

State of Hawaii



Public Utilities Commission

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SHARON M. SUZUKI
President

June 9, 2015

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
Kekuanaoa Building, First Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Maui Electric Energy Cost Adjustment Factor for June 2015
Revised Attachments Reflecting RBA Rate Adjustment

Enclosed for filing are revised Attachments 1, 7, 8A, 8B, 9, 10, 15, 16A, 16B, 17, 22, 23A, and 23B of Maui Electric Company, Limited's ("Maui Electric" or "Company") June 2015 energy cost adjustment factor filing, reflecting the impact of the Company's Revenue Balancing Account ("RBA") rate adjustment, as approved by the Commission.

On May 27, 2015, Maui Electric filed its energy cost adjustment factors for June 2015 and indicated that it would file the enclosed revised attachments after the Commission issued its decision on the Company's RBA rate adjustment proposal submitted in Transmittal No. 15-05 and incorporate the impact in the customer bill analysis. There is no change to the energy cost adjustment factors as filed on May 27, 2015.

For our Maui Division, a residential customer consuming 500 kWh of electricity will be paying \$163.43, an increase of \$6.37 compared to rates effective May 1, 2015. The increase in the typical Maui Division residential bill is due to the increase in the energy cost adjustment factor (+\$6.49), the increase in the Purchased Power Adjustment Clause rate (+\$0.01), and the decrease in the RBA rate adjustment (-\$0.13).

For our Lāna'i Division, a residential customer consuming 400 kWh of electricity will be paying \$153.16, an increase of \$3.52 compared to rates effective May 1, 2015. The increase in the typical Lāna'i Division residential bill is due to the increase in the energy cost adjustment factor (+\$3.63) and the decrease in the RBA rate adjustment (-\$0.11).

For our Moloka'i Division, a residential customer consuming 400 kWh of electricity will be paying \$144.48, a decrease of \$3.01 compared to rates effective May 1, 2015. The decrease in the typical Moloka'i Division residential bill is due to the decrease in the energy cost adjustment factor (-\$2.90) and the decrease in the RBA rate adjustment (-\$0.11).

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
June 9, 2015
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For the Commission's convenience, Maui Electric is refiling all of the attachments included in the May 27, 2015 filing. The revised attachments are notated with "Revised 6/9/15" in the headers; the other attachments are unchanged.

Sincerely,

/s/ Sharon M. Suzuki

Sharon M. Suzuki
President

Attachments

cc: Division of Consumer Advocacy

**MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION**

ENERGY COST ADJUSTMENT FACTOR

	EFFECTIVE DATES		
	<u>05-01-15</u>	<u>06-08-15</u>	<u>Change</u>
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	1,814.50	1,885.22	70.72
DG Energy, ¢/kWh	0.00	0.00	0.00
Purchased Energy, ¢/kWh	27.00	27.00	0.00
<u>Residential Schedule "R"</u>			
Energy Cost Adjustment, ¢/kWh	(9.750)	(8.842)	0.908
<u>Others - "G,P,F"</u>			
Energy Cost Adjustment, ¢/kWh	(9.750)	(8.842)	0.908
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	149.64	153.16	3.52
500 KWH Consumption, \$/Bill	186.15	190.56	4.41

Supersedes Sheet Effective:

May 1, 2015

MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION

ENERGY COST ADJUSTMENT (ECA) FILING

ENERGY COST ADJUSTMENT (ECA) FILING - June 1, 2015 (page 1 of 2)

Line

1 Effective Date June 1, 2015
2 Supercedes Factors of May 1, 2015

GENERATION COMPONENT

<u>CENTRAL STATION</u>					
FUEL PRICES, ¢/mmbtu					
3	Industrial			0.00	
4	Diesel - Miki Basin			1,885.22	
5	Diesel - Manele Bay			2,196.48	
6	Other			0.00	
BTU MIX, %					
7	Industrial			0.00%	
8	Diesel - Miki Basin			100.00%	
9	Diesel - Manele Bay ¹			0.00%	
10	Other			0.00%	
				<u>100.00%</u>	
11	COMPOSITE COST OF GENERATION, CENTRAL STATION + OTHER ¢/mmbtu		1,885.22		
	(Lines (3 x 7) + (4 x 8) + (5 x 9) + (6 x 10))				
12	% Input to System kWh Mix		92.88%		
EFFICIENCY FACTOR, mmbtu/kWh					
	(A)	(B)	(C)	(D)	
			Percent of		
			Centrl Stn +	Weighted	
	<u>Fuel Type</u>	<u>Eff Factor</u>	<u>Other</u>	<u>Eff Factor</u>	
		<u>mmbtu/kwh</u>			
13	Industrial	0.000000	0.00	0.000000	
14	Diesel	0.011151	100.00	0.011151	
15	Other	0.011151	0.00	0.000000	
	(Lines 13, 14, 15): Col(B) x Col(C) = Col(D)				
16	Weighted Efficiency Factor, mmbtu/kWh			0.011151	
	[lines 13(D) + 14(D) + 15(D)]				
17	WEIGHTED COMPOSITE CENTRAL STATION + OTHER GEN COST, ¢/kWh			19.52532	
	(lines (11 x 12 x 16))				
18	BASE CENTRAL STATION + OTHER GENERATION COST, ¢/mmbtu			2,647.15	
19	Base % Input to Sys kWh Mix			89.65%	
20	Efficiency Factor, mmbtu/kwh			0.011151	
21	WEIGHTED BASE CENTRAL STATION + OTHER GENERATION COST ¢/kWh			26.46322	
	(lines (18 x 19 x 20))				
22	COST LESS BASE (line(17 - 21))			(6.93790)	
23	Revenue Tax Req Multiplier			1.0975	
24	CENTRAL STATION + OTHER GENERATION FACTOR, ¢/kWh (line (22 x 23))			-7.61435	
				<u>DG ENERGY COMPONENT</u>	
				25 COMPOSITE COST OF DG ENERGY, ¢/kWh	0.000
				26 % Input to System kWh Mix	0.00%
				27 WEIGHTED COMPOSITE DG ENERGY COST, ¢/kWh (Lines 25 x 26)	0.00000
				28 BASE DG ENERGY COMP COST	0.000
				29 Base % Input to System kWh Mix	0.00%
				30 WEIGHTED BASE DG ENERGY COST, ¢/kWh (Line 28 x 29)	0.00000
				31 Cost Less Base (Line 27 - 30)	0.00000
				32 Loss Factor	1.0510
				33 Revenue Tax Req Multiplier	1.0975
				34 DG FACTOR, ¢/kWh (Line 31 x 32 x 33)	0.00000
				SUMMARY OF TOTAL GENERATION FACTOR, ¢/kWh	
				35 CNTRL STN + OTHER (line 24)	(7.61435)
				36 DG (line 34)	-
				37 TOTAL GENERATION FACTOR, ¢/kWh (lines 35 + 36)	(7.61435)

¹ The Manele CHP experienced a catastrophic fire on March 6, 2015 and the replacement unit is not expected until early 2016.

MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION

ENERGY COST ADJUSTMENT (ECA) FILING

ENERGY COST ADJUSTMENT (ECA) FILING - June 1, 2015 (page 2 of 2)

Line

1 Effective Date June 1, 2015
2 Supercedes Factors of May 1, 2015

<u>Line</u>	<u>PURCHASED ENERGY COMPONENT</u>	
	PURCHASED ENERGY PRICE, ¢/kWh	
38	LANAI SOLAR RESEARCH - On Peak	27.000
39	- Off Peak	27.000
40	Sch Q	0.000
	PURCHASED ENERGY KWH MIX, %	
41	LANAI SOLAR RESEARCH - On Peak	100.00%
42	- Off Peak	0.00%
43	Sch Q	0.00%
44	COMPOSITE COST OF PURCHASED ENERGY, ¢/kWh (Lines (38 x 41) + (39 x 42) + (40 x 43))	27.000
45	% Input to System kWh Mix	7.12%
46	WEIGHTED COMP. PURCH. ENERGY COST, ¢/kWh (lines (44 x 45))	1.92240
47	BASE PURCHASED ENERGY COMPOSITE COST, ¢/kWh	27.000
48	Base % Input to Sys kWh Mix	10.35
49	WEIGHTED BASE PURCHASED ENERGY COST, ¢/kWh (lines (47 x 48))	2.79450
50	COST LESS BASE(lines (46 - 49))	(0.87210)
51	Loss Factor	1.051
52	Revenue Tax Req Multiplier	1.0975
53	PURCHASED ENERGY FACTOR, ¢/kWh (lines (50 x 51 x 52))	(1.00594)

Line SYSTEM COMPOSITE CALCULATIONS

54 GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (8.62029)
(lines (37 + 53))
55 Adjustment, ¢/kWh 0.000
56 ECA Reconciliation Adjustment (0.222)
57 ECA FACTOR, ¢/kWh (8.842)
(lines (54 + 55 + 56))

**Maui Electric Company, Ltd.
Lanai Division**

MONTH END FUEL OIL ESTIMATE

<u>Miki Basin - ULSD</u>	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
5/20/2015	3,465.29	19,856.11	356,587.77
Estimated Use	1,285.01	7,363.11	128,302.14
Estimated Received	285.71	1,637.12	30,037.84
Estimated Additional	1,010.45	5,789.87	117,212.54
Estimated End	3,476.44	19,920.00	375,535.99

Next Month's Combined Miki Expense (\$/bbl) = \$ 108.0232 /bbl

<u>Manele CHP</u>	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
5/20/2015	131.48	753.38	16,547.87
Estimated Use	-	-	-
Estimated Received	-	-	-
Estimated Additional	-	-	-
Estimated End	131.48	753.38	16,547.87

Next Month's Manele Expense (\$/bbl) = \$ 125.8585 /bbl

MBTU Forecast

June 2015	Miki Basin	19,920
	Manele CHP	3,645

FUEL OIL INVENTORY PRICE USED FOR FILING

<u>Type of Oil Burned</u>	<u>Price</u>	<u>Conversion Factor</u>	<u>Prices ¢/MBTU</u>
Diesel - Miki Basin	\$ 108.0232	5.73 BTU/BBL	1,885.22
Diesel - Manele Bay	\$ 125.8585	5.73 BTU/BBL	2,196.48

**MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION**

Contract Prices effective May 1, 2015

<u>TYPE OF OIL BURNED</u>	<u>\$/BBL</u>	<u>¢/MBTU</u>
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MIKI BASIN - ULTRA LOW SULFUR DIESEL (DYED)

Tax *	1.9320	33.72
Ocean Transportation	0.0000	0.00
Storage	0.0000	0.00
Wharfage	0.0000	0.00

MIKI BASIN - ULTRA LOW SULFUR DIESEL

Tax *	1.9320	33.72
Ocean Transportation	0.0000	0.00
Storage	0.0000	0.00
Wharfage	0.0000	0.00

MANELE BAY - ULTRA LOW SULFUR DIESEL

Tax *	6.3637	111.06
Ocean Transportation	0.0000	0.00
Storage	0.0000	0.00
Wharfage	0.0000	0.00

* Tax includes HGET, Hawaii Use Tax, Liquid Fuel Tax, LUST tax and Environmental Response Tax.

Note: Since these components are not accounted for separately in inventory, contract prices for the current month are being provided. Contract prices are considered accurate pending actual delivery of the fuel.

Reference: Decision and Order No. 16134, Docket No. 96-0040.

MAUI ELECTRIC COMPANY, LTD.
Lanai Division
ECA Reconciliation Adjustment

June 2015

1. Amount to be refunded	(\$13,400)
2. Monthly amount (1 / 3 X Line 1)	(\$4,467)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$4,903)
5. Estimated Sales (June 2015)	2,209 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.222 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION
2015 Cumulative Reconciliation Balance**

<u>Month</u>	(1) <u>YTD FOA</u> <u>Reconciliation</u>	<u>Qtr</u>	(2) <u>FOA Rec</u> <u>Adjust</u> <u>Variance</u>	(3) <u>FOA Rec</u> <u>Less</u> <u>Variance</u>	(4) <u>Try to</u> <u>Collect</u>	(5) <u>Actual</u> <u>Collect</u>	(6) <u>Month-end</u> <u>Cumulative</u> <u>Balance</u>
December '14					(2,500)	(2,753)	1,349
January '15					(2,500)	(2,402)	(1,053)
February	(23,000)	(4)	(1,149)	(21,851)	7,667	7,298	(15,606)
March					7,667	7,286	(8,320)
April					7,667	7,591	(729)
May	13,400	(1)	(652)	14,052	(4,467)		
June					(4,467)		

NOTES:

- Col(1): Quarterly FOA reconciliation amounts. (Refer to Attachment 13)
A positive number is an over-collection. A negative number is an under-collection.
- Col(2): FOA reconciliation adjustment variance accumulated during the last three months, starting with the fourth prior month; the difference between the estimated recorded sales used to derive the \$/kwh adjustment and the actual recorded sales.
(Col(5) - Col(4))
- Col(3): FOA reconciliation generated in the current quarter. The YTD FOA reconciliation difference minus the adjustment variance. Col(1) - Col(2)
- Col(4): Amount that the FOA reconciliation adjustment is trying to collect. (Col(1) * 1/3)
- Col(5): Actual collected amount. (recorded sales * \$/kwh adjustment/1.09751)
- Col(6): Cumulative balance of the FOA reconciliation (Previous balance + Col(3) + Col(5))

Maui Electric Company, Ltd.
Lanai Division
Calculations of the Average Residential Customer Bill

	Rate		Charge (\$) at 400 Kwh		
	05-01-15	06-08-15	05-01-15	06-08-15	Difference
effective date:	08/01/13	08/01/13			
Base Fuel/Energy Charge ¢/kWh	32.2668	32.2668	129.07	129.07	0.00
Non-fuel Fuel Energy Charge First 250 kWh per month ¢/kWh	9.1240	9.1240	22.81	22.81	0.00
Next 500 kWh per month ¢/kWh	11.6240	11.6240	17.44	17.44	0.00
Customer Charge \$	8.50	8.50	8.50	8.50	0.00
Total Base Charges			177.82	177.82	0.00
IRP Refund % on base	0.0000	0.0000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment ¢/kWh	1.6239	1.5987	6.50	6.39	-0.11
PBF Adjustment ¢/kWh	0.7583	0.7583	3.03	3.03	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Energy Cost Adjustment ¢/kWh	-9.750	-8.842	-39.00	-35.37	3.63
Green Infrastructure Fee \$	1.29	1.29	1.29	1.29	0.00
Avg Residential Bill at 400 kwh			149.64	153.16	
Increase (Decrease -) % Change					3.52 2.35%

	Rate		Charge (\$) at 500 Kwh		
	05-01-15	06-08-15	05-01-15	06-08-15	Difference
effective date:	08/01/13	08/01/13			
Base Fuel/Energy Charge ¢/kWh	32.2668	32.2668	161.33	161.33	0.00
Non-fuel Fuel Energy Charge First 250 kWh per month ¢/kWh	9.1240	9.1240	22.81	22.81	0.00
Next 500 kWh per month ¢/kWh	11.6240	11.6240	29.06	29.06	0.00
Customer Charge \$	8.50	8.50	8.50	8.50	0.00
Total Base Charges			221.70	221.70	0.00
IRP Refund % on base	0.0000	0.0000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment ¢/kWh	1.6239	1.5987	8.12	7.99	-0.13
PBF Adjustment ¢/kWh	0.7583	0.7583	3.79	3.79	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Energy Cost Adjustment ¢/kWh	-9.750	-8.842	-48.75	-44.21	4.54
Green Infrastructure Fee \$	1.290	1.290	1.29	1.29	0.00
Avg Residential Bill at 500 kwh			186.15	190.56	
Increase (Decrease -) % Change					4.41 2.37%

**MAUI ELECTRIC COMPANY, LTD. -- Lanai Division
FUEL OIL ADJUSTMENT FACTOR DATA**

<u>EFFECTIVE DATE</u>	FUEL FACTOR		RESIDENTIAL BILL (\$)
	CENTS / KWH	RESIDENTIAL & COMMERCIAL	
		@ 400 KWH	@ 500 KWH
January 1, 2012	9.260	182.11	226.46
February 1, 2012	9.134	181.61	225.83
March 1, 2012	9.355	182.49	226.94
April 1, 2012	10.438	185.86	231.15
May 1, 2012	11.637	191.62	238.35
May 4, 2012	12.284	190.23	237.21
June 1, 2012	11.897	194.24	242.21
July 1, 2012	11.230	191.57	238.87
August 1, 2012	8.352	180.06	224.48
September 1, 2012	9.038	182.80	227.91
October 1, 2012	10.621	189.13	235.83
November 1, 2012	12.828	197.96	246.86
December 1, 2012	12.174	195.35	243.59
January 1, 2013	10.379	188.60	235.17
February 1, 2013	8.902	182.69	227.78
March 1, 2013	12.189	195.84	244.22
April 1, 2013	12.132	194.79	242.90
May 1, 2013	10.815	190.34	237.35
June 1, 2013	10.222	191.20	238.42
July 1, 2013	9.996	190.47	237.52
August 1, 2013	0.662	187.02	233.21
September 1, 2013	1.722	191.26	238.51
October 1, 2013	1.784	191.51	238.82
November 1, 2013	2.188	193.12	240.84
December 1, 2013	1.934	192.11	239.57
January 1, 2014	0.693	187.14	233.37
February 1, 2014	1.420	190.05	237.00
March 1, 2014	1.370	189.85	236.75
April 1, 2014	1.854	190.81	237.94
May 1, 2014	-1.036	180.23	224.72
June 1, 2014	0.013	187.69	234.05
July 1, 2014	0.208	189.21	235.94
August 1, 2014	-0.179	187.66	234.00
September 1, 2014	-0.244	187.40	233.68
October 1, 2014	-3.591	174.02	216.94
November 1, 2014	-1.766	181.32	226.07
December 1, 2014	-3.365	175.18	218.07
January 1, 2015	-4.698	169.85	211.41
February 1, 2015	-7.361	159.20	198.09
March 1, 2015	-8.793	153.47	190.93
April 1, 2015	-6.831	160.22	199.37
May 1, 2015	-9.750	149.64	186.15
June 8, 2015	-8.842	153.16	190.56

**MAUI ELECTRIC COMPANY, LTD. -- Lanai Division
RESIDENTIAL SURCHARGE DATA**

EFFECTIVE DATE	DESCRIPTION OF SURCHARGE	RATE
01/01/11 - 12/31/11	RESID. PBF SURCHARGE ADJUSTMENT	0.5944 CENTS/KWH
01/12/11 - 05/03/12	FINAL RATE INCREASE (3.65%), DOCKET NO. 2006-0387 (2007 TEST YEAR)	
01/12/11 - 05/03/12	INTERIM RATE INCREASE 2010 TEST YEAR	2.68 PERCENT ON BASE
02/01/11 - 02/28/11	IRP RECOVERY REFUND	-4.332 PERCENT ON BASE
03/01/11 - 04/30/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
04/01/11 - 04/30/11	SOLARSAVER ADJUSTMENT	-0.0888 CENTS/KWH
05/01/11 - 03/31/12	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
05/01/11 - 05/31/11	IRP RECOVERY REFUND	-0.356 PERCENT ON BASE
06/01/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
01/01/12 - 12/31/12	RESID. PBF SURCHARGE ADJUSTMENT	0.6766 CENTS/KWH
04/01/12 - 04/30/12	SOLARSAVER ADJUSTMENT	-0.2392 CENTS/KWH
05/01/12 - 03/31/13	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
5/4/2012 - 07/31/13	FINAL RATE INCREASE (1.51%), DOCKET NO. 2009-0163 (2010 TEST YEAR)	
6/1/2012 - 07/31/13	INTERIM RATE INCREASE 2012 TEST YEAR	4.02 PERCENT ON BASE
01/01/13 - 06/30/13	RESID. PBF SURCHARGE ADJUSTMENT	0.7850 CENTS/KWH
04/01/13 - 04/30/13	SOLARSAVER ADJUSTMENT	-0.2053 CENTS/KWH
05/01/13 - 03/31/14	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/13 - 05/31/14	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.8071 CENTS/KWH
07/01/13 - 06/30/14	RESID. PBF SURCHARGE ADJUSTMENT	0.8312 CENTS/KWH
08/01/13	FINAL RATE INCREASE (1.25%), DOCKET NO. 2011-0092 (2012 TEST YEAR)	
04/01/14 - 04/30/14	SOLARSAVER ADJUSTMENT	-0.2453 CENTS/KWH
05/01/14 - 03/31/15	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/14 - 05/31/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.6239 CENTS/KWH
07/01/14 - 11/30/14	RESID. PBF SURCHARGE ADJUSTMENT	1.0157 CENTS/KWH
12/01/14	RESID. PBF SURCHARGE ADJUSTMENT	0.7583 CENTS/KWH
12/01/14	GREEN INFRASTRUCTURE FEE	1.29 DOLLARS/MONTH
04/01/15 - 04/30/15	SOLARSAVER ADJUSTMENT	-0.2744 CENTS/KWH
05/01/15	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/15 - 06/07/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.0000 CENTS/KWH
06/08/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.5987 CENTS/KWH

~ Surcharges currently in effect are in bold.

~ Base charges include customer charge, demand charge, energy charge, power factor adjustment, voltage discount and minimum charge.