REGULATORY AUTHORITY OF BERMUDA

Retail Tariff Review Rate Design- Information Request

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1. Introduction

The main objective of this Information Request is to gather further information pertaining to the calculations of end-user retail rates, considering rate design changes discussed between the Regulatory Authority of Bermuda and BELCO.

The rate design changes aim to improve the cost reflectivity, the transparency, and fairness of electricity rates for consumers.

The next steps in this process include:

1. Providing this Information Request to BELCO to respond by 9 January 2026.
2. Subsequently, BELCO could be asked to conduct additional modelling related to the rate design changes, including potential changes to the fixed and volumetric rates (depending on the final level approved for average rates), and filing of updated statistical tariff impact analysis.
3. The tariff design is scheduled to be implemented no later than 1 March 2026.

The structure of this document is as follows:

- Section 2 provides a list of acronyms
- Section 3 provides the details of the Information Request

2. Acronyms

Acronym	Definition
BELCO	Bermuda Electric Light Company Limited
DG	Distributed Generation
EA	Electricity Act 2016
FAR	Fuel Adjustment Rate
GFC	Graduated Facilities Charge
RA	Regulatory Authority of Bermuda
RAF	Regulatory Authority Fee
TD&R	Transmission, Distribution and Retail

3. Information Request

We request that BELCO provide the following information:

a. **An updated version of the Microsoft Excel © model that BELCO submitted in October 2025 named "BELCO Rate Design 2025 07.25.2025 v1.5 with misc monthly charge_IR2 Response (10.16.2025)", complying with the following guidance:**

   i. Update the model to calculate rates for 2026 using the approved 2026 revenue allowance.

   ii. In the case that the Q1 2026 FAR has not been approved, use the Q4 2025 FAR. Otherwise, please use the Q1 2026 FAR.

   iii. BELCO should use allocation factors such that the total rate increase is the same for each customer class. ("Across the Board"):

      1. Residential class
      2. Commercial (excluding Misc. Commercial)
      3. Demand class – ideally ensuring a similar rate change for each class (A, B, and C)
      4. Misc. Commercial

   iv. Currently, for the GFCs for the residential class, the revenues for Tier 3 (row 26 in "6a. Rate Design – RES") are calculated using the proportion of revenue from Tier 3 of total revenue from GFCs at current rates, with the revenue from DG included in Tier 3. However, since DG customers would be moving to Tier 5, the RA believes the proportion should be net of DG customers for Tier 3, and instead, that revenue should be allocated to Tier 5. The RA asks BELCO to fix the calculation in the next iteration.

   v. Currently, when calculating the customer charge for the demand class, the model is double-counting the customer months from DG customers in row 15 of tab "6c. Rate Design – Ind Demand" by not subtracting the DG customer months. This means the total customer months in the tab are 2,737, and do not equal those from the "3. Billing Determinants" tab at 2,520. The RA asks BELCO to fix the calculation and ensure that the customer months for non-DG customers are net of DG customer months.

b. Conduct **Statistical analysis** for rate design option A, to quantify the impact on consumers from changes in rate base levels calculated by the model. The analysis should exclude RAF and FAR impacts on customer bills. Impacts should be quantified in BMD, BMD/kWh, and % of total bill, assuming no change to FAR and RAF. The analysis **should be made on a comprehensive and statistical basis** (i.e. should rely on the analysis of the effective impact of a **change in rate design on each customer** currently supplied by BELCO). Assumptions underpinning the analysis should be clearly stated by BELCO.

   The main output expected from this analysis is the distribution of the impact on bills (in BMD, BMD/kWh, and % respectively) across customers, for each customer group, including:

   1) Residential customers (all)
   2) Residential customers by tier and with and without DG, separately
   3) Commercial customers (all)
   4) Commercial customers with DG
   5) Commercial customers without DG
   6) Demand customers (all)
   7) Demand customers class A with and without DG, separately
   8) Demand customers class B with and without DG, separately

9) Demand customers class C with and without DG, separately
10) Miscellaneous Commercial (all)
11) Street Lighting
12) Special Government
13) Churches
14) Quarry

A visual illustration of what the RA expects from the statistical analysis for each customer group listed above is shown below.

Figure 1. Visual representation of RA's expectations for statistical analysis for each customer group listed above