



June 27, 2018

FILED

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

2018 JUN 27 P 3:29

PUBLIC UTILITIES
COMMISSION

Dear Commissioners:

Subject: Maui Electric Energy Cost Adjustment Factor for July 2018

Maui Electric Company, Limited's ("Maui Electric" or "Company") July 2018 Energy Cost Adjustment factor for our Maui Division is -1.259 cents per kilowatt-hour ("kWh"), an increase of 1.143 cents per kWh from last month. A residential customer consuming 500 kWh of electricity will be paying \$180.32, an increase of \$5.79 compared to rates effective June 1, 2018. The increase in the typical residential bill is due to the increase in the Energy Cost Adjustment factor (+\$5.71) and the increase in the Public Benefits Fund Surcharge (+\$0.21), partially offset by the decrease in the Green Infrastructure Fee rate (-\$0.13).

The Company's Maui Division fuel composite cost of generation, central station and other increased 156.21 cents per million BTU to 1,774.54 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy increased 0.185 cents per kWh to 19.259 cents per kWh.

The Energy Cost Adjustment factor for our Lāna'i Division for July 2018 is -5.753 cents per kWh, an increase of 0.391 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$165.46, an increase of \$1.60 compared to rates effective June 1, 2018. The increase in the typical residential bill is due to the increase in the Energy Cost Adjustment factor (+\$1.57) and the increase in the Public Benefits Fund Surcharge (+\$0.16), partially offset by the decrease in the Green Infrastructure Fee rate (-\$0.13).

The Company's Lāna'i Division fuel composite cost of generation, central station and other increased 36.60 cents per million BTU to 2,177.44 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy is 30.000 cents per kWh.

The Energy Cost Adjustment factor for our Moloka'i Division for July 2018 is -1.354 cents per kWh, an increase of 2.136 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$168.81, an increase of \$8.57 compared to rates effective June 1, 2018. The increase in the typical residential bill is due to the

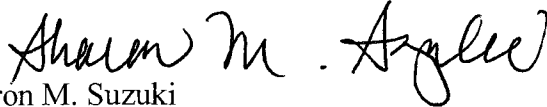
The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
June 27, 2018
Page 2

increase in the Energy Cost Adjustment factor (+\$8.54) and the increase in the Public Benefits Fund Surcharge (+\$0.16), partially offset by the decrease in the Green Infrastructure Fee rate (-\$0.13).

The Company's Moloka'i Division fuel composite cost of generation, central station and other increased 173.52 cents per million BTU to 2,039.40 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 July 1, 2018.

Sincerely,


Sharon M. Suzuki
President

Attachments

cc: Division of Consumer Advocacy

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

ENERGY COST ADJUSTMENT FACTOR

	EFFECTIVE DATES		<u>Change</u>
	<u>06-01-18</u>	<u>07-01-18</u>	
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	1,865.88	2,039.40	173.52
DG Energy, ¢/kWh	0.00	0.00	0.00
Purchased Energy, ¢/kWh	21.80	21.80	0.00
<u>Residential Schedule "R"</u>			
Energy Cost Adjustment, ¢/kWh	(3.490)	(1.354)	2.136
<u>Others - "G,P,F"</u>			
Energy Cost Adjustment, ¢/kWh	(3.490)	(1.354)	2.136
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	160.24	168.81	8.57
500 KWH Consumption, \$/Bill	199.48	210.24	10.76

Supersedes Sheet Effective:

June 1, 2018

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
ENERGY COST ADJUSTMENT (ECA) FILING**

ENERGY COST ADJUSTMENT (ECA) FILING - July 1, 2018 (page 1 of 2)

<u>Line</u>		
1	Effective Date	July 1, 2018
2	Supersedes Factors	June 1, 2018

GENERATION COMPONENT

<u>CENTRAL STATION</u>							
FUEL PRICES, ¢/mmbtu							
3	Industrial					0.00	
4	Diesel					2,039.40	
5	Other					0.00	
BTU MIX, %							
6	Industrial					0.00	
7	Diesel					100.00	
8	Other					<u>0.00</u>	
						<u>100.00</u>	
9	COMPOSITE COST OF GENERATION, CENTRAL STATION + OTHER ¢/mmbtu (Lines (3 x 6) + (4 x 7) + (5 x 8))					2,039.40	
10	% Input to System kWh Mix					99.98	
EFFICIENCY FACTOR, mmbtu/kWh							
	(A)	(B)	(C)	(D)			
		Eff Factor	Percent of	Weighted			
	<u>Fuel Type</u>	<u>mmbtu/kwh</u>	<u>Centrl Stn +</u>	<u>Eff Factor</u>			
			<u>Other</u>				
11	Industrial	0.000000	0.00	0.000000			
12	Diesel	0.011194	100.00	0.011194			
13	Other	0.011194	0.00	0.000000			
	(Lines 11, 12, 13): Col(B) x Col(C) = Col(D)						
14	Weighted Efficiency Factor, mmbtu/kWh [lines 11(D) + 12(D) + 13(D)]					0.011194	
15	WEIGHTED COMPOSITE CENTRAL STATION + OTHER GENERATION COST, ¢/kWh (lines (9 x 10 x 14))					22.82479	
16	BASE CENTRAL STATION + OTHER GENERATION COST, ¢/mmbtu					2,144.57	
17	Base % Input to Sys kWh Mix					99.91	
18	Efficiency Factor, mmbtu/kwh					0.011194	
19	WEIGHTED BASE CENTRAL STATION + OTHER GENERATION COST ¢/kWh (lines (16 x 17 x 18))					23.98471	
20	COST LESS BASE (line(15 - 19))					(1.15992)	
21	Revenue Tax Req Multiplier					1.0975	
22	CENTRAL STATION + OTHER GENERATION FACTOR, ¢/kWh (line (20 x 21))					(1.27301)	
					<u>DG ENERGY COMPONENT</u>		
					23	COMPOSITE COST OF DG ENERGY, ¢/kWh	0.000
					24	% Input to System kWh Mix	0.00
					25	WEIGHTED COMPOSITE DG ENERGY COST, ¢/kWh (Lines 23 x 24)	0.00000
					26	BASE DG ENERGY COMP COST	0.000
					27	Base % Input to System kWh Mix	0.00
					28	WEIGHTED BASE DG ENERGY COST, ¢/kWh (Line 26 x 27)	0.00000
					29	Cost Less Base (Line 25 - 28)	0.00000
					30	Loss Factor	1.095
					31	Revenue Tax Req Multiplier	1.0975
					32	DG FACTOR, ¢/kWh (Line 29 x 30 x 31)	0.00000
					SUMMARY OF		
					TOTAL GENERATION FACTOR, ¢/kWh		
					33	CNTRL STN + OTHER (line 22)	-1.27301
					34	DG (line 32)	0.00000
					35	TOTAL GENERATION FACTOR, ¢/kWh (lines 33 + 34)	-1.27301

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
ENERGY COST ADJUSTMENT (ECA) FILING**

ENERGY COST ADJUSTMENT (ECA) FILING - July 1, 2018 (page 2 of 2)

<u>Line</u>		
1	Effective Date	July 1, 2018
2	Supersedes Factors	June 1, 2018

<u>Line</u>	<u>PURCHASED ENERGY COMPONENT</u>	
	PURCHASED ENERGY PRICE, ¢/kWh	
36	FIT	21.800
37		0.000
38	Sch Q	0.000
	PURCHASED ENERGY KWH MIX, %	
39	FIT	100.00
40		0.00
41	Sch Q	0.000
42	COMPOSITE COST OF PURCHASED ENERGY, ¢/kWh (Lines (36 x 39) + (37 x 40) + (38 x 41))	21.800
43	% Input to System kWh Mix	0.02
44	WEIGHTED COMPOSITE PURCHASED ENERGY COST, ¢/kWh (lines (42 x 43))	0.00406
45	BASE PURCHASED ENERGY COMPOSITE COST, ¢/kWh	21.800
46	Base % Input to Sys kWh Mix	0.09
47	WEIGHTED BASE PURCHASED ENERGY COST, ¢/kWh (lines (45 x 46))	0.01962
48	COST LESS BASE (lines (44 - 47))	(0.01556)
49	Loss Factor	1.095
50	Revenue Tax Req Multiplier	1.0975
51	PURCHASED ENERGY FACTOR, ¢/kWh (lines (48 x 49 x 50))	(0.01870)

<u>Line</u>	<u>SYSTEM COMPOSITE CALCULATIONS</u>	
52	GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (lines (35 + 51))	(1.29171)
53	Adjustment, ¢/kWh	0.000
54	ECA Reconciliation Adjustment	(0.062)
55	ECA FACTOR, ¢/kWh (lines (52 + 53 + 54))	(1.354)

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

MONTH END FUEL OIL ESTIMATE

	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
6/20/2018	5,356.12	30,690.56	620,288.54
Estimated Use	1,407.38	8,064.29	150,470.03
Estimated Received	-	-	-
Estimated Additional	<u>675.00</u>	<u>3,867.73</u>	<u>70,500.60</u>
Estimated End	4,623.74	26,494.00	540,319.10

Next Months Expense = \$ 116.8576 /bbl

FUEL OIL INVENTORY PRICE USED FOR FILING

<u>Type of Oil Burned</u>	<u>Price</u>		<u>Prices ¢/MBTU</u>
Diesel	\$ 116.8576	5.73 BTU/BBL	2039.40

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

Contract Prices effective June 1, 2018

<u>TYPE OF OIL BURNED</u>	<u>\$/BBL</u>	<u>¢/MBTU</u>
ULTRA LOW SULFUR DIESEL		
Tax *	2.2228	38.79
Ocean Transportation	1.6735	29.21
Storage	4.8063	83.88
Wharfage	0.2900	5.06

* Tax includes HGET, Hawaii Use Tax, Liquid Fuel Tax, LUST tax, Environmental Response Tax, Customs Duty Fee, Federal Oil Spill Recovery Fee, 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.
Molokai Division
ECA Reconciliation Adjustment

July 2018

1. Amount to be refunded	(\$4,029)
2. Monthly amount (1/3 x Line 1)	(\$1,343)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$1,474)
5. Estimated Sales (July 2018)	2,371 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.062 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
2018 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 '17					(533)	(534)	528
January '18					(533)	(550)	(22)
February	10,400	(4)	-	10,400	(3,467)	(3,397)	6,981
March					(3,467)	(3,553)	3,428
April					(3,467)	(3,687)	(259)
May	4,029	(1)	(33)	4,062	(1,343)	(1,344)	2,459
June					(1,343)		
July					(1,343)		

NOTES:

- Col(1): Quarterly FOA reconciliation amounts. (Refer to Attachment 20)
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.
Molokai Division
Calculations of the Average Residential Customer Bill**

	Rate			Charge (\$) at 400 Kwh		
		06-01-18	07-01-18	06-01-18	07-01-18	Difference
Base Rates	effective date:	08/01/13	08/01/13			
Base Fuel/Energy Charge	¢/kWh	26.3468	26.3468	105.39	105.39	0.00
Non-fuel Fuel Energy Charge						
First 250 kWhr per month	¢/kWh	11.4278	11.4278	28.57	28.57	0.00
Next 500 kWhr per month	¢/kWh	14.0778	14.0778	21.12	21.12	0.00
Customer Charge	\$	8.50	8.50	8.50	8.50	0.00
Total Base Charges				163.58	163.58	0.00
IRP Refund	% on base	0.000	0.000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment	¢/kWh	1.8954	1.8954	7.58	7.58	0.00
PBF Surcharge	¢/kWh	0.4244	0.4658	1.70	1.86	0.16
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
Energy Cost Adjustment	¢/kWh	-3.490	-1.354	-13.96	-5.42	8.54
Green Infrastructure Fee	\$	1.34	1.21	1.34	1.21	-0.13
Avg Residential Bill at 400 kwh				160.24	168.81	

Increase (Decrease -)	8.57
% Change	5.35%

	Rate			Charge (\$) at 500 Kwh		
		06-01-18	07-01-18	06-01-18	07-01-18	Difference
Base Rates	effective date:	08/01/13	08/01/13			
Base Fuel/Energy Charge	¢/kWh	26.3468	26.3468	131.73	131.73	0.00
Non-fuel Fuel Energy Charge						
First 250 kWhr per month	¢/kWh	11.4278	11.4278	28.57	28.57	0.00
Next 500 kWhr per month	¢/kWh	14.0778	14.0778	35.19	35.19	0.00
Customer Charge	\$	8.50	8.50	8.50	8.50	0.00
Total Base Charges				203.99	203.99	0.00
IRP Refund	% on base	0.000	0.000	0.00	0.00	0.00
Revenue Balancing Rate Adjustment	¢/kWh	1.8954	1.8954	9.48	9.48	0.00
PBF Surcharge	¢/kWh	0.4244	0.4658	2.12	2.33	0.21
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
Energy Cost Adjustment	¢/kWh	-3.490	-1.354	-17.45	-6.77	10.68
Green Infrastructure Fee	\$	1.34	1.21	1.34	1.21	-0.13
Avg Residential Bill at 500 kwh				199.48	210.24	

Increase (Decrease -)	10.76
% Change	5.39%

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

<u>EFFECTIVE DATE</u>	<u>FUEL FACTOR CENTS / KWH RESIDENTIAL & COMMERCIAL</u>	<u>RESIDENTIAL BILL (\$)</u>	
		<u>@ 400 KWH</u>	<u>@ 500 KWH</u>
January 1, 2016	-9.942	133.44	165.99
February 1, 2016	-11.270	128.13	159.35
March 1, 2016	-12.649	122.61	152.45
April 1, 2016	-13.391	118.92	147.82
May 1, 2016	-13.226	120.31	149.57
June 1, 2016	-13.376	118.95	147.87
July 1, 2016	-12.675	122.03	151.76
August 1, 2016	-9.906	133.11	165.61
September 1, 2016	-9.794	133.55	166.17
October 1, 2016	-11.131	128.21	159.48
November 1, 2016	-9.970	132.85	165.29
December 1, 2016	-9.244	135.75	168.92
January 1, 2017	-8.940	137.11	170.58
February 1, 2017	-8.792	137.70	171.32
March 1, 2017	-8.066	140.61	174.95
April 1, 2017	-8.432	138.59	172.43
May 1, 2017	-8.851	137.47	171.02
June 1, 2017	-8.516	139.44	173.49
July 1, 2017	-8.482	138.83	172.76
August 1, 2017	-9.670	134.08	166.82
September 1, 2017	-10.692	129.95	161.66
October 1, 2017	-9.093	136.35	169.65
November 1, 2017	-4.912	153.07	190.56
December 1, 2017	-5.591	150.36	187.16
January 1, 2018	-6.300	147.68	183.78
February 1, 2018	-6.275	147.78	183.90
March 1, 2018	-4.937	153.13	190.59
April 1, 2018	-5.975	148.47	184.76
May 1, 2018	-5.031	152.76	190.12
June 1, 2018	-3.490	160.24	199.48
July 1, 2018	-1.354	168.81	210.24

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

EFFECTIVE DATE	DESCRIPTION OF SURCHARGE	RATE
06/01/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
08/01/13	FINAL RATE INCREASE (1.25%), DOCKET NO. 2011-0092 (2012 TEST YEAR)	
01/01/16 - 06/30/16	GREEN INFRASTRUCTURE FEE	1.30 DOLLARS/MONTH
03/01/16 - 02/28/17	RENEWABLE ENERGY INFRASTRUCTURE COST RECOVERY PROVISION	0.0099 CENTS/KWH
04/01/16 - 04/30/16	SOLARSAVER ADJUSTMENT	-0.1835 CENTS/KWH
05/01/16 - 03/31/17	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/16 - 05/31/17	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.4082 CENTS/KWH
07/01/16 - 06/30/17	RESID. PBF SURCHARGE ADJUSTMENT	0.5865 CENTS/KWH
07/01/16 - 12/31/16	GREEN INFRASTRUCTURE FEE	1.13 DOLLARS/MONTH
01/01/17 - 06/30/17	GREEN INFRASTRUCTURE FEE	1.27 DOLLARS/MONTH
03/01/17 - 08/16/17	RENEWABLE ENERGY INFRASTRUCTURE COST RECOVERY PROVISION	0.0098 CENTS/KWH
04/01/17 - 04/30/17	SOLARSAVER ADJUSTMENT	-0.1378 CENTS/KWH
05/01/17 - 03/31/18	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
6/1/2017 - 05/31/18	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.5654 CENTS/KWH
07/01/17 - 12/31/17	GREEN INFRASTRUCTURE FEE	1.18 DOLLARS/MONTH
08/17/17	RENEWABLE ENERGY INFRASTRUCTURE COST RECOVERY PROVISION	0.0000 CENTS/KWH
07/01/17 - 06/30/18	RESID. PBF SURCHARGE ADJUSTMENT	0.4244 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	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/18	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.8954 CENTS/KWH
07/01/18	RESID. PBF SURCHARGE ADJUSTMENT	0.4658 CENTS/KWH
07/01/18	GREEN INFRASTRUCTURE FEE	1.21 DOLLARS/MONTH

~ Surcharges currently in effect are in bold.

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