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.
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 May 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 January 2026 named "BELCO Rate Design 2026_01.12.2026", complying with the following guidance:**

   i. Revert to using the rate design rate component allocations from the previous rate design submissions as shown below.

Rate Design Rate Component Revenue Allocation	Scenario 1		
Rate Design Rate Component	**RES**	**COMM**	**INDMD**
Class Facilities Charge Allocation Percentage	30.000%	10.000%	0.600%
Class Block One Energy Charge Allocation Percentage	14.700%	20.200%	54.800%
Class Block Two Energy Charge Allocation Percentage	26.700%	32.300%	22.500%
Class Block Three Energy Charge Allocation Percentage	28.600%	37.500%	2.700%
Class A Demand Charge Allocation Percentage	0.000%	0.000%	18.200%
Class B Demand Charge Allocation Percentage	0.000%	0.000%	1.000%
Class C Demand Charge Allocation Percentage	0.000%	0.000%	0.200%

   ii. Use the following formula to calculate the generation demand allocation percentages, unless BELCO demonstrates in the submission that the formula presented below is inferior and less cost-reflective to that used in the model presently/proposed by BELCO:

$$Class\ i\ demand\ charge\ allocation\ (\%)\ \times \frac{Production\ Demand\ Costs\ for\ Demand\ class}{Total\ Demand\ Class\ Costs}$$

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