



May 26, 2023

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 2023

Maui Electric Company, Limited's ("Maui Electric" or "Company") June 2023 Energy Cost Recovery factor for our Maui Division is 23.396 cents per kilowatt-hour ("kWh"), a decrease of 0.784 cents per kWh from last month. A residential customer consuming 500 kWh of electricity will be paying \$206.70, a decrease of \$3.90 compared to rates effective May 1, 2023. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery factor (-\$3.92) partially offset by the increase in Purchase Power Adjustment (+\$0.01) and increase in the RBA Rate Adjustment (+\$0.01).

The Company's Maui Division fuel composite cost of generation, central station and other decreased 12.320 cents per million BTU to 1,949.83 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy increased 0.180 cents per kWh to 20.654 cents per kWh.

The Energy Cost Recovery factor for our Lāna'i Division for June 2023 is 31.440 cents per kWh, an increase of 1.515 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$202.21, an increase of \$6.56 compared to rates effective May 1, 2023. The increase in the typical residential bill is due to the increase in the Energy Cost Recovery factor (+\$6.06) and increase in the RBA Rate Adjustment (+\$0.50).

The Company's Lāna'i Division fuel composite cost of generation, central station and other increased 134.16 cents per million BTU to 2,713.54 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 June 2023 is 28.032 cents per kWh, a decrease of 0.798 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$196.58, a decrease of \$1.84 compared to rates effective May 1, 2023. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery (-\$3.19) partially offset by the increase in the RBA Rate Adjustment (+\$1.35).

The Honorable Chair and Members
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The Company's Moloka'i Division fuel composite cost of generation, central station and other decreased 67.02 cents per million BTU to 2,297.17 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.

In accordance with Order No. 39293, the RBA Rate Adjustment recovers the RBA Revenue Adjustment effective June 1, 2023, and is implemented as a percentage of all rate schedule charges, including all charges for Surcharges, Clauses, and Fees, but excluding charges related to the ECRC and the RBA Rate Adjustment.

The attached sheets set forth the fuel adjustment in cents per kWh for each rate schedule that is applicable for pro rata use beginning June 1, 2023.

Sincerely,

/s/ Dean K. Matsuura
Dean K. Matsuura
Director, Regulatory Rate Proceedings
Hawaiian Electric Company, Inc.

Attachments

cc: Division of Consumer Advocacy

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

ENERGY COST RECOVERY FACTOR

	EFFECTIVE DATES		<u>Change</u>
	<u>5/01/2023</u>	<u>6/01/2023</u>	
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	2,364.19	2,297.17	(67.02)
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	28.830	28.032	(0.798)
<u>Others - "G,J,P,F"</u>			
Energy Cost Recovery, ¢/kWh	28.830	28.032	(0.798)
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	198.42	196.58	(1.84)
500 KWH Consumption, \$/Bill	246.49	244.01	(2.48)

Supersedes Sheet Effective:

5/01/2023

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

ENERGY COST RECOVERY (ECR) FILING - June 1, 2023 (page 1 of 2)

Line

1 Effective Date June 1, 2023
2 Supercedes Factors May 1, 2023

GENERATION COMPONENT

CENTRAL STATION						DG ENERGY COMPONENT	
FUEL PRICES, ¢/mmbtu							
3	Industrial						
4	Diesel						
5	Other						
BTU MIX, %							
6	Industrial						
7	Diesel						
8	Other						
9	COMPOSITE COST OF GENERATION, CENTRAL STATION + OTHER ¢/mmbtu (Lines (3 x 6) + (4 x 7) + (5 x 8))						
10	% Input to System kWh Mix						
EFFICIENCY FACTOR, mmbtu/kWh							
	(A)	(B)	(C)	(D)			
			Percent of				
			Centri Stn +				
			Other				
	Fuel Type	Eff Factor	Centri Stn +	Weighted			
		mmbtu/kWh	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)]						
15	WEIGHTED COMPOSITE CENTRAL STATION + OTHER GENERATION COST, ¢/kWh (lines (9 x 10 x 14))						
16	BASE CENTRAL STATION + OTHER GENERATION COST, ¢/mmbtu						
17	Base % Input to Sys kWh Mix						
18	Efficiency Factor, mmbtu/kWh						
19	WEIGHTED BASE CENTRAL STATION + OTHER GENERATION COST ¢/kWh (lines (16 x 17 x 18))						
20	COST LESS BASE (line(15 - 19))						
21	Revenue Tax Req Multiplier						
22	CENTRAL STATION + OTHER GENERATION FACTOR, ¢/kWh (line (20 x 21))						
23	COMPOSITE COST OF DG ENERGY, ¢/kWh						
24	% Input to System kWh Mix						
25	WEIGHTED COMPOSITE DG ENERGY COST, ¢/kWh (Lines 23 x 24)						
26	BASE DG ENERGY COMP COST						
27	Base % Input to System kWh Mix						
28	WEIGHTED BASE DG ENERGY COST, ¢/kWh (Line 26 x 27)						
29	Cost Less Base (Line 25 - 28)						
30	Loss Factor						
31	Revenue Tax Req Multiplier						
32	DG FACTOR, ¢/kWh (Line 29 x 30 x 31)						
SUMMARY OF							
TOTAL GENERATION FACTOR, ¢/kWh							
33	CNTRL STN + OTHER (line 22)						
34	DG (line 32)						
35	TOTAL GENERATION FACTOR, ¢/kWh (lines 33 + 34)						

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

ENERGY COST RECOVERY (ECR) FILING - June 1, 2023 (page 2 of 2)

Line	Effective Date	June 1, 2023
2	Supercedes Factors	May 1, 2023

Line	PURCHASED ENERGY COMPONENT	
	PURCHASED ENERGY PRICE, ¢/kWh - Fossil	
	PURCHASED ENERGY PRICE, ¢/kWh - Renewable	
36	Unused	0.000
37	CBRE	22.500
38	FIT	21.800
39		
40	Sch Q	0.000
	PURCHASED ENERGY KWH MIX, % - Fossil	
	PURCHASED ENERGY KWH MIX, % - Renewable	
41	Unused	0.00%
42	CBRE	0.00%
43	FIT	100.00%
44		
45	Sch Q	0.00%
45A	Fossil Purch. Energy %	0.00%
45B	Renewable Purch. Energy %	100.00%
45C	Comp. Cost, Fossil Purch. Energy, ¢/kWh	N/A
45D	Comp. Cost, Renewable Purch. Energy, ¢/kWh	21.800
46	COMPOSITE COST OF PURCHASED ENERGY, ¢/kWh (Lines (36 x 41) + (37 x 42) + (38 x 43) + (39 x 44))	21.800
47	% Input to System kWh Mix	0.02
48	WEIGHTED COMPOSITE PURCHASED ENERGY COST, ¢/kWh (lines (46 x 47))	0.00422
49	BASE PURCHASED ENERGY COMPOSITE COST, ¢/kWh	0.000
50	Base % Input to Sys kWh Mix	0.00
51	WEIGHTED BASE PURCHASED ENERGY COST, ¢/kWh (lines (49 x 50))	0.00000
52	COST LESS BASE (lines (48 - 51))	0.00422
53	Loss Factor	1.098
54	Revenue Tax Req Multiplier	1.0975
55	PURCHASED ENERGY FACTOR, ¢/kWh (lines (52 x 53 x 54))	0.00509

Line	Calculation of Monthly Fossil Fuel Cost Risk Sharing Component	
	Baseline Diesel	
56	Diesel \$, baseline month	\$727,962
57	Diesel mmbtu, baseline	26,128
58	Baseline Diesel, ¢/mmbtu	2,786.15
	Month Diesel	
59	Diesel mmbtu, budget	25,623
60	Diesel Cost, ¢/mmbtu	2,297.17
61	Diesel ECRC Fossil Cost	\$588,607
62	Diesel Base ECRC Recovery Target	\$713,899
63	Diesel differential	-\$125,293
64	Total Fossil	-\$125,293
65	2% of above	-\$2,506
66	Total Monthly Fossil Fuel Cost Risk Sharing, Prior Months in Year	-\$4,852
67	Maximum Annual Cap (bi-directional)	\$31,500
68	Number of Days in year from implementation	365
69	Fossil Risk % Proration (based on 365 day year)	100.00%
70	Maximum Annual Cap (bi-directional) prorated	\$31,500
71	Applicable Monthly Fossil Fuel Cost Risk Sharing	-\$2,506
72	Total Monthly Fossil Fuel Cost Risk Sharing, Including This Month	-\$7,358
73	Fossil Cost Risk Sharing before taxes	-\$2,506
74	Revenue Tax Adjustment	1.097514
75	Fossil Cost Risk Sharing w/revenue tax	-\$2,750
76	Forecasted Month MWh Sales	2,305
77	Fossil Fuel Cost Risk Sharing Component, ¢/kWh	0.1193

Line	SYSTEM COMPOSITE CALCULATIONS	
78	GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (lines (35 + 55))	28.05244
79	Adjustment, ¢/kWh	0.000
80	Fossil Fuel Cost Risk Sharing Component	0.119
81	ECR Reconciliation Adjustment	(0.140)
82	ECR FACTOR, ¢/kWh (lines (78 + 79 + 80 + 81))	28.032

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

MONTH END FUEL OIL ESTIMATE

	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
5/19/2023	7,233.48	41,447.82	958,718.52
Estimated Use	1,716.14	9,833.48	232,482.23
Estimated Received	-	-	-
Estimated Additional	-	-	-
Estimated End	<u>5,517.34</u>	<u>31,614.34</u>	<u>726,236.29</u>

Next Months Expense = \$ 131.6280 /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	\$ 131.6280	5.73 BTU/BBL	2297.17

MAUI ELECTRIC COMPANY, LTD.
Molokai Division
ECR Reconciliation Adjustment

June 2023

1. Amount to be refunded	(\$8,800)
2. Monthly amount (1/3 x Line 1)	(\$2,933)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$3,219)
5. Estimated Sales (June 2023)	2,305 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.140 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
2023 Cumulative Reconciliation Balance**

Month	(1) YTD FOA Reconciliation	Qtr	(2) FOA Rec Adjust Variance	(3) FOA Rec Less Variance	(4) Try to Collect	(5) Actual Collect	(6) Month-end Cumulative Balance
December '20					(233)	(252)	(32)
January '21					(233)	(241)	(273)
February	4,000	(4)	(258)	4,258	(1,333)	(1,290)	2,695
March					(1,333)	(1,302)	1,393
April					(1,333)	(1,311)	82
May	7,600	(1)	66	7,534	(2,533)	(2,667)	4,949
June					(2,533)	(2,707)	2,242
July					(2,533)	(2,630)	(388)
August	22,600	(2)	(286)	22,886	(7,533)	(7,735)	14,763
September					(7,533)	(7,613)	7,150
October					(7,533)	(7,699)	(549)
November	20,200	(3)	(379)	20,579	(6,733)	(7,024)	13,006
December					(6,733)	(6,702)	6,304
January '22					(6,733)	(6,879)	(575)
February	11,500	(4)	(426)	11,926	(3,833)	(3,909)	7,442
March					(3,833)	(3,831)	3,611
April					(3,833)	(3,991)	(380)
May	16,100	(1)	(220)	16,320	(5,367)	(6,014)	9,926
June					(5,367)	(5,428)	4,498
July					(5,367)	(5,680)	(1,182)
August	40,800	(2)	(866)	41,666	(13,600)	(14,372)	26,112
September					(13,600)	(13,983)	12,129
October					(13,600)	(14,488)	(2,359)
November	34,500	(3)	(1,468)	35,968	(11,500)	(11,296)	22,313
December					(11,500)	(11,026)	11,287
January '23					(11,500)	(11,414)	(127)
February	(1,100)	(4)	(210)	(890)	367	345	(672)
March					367	372	(300)
April					367	375	75
May	8,800	(1)	69	8,731	(2,933)		
June					(2,933)		

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		
	5/01/23	6/01/23	5/01/23	6/01/23	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 / % of bill excluding ECRC	1.9048	11.88%	7.62	8.97
PBF Surcharge	¢/kWh	0.6488	0.6488	2.60	2.60
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	0.0000	0.0000	0.00	0.00
Energy Cost Recovery	¢/kWh	28.830	28.032	115.32	112.13
Green Infrastructure Fee	\$	1.23	1.23	1.23	1.23
Avg Residential Bill at 400 kwh				198.42	196.58

Increase (Decrease -)	-1.84
% Change	-0.93%

	Rate		Charge (\$) at 500 Kwh		
	5/01/23	6/01/23	5/01/23	6/01/23	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 / % of bill excluding ECRC	1.9048	11.88%	9.52	11.03
PBF Surcharge	¢/kWh	0.6488	0.6488	3.24	3.24
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	0.0000	0.0000	0.00	0.00
Energy Cost Recovery	¢/kWh	28.830	28.032	144.15	140.16
Green Infrastructure Fee	\$	1.23	1.23	1.23	1.23
Avg Residential Bill at 500 kwh				246.49	244.01

Increase (Decrease -)	-2.48
% Change	-1.01%

Note: Effective June 1, 2023, the RBA Rate Adjustment is billed based on the total billed amount before the RBA rate adjustment excluding the Energy Cost Recovery.

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

<u>EFFECTIVE DATE</u>	FUEL FACTOR CENTS / KWH		RESIDENTIAL BILL (\$)	
	<u>RESIDENTIAL & COMMERCIAL</u>		<u>@ 400 KWH</u>	<u>@ 500 KWH</u>
January 1, 2020	18.533		153.75	190.67
February 1, 2020	21.165		164.02	203.51
March 1, 2020	21.967		167.23	207.52
April 1, 2020	19.555		157.34	195.16
May 1, 2020	18.231		151.00	187.24
June 1, 2020	12.810		127.13	157.40
July 1, 2020	10.471		118.42	146.53
August 1, 2020	12.013		125.55	155.44
September 1, 2020	14.463		135.41	167.76
October 1, 2020	10.877		121.03	149.78
November 1, 2020	14.096		132.92	164.65
December 1, 2020	13.337		129.89	160.86
January 1, 2021	14.116		133.06	164.81
February 1, 2021	16.108		141.03	174.77
March 1, 2021	15.163		137.25	170.05
April 1, 2021	17.823		147.71	183.13
May 1, 2021	18.313		149.85	185.80
June 1, 2021	17.544		149.53	185.38
July 1, 2021	18.749		154.53	191.65
August 1, 2021	21.572		165.82	205.76
September 1, 2021	19.433		157.26	195.07
October 1, 2021	20.326		160.83	199.53
November 1, 2021	20.133		160.06	198.57
December 1, 2021	20.186		160.27	198.83
January 1, 2022	21.781		170.50	211.61
February 1, 2022	23.569		177.66	220.55
March 1, 2022	24.300		180.58	224.20
April 1, 2022	25.193		184.02	228.51
May 1, 2022	30.431		205.10	254.86
June 1, 2022	34.241		218.92	272.14
July 1, 2022	39.900		241.50	300.36
August 1, 2022	40.687		244.65	304.30
September 1, 2022	32.195		210.68	261.84
October 1, 2022	36.404		227.52	282.88
November 1, 2022	31.953		209.71	260.63
December 1, 2022	33.316		215.16	267.44
January 1, 2023	32.969		214.98	267.19
February 1, 2023	31.231		208.02	258.50
March 1, 2023	33.972		218.99	272.20
April 1, 2023	29.562		201.33	250.13
May 1, 2023	28.830		198.42	246.49
June 1, 2023	28.032		196.58	244.01

**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
08/17/17	RENEWABLE ENERGY INFRASTRUCTURE COST RECOVERY PROVISION	0.0000 CENTS/KWH
06/01/19	FINAL RATE INCREASE (3.74%), DOCKET NO. 2017-0150 (2018 TEST YEAR)	
05/01/20 - 03/31/21	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/20 - 05/31/21	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.3383 CENTS/KWH
07/01/20 - 06/30/21	RESID. PBF SURCHARGE ADJUSTMENT	0.5882 CENTS/KWH
11/01/20	PURCHASED POWER ADJUSTMENT	0.0000 CENTS/KWH
01/01/21 - 06/30/21	GREEN INFRASTRUCTURE FEE	1.25 DOLLARS/MONTH
04/01/21 - 04/30/21	SOLARSAVER ADJUSTMENT	-0.0445 CENTS/KWH
05/01/21 - 03/31/22	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/21 - 12/31/21	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.0242 CENTS/KWH
07/01/21 - 06/30/22	RESID. PBF SURCHARGE ADJUSTMENT	0.6478 CENTS/KWH
07/01/21 - 12/31/21	GREEN INFRASTRUCTURE FEE	1.19 DOLLARS/MONTH
01/01/22 - 05/31/22	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.9714 CENTS/KWH
01/01/22 - 06/30/22	GREEN INFRASTRUCTURE FEE	1.25 DOLLARS/MONTH
04/01/22 - 04/30/22	SOLARSAVER ADJUSTMENT	-0.0315 CENTS/KWH
5/1/2022 - 03/31/23	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/22 - 12/31/22	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.6175 CENTS/KWH
07/01/22	RESID. PBF SURCHARGE ADJUSTMENT	0.6488 CENTS/KWH
07/01/22 - 12/31/22	GREEN INFRASTRUCTURE FEE	1.18 DOLLARS/MONTH
01/01/23	GREEN INFRASTRUCTURE FEE	1.23 DOLLARS/MONTH
01/01/23- 05/31/23	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.9048 CENTS/KWH
04/01/23 - 04/30/23	SOLARSAVER ADJUSTMENT	-0.0038 CENTS/KWH
05/01/23	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/23	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	11.88% PERCENT OF ALL RATE SCHEDULE CHARGES, EXCLUDING ECRC and RBA

~ Surcharges currently in effect are in bold.

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