	Main Engine	MO	Unit out to carry out hot deflections	05/29/16	05/29/16
D10	Main Engine	MO	D10 M/o for exhaust manifold supports	05/29/16	TBD
GT6	Main Engine	PO	Unit out for annual service	05/22/16	05/23/16
E7	Auxiliary Systems	MO	Unit out to service Cy#1A cam Lobe	05/22/16	05/23/16
GT7	Main Engine	PO	Unit out for Service	05/20/16	05/22/16
E2	Auxiliary Systems	FO (Immediate)	Unit forced out for JCW pipe failure. Main outlet header to de-aerator.	05/20/16	05/21/16
GT8	Main Engine	PO	Unit to planned outage for intermediate service.	05/16/16	05/19/16
E2	Main Engine	FO (Immediate)	JCW leak from cracked vent line on header	05/13/16	05/13/16
D14	Main Engine	FO (Immediate)	high crankcase pressure	05/13/16	05/13/16
D14	Main Engine	FO (Immediate)	Unit tripped on High crankcase pressure	05/13/16	05/14/16
E3	Auxiliary Systems	MO	Unit out to repair fuel leaks, cylinders # 6A, 1B, and 8B.	05/11/16	05/12/16
E1	Auxiliary Systems	FO (Postpone)	Cylinder #5 Exhaust Valve blowing from around seat southern side.	05/10/16	05/10/16
E1	Main Engine	FO (Immediate)	Exhaust leak Loose Injector Cyl 5	05/10/16	05/10/16
E8	Main Engine	PO	18K service	05/08/16	TBD
E6	Instrumentation & Control System	MO	E6 out to clear T/C drain.	05/01/16	05/01/16
D8	Electrical System	MO	D8 unit transformer repair	05/01/16	05/05/16

# BELCO

## Scheduled Generator Maintenance

June 2016

Generator	Maintenance Type	Outage Date	Return Date
E8	9k	05/09/16	06/07/16
E3	9k	06/02/16	06/10/16
D3	9k	06/13/16	06/16/16
E5	6k	06/30/16	07/08/16



#### **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 current overdraft facility which expires on 30 June, 2016 has a maximum limit of \$21 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.