



FILED

September 26, 2019

2019 SEP 26 P 3: 17

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

PUBLIC UTILITIES
COMMISSION

Dear Commissioners:

Subject: Maui Electric Energy Cost Recovery Factor for October 2019

Maui Electric Company, Limited's ("Maui Electric" or "Company") October 2019 Energy Cost Recovery factor for our Maui Division is 17.098 cents per kilowatt-hour ("kWh"), a decrease of 0.970 cents per kWh from last month. A residential customer consuming 500 kWh of electricity will be paying \$168.93, a decrease of \$4.84 compared to rates effective September 1, 2019. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery Factor (-\$4.85), partially offset by the increase in the Purchase Power Adjustment (+\$0.01).

The Company's Maui Division fuel composite cost of generation, central station and other decreased 33.00 cents per million BTU to 1,387.47 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy decreased 1.296 cents per kWh to 18.218 cents per kWh.

The Energy Cost Recovery factor for our Lāna'i Division for October 2019 is 24.957 cents per kWh, an increase of 0.679 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$170.90, an increase of \$2.72 compared to rates effective September 1, 2019. The increase in the typical residential bill is due to the increase of the Energy Cost Recovery factor (+\$2.72).

The Company's Lāna'i Division fuel composite cost of generation, central station and other increased 63.61 cents per million BTU to 2,008.94 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy is 30.00 cents per kWh.

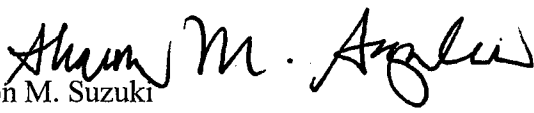
The Energy Cost Recovery factor for our Moloka'i Division for October 2019 is 19.071 cents per kWh, a decrease of 0.278 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$151.51, a decrease of \$0.98 compared to rates effective September 1, 2019. The decrease in the typical residential bill is due to the decrease of the Energy Cost Recovery Factor (-\$1.12), partially offset by the increase in the Purchase Power Adjustment (+\$0.14).

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The Company's Moloka'i Division fuel composite cost of generation, central station and other decreased 24.19 cents per million BTU to 1,611.55 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 October 1, 2019.

Sincerely,


Sharon M. Suzuki
President

Attachments

cc: Division of Consumer Advocacy

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

ENERGY COST RECOVERY FACTOR

	EFFECTIVE DATES		<u>Change</u>
	<u>09-01-19</u>	<u>10-01-19</u>	
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	1,635.74	1,611.55	(24.19)
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 Recovery, ¢/kWh	19.349	19.071	(0.278)
<u>Others - "G,P,F"</u>			
Energy Cost Recovery, ¢/kWh	19.349	19.071	(0.278)
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	152.49	151.51	(0.98)
500 KWH Consumption, \$/Bill	189.11	187.89	(1.22)

Supersedes Sheet Effective:

September 1, 2019

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
ENERGY COST RECOVERY (ECR) FILING**

ENERGY COST RECOVERY (ECR) FILING - October 1, 2019 (page 1 of 2)

Line

1 Effective Date October 1, 2019
2 Supercedes Factors September 1, 2019

GENERATION COMPONENT

CENTRAL STATION					
FUEL PRICES, ¢/mmbtu					
3	Industrial			0.00	
4	Diesel			1,611.55	
5	Other			0.00	
BTU MIX, %					
6	Industrial			0.00	
7	Diesel			100.00	
8	Other			0.00	
				<u>100.00</u>	
9	COMPOSITE COST OF GENERATION, CENTRAL STATION + OTHER ¢/mmbtu (Lines (3 x 6) + (4 x 7) + (5 x 8))			1,611.55	
10	% Input to System kWh Mix			99.99	
EFFICIENCY FACTOR, mmbtu/kWh					
	(A)	(B)	(C)	(D)	
		Eff Factor	Percent of	Weighted	
	Fuel Type	mmbtu/kwh	Centrl Stn + Other	Eff Factor	
11	Industrial	0.000000	0.00	0.000000	
12	Diesel	0.011127	100.00	0.011127	
13	Other	0.011127	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)]			0.011127	
15	WEIGHTED COMPOSITE CENTRAL STATION + OTHER GENERATION COST, ¢/kWh (lines (9 x 10 x 14))			17.92911	
16	BASE CENTRAL STATION + OTHER GENERATION COST, ¢/mmbtu			0.00	
17	Base % Input to Sys kWh Mix			0.00	
18	Efficiency Factor, mmbtu/kwh			0.011127	
19	WEIGHTED BASE CENTRAL STATION + OTHER GENERATION COST ¢/kWh (lines (16 x 17 x 18))			0.00000	
20	COST LESS BASE (line(15 - 19))			17.92911	
21	Revenue Tax Req Multiplier			1.0975	
22	CENTRAL STATION + OTHER GENERATION FACTOR, ¢/kWh (line (20 x 21))			19.67720	
				DG ENERGY COMPONENT	
	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			1.098	
	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)			19.67720	
	34 DG (line 32)			0.00000	
	35 TOTAL GENERATION FACTOR, ¢/kWh (lines 33 + 34)			19.67720	

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

MONTH END FUEL OIL ESTIMATE

	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
9/19/2019	3,858.48	22,109.07	386,937.08
Estimated Use	2,029.21	11,627.37	190,193.59
Estimated Received	5,732.66	32,848.14	501,537.65
Estimated Additional	-	-	-
Estimated End	<u>7,561.93</u>	<u>43,329.84</u>	<u>698,281.14</u>

Next Months Expense = \$ 92.3417 /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	\$ 92.3417	5.73 BTU/BBL	1611.55

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

Contract Prices effective September 1, 2019

<u>TYPE OF OIL BURNED</u>	<u>\$/BBL</u>	<u>¢/MBTU</u>
ULTRA LOW SULFUR DIESEL		
Tax *	4.8604	84.82
Ocean Transportation	1.9004	33.17
Storage	5.0658	88.41
Wharfage	0.4000	6.98

* 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
ECR Reconciliation Adjustment

October 2019

1. Amount to be refunded	(\$42,700)
2. Monthly amount (1/3 x Line 1)	(\$14,233)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$15,621)
5. Estimated Sales (October 2019)	2,534 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.616 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
2019 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					(3,033)	(3,133)	2,348
January '19					(3,033)	(3,259)	(911)
February	(8,800)	(4)	(682)	(8,118)	2,933	2,637	(6,392)
March					2,933	2,879	(3,513)
April					2,933	2,976	(537)
May	(4,000)	(1)	(576)	(3,424)	1,333	1,340	(2,621)
June					1,333	1,450	(1,171)
July					1,333	1,381	210
August	42,700	(2)	167	42,533	(14,233)	(15,411)	27,332
September					(14,233)		
October					(14,233)		

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		
	09-01-19	10-01-19	09-01-19	10-01-19	Difference
Base Rates	effective date:	09/01/19	09/01/19		
Base Fuel/Energy Charge	¢/kWh	0.0000	0.0000	0.00	0.00
Non-fuel Energy Charge					
First 250 kWh per month	¢/kWh	14.0459	14.0459	35.11	35.11
Next 500 kWh per month	¢/kWh	16.6959	16.6959	25.04	25.04
Customer Charge	\$	11.50	11.50	11.50	11.50
Total Base Charges				71.65	71.65
IRP Refund	% on base	0.000	0.000	0.00	0.00
Revenue Balancing Rate Adjustment	¢/kWh	0.8716	0.8716	3.49	3.49
PBF Surcharge	¢/kWh	0.4775	0.4775	1.91	1.91
Renewable Energy Infrastructure Cost Recovery Provision	¢/kWh	0.0000	0.0000	0.00	0.00
SolarSaver Adjustment	¢/kWh	0.0000	0.0000	0.00	0.00
Refund of 2018 Interim	% on base	0.00	0.00	0.00	0.00
Purchased Power Adjustment	¢/kWh	-0.7820	-0.7475	-3.13	-2.99
Energy Cost Adjustment/Recovery	¢/kWh	19.349	19.071	77.40	76.28
Green Infrastructure Fee	\$	1.17	1.17	1.17	1.17
Avg Residential Bill at 400 kwh				152.49	151.51

Increase (Decrease -)	-0.98
% Change	-0.64%

	Rate		Charge (\$) at 500 Kwh		
	09-01-19	10-01-19	09-01-19	10-01-19	Difference
Base Rates	effective date:	09/01/19	09/01/19		
Base Fuel/Energy Charge	¢/kWh	0.0000	0.0000	0.00	0.00
Non-fuel Energy Charge					
First 250 kWh per month	¢/kWh	14.0459	14.0459	35.11	35.11
Next 500 kWh per month	¢/kWh	16.6959	16.6959	41.74	41.74
Customer Charge	\$	11.50	11.50	11.50	11.50
Total Base Charges				88.35	88.35
IRP Refund	% on base	0.000	0.000	0.00	0.00
Revenue Balancing Rate Adjustment	¢/kWh	0.8716	0.8716	4.36	4.36
PBF Surcharge	¢/kWh	0.4775	0.4775	2.39	2.39
Renewable Energy Infrastructure Cost Recovery Provision	¢/kWh	0.0000	0.0000	0.00	0.00
SolarSaver Adjustment	¢/kWh	0.0000	0.0000	0.00	0.00
Refund of 2018 Interim	% on base	0.00	0.00	0.00	0.00
Purchased Power Adjustment	¢/kWh	-0.7820	-0.7475	-3.91	-3.74
Energy Cost Adjustment/Recovery	¢/kWh	19.349	19.071	96.75	95.36
Green Infrastructure Fee	\$	1.17	1.17	1.17	1.17
Avg Residential Bill at 500 kwh				189.11	187.89

Increase (Decrease -)	-1.22
% Change	-0.65%

**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, 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
August 1, 2018	-4.992	154.26	192.05
September 1, 2018	-3.443	165.08	205.53
October 1, 2018	-4.054	162.63	202.48
November 1, 2018	-3.697	164.06	204.26
December 1, 2018	-1.431	173.13	215.59
January 1, 2019	-3.771	163.91	204.03
February 1, 2019	-7.208	150.16	186.85
March 1, 2019	-4.872	159.50	198.53
April 1, 2019	-5.034	158.51	197.29
May 1, 2019	-3.503	164.98	205.37
June 1, 2019	5.096	166.63	206.77
July 1, 2019	3.171	161.65	200.57
August 1, 2019	2.259	155.00	192.25
September 1, 2019	19.349	152.49	189.11
October 1, 2019	19.071	151.51	187.89

**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 - 05/31/19	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 - 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	6.68 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	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	-2.00 PERCENT ON BASE
06/01/19	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.8716 CENTS/KWH
07/01/19	RESID. PBF SURCHARGE ADJUSTMENT	0.4775 CENTS/KWH
07/01/19	GREEN INFRASTRUCTURE FEE	1.17 DOLLARS/MONTH
08/01/19 - 08/31/19	PURCHASED POWER ADJUSTMENT	-0.7518 CENTS/KWH
09/01/19 - 09/30/19	PURCHASED POWER ADJUSTMENT	-0.7820 CENTS/KWH
10/01/19	PURCHASED POWER ADJUSTMENT	-0.7475 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.