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PLEASE QUOTE OUR REF.

September 12, 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 - **Decrease** from the existing rate of 10.50 cents per kilowatt-hour sold for September 2016 to 10.20 cents per kilowatt-hour sold for October 2016 ; **and**
2. CRSEER - **Decrease** from 15.48 cents per kilowatt-hour for September 2016 to 15.05 cents per kilowatt-hour for all meters read during the month of October 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.

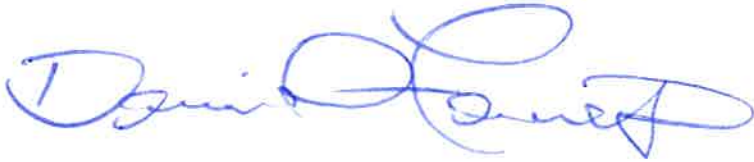
The actual fuel adjustment cost recovery position as at 31st August, 2016 was \$737,636 under recovered as compared to the projected \$1,748,122 under recovery position projected in July. The \$1,010,486 favorable variance is due to:

- The total actual barrels of fuel consumed in August were 12,877 barrels lower than projected, resulting in a **positive** impact on the recovery position of \$831,806;
- Net price variance **negatively** impacted the recovery position by \$1,555;
- Actual August electric sales were 2,737,560 KWH's higher than projected. This variance resulted in a net **positive** impact on the fuel recovery position of \$203,723; and
- Fuel interest finance cost incurred in August **negatively** impacted the recovery position by \$23,488.

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". 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

October 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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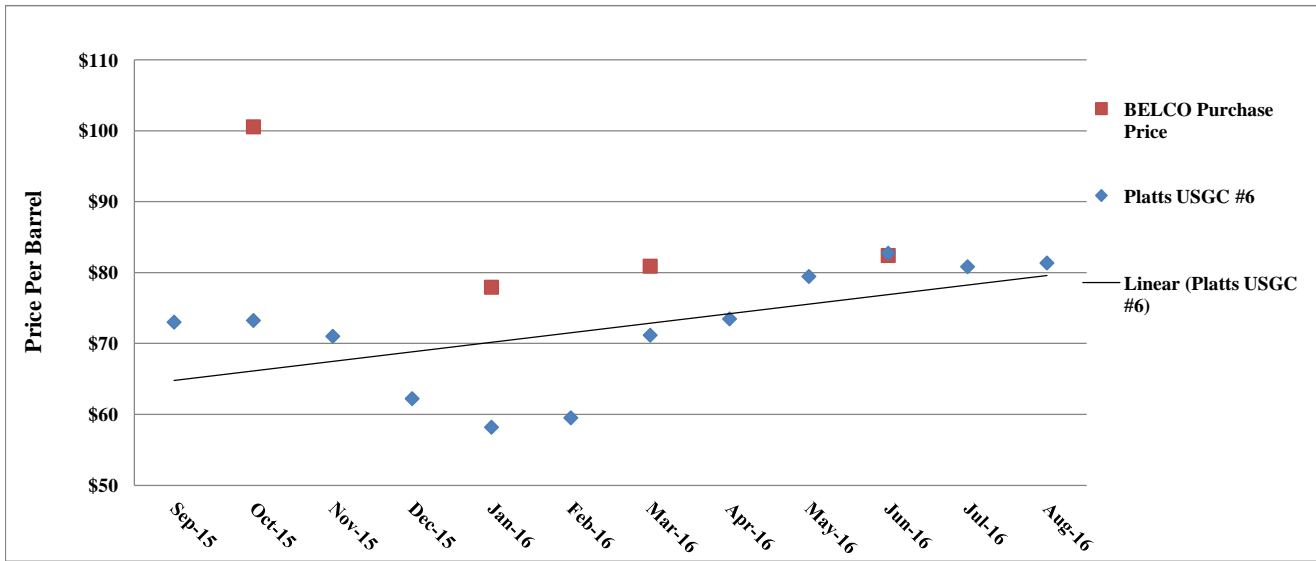


Heavy Fuel Oil Purchased

Versus

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

Previous Twelve Months

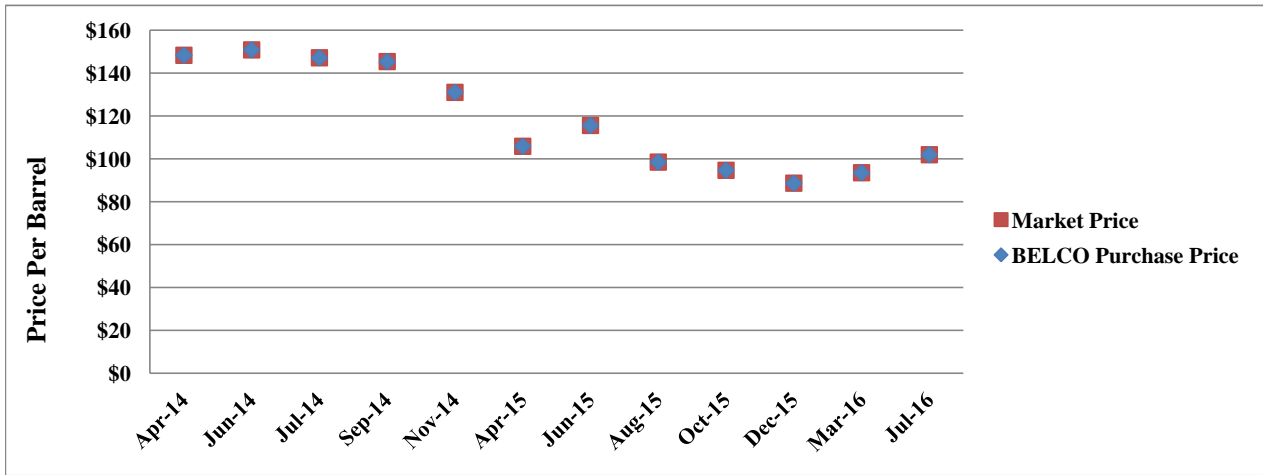


N.B. In accordance with the Fuel Supply Agreement for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel Oil between BELCO and Shell Western Trading Limited, the contracted price is stipulated as the 30-day average for Platt's U.S. Gulf Coast Waterborne mid-No. 6, 3% Sulfur Heavy Fuel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

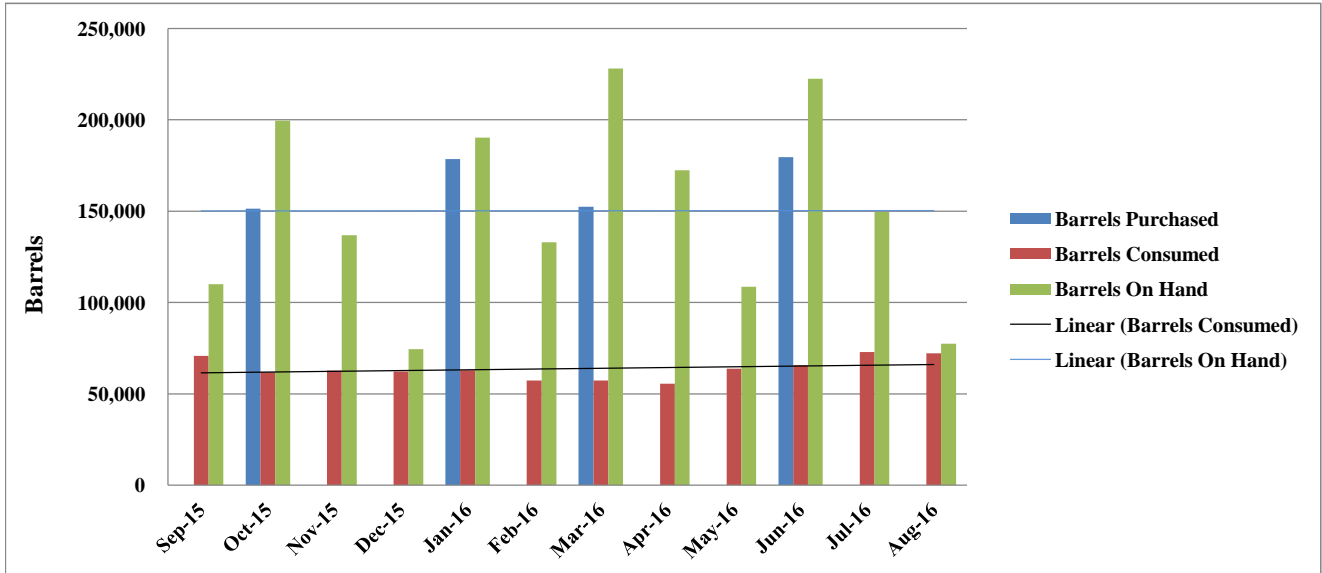
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
August, 2016	-	72,216.00	77,415.23



Graph of Heavy Fuel Oil Inventory Activity

Previous Twelve Months





Diesel Fuel Oil Inventory Activity

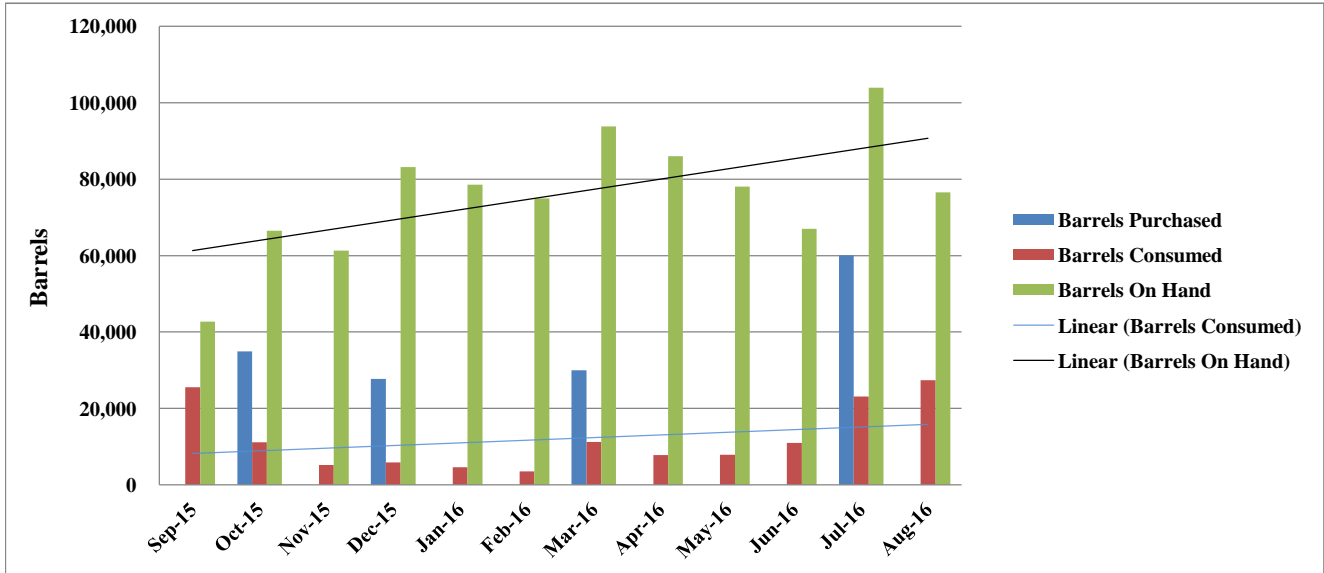
Previous Twelve Months

<u>Date</u>	<u>Barrels Purchased</u>	<u>Barrels Consumed</u>	<u>Barrels On Hand</u>
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
August, 2016	-	27,414.40	76,507.04



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

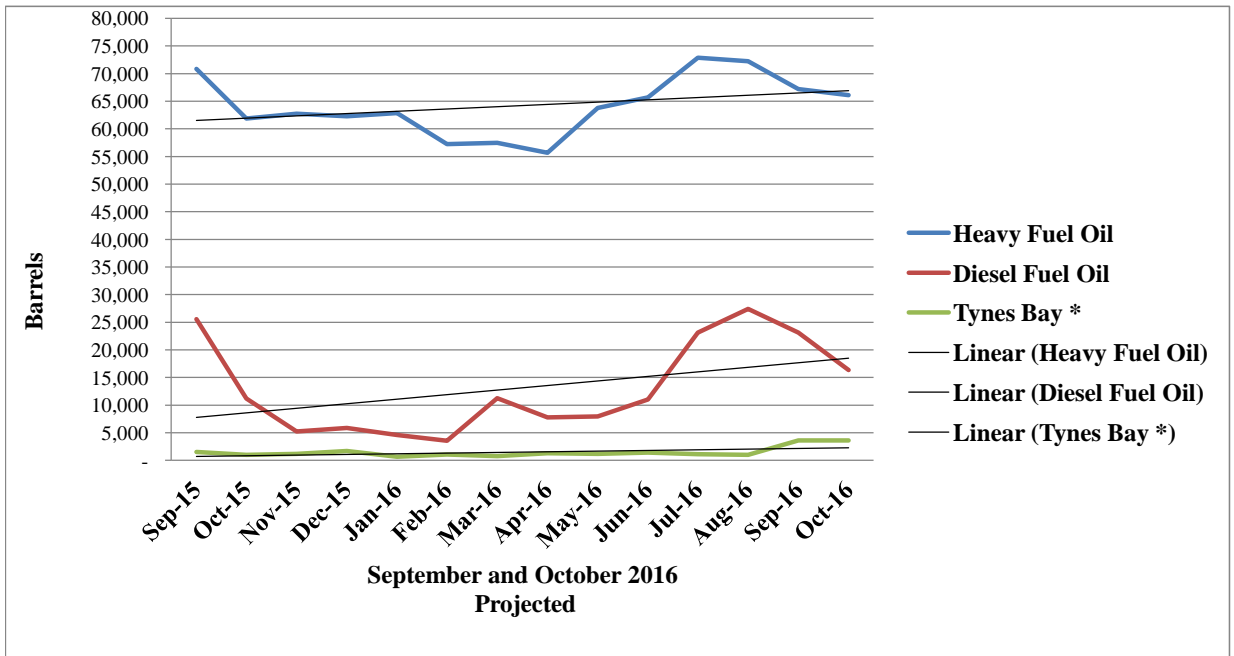
In accordance with Part 4, Paragraph 26A Clause (1)(c)(i) of the Bermuda Energy Act 2009, certain information provided to the Bermuda Energy Commission has been designated as confidential on the grounds that it could result in material financial loss or gain to any person and therefore has been excluded.



Barrels of Fuel Consumed

Previous Twelve Months

Plus Two Month Forward Projection



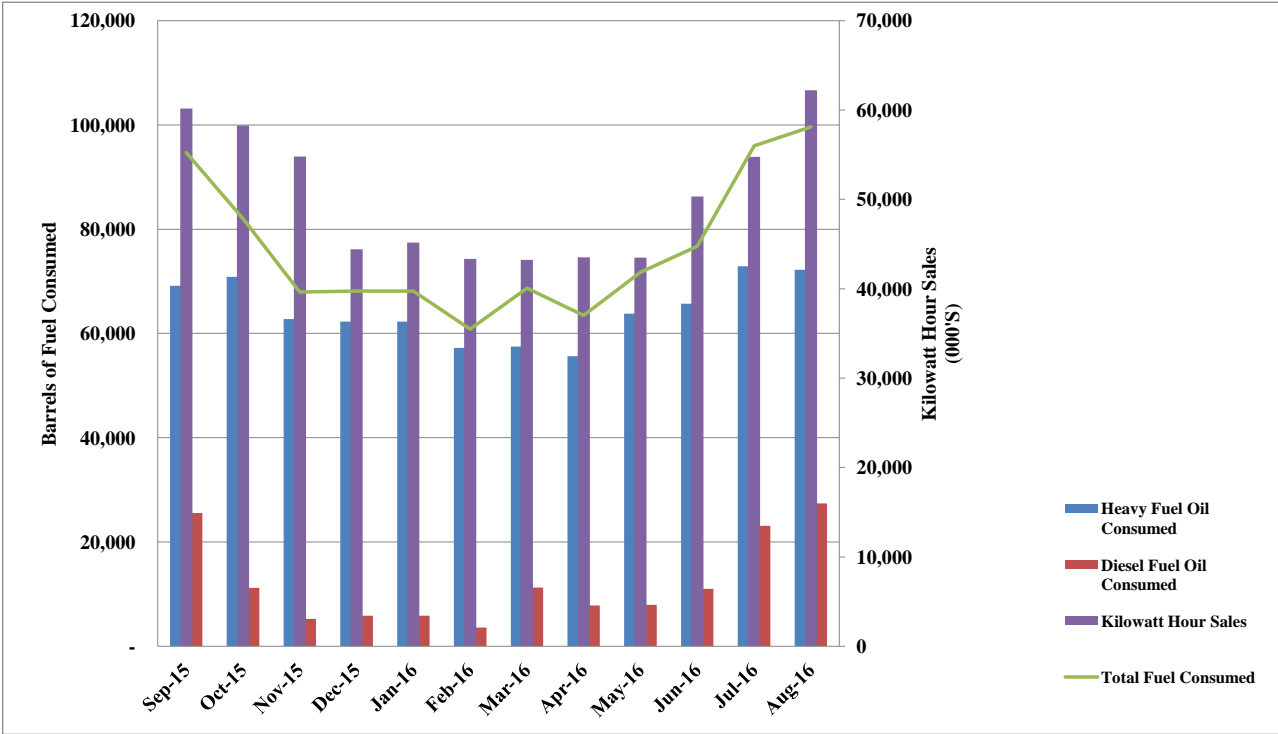
* BELCO calculates an efficiency rating for its generators on a monthly basis. This is calculated as the estimated kilowatt hours that will be generated that month divided by the estimated number of barrels of fuel that will be used. Therefore, the equivalent barrels of fuel is calculated for Tynes Bay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



Fuel Consumption

Versus

Kilowatt Hour Sales

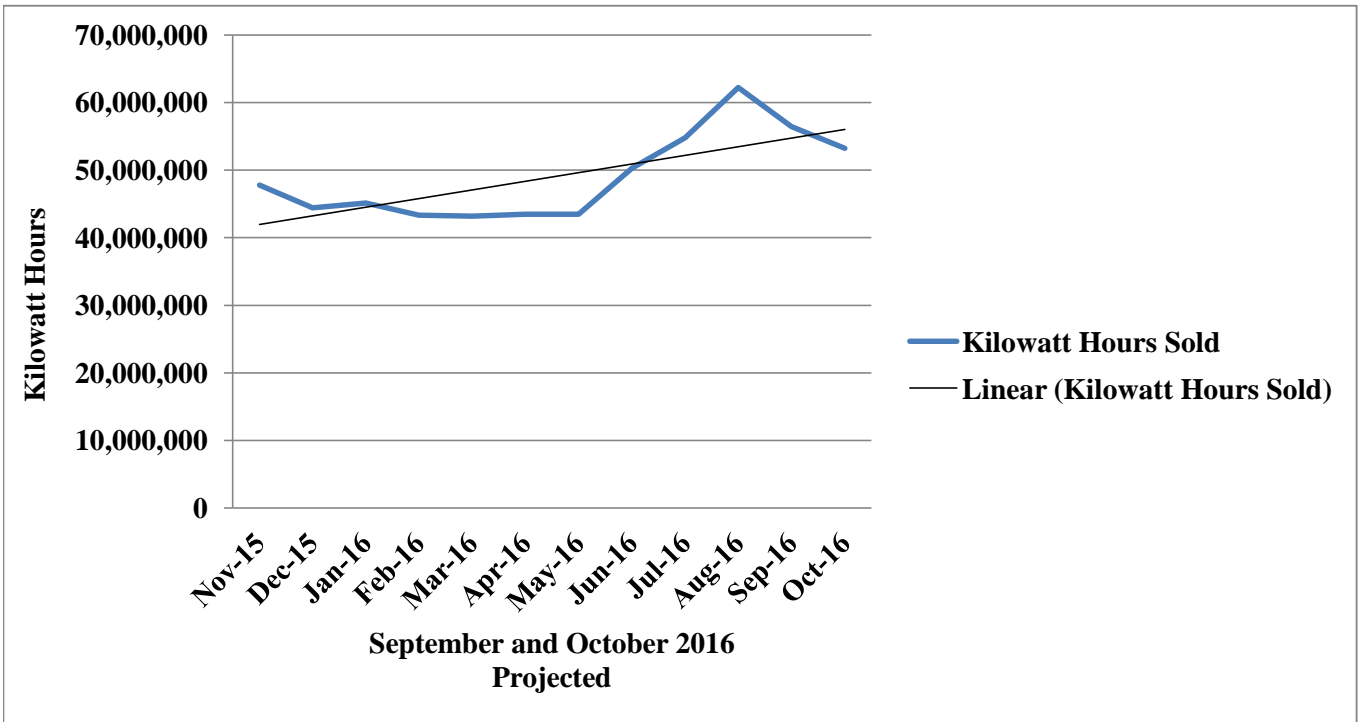




Kilowatt Hour Sales

Previous Twelve Months

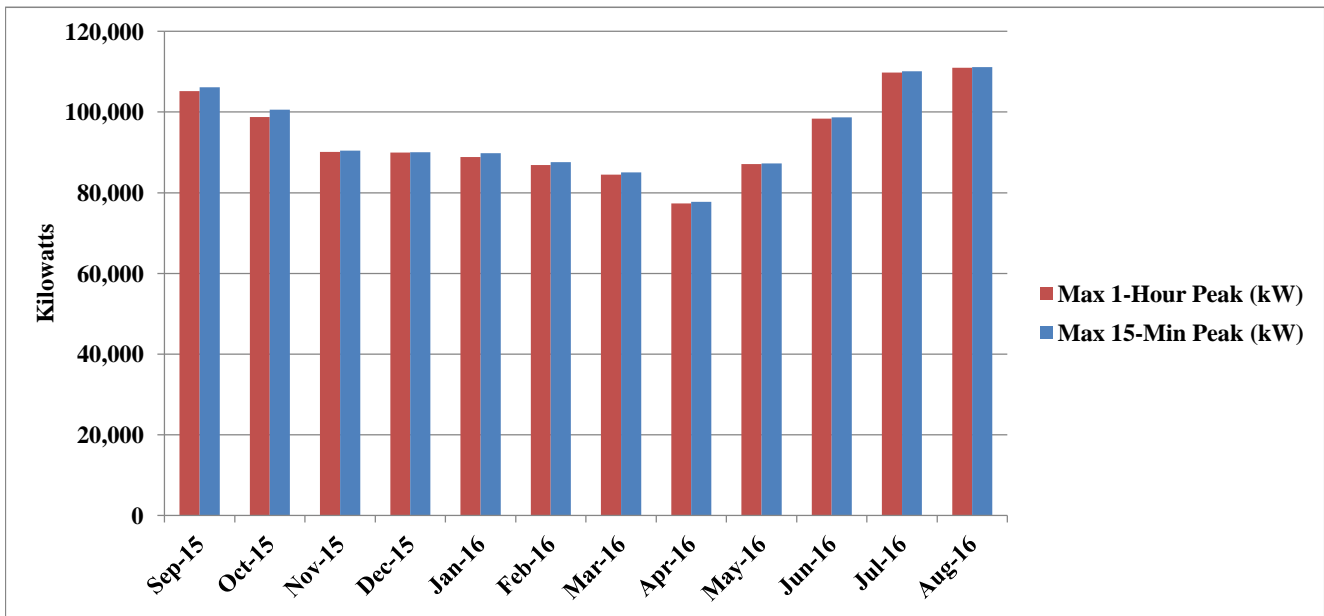
Plus Two Month Forward Projection





Maximum 15-Minute & Hourly Peak Kilowatt Hour Demand

Previous Twelve Months

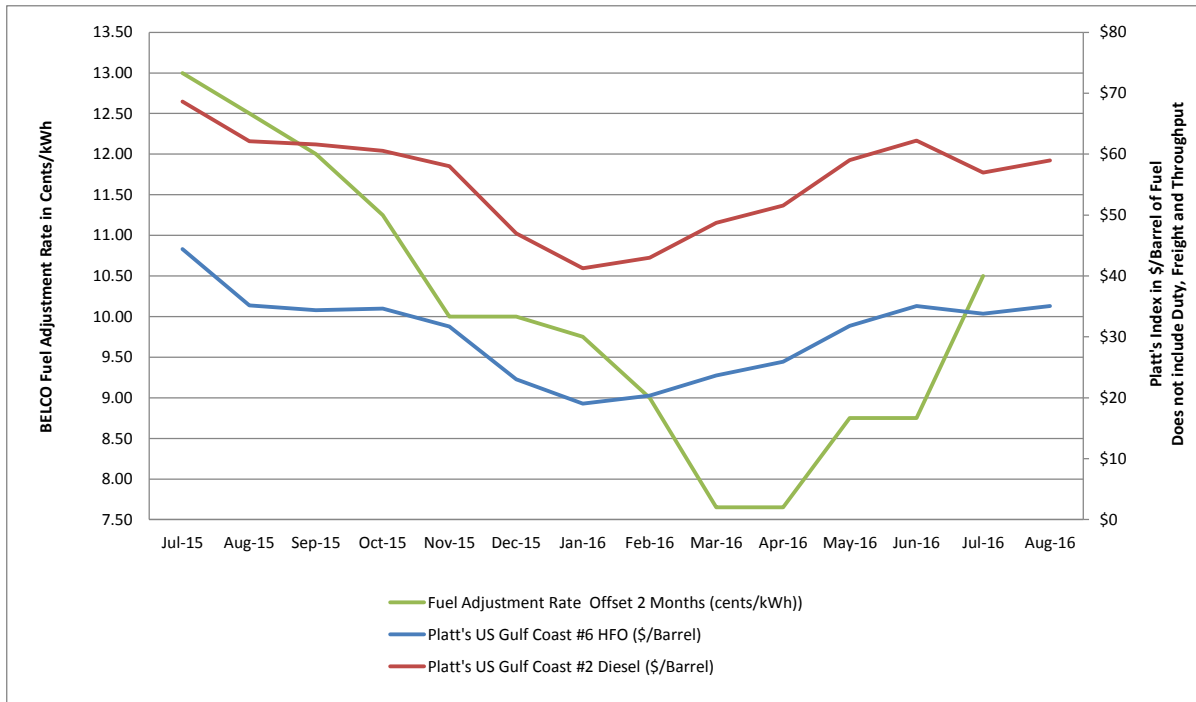




Fuel Adjustment Rate

Versus

Platt's Indices for Heavy and Diesel Fuel Oils



BELCO

Fuel Adjustment Over / (Under) Recovery

For the Month Ended 31st August 2016

	\$	\$	\$
Opening Balance at 1 August 2016			(569,024)
<u>Fuel Consumption</u>			
Diesel -13,884.04 @ \$94.9818	1,318,731		
Diesel -13,530.36 @ \$93.5711	1,266,051		
Less: Fuel Consumption @ \$30/bbl	<u>(822,432)</u>	1,762,350	
Heavy - 9.35 bbls @ \$89.7091	839		
Heavy - 30,000 bbls @ \$83.3233	2,499,699		
Heavy - 30,000 bbls @ \$78.7163	2,361,490		
Heavy - 12,206.65 bbls @ \$82.1192	1,002,400		
Less: Fuel Consumption @ \$30/bbl	<u>(2,166,480)</u>	3,697,948	
Tynes Bay - 667,416 kWh @ \$0.185	123,472		
Less: (667,416 kWh /666.1) 1,001.98 bbls @ \$30/bbl	<u>(30,059)</u>	93,413	
		5,553,711	
Deduct: Fuel Adjustment Revenue		<u>5,408,587</u>	
August over / (under) recovery			(145,124)
Interest Expense			(23,488)
Ending Balance at 31 August 2016			<u>(737,636)</u>

BELCO

Fuel Consumption Projections

Forward Three Months

Shipment Date	Type	Hedged	Amount (Barrels)	Total Cost/Barrel	FADJ (less \$30/bbl)
June 2016	Heavy	No	77,415.23	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
September 2016	Heavy	No	60,000.00	87.4766	57.4766
March 16	Diesel	No	16,493.52	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:					\$ (737,636)
Projected kWh Sales - September 2016	56,427,246		FADJ 10.5		\$ 5,924,861
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
		Diesel	16,494	\$ (63.57)	\$ (1,048,511.21)
		Diesel	6,626	\$ (71.98)	\$ (476,958.79)
		Heavy	67,212	\$ (52.12)	\$ (3,503,035.67)
		Tynes Bay	3,638	\$ (95.21)	\$ (346,395.06)
		Total Barrels	93,970		549,960
Projected Over (Under) Recovery account as at end of this month:					(187,676)
Projected kWh Sales - October 2016	53,233,173		FADJ 10.5		\$ 5,589,483
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
		Diesel	16,340	\$ (71.98)	\$ (1,176,115.62)
		Heavy	10,203	\$ (52.12)	\$ (531,784.19)
		Heavy	30,000	\$ (57.68)	\$ (1,730,373.00)
		Heavy	25,883	\$ (55.05)	\$ (1,424,758.49)
		Tynes Bay	3,612	\$ (100.83)	\$ (364,210.83)
		Total Barrels	86,038		362,241
Projected Over (Under) Recovery account as at end of this month:					174,565
Projected kWh Sales - November 2016	47,059,595		FADJ 10.5		\$ 4,941,257
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost
		Diesel	13,767	\$ (71.98)	\$ (990,917.00)
		Heavy	4,117	\$ (55.05)	\$ (226,639.51)
		Heavy	30,000	\$ (50.95)	\$ (1,528,380.00)
		Heavy	28,903	\$ (57.48)	\$ (1,661,232.95)
		Tynes Bay	3,454	\$ (101.89)	\$ (351,922.17)
		Total Barrels	80,241		182,166
Projected Over (Under) Recovery account as at end of this month:					356,731



Fuel Adjustment Over/(Under) Recovery Projections

At Requested Fuel Adjustment Rate

Three Months Forward

Over (Under) Recovery account as at end of previous month:						\$ (737,636)
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	16,494	\$ (63.57)	\$ (1,048,511.21)	
	Diesel	July 2016	6,626	\$ (71.98)	\$ (476,958.79)	
	Heavy	June 2016	67,212	\$ (52.12)	\$ (3,503,035.67)	
	Tynes Bay	N/A	3,638	\$ (95.21)	\$ (346,395.06)	
	Total Barrels		93,970			549,960
Projected Over (Under) Recovery account as at end of this month:						(187,676)
Projected kWh Sales - October 2016	53,233,173		FADJ	10.20		\$ 5,429,784
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	16,340	\$ (71.98)	\$ (1,176,115.62)	
	Heavy	June 2016	10,203	\$ (52.12)	\$ (531,784.19)	
	Heavy	September 2016	30,000	\$ (57.68)	\$ (1,730,373.00)	
	Heavy	September 2016	25,883	\$ (55.05)	\$ (1,424,758.49)	
	Tynes Bay	N/A	3,612	\$ (100.83)	\$ (364,210.83)	
	Total Barrels		86,038			202,542
Projected Over (Under) Recovery account as at end of this month:						14,866
Projected kWh Sales - November 2016	47,059,595		FADJ	10.20		\$ 4,800,079
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	13,767	\$ (71.98)	\$ (990,917.00)	
	Heavy	September 2016	4,117	\$ (55.05)	\$ (226,639.51)	
	Heavy	September 2016	30,000	\$ (50.95)	\$ (1,528,380.00)	
	Heavy	September 2017	28,903	\$ (57.48)	\$ (1,661,232.95)	
	Tynes Bay	N/A	3,454	\$ (101.89)	\$ (351,922.17)	
	Total Barrels		80,241			40,987
Projected Over (Under) Recovery account as at end of this month:						55,853



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:						\$ (187,676)
Projected kWh Sales - October 2016	53,233,173		FADJ	15.05	\$	8,011,593
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	16,340	\$ (101.98)	\$	(1,666,315.62)
	Heavy	June 2016	10,203	\$ (82.12)	\$	(837,881.09)
	Heavy	September 2016	30,000	\$ (87.68)	\$	(2,630,373.00)
	Heavy	September 2016	25,883	\$ (85.05)	\$	(2,201,241.59)
	Tynes Bay	N/A	3,612	\$ (130.83)	\$	(472,578.80)
	Total Barrels		86,038			203,202
Projected Over (Under) Recovery account as at end of this month:						15,526
Projected kWh Sales - November 2016	47,059,595		FADJ	15.33	\$	7,214,236
Projected fuel consumed		Shipment Date	Barrels	FADJ Cost/Barrel	Total Cost	
	Diesel	July 2016	13,767	\$ (101.98)	\$	(1,403,927.00)
	Heavy	September 2016	4,117	\$ (85.05)	\$	(350,156.41)
	Heavy	September 2016	30,000	\$ (80.95)	\$	(2,428,380.00)
	Heavy	September 2017	28,903	\$ (87.48)	\$	(2,528,316.05)
	Tynes Bay	N/A	3,454	\$ (131.89)	\$	(455,544.00)
	Total Barrels		80,241			47,912
Projected Over (Under) Recovery account as at end of this month:						63,439



Generators Available for Service

August 2016

Generator	Available	Type of fuel Consumed	Barrels of Fuel Consumed	Efficiency Rating*
E1	Yes	HFO	10409	685
E2	Yes	HFO	10589	674
E3	Yes	HFO	8224	701
E4	Yes	HFO	6813	700
E5	Yes	HFO	11628	689
E6	Yes	HFO	10387	700
E7	Yes	HFO	5839	720
E8	Yes	HFO	11810	733
D3	Yes	LFO	5517	603
D8	Yes	LFO	3566	617
D10	Yes	LFO	5765	611
D14	Yes	LFO	2988	575
GT4	Yes	LFO	864	266
GT5	Yes	LFO	6853	430
GT6	Yes	LFO	992	450
GT7	Yes	LFO	936	453
GT8	Yes	LFO	529	442

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



Generators Out of Service

August 2016

Unit	Category	Type	Forced Outage Details	Outage Date	Return Date
GT5	Main Engine	FO (Immediate)	unit tripped due to fuel starvation	08/30/16	08/30/16
D14	Main Engine	FO (Start-Up Fai	Lub oil priming pump failed to start	08/27/16	08/27/16
D14	Auxiliary Systems	MO	Unit out to repair leak to JCW Vent Line	08/24/16	08/24/16
E1	Auxiliary Systems	MO	Southern Injector return line cracked, to replace	08/24/16	08/24/16
E8	Electrical System	FO (Immediate)	Low voltage to Governor alarm.	08/23/16	08/23/16
D8	Main Engine	FO (Immediate)	Surging T/C inspection to be conducted by MMD- Changed to 18K hr overhaul	08/22/16	09/01/16
E5	Main Engine	FO (Immediate)	E5 Cyl 6 RHS isolation cock leaking	08/21/16	08/21/16
E7	Main Engine	MO		08/20/16	08/20/16
E2	Auxiliary Systems	FO (Immediate)	E2 cam shaft duplex equalization valve failed	08/20/16	08/20/16
E2	Auxiliary Systems	FO (Immediate)	Cyl #1 lubricator box float on filling valve stuck closed.	08/20/16	08/20/16
E4	Auxiliary Systems	FO (Immediate)	Unit tripped on low HTCW pressure. Suspect that system was water logged.	08/20/16	08/20/16
E5	Main Engine	MO	Unit out for tappets adjustment and to change indicator cocks.	08/19/16	08/19/16
E4	Main Engine	FO (Immediate)	E4 htcw outlet bellows	08/19/16	08/19/16
D14	Main Engine	MO	Fuel pump and injector replacement	08/18/16	08/19/16
D8	Electrical System	MO	Unit out to facilitate Grid Operations work on the switch gear cable box.	08/17/16	08/18/16
D14	Auxiliary Systems	MO	Unit out to change out L/o filters	08/16/16	08/16/16
E1	Auxiliary Systems	MO	Both sides of the cold fuel oil filters were dirty and the change over cock could not be operated correctly. Unit had to be stopped to isolate and clean both filters.	08/16/16	08/17/16
E4	Main Engine	MO	Unit out to change fuel oil rail seals.	08/14/16	08/14/16
E5	Auxiliary Systems	FO (Immediate)	Crack on fuel oil pipe at cylinder 1B.	08/13/16	08/13/16
D8	Main Engine	MO	Governor change, OMD calibration, LHS turnbuckle replacement, water washing radiator fan bundles	08/13/16	08/13/16
GT5	Main Engine	MO	Unit out to replace gaskets on combustion chamber sight glasses.	08/13/16	08/13/16
E8	Main Engine	MO	fuel leaks on B bank cylinders 2, 3, 4 & 6.	08/12/16	08/12/16
D14	Auxiliary Systems	MO	Unit out to replace gaskets and o rings on Cy #10 JCW transition elbow from cylinder liner to head.	08/12/16	08/12/16
E4	Auxiliary Systems	FO (Immediate)	Outer isolation cock on cylinder 7R, seal failed.	08/12/16	08/13/16
E4	Main Engine	FO (Postpone)	fuel leak repairs	08/11/16	08/12/16

GT6	Main Engine	MO	Unit out to replace air intake filters	08/10/16	08/10/16
GT7	Main Engine	MO	Air inlet filters to be replaced	08/09/16	08/09/16
GT8	Main Engine	MO	GT8 filter and fuel oil differential pressure transmitter replacement	08/08/16	08/08/16
E4	Main Engine	FO (Postpone)	fuel leak on cylinder 8R repaired by MMD standby	08/08/16	08/09/16
E3	Main Engine	MO	E3 out for l.o. auto filters	08/07/16	08/07/16
E4	Instrumentation & Control System	MO	E4 Cyl 7 LHS replacement	08/07/16	08/08/16
E5	Main Engine	FO (Immediate)	fuel leak on 1B	08/05/16	08/05/16
E2	Main Engine	FO (Immediate)	Low exhaust gas temperature and knocking noise from cylinder #3.	08/04/16	08/05/16
E1	Main Engine	FO (Immediate)	cylinder #5 exhaust valve failure	08/03/16	08/04/16
E5	Main Engine	FO (Immediate)	cylinder #3A high exhaust temperature	08/01/16	08/02/16

BELCO

Scheduled Generator Maintenance

September 2016

Generator	Maintenance Type	Outage Date	Return Date
E4	13.5K	8/28/2016	9/21/2016
E1	9K	9/22/2016	10/6/2016



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.