



June 28, 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 July 2023

Maui Electric Company, Limited's ("Maui Electric" or "Company") July 2023 Energy Cost Recovery factor for our Maui Division is 23.122 cents per kilowatt-hour ("kWh"), a decrease of 0.274 cents per kWh from last month. A residential customer consuming 500 kWh of electricity will be paying \$205.68, a decrease of \$1.02 compared to rates effective June 1, 2023. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery factor (-\$1.37) and decrease in the Green Infrastructure Fee (-\$0.05), partially offset by the increase in the Public Benefits Fund Surcharge (+\$0.36), the increase in the impact of the RBA Rate Adjustment (+\$0.03) and increase in the Purchase Power Adjustment (+\$0.01).

The Company's Maui Division fuel composite cost of generation, central station and other decreased 134.870 cents per million BTU to 1,814.96 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy increased 0.051 cents per kWh to 20.705 cents per kWh.

The Energy Cost Recovery factor for our Lāna'i Division for July 2023 is 28.448 cents per kWh, a decrease of 2.992 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$190.49, a decrease of \$11.72 compared to rates effective June 1, 2023. The decrease in the typical residential bill is due to the decrease in the Energy Cost Recovery factor (-\$11.97) and decrease in the Green Infrastructure Fee (-\$0.05), partially offset by the increase in the Public Benefits Fund Surcharge (+\$0.28) and increase in the impact of the RBA Rate Adjustment (+\$0.02).

The Company's Lāna'i Division fuel composite cost of generation, central station and other decreased 262.93 cents per million BTU to 2,450.61 cents per million BTU. The composite cost 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 July 2023 is 24.467 cents per kWh, a decrease of 3.565 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$182.57, a decrease of \$14.01 compared to rates effective June 1, 2023. The decrease in the typical residential bill is due to the decrease in the Energy

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Cost Recovery factor (-\$14.26) and decrease in the Green Infrastructure Fee (-\$0.05), partially offset by the increase in the Public Benefits Fund Surcharge (+\$0.28) and the increase in the impact of the RBA Rate Adjustment (+\$0.02).

The Company's Moloka'i Division fuel composite cost of generation, central station and other decreased 298.39 cents per million BTU to 1,998.78 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, 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.
LANAI DIVISION**

ENERGY COST RECOVERY FACTOR

	EFFECTIVE DATES		<u>Change</u>
	<u>6/01/2023</u>	<u>7/01/2023</u>	
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	2,713.54	2,450.61	(262.93)
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	31.440	28.448	(2.992)
<u>Others - "G,J,P,F"</u>			
Energy Cost Recovery, ¢/kWh	31.440	28.448	(2.992)
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	202.21	190.49	(11.72)
500 KWH Consumption, \$/Bill	250.93	236.32	(14.61)

Supersedes Sheet Effective:

6/01/2023

MAUI ELECTRIC COMPANY, LTD.
LANAI DIVISION

ENERGY COST RECOVERY (ECR) FILING

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

Line

- 1 Effective Date July 1, 2023
- 2 Supercedes Factors of June 1, 2023

<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	1.95%
46	WEIGHTED COMP. PURCH. ENERGY COST, ¢/kWh (lines (44 x 45))	0.58500
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))	0.58500
51	Loss Factor	1.050
52	Revenue Tax Req Multiplier	1.0975
53	PURCHASED ENERGY FACTOR, ¢/kWh (lines (50 x 51 x 52))	0.67414

Calculation of Monthly Fossil Fuel Cost Risk Sharing Component		
Baseline Diesel		
54	Diesel \$, baseline month	\$936,167
55	Diesel mmbtu, baseline	30,062
56	Baseline Diesel, ¢/mmbtu	3,114.12
Month Diesel		
57	Diesel mmbtu, budget	31,010
58	Diesel Cost, ¢/mmbtu	2,450.61
59	Diesel ECRC Fossil Cost	\$759,927
60	Diesel Base ECRC Recovery Target	\$965,679
61	Diesel differential	-\$205,752
62	Total Fossil	-\$205,752
63	2% of above	-\$4,115
64	Total Monthly Fossil Fuel Cost Risk Sharing, Prior Months in Year	-\$7,312
65	Maximum Annual Cap (bi-directional)	\$31,500
66	Number of Days in year from implementation	365
67	Fossil Risk % Proration (based on 365 day year)	100.00%
68	Maximum Annual Cap (bi-directional) prorated	\$31,500
69	Applicable Monthly Fossil Fuel Cost Risk Sharing	-\$4,115
70	Total Monthly Fossil Fuel Cost Risk Sharing, Including This Month	-\$11,427
71	Fossil Cost Risk Sharing before taxes	-\$4,115
72	Revenue Tax Adjustment	1.097514
73	Fossil Cost Risk Sharing w/revenue tax	-\$4,516
74	Forecasted Month MWh Sales	2,958
75	Fossil Fuel Cost Risk Sharing Component, ¢/kWh	0.1527

Line **SYSTEM COMPOSITE CALCULATIONS**

76	GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (lines (37 + 53))	28.94911
77	Adjustment, ¢/kWh	0.000
78	Fossil Fuel Cost Risk Sharing Component	0.153
79	ECR Reconciliation Adjustment	(0.654)
80	ECR FACTOR, ¢/kWh (lines (76 + 77 + 78 + 79))	28.448

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

MONTH END FUEL OIL ESTIMATE

<u>Miki Basin - ULSD</u>	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
6/21/2023	4,959.17	28,416.04	719,111.08
Estimated Use	1,544.71	8,851.19	240,180.53
Estimated Received	1,428.57	8,185.71	200,932.94
Estimated Additional	568.84	3,259.44	80,069.77
Estimated End	5,411.87	31,010.00	759,933.26

Next Month's Combined Miki Expense (\$/bbl) \$ 140.4197 /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	\$ 140.4197	5.73 BTU/BBL	2,450.61

MAUI ELECTRIC COMPANY, LTD.
Lanai Division
ECR Reconciliation Adjustment

July 2023

1. Amount to be refunded	(\$52,900)
2. Monthly amount (1 / 3 X Line 1)	(\$17,633)
3. Revenue Tax Divisor	0.91115
4. Total (Line 2 / Line 3)	(\$19,352)
5. Estimated Sales (July 2023)	2,958 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.654 ¢/kwh

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

<u>Month</u>	(1) <u>YTD FOA Reconciliation</u>	(2) <u>Adjust Qtr 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 '21				(22,367)	(20,800)	27,810	
January '22				(22,367)	(20,722)	7,088	
February	55,600	(4)	5,451	50,149	(18,533)	(16,329)	40,908
March					(18,533)	(18,196)	22,712
April					(18,533)	(17,076)	5,636
May	68,500	(1)	4,186	64,314	(22,833)	(23,687)	46,263
June					(22,833)	(22,948)	23,315
July					(22,833)	(22,368)	947
August	55,300	(2)	488	54,812	(18,433)	(17,864)	37,895
September					(18,433)	(17,494)	20,401
October					(18,433)	(18,331)	2,070
November	58,900	(3)	1,973	56,927	(19,633)	(18,575)	40,422
December					(19,633)	(18,053)	22,369
January '23					(19,633)	(20,368)	2,001
February	58,300	(4)	2,740	55,560	(19,433)	(19,178)	38,383
March					(19,433)	(19,777)	18,606
April					(19,433)	(19,028)	(422)
May	52,900	(1)	(824)	53,724	(17,633)	(17,785)	35,517
June					(17,633)		
July					(17,633)		

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		
	6/01/23	7/01/23	6/01/23	7/01/23	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 kWhr per month	¢/kWh	12.3123	12.3123	30.78	30.78
Next 500 kWhr per month	¢/kWh	14.8123	14.8123	22.22	22.22
Customer Charge	\$	11.50	11.50	11.50	11.50
Total Base Charges			64.50	64.50	0.00
IRP Refund	% on base	0.0000	0.0000	0.00	0.00
Revenue Balancing Rate Adjustment	% of bill excluding ECRC	11.88%	11.88%	8.12	8.14
PBF Surcharge	¢/kWh	0.6488	0.7195	2.60	2.88
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
Energy Cost Recovery	¢/kWh	31.440	28.448	125.76	113.79
Green Infrastructure Fee	\$	1.23	1.18	1.23	1.18
Avg Residential Bill at 400 kwh			202.21	190.49	
				Increase (Decrease -)	-11.72
				% Change	-5.80%

	Rate		Charge (\$) at 500 Kwh		
	6/01/23	7/01/23	6/01/23	7/01/23	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 kWhr per month	¢/kWh	12.3123	12.3123	30.78	30.78
Next 500 kWhr per month	¢/kWh	14.8123	14.8123	37.03	37.03
Customer Charge	\$	11.50	11.50	11.50	11.50
Total Base Charges			79.31	79.31	0.00
IRP Refund	% on base	0.0000	0.0000	0.00	0.00
Revenue Balancing Rate Adjustment	% of bill excluding ECRC	11.88%	11.88%	9.95	9.99
PBF Surcharge	¢/kWh	0.6488	0.7195	3.24	3.60
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
Energy Cost Recovery	¢/kWh	31.440	28.448	157.20	142.24
Green Infrastructure Fee	\$	1.23	1.18	1.23	1.18
Avg Residential Bill at 500 kwh			250.93	236.32	
				Increase (Decrease -)	-14.61
				% Change	-5.82%

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. -- 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, 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
July 1, 2020	16.335	134.73	166.81
August 1, 2020	17.755	140.41	173.91
September 1, 2020	18.135	141.93	175.81
October 1, 2020	18.076	141.69	175.51
November 1, 2020	17.881	140.91	174.54
December 1, 2020	17.874	140.89	174.50
January 1, 2021	19.498	147.44	182.68
February 1, 2021	20.640	152.01	188.39
March 1, 2021	22.103	157.86	195.71
April 1, 2021	24.018	165.34	205.06
May 1, 2021	24.354	166.87	206.96
June 1, 2021	23.796	167.38	207.60
July 1, 2021	24.680	171.10	212.26
August 1, 2021	25.269	173.46	215.21
September 1, 2021	25.345	173.76	215.59
October 1, 2021	24.342	169.75	210.57
November 1, 2021	29.191	189.14	234.82
December 1, 2021	29.254	189.40	235.13
January 1, 2022	28.241	189.19	234.87
February 1, 2022	28.361	189.67	235.47
March 1, 2022	31.445	202.01	250.89
April 1, 2022	33.341	209.46	260.21
May 1, 2022	37.529	226.35	281.31
June 1, 2022	41.508	240.84	299.43
July 1, 2022	43.106	247.17	307.35
August 1, 2022	43.083	247.08	307.24
September 1, 2022	37.630	225.27	279.97
October 1, 2022	37.815	226.01	280.90
November 1, 2022	37.960	226.59	281.62
December 1, 2022	38.346	228.13	283.55
January 1, 2023	36.114	220.41	273.87
February 1, 2023	36.012	220.00	273.36
March 1, 2023	34.661	214.59	266.61
April 1, 2023	33.234	208.87	259.45
May 1, 2023	29.925	195.65	242.93
June 1, 2023	31.440	202.21	250.93
July 1, 2023	28.448	190.49	236.32

**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
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
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 - 12/31/21	GREEN INFRASTRUCTURE FEE	1.19 DOLLARS/MONTH
07/01/21 - 06/30/22	RESID. PBF SURCHARGE ADJUSTMENT	0.6478 CENTS/KWH
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
05/01/22 - 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 - 06/30/23	RESID. PBF SURCHARGE ADJUSTMENT	0.6488 CENTS/KWH
07/01/22 - 12/31/22	GREEN INFRASTRUCTURE FEE	1.18 DOLLARS/MONTH
01/01/23 - 06/30/23	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
07/01/23	RESID. PBF SURCHARGE ADJUSTMENT	0.7195 CENTS/KWH
07/01/23	GREEN INFRASTRUCTURE FEE	1.18 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.