



May 29, 2020

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

Dear Commissioners:

Subject: Maui Electric Energy Cost Recovery Factor for June 2020
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 2020 energy cost adjustment factor filing, reflecting the impact of the Company's Revenue Balancing Account ("RBA") rate adjustment, as approved by the Commission in Order No. 37150 issued on May 28, 2020.

On May 27, 2020, Maui Electric filed its energy cost adjustment factors for June 2020 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. 20-03 and incorporate the impact in the customer bill analysis. There is no change to the energy cost adjustment factors as filed May 27, 2020.

For our Maui Division, a residential customer consuming 500 kWh of electricity will be paying \$157.82, a decrease of \$8.24 compared to rates effective May 1, 2020. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery Factor (-\$5.57) and the decrease in the RBA rate adjustment (-\$2.67).

For our Lāna'i Division, a residential customer consuming 400 kWh of electricity will be paying \$131.79, a decrease of \$16.25 compared to rates effective May 1, 2020. The decrease in the typical residential bill is due to the decrease of the Energy Cost Recovery Factor (-\$14.11) and the decrease in the RBA rate adjustment (-\$2.14).

For our Moloka'i Division, a residential customer consuming 400 kWh of electricity will be paying \$127.13, a decrease of \$23.87 compared to rates effective May 1, 2020. The decrease in the typical residential bill is due to the decrease of the Energy Cost Recovery Factor (-\$21.68), decrease in the Purchase Power Adjustment (-\$0.05) and the decrease in the RBA rate adjustment (-\$2.14).

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For the Commission's convenience, Maui Electric is refiling all of the attachments included in the May 27, 2020 filing. The revised attachments are notated with "Revised 05/29/2020" in the headers; the other attachments are unchanged.

Sincerely,

/s/ Sharon M. Suzuki
Sharon M. Suzuki
President
Maui County and Hawai'i Island Utilities

Attachments

cc: Division of Consumer Advocacy

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

ENERGY COST RECOVERY FACTOR

	EFFECTIVE DATES		
	<u>05-01-20</u>	<u>06-01-20</u>	<u>Change</u>
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	1,598.71	1,285.50	(313.21)
DG Energy, ¢/kWh	0.00	0.00	0.00
Purchased Energy, ¢/kWh	30.00	30.00	0.00
<u>Residential Schedule "R"</u>			
Energy Cost Recovery, ¢/kWh	18.958	15.429	(3.529)
<u>Others - "G,P,F"</u>			
Energy Cost Recovery, ¢/kWh	18.958	15.429	(3.529)
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	148.04	131.79	(16.25)
500 KWH Consumption, \$/Bill	183.43	163.12	(20.31)

Supersedes Sheet Effective:

May 1, 2020

MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION

ENERGY COST RECOVERY (ECR) FILING

ENERGY COST RECOVERY (ECR) FILING - June 1, 2020 (page 2 of 2)

Line

1 Effective Date June 1, 2020
2 Supercedes Factors of May 1, 2020

<u>Line</u>	PURCHASED ENERGY COMPONENT	
	PURCHASED ENERGY PRICE, ¢/kWh - FOSSIL	
	PURCHASED ENERGY PRICE, ¢/kWh - RENEWABLE	
38	LANAI SOLAR RESEARCH - On Peak	30.000
39	- Off Peak	30.000
40	Sch Q	0.000
	PURCHASED ENERGY KWH MIX, %, FOSSIL	
	PURCHASED ENERGY KWH MIX, %, RENEWABLE	
41	LANAI SOLAR RESEARCH - On Peak	100.00%
42	- Off Peak	0.00%
43	Sch Q	0.00%
43A	Total Fossil %	0.00%
43B	Total Renewable %	100.00%
43C	Comp. cost of purch. energy, fossil ¢/kWh	N/A
43D	Comp. cost of purch. energy, renewable ¢/kWh	30.00
44	COMPOSITE COST OF PURCHASED ENERGY, ¢/kWh (Lines (38 x 41) + (39 x 42) + (40 x 43))	30.000
45	% Input to System kWh Mix	5.68%
46	WEIGHTED COMP. PURCH. ENERGY COST, ¢/kWh (lines (44 x 45))	1.70400
47	BASE PURCHASED ENERGY COMPOSITE COST, ¢/kWh	0.000
48	Base % Input to Sys kWh Mix	0.00
49	WEIGHTED BASE PURCHASED ENERGY COST, ¢/kWh (lines (47 x 48))	0.00000
50	COST LESS BASE(lines (46 - 49))	1.70400
51	Loss Factor	1.050
52	Revenue Tax Req Multiplier	1.0975
53	PURCHASED ENERGY FACTOR, ¢/kWh (lines (50 x 51 x 52))	1.96365

Calculation of Monthly Fossil Fuel Cost Risk Sharing Component

Baseline Diesel		
54	Diesel \$, baseline month	\$616,461
55	Diesel mmbtu, baseline	30,215
56	Baseline Diesel, c/mmbtu	2,040.28
Month Diesel		
57	Diesel mmbtu, budget	29,816
58	Diesel Cost, ¢/mmbtu	1,285.50
59	Diesel ECRC Fossil Cost	\$383,282
60	Diesel Base ECRC Recovery Target	\$608,325
61	Diesel differential	-\$225,044
62	Total Fossil	-\$225,044
63	2% of above	-\$4,501
64	Total Monthly Fossil Fuel Cost Risk Sharing, Prior Months in Year	-\$4,655
65	Maximum Annual Cap (bi-directional)	\$31,500
66	Number of Days in year from implementation	366
67	Fossil Risk % Proration (based on 366 day year)	100.00%
68	Maximum Annual Cap (bi-directional) prorated	\$31,500
69	Applicable Monthly Fossil Fuel Cost Risk Sharing	-\$4,501
70	Total Monthly Fossil Fuel Cost Risk Sharing, Including This Month	-\$9,156
71	Fossil Cost Risk Sharing before taxes	-\$4,501
72	Revenue Tax Adjustment	1.097514
73	Fossil Cost Risk Sharing w/revenue tax	-\$4,940
74	Forecasted Month MWh Sales	2,355
75	Fossil Fuel Cost Risk Sharing Component, ¢/kWh	0.2097

Line **SYSTEM COMPOSITE CALCULATIONS**

76	GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (lines (37 + 53))	16.43103
77	Adjustment, ¢/kWh	0.000
78	Fossil Fuel Cost Risk Sharing Component	0.210
79	ECR Reconciliation Adjustment	(1.212)
80	ECR FACTOR, ¢/kWh (lines (76 + 77 + 78 + 79))	15.429

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

MONTH END FUEL OIL ESTIMATE

<u>Miki Basin - ULSD</u>	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
5/20/2020	4,559.98	26,128.62	377,460.96
Estimated Use	1,424.57	8,162.79	130,499.28
Estimated Received	2,285.71	13,097.12	152,353.54
Estimated Additional	-	-	-
Estimated End	5,421.12	31,062.95	399,315.22

Next Month's Combined Miki Expense (\$/bbl) = \$ 73.6592 /bbl

<u>Manele CHP</u>	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
5/20/2020	160.67	920.64	19,525.62
Estimated Use	(0.02)	(0.11)	(2.30)
Estimated Received	-	-	-
Estimated Additional	33.55	192.25	2,712.65
Estimated End	194.24	1,113.00	22,240.56

Next Month's Manele Expense (\$/bbl) = \$ 114.4996 /bbl

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	\$ 73.6592	5.73 BTU/BBL	1,285.50
Diesel - Manele Bay	\$ 114.4996	5.73 BTU/BBL	1,998.25

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

Contract Prices effective May 1, 2020

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

Tax *	4.2037	73.35
Ocean Transportation	0.0000	0.00
Storage	0.0000	0.00
Wharfage	0.0000	0.00

MIKI BASIN - ULTRA LOW SULFUR DIESEL

Tax *	14.5453	253.84
Ocean Transportation	0.0000	0.00
Storage	0.0000	0.00
Wharfage	0.0000	0.00

MANELE BAY - ULTRA LOW SULFUR DIESEL

Tax *	14.5453	253.84
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, Environmental Response Tax, Customs Duty Fee, Fed Oil Spill Recovery Fee, Federal Oil Spill Liability Tax, and Federal Excise 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
ECR Reconciliation Adjustment

June 2020

1. Amount to be refunded	(\$78,000)
2. Monthly amount (1 / 3 X Line 1)	(\$26,000)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$28,535)
5. Estimated Sales (June 2020)	2,355 mwh
6. Adjustment (Line 4 ÷ Line 5)	-1.212 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION
2020 Cumulative Reconciliation Balance**

<u>Month</u>	(1) <u>YTD FOA Reconciliation</u>	<u>Qtr</u>	(2) <u>FOA Rec Adjust Variance</u>	(3) <u>FOA Rec Less Variance</u>	(4) <u>Try to Collect</u>	(5) <u>Actual Collect</u>	(6) <u>Month-end Cumulative Balance</u>
December '18					(11,867)	(11,797)	11,475
January '19					(11,867)	(11,150)	325
February	8,600	(4)	(386)	8,986	(2,867)	(2,721)	6,590
March					(2,867)	(2,728)	3,862
April					(2,867)	(2,599)	1,263
May	91,900	(1)	1,002	90,898	(30,633)	(28,551)	63,610
June					(30,633)	(30,812)	32,798
July					(30,633)	(30,931)	1,867
August	(13,000)	(2)	2,171	(15,171)	4,333	4,372	(8,932)
September					4,333	4,343	(4,589)
October					4,333	4,291	(298)
November	(23,800)	(3)	(249)	(23,551)	7,933	8,219	(15,630)
December '19					7,933	8,627	(7,003)
January '20					7,933	8,106	1,103
February	83,900	(4)	938	82,962	(27,967)	(28,222)	55,843
March					(27,967)	(27,038)	28,805
April					(27,967)	(21,694)	7,111
May	78,000	(1)	847	77,153	(26,000)		
June					(26,000)		

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		
	05-01-20	06-01-20	05-01-20	06-01-20	Difference
Base Rates					
effective date:	09/01/19	09/01/19			
Base Fuel/Energy Charge ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Non-fuel Energy Charge					
First 250 kWhr per month ¢/kWh	12.3123	12.3123	30.78	30.78	0.00
Next 500 kWhr per month ¢/kWh	14.8123	14.8123	22.22	22.22	0.00
Customer Charge \$	11.50	11.50	11.50	11.50	0.00
Total Base Charges			64.50	64.50	0.00
IRP Refund					
% on base	0.0000	0.0000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment ¢/kWh	0.8716	0.3383	3.49	1.35	-2.14
PBF Surcharge ¢/kWh	0.7437	0.7437	2.97	2.97	0.00
Renewable Energy Infrastructure Cost Recovery Provision ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Refund of 2018 Interim % on Base	0.00	0.00	0.00	0.00	0.00
Energy Cost Recovery ¢/kWh	18.958	15.429	75.83	61.72	-14.11
Green Infrastructure Fee \$	1.25	1.25	1.25	1.25	0.00
Avg Residential Bill at 400 kwh			148.04	131.79	
			Increase (Decrease -)		-16.25
			% Change		-10.98%

	Rate		Charge (\$) at 500 Kwh		
	05-01-20	06-01-20	05-01-20	06-01-20	Difference
Base Rates					
effective date:	09/01/19	09/01/19			
Base Fuel/Energy Charge ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Non-fuel Energy Charge					
First 250 kWhr per month ¢/kWh	12.3123	12.3123	30.78	30.78	0.00
Next 500 kWhr per month ¢/kWh	14.8123	14.8123	37.03	37.03	0.00
Customer Charge \$	11.50	11.50	11.50	11.50	0.00
Total Base Charges			79.31	79.31	0.00
IRP Refund					
% on base	0.0000	0.0000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment ¢/kWh	0.8716	0.3383	4.36	1.69	-2.67
PBF Surcharge ¢/kWh	0.7437	0.7437	3.72	3.72	0.00
Renewable Energy Infrastructure Cost Recovery Provision ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Refund of 2018 Interim % on Base	0.00	0.00	0.00	0.00	0.00
Energy Cost Recovery ¢/kWh	18.958	15.429	94.79	77.15	-17.64
Green Infrastructure Fee \$	1.25	1.25	1.25	1.25	0.00
Avg Residential Bill at 500 kwh			183.43	163.12	
			Increase (Decrease -)		-20.31
			% Change		-11.07%

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

<u>EFFECTIVE DATE</u>	<u>FUEL FACTOR</u> <u>CENTS / KWH</u>		
	<u>RESIDENTIAL & COMMERCIAL</u>	<u>RESIDENTIAL BILL (\$)</u> <u>@ 400 KWH</u>	<u>@ 500 KWH</u>
January 1, 2018	-8.358	153.69	191.20
February 1, 2018	-8.395	153.54	191.01
March 1, 2018	-7.868	155.65	193.65
April 1, 2018	-9.141	150.05	186.64
May 1, 2018	-7.716	156.26	194.41
June 1, 2018	-6.144	163.86	203.92
July 1, 2018	-5.753	165.46	205.95
August 1, 2018	-7.005	160.45	199.69
September 1, 2018	-6.735	166.53	207.25
October 1, 2018	-6.372	167.98	209.07
November 1, 2018	-6.037	169.32	210.74
December 1, 2018	-5.396	171.89	213.95
January 1, 2019	-6.950	165.81	206.32
February 1, 2019	-8.789	158.45	197.12
March 1, 2019	-6.041	169.45	210.86
April 1, 2019	-6.801	166.07	206.63
May 1, 2019	-7.864	162.15	201.75
June 1, 2019	4.196	172.73	214.30
July 1, 2019	3.088	171.26	212.48
August 1, 2019	3.232	171.84	213.20
September 1, 2019	24.278	168.18	208.62
October 1, 2019	24.957	170.90	212.02
November 1, 2019	26.088	175.42	217.67
December 1, 2019	26.449	176.87	219.48
January 1, 2020	25.369	173.69	215.49
February 1, 2020	24.109	168.65	209.19
March 1, 2020	23.379	165.73	205.54
April 1, 2020	19.794	151.15	187.31
May 1, 2020	18.958	148.04	183.43
June 1, 2020	15.429	131.79	163.12

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

EFFECTIVE DATE	DESCRIPTION OF SURCHARGE	RATE
06/01/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
08/17/17	RENEWABLE ENERGY INFRASTRUCTURE COST RECOVERY PROVISION	0.0000 CENTS/KWH
01/01/18 - 06/30/18	GREEN INFRASTRUCTURE FEE	1.34 DOLLARS/MONTH
04/01/18 - 04/30/18	SOLARSAVER ADJUSTMENT	1.3400 CENTS/KWH
05/01/18 - 03/31/19	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/18 - 08/22/18	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.8954 CENTS/KWH
07/01/18 - 06/30/19	RESID. PBF SURCHARGE ADJUSTMENT	0.4658 CENTS/KWH
07/01/18 - 12/31/18	GREEN INFRASTRUCTURE FEE	1.21 DOLLARS/MONTH
08/23/18 - 05/31/19	INTERIM RATE INCREASE 2018 TEST YEAR	6.36 PERCENT ON BASE
08/23/18 - 05/31/19	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.3183 CENTS/KWH
01/01/19 - 06/30/19	GREEN INFRASTRUCTURE FEE	1.35 DOLLARS/MONTH
04/01/19 - 04/30/19	SOLARSAVER ADJUSTMENT	-0.0855 CENTS/KWH
05/01/19 - 03/31/20	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/19	FINAL RATE INCREASE (3.74%), DOCKET NO. 2017-0150 (2018 TEST YEAR)	
06/01/19 - 06/30/19	REFUND OF INTERIM RATE INCREASE 2018 TEST YEAR	-2.03 PERCENT ON BASE
06/01/19 - 05/31/20	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.8716 CENTS/KWH
07/01/19 - 12/31/19	RESID. PBF SURCHARGE ADJUSTMENT	0.4775 CENTS/KWH
07/01/19 - 12/31/19	GREEN INFRASTRUCTURE FEE	1.17 DOLLARS/MONTH
01/01/20	RESID. PBF SURCHARGE ADJUSTMENT	0.7437 CENTS/KWH
01/01/20	GREEN INFRASTRUCTURE FEE	1.25 DOLLARS/MONTH
04/01/20 - 04/30/20	SOLARSAVER ADJUSTMENT	-0.0592 CENTS/KWH
05/01/20	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/20	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.3383 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.