



Public Utilities Commission

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SHARON M. SUZUKI President

August 27, 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 September 2015

Maui Electric Company, Limited's ("Maui Electric" or "Company") September 2015 energy cost adjustment factor for our Maui Division is -5.820 cents per kilowatt-hour ("kWh"), a decrease of 1.405 cents per kWh from last month. A residential customer consuming 500 kWh of electricity will be paying \$157.12, a decrease of \$6.99 compared to rates effective August 1, 2015. The decrease in the typical residential bill is due to the decrease in the energy cost adjustment factor (-\$7.02), the decrease in the Purchased Power Adjustment Clause rate (-\$0.02) and the implementation of the Renewable Energy Infrastructure Cost Recovery Provision (+0.05).

The Company's Maui Division fuel composite cost of generation, central station and other decreased 72.76 cents per million BTU to 1,340.09 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy decreased 1.761 cents per kWh to 16.984 cents per kWh.

The energy cost adjustment factor for our Lāna'i Division for September 2015 is -10.465 cents per kWh, a decrease of 2.008 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$145.71, a decrease of \$7.99 compared to rates effective August 1, 2015. The decrease in the typical residential bill is due to the decrease in the energy cost adjustment factor (-\$8.03) and the implementation of the Renewable Energy Infrastructure Cost Recovery Provision (+0.04).

The Company's Lāna'i Division fuel composite cost of generation, central station and other decreased 179.42 cents per million BTU to 1,730.83 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy is 27.000 cents per kWh.

The energy cost adjustment factor for our Moloka'i Division for September 2015 is -5.935 cents per kWh, a decrease of 0.071 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$149.59, a decrease of \$0.24 compared to rates effective August 1, 2015. The decrease in the typical residential bill is due to

The Honorable Chair and Members of the Hawai'i Public Utilities Commission August 27, 2015 Page 2

the decrease in the energy cost adjustment factor (-\$0.28) and the implementation of the Renewable Energy Infrastructure Cost Recovery Provision (+0.04).

The Company's Moloka'i Division fuel composite cost of generation, central station and other decreased 5.68 cents per million BTU to 1,658.89 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy is 21.80 cents per kWh.

The attached sheets set forth the fuel adjustment in cents per kWh for each rate schedule that is applicable for pro rata use beginning September 1, 2015.

Sincerely,

/s/ Sharon M. Suzuki

Sharon M. Suzuki President

Attachments

cc: Division of Consumer Advocacy

ENERGY COST ADJUSTMENT FACTOR

	EFFECTIVE DATES		
	<u>08-01-15</u>	<u>09-01-15</u>	<u>Change</u>
COMPOSITE COSTS	1 010 05	4 700 00	(470.40)
Generation, Central Station & Other, ¢/mbtu DG Energy, ¢/kWh	1,910.25 0.00	1,730.83 0.00	(179.42) 0.00
Purchased Energy, ¢/kWh	27.00	27.00	0.00
Residential Schedule "R"			
Energy Cost Adjustment, ¢/kWh	(8.457)	(10.465)	(2.008)
<u>Others - "G,P,F"</u>			
Energy Cost Adjustment, ¢/kWh	(8.457)	(10.465)	(2.008)
Residential Customer with			
400 KWH Consumption, \$/Bill	153.70	145.71	(7.99)
500 KWH Consumption, \$/Bill	191.19	181.20	(9.99)

Current and a Chart Effective.	August 1 0015
Supersedes Sheet Effective:	August 1, 2015

ENERGY COST ADJUSTMENT (ECA) FILING

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

Line

- September 1, 2015 August 1, 2015 1 Effective Date
- 2 Supercedes Factors of

GENERATION COMPONENT

	CENTRAL STATION			
	FUEL PRICES, ¢/mmbtu			
3	Industrial	0.00		
4	Diesel - Miki Basin	1,730.83		
	Diesel - Manele Bay	2,196.48		
	Other	0.00		
_				
	BTU MIX, %		DG ENERGY COMPONENT	
7	Industrial	0.00%	25 COMPOSITE COST OF DG	
8	Diesel - Miki Basin	100.00%	ENERGY, ¢/kWh	0.000
9	Diesel - Manele Bay ¹	0.00%		
	Other	0.00%	26 % Input to System kWh Mix	0.00%
10	-	100.00%		0.0070
		100.0070	27 WEIGHTED COMPOSITE DG ENERGY	
11	COMPOSITE COST OF GENERATION,		COST, ¢/kWh (Lines 25 x 26)	0.00000
	CENTRAL STATION + OTHER ¢/mmbtu	1,730.83		0.00000
	(Lines (3 x 7) + (4 x 8) + (5 x 9) + (6 x 10))	,		
12	% Input to System kWh Mix	92.16%	28 BASE DG ENERGY COMP COST	0.000
			29 Base % Input to System kWh Mix	0.00%
	EFFICIENCY FACTOR, mmbtu/kWh		30 WEIGHTED BASE DG ENERGY COST,	
	(A) (B) (C)	(D)	¢/kWh (Line 28 x 29)	0.00000
	Percent of	. ,		
	Eff Factor Centrl Stn +	Weighted	31 Cost Less Base (Line 27 - 30)	0.00000
	Fuel Type mmbtu/kwh Other	Eff Factor	32 Loss Factor	1.0510
13	Industrial 0.000000 0.00	0.000000	33 Revenue Tax Req Multiplier	1.0975
14	Diesel 0.011151 100.00	0.011151	34 DG FACTOR,	
15	Other 0.011151 0.00	0.000000	¢/kWh (Line 31 x 32 x 33)	0.00000
	(Lines 13, 14, 15): Col(B) x Col(C) = Col(D)		
16	Weighted Efficiency Factor, mmbtu/kWh			
	[lines 13(D) + 14(D) + 15(D)]	0.011151		
17	WEIGHTED COMPOSITE CENTRAL STAT	ION +		
	OTHER GEN COST, ¢/kWh	47 70700		
	(lines (11 x 12 x 16))	17.78733		
40				
10	BASE CENTRAL STATION + OTHER GEN COST, ¢/mmbtu	2,647.15		
10	Base % Input to Sys kWh Mix	89.65%		
	Efficiency Factor, mmbtu/kwh	0.011151		
	WEIGHTED BASE CENTRAL STATION +	0.011131		
21	OTHER GENERATION COST ¢/kWh			
	(lines (18 x 19 x 20))	26.46322		
	(SUMMARY OF	
22	COST LESS BASE (line(17 - 21))	(8.67589)		I
	Revenue Tax Req Multiplier	1.0975		(9.52179)
	CENTRAL STATION + OTHER GENERATI	ON	36 DG (line 34)	- '
	FACTOR, ¢/kWh (line (22 x 23))	-9.52179	37 TOTAL GENERATION FACTOR,	
			-	(9.52179)
				,

¹ The Manele CHP experienced a catastrophic fire on March 6, 2015. Its return to service is undetermined at this time.

ENERGY COST ADJUSTMENT (ECA) FILING

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

Line 1 Ef

Effective Date	September 1, 2015
Supercedes Eactors of	August 1, 2015

2	Supercedes Factors of	August 1, 2015	

Line	PURCHASED ENERGY COMPON	NENT
38 39	PURCHASED ENERGY PRICE, ¢/kWh LANAI SOLAR RESEARCH - On Peak - Off Peak	27.000 27.000
40	Sch Q	0.000
41 42	PURCHASED ENERGY KWH MIX, % LANAI SOLAR RESEARCH - On Peak - Off Peak	100.00% 0.00%
43	Sch Q	0.00%
	COMPOSITE COST OF PURCHASED ENERGY, ¢/kWh (Lines (38 x 41) + (39 x 42) + (40 x 43)) % Input to System kWh Mix	27.000 7.84%
46	WEIGHTED COMP. PURCH. ENERGY COST, ¢/kWh (lines (44 x 45))	2.11680
47 48 49	COMPOSITE COST, ¢/kWh	27.000 10.35 2.79450
51 52	COST LESS BASE(lines (46 - 49)) Loss Factor Revenue Tax Req Multiplier PURCHASED ENERGY FACTOR, ¢/kWh (lines (50 x 51 x 52))	(0.67770) 1.051 1.0975 (0.78171)

Line SYSTEM COMPOSITE CALCULATIONS

54	54 GENERATION AND PURCHASED ENERGY			
	FACTOR, ¢/kWh	(10.30350)		
	(lines (37 + 53))			
55	Adjustment, ¢/kWh	0.000		
56	ECA Reconciliation Adjustment	(0.161)		
57	ECA FACTOR, ¢/kWh	(10.465)		
	(lines (54 + 55 + 56))			

Maui Electric Company, Ltd. Lanai Division

MONTH END FUEL OIL ESTIMATE

<u> Miki Basin - ULSD</u>	Barrels	MBTU	\$
8/19/2015	3,465.29	19,856.05	359,030.70
Estimated Use	1,586.10	9,088.35	173,610.26
Estimated Received	1,857.14	10,641.41	185,135.13
Estimated Additional			-
Estimated End	3,736.33	21,409.17	370,555.57
	<i>/</i> + <i>n</i> + <i>n</i>	• • • • • • • • • • • • • • • • • • •	

Next Month's Combined Miki Expense (\$/bbl) = \$ 99.1763 /bbl

Manele CHP	Barrels		MBTU	\$
8/19/2015	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	

FUEL OIL INVENTORY PRICE USED FOR FILING

Type of Oil Burned	<u>Price</u>	Conversion Factor	Prices ¢/MBTU
Diesel - Miki Basin	\$ 99.1763	5.73 BTU/BBL	1,730.83
Diesel - Manele Bay	\$ 125.8585	5.73 BTU/BBL	2,196.48

Contract Prices effective August 1, 2015

TYPE OF OIL BURNED	\$/BBL	¢/MBTU

<u> MIKI BASIN - ULTRA LOW SULFUR DIESEL (DYED)</u>					
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 *	6.1368	107.10
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

September 2015

1. Amount to be refunded	(\$9,800)
2. Monthly amount (1 / 3 X Line 1)	(\$3,267)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$3,586)
5. Estimated Sales (September 2015)	2,229 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.161 ¢/kwh

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

<u>Month</u>	(1) YTD FOA <u>Reconciliation</u>	<u>Qtr</u>	(2) FOA Rec Adjust <u>Variance</u>	(3) FOA Rec Less <u>Variance</u>	(4) Try to <u>Collect</u>	(5) Actual <u>Collect</u>	(6) Month-end Cumulative <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)	(4,312)	9,011
June					(4,467)	(4,077)	4,934
July					(4,467)	(4,382)	552
August	9,800	(2)	469	9,331	(3,267)		
September					(3,267)		

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			Charg	00 Kwh	
		08-01-15	09-01-15	08-01-15	09-01-15	Difference
Base Rates	effective date:	08/01/13	08/01/13			
				100.07	100.07	0.00
Base Fuel/Energy Charge	¢/kWh	32.2668	32.2668	129.07	129.07	0.00
Non-fuel Fuel Energy Charge						
First 250 kWhr per month	¢/kWh	9.1240	9.1240	22.81	22.81	0.00
Next 500 kWhr 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	1.5987	1.5987	6.39	6.39	0.00
PBF Surcharge	¢/kWh	0.4749	0.4749	1.90	1.90	0.00
Renewable Energy Infrastructure Cost	'					
Recovery Provision	¢/kWh	0.0000	0.0103	0.00	0.04	0.04
SolarSaver Adjustment	¢/kWh	0.0000	0.0000	0.00	0.00	0.00
	<i>F</i>			0.00	0.00	0.00
Energy Cost Adjustment	¢/kWh	-8.457	-10.465	-33.83	-41.86	-8.03
Green Infrastructure Fee	\$	1.42	1.42	1.42	1.42	0.00
						ı

Avg Residential Bill at 400 kwh

Avg Residential Bill at 500 kwh

Increase (Decrease -)	
% Change	-5

145.71

153.70

-7.99
-5.20%

	Rate			
		08-01-15	09-01-15	
Base Rates	effective date:	08/01/13	08/01/13	
Base Fuel/Energy Charge	¢/kWh	32.2668	32.2668	
Non-fuel Fuel Energy Charge				
First 250 kWhr per month	¢/kWh	9.1240	9.1240	
Next 500 kWhr per month	¢/kWh	11.6240	11.6240	
Customer Charge	\$	8.50	8.50	
Total Base Charges				
IRP Refund	% on base	0.0000	0.0000	
Revenue Balancing Rate Adjustment	¢/kWh	1.5987	1.5987	
PBF Surcharge	¢/kWh	0.4749	0.4749	
Renewable Energy Infrastructure Cost				
Recovery Provision	¢/kWh	0.0000	0.0103	
SolarSaver Adjustment	¢/kWh	0.0000	0.0000	
Energy Cost Adjustment	¢/kWh	-8.457	-10.465	
Green Infrastructure Fee	\$	1.420	1.420	

Charge (\$) at 500 Kwh					
08-01-15	09-01-15	Difference			
161.33	161.33	0.00			
22.81	22.81	0.00			
29.06	29.06	0.00			
8.50	8.50	0.00			
221.70	221.70	0.00			
0.00	0.00	0.00			
7.99	7.99	0.00			
2.37	2.37	0.00			
0.00	0.05	0.05			
0.00	0.00	0.00			
-42.29	-52.33	-10.04			
1.42	1.42	0.00			
191.19	181.20				

Increase (Decrease -) % Change

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

EFFECTIVE DATE	FUEL FACTOR CENTS / KWH RESIDENTIAL & <u>COMMERCIAL</u>		
January 1, 2012 February 1, 2012 March 1, 2012 April 1, 2012 May 1, 2012 May 4, 2012 June 1, 2012 July 1, 2012 August 1, 2012 September 1, 2012 October 1, 2012 November 1, 2012	9.260 9.134 9.355 10.438 11.637 12.284 11.897 11.230 8.352 9.038 10.621 12.828 12.174	182.11 181.61 182.49 185.86 191.62 190.23 194.24 191.57 180.06 182.80 189.13 197.96 195.35	226.46 225.83 226.94 231.15 238.35 237.21 242.21 238.87 224.48 227.91 235.83 246.86 243.59
January 1, 2013 February 1, 2013 March 1, 2013 April 1, 2013 May 1, 2013 June 1, 2013 July 1, 2013 August 1, 2013 September 1, 2013 October 1, 2013 November 1, 2013	10.379 8.902 12.189 12.132 10.815 10.222 9.996 0.662 1.722 1.784 2.188 1.934	188.60 182.69 195.84 194.79 190.34 191.20 190.47 187.02 191.26 191.51 193.12 192.11	235.17 227.78 244.22 242.90 237.35 238.42 237.52 233.21 238.51 238.82 240.84 239.57
January 1, 2014 February 1, 2014 March 1, 2014 April 1, 2014 May 1, 2014 June 1, 2014 July 1, 2014 August 1, 2014 September 1, 2014 October 1, 2014 November 1, 2014	0.693 1.420 1.370 1.854 -1.036 0.013 0.208 -0.179 -0.244 -3.591 -1.766 -3.365	187.14 190.05 189.85 190.81 180.23 187.69 189.21 187.66 187.40 174.02 181.32 175.18	233.37 237.00 236.75 237.94 224.72 234.05 235.94 234.00 233.68 216.94 226.07 218.07
January 1, 2015 February 1, 2015 March 1, 2015 April 1, 2015 May 1, 2015 June 8, 2015 July 1, 2015 August 1, 2015 September 1, 2015	-4.698 -7.361 -8.793 -6.831 -9.750 -8.842 -7.314 -8.457 -10.465	169.85 159.20 153.47 160.22 149.64 153.16 158.27 153.70 145.71	211.41 198.09 190.93 199.37 186.15 190.56 196.91 191.19 181.20

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 (2	007 TEST YE	EAR)
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		CENTS/KWH
05/01/11 - 03/31/12	SOLARSAVER ADJUSTMENT		CENTS/KWH
05/01/11 - 05/31/11	IRP RECOVERY REFUND	-0.356	PERCENT ON BASE
06/01/11	IRP RECOVERY REFUND		PERCENT ON BASE
01/01/12 - 12/31/12	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
04/01/12 - 04/30/12	SOLARSAVER ADJUSTMENT		CENTS/KWH
05/01/12 - 03/31/13	SOLARSAVER ADJUSTMENT		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		PERCENT ON BASE
01/01/13 - 06/30/13	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
04/01/13 - 04/30/13	SOLARSAVER ADJUSTMENT		CENTS/KWH
05/01/13 - 03/31/14	SOLARSAVER ADJUSTMENT		CENTS/KWH
06/01/13 - 05/31/14	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT		CENTS/KWH
07/01/13 - 06/30/14	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
08/01/13	FINAL RATE INCREASE (1.25%), DOCKET NO. 2011-0092 (2		
04/01/14 - 04/30/14	SOLARSAVER ADJUSTMENT		CENTS/KWH
05/01/14 - 03/31/15	SOLARSAVER ADJUSTMENT		CENTS/KWH
06/01/14 - 05/31/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT		CENTS/KWH
07/01/14 -11/30/14	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
12/01/14 - 06/30/15	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
12/01/14 - 06/30/15	GREEN INFRASTRUCTURE FEE		DOLLARS/MONTH
04/01/15 - 04/30/15	SOLARSAVER ADJUSTMENT	-	CENTS/KWH
05/01/15	SOLARSAVER ADJUSTMENT		CENTS/KWH
06/01/15 - 06/07/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT		CENTS/KWH
06/08/15	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT		CENTS/KWH
07/01/15	RESID. PBF SURCHARGE ADJUSTMENT		CENTS/KWH
07/01/15	GREEN INFRASTRUCTURE FEE		DOLLARS/MONTH
08/17/15	RENEWABLE ENERGY INFRASTRUCTURE COST	0.0103	CENTS/KWH
	RECOVERY PROVISION		

~ Surcharges currently in effect are in bold.

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