

State of Hawaii



Public Utilities Commission

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SHARON M. SUZUKI
President

January 28, 2015

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

Dear Commissioners:

Subject: Maui Electric Energy Cost Adjustment Factor for February 2015

Maui Electric Company, Limited's ("Maui Electric" or "Company") February 2015 energy cost adjustment factor for our Maui Division is -4.255 cents per kilowatt-hour ("kWh"), a decrease of 3.553 cents per kWh from last month. A residential customer consuming 600 kWh of electricity will be paying \$198.78, a decrease of \$21.46 compared to rates effective January 1, 2015. The decrease in the typical residential bill is due to the decrease in the energy cost adjustment factor (-\$21.32) and the decrease in the Purchased Power Adjustment Clause rate (-\$0.14).

The Company's Maui Division fuel composite cost of generation, central station and other decreased 328.87 cents per million BTU to 1,504.04 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy decreased 0.897 cents per kWh to 18.183 cents per kWh.

The energy cost adjustment factor for our Lāna'i Division for February 2015 is -7.361 cents per kWh, a decrease of 2.663 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$159.20, a decrease of \$10.65 compared to rates effective January 1, 2015.

The Company's Lāna'i Division fuel composite cost of generation, central station and other decreased 288.24 cents per million BTU to 1,953.20 cents per million BTU. The composite cost of DG energy is 0.00 cents per kWh. The composite cost of purchased energy is 27.000 cents per kWh.

The energy cost adjustment factor for our Moloka'i Division for February 2015 is -3.412 cents per kWh, a decrease of 3.271 cents per kWh from last month. A residential customer consuming 400 kWh of electricity will be paying \$160.75, a decrease of \$13.09 compared to rates effective January 1, 2015.

The Company's Moloka'i Division fuel composite cost of generation, central station and other decreased 205.29 cents per million BTU to 1,903.68 cents per million BTU. The

The Honorable Chair and Members
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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 prorata use beginning February 1, 2015.

Sincerely,

/s/ Sharon M. Suzuki

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>01-01-15</u>	<u>02-01-15</u>	
<u>COMPOSITE COSTS</u>			
Generation, Central Station & Other, ¢/mbtu	2,108.97	1,903.68	(205.29)
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	(0.141)	(3.412)	(3.271)
<u>Others - "G,P,F"</u>			
Energy Cost Adjustment, ¢/kWh	(0.141)	(3.412)	(3.271)
<u>Residential Customer with</u>			
400 KWH Consumption, \$/Bill	173.84	160.75	(13.09)
500 KWH Consumption, \$/Bill	216.48	200.13	(16.35)

Supersedes Sheet Effective:

January 1, 2015

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

ENERGY COST ADJUSTMENT (ECA) FILING - February 1, 2015 (page 2 of 2)

Line

1 Effective Date February 1, 2015
2 Supercedes Factors January 1, 2015

<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	0.04
44	WEIGHTED COMPOSITE PURCHASED ENERGY COST, ¢/kWh (lines (42 x 43))	0.00937
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))	(0.01025)
49	Loss Factor	1.095
50	Revenue Tax Req Multiplier	1.0975
51	PURCHASED ENERGY FACTOR, ¢/kWh (lines (48 x 49 x 50))	(0.01232)

Line

SYSTEM COMPOSITE CALCULATIONS

52 GENERATION AND PURCHASED ENERGY FACTOR, ¢/kWh (2.95810)
(lines (35 + 51))
53 Adjustment, ¢/kWh 0.000
54 ECA Reconciliation Adjustment (0.454)
55 ECA FACTOR, ¢/kWh (3.412)
(lines (52 + 53 + 54))

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

MONTH END FUEL OIL ESTIMATE

	<u>Barrels</u>	<u>MBTU</u>	<u>\$</u>
1/22/2015	11,189.353	64,114.99	1,236,098.19
Estimated Use	1,322.024	7,575.20	159,758.80
Estimated Received	-	-	-
Estimated Additional	-	-	-
Estimated End	<u>9,867.329</u>	<u>56,539.79</u>	<u>1,076,339.39</u>

Next Months Expense = \$ 109.0811 /bbl

February 2015

MBTU Forecast 23,750

FUEL OIL INVENTORY PRICE USED FOR FILING

<u>Type of Oil Burned</u>	<u>Price</u>		<u>Prices ¢/MBTU</u>
Diesel	\$ 109.0811	5.73 BTU/BBL	1903.68

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

Contract Prices effective January 1, 2015

<u>TYPE OF OIL BURNED</u>	<u>\$/BBL</u>	<u>¢/MBTU</u>
ULTRA LOW SULFUR DIESEL		
Tax *	1.8900	32.98
Ocean Transportation	1.8114	31.61
Storage	5.0120	87.47
Wharfage	0.2300	4.01

* Tax includes HGET, Hawaii Use Tax, Liquid Fuel Tax, LUST tax and Environmental Response 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
February 2015

1. Amount to be refunded	(\$26,100)
2. Monthly amount (1/3 x Line 1)	(\$8,700)
3. Revenue Tax Multiplier	0.91115
4. Total (Line 2 / Line 3)	(\$9,548)
5. Estimated Sales (February 2015)	2,101 mwh
6. Adjustment (Line 4 ÷ Line 5)	-0.454 ¢/kwh

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
2014 FUEL OIL ADJUSTMENT RECONCILIATION SUMMARY
(Thousand \$)**

<u>Line</u>	<u>Description</u>	Without Deadband 4th Quarter <u>YTD Total</u>	collectn by company*	Basis for Recon With Deadband 4th Quarter <u>YTD Total</u>	collectn by company*
	Actual Costs				
1	Generation	\$7,866.0		\$7,866.0	
2	Distributed Generation	\$0.0		\$0.0	
3	Purch Power	<u>\$3.0</u>		<u>\$3.0</u>	
4	Total	\$7,869.0		\$7,869.0	
	Fuel Filing Cost				
5	Generation	\$7,900.4		\$7,882.7	
6	Distributed Generation	\$0.0		\$0.0	
7	Purch Power	<u>\$3.0</u>		<u>\$3.0</u>	
8	Total	\$7,903.3		\$7,885.7	
	Base Fuel Cost				
9	Generation	\$7,008.4		\$7,008.4	
10	Distributed Generation	\$0.0		\$0.0	
11	Purch Power	<u>\$3.0</u>		<u>\$3.0</u>	
12	Total	\$7,011.4		\$7,011.4	
13	FUEL - BASE COST (Line 8-12)	\$891.9		\$874.3	
14	ACTUAL FOA REVENUE LESS TAX	\$886.7		\$886.7	
15	FOA reconciliation adj for prior years	<u>-\$7.3</u>		<u>-\$7.3</u>	
16	ADJUSTED FOA LESS TAX	\$894.0		\$894.0	
17	FOA-(FUEL-BASE) (Line 16-13)	\$2.1		\$19.7	
	ADJUSTMENTS				
18	Current year FOA accrual reversal	-\$10.8		-\$10.8	
19	Other prior year FOA	\$0.0		\$0.0	
20	Other	<u>\$0.0</u>		<u>\$0.0</u>	
21	4th QUARTERLY FOA RECONCILIATION (Line 17+18+19+20)	-\$8.7	Under	\$8.9	Over
22	3rd QUARTER YTD 2014 FOA Reconciliation Recognized in FOA Rates			<u>-\$17.2</u>	Under
23	FOA Reconciliation to be Collected February 2015 to April 2015 (Line 22- 21)			<u><u>-\$26.1</u></u>	To Be Refunded

* Over means an over-collection by the company.
Under means an under-collection by the company.

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

Determination of Efficiency Factor to use for Cost-Recovery Purposes

Period: January 1, 2014 through December 31, 2014

	<u>Notes</u>	<u>Jan 1 - Dec 31</u>
<u>Palaau Diesel</u>		
Palaau Diesel Efficiency Factor (TY2009), BTU/kWh	f	11,194
Palaau Diesel Deadband Definition, +/- BTU/kWh	d	50
Palaau Diesel Portion of Recorded Sales, MWh	a	29,194
Palaau Diesel Consumption (Recorded), MMBTU	b	326,062
Palaau Diesel Efficiency Factor (Recorded), BTU/kWh	c = (b/a)*1000	11,169
Lower limit of Palaau Diesel Deadband, BTU/kWh	e = f-d	11,144
Higher limit of Palaau Diesel Deadband, BTU/kWh	g = f+d	11,244
Palaau Diesel Efficiency Factor for cost-recovery, BTU/kWh	h = c, e, or g	11,169

MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
GENERATION FUEL FILING COST AND GENERATION BASE FUEL COST, WITHOUT and WITH DEADBAND
2014

	<u>Without Deadband</u> <u>Jan 1 - Dec 31</u>	<u>With Deadband - AS FILED</u> <u>Jan 1 - Dec 31</u>
<u>DIESEL FUEL FILING COST</u>		
Diesel Portion of Recorded Sales, MWH	29,194	29,194
Diesel Sales Efficiency Factor (mmbtu/kwh)	0.011194	0.011169
Mmbtu adjusted for Sales Efficiency Factor	300,168	299,498
\$/mmbtu	<u>\$26.3198</u>	<u>\$26.3198</u>
TOTAL DIESEL \$000s TO BE RECOVERED	\$7,900.4	\$7,882.7
TOTAL GENERATION FUEL FILING COST, \$000s	\$7,900.4	\$7,882.7
TOTAL GENERATION BASE FUEL COST , \$000s YTD	\$7,008.4	\$7,008.4
TOTAL GENERATION FUEL FILING COST, \$000s YTD	\$7,900.4	\$7,882.7
TOTAL GENERATION BASE FUEL COST, \$000s YTD	\$7,008.4	\$7,008.4

**MAUI ELECTRIC COMPANY, LTD.
MOLOKAI DIVISION
2015 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 '14					6,300	6,339	(6,413)
January '15					6,300		
February	26,100	(4)	(105)	26,205	(8,700)		

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		
	01-01-15	02-01-15	01-01-15	02-01-15	Difference
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 kWh per month ¢/kWh	11.4278	11.4278	28.57	28.57	0.00
Next 500 kWh 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	1.6239	1.6239	6.50	6.50	0.00
PBF Adjustment ¢/kWh	0.7583	0.7583	3.03	3.03	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Energy Cost Adjustment ¢/kWh	-0.141	-3.412	-0.56	-13.65	-13.09
Green Infrastructure Fee \$	1.29	1.29	1.29	1.29	0.00
Avg Residential Bill at 400 kwh			173.84	160.75	
			Increase (Decrease -)		-13.09
			% Change		-7.53%

	Rate		Charge (\$) at 500 Kwh		
	01-01-15	02-01-15	01-01-15	02-01-15	Difference
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 kWh per month ¢/kWh	11.4278	11.4278	28.57	28.57	0.00
Next 500 kWh 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	1.6239	1.6239	8.12	8.12	0.00
PBF Adjustment ¢/kWh	0.7583	0.7583	3.79	3.79	0.00
SolarSaver Adjustment ¢/kWh	0.0000	0.0000	0.00	0.00	0.00
Energy Cost Adjustment ¢/kWh	-0.141	-3.412	-0.71	-17.06	-16.35
Green Infrastructure Fee \$	1.29	1.29	1.29	1.29	0.00
Avg Residential Bill at 500 kwh			216.48	200.13	
			Increase (Decrease -)		-16.35
			% Change		-7.55%

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

<u>EFFECTIVE DATE</u>	FUEL FACTOR CENTS / KWH <u>RESIDENTIAL & COMMERCIAL</u>	RESIDENTIAL BILL (\$)	
		<u>@ 400 KWH</u>	<u>@ 500 KWH</u>
January 1, 2012	8.153	182.75	227.25
February 1, 2012	6.862	177.59	220.79
March 1, 2012	7.181	178.86	222.39
April 1, 2012	7.814	180.44	224.35
May 1, 2012	9.578	188.45	234.37
May 4, 2012	14.363	187.96	234.46
June 1, 2012	14.494	193.74	241.66
July 1, 2012	13.474	189.66	236.56
August 1, 2012	11.811	183.00	228.25
September 1, 2012	9.791	174.92	218.15
October 1, 2012	11.195	180.54	225.17
November 1, 2012	12.697	186.55	232.68
December 1, 2012	13.411	189.40	236.25
January 1, 2013	12.142	184.76	230.45
February 1, 2013	8.830	171.51	213.89
March 1, 2013	13.912	191.84	239.30
April 1, 2013	15.452	197.18	245.97
May 1, 2013	14.226	193.09	240.87
June 1, 2013	13.243	192.39	240.00
July 1, 2013	11.691	186.36	232.47
August 1, 2013	4.036	186.27	232.37
September 1, 2013	4.010	186.17	232.24
October 1, 2013	4.206	186.95	233.22
November 1, 2013	5.770	193.21	241.04
December 1, 2013	4.928	189.84	236.83
January 1, 2014	3.885	185.67	231.62
February 1, 2014	4.590	188.49	235.14
March 1, 2014	4.652	188.74	235.45
April 1, 2014	4.585	187.49	233.89
May 1, 2014	4.690	188.89	235.64
June 1, 2014	4.779	192.52	240.17
July 1, 2014	5.145	194.72	242.92
August 1, 2014	4.697	192.93	240.68
September 1, 2014	-2.835	162.80	203.01
October 1, 2014	1.864	181.60	226.51
November 1, 2014	2.683	184.87	230.61
December 1, 2014	1.266	179.46	223.52
January 1, 2015	-0.141	173.84	216.48
February 1, 2015	-3.412	160.75	200.13

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

EFFECTIVE DATE	DESCRIPTION OF SURCHARGE	RATE
01/01/11 - 12/31/11	RESID. PBF SURCHARGE ADJUSTMENT	0.5944 CENTS/KWH
01/12/11 - 05/03/12	FINAL RATE INCREASE (3.66%), DOCKET NO. 2006-0387 (2007 TEST YEAR)	
01/12/11 - 05/03/12	INTERIM RATE INCREASE 2010 TEST YEAR	2.38 PERCENT ON BASE
02/01/11 - 02/28/11	IRP RECOVERY REFUND	-3.472 PERCENT ON BASE
03/01/11 - 04/30/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
04/01/11 - 04/30/11	SOLARSAVER ADJUSTMENT	-0.0888 CENTS/KWH
05/01/11 - 03/31/12	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
05/01/11 - 05/31/11	IRP RECOVERY REFUND	-0.204 PERCENT ON BASE
06/01/11	IRP RECOVERY REFUND	0.000 PERCENT ON BASE
01/01/12 - 12/31/12	RESID. PBF SURCHARGE ADJUSTMENT	0.6766 CENTS/KWH
04/01/12 - 04/30/12	SOLARSAVER ADJUSTMENT	-0.2392 CENTS/KWH
05/01/12 - 03/31/13	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
5/4/2012 - 7/31/13	FINAL RATE INCREASE (1.51%), DOCKET NO. 2009-0163 (2010 TEST YEAR)	
6/1/2012- 7/31/13	INTERIM RATE INCREASE 2012 TEST YEAR	4.11 PERCENT ON BASE
01/01/13 - 06/30/13	RESID. PBF SURCHARGE ADJUSTMENT	0.7850 CENTS/KWH
04/01/13 - 04/30/13	SOLARSAVER ADJUSTMENT	-0.205 CENTS/KWH
05/01/13 - 03/31/14	SOLARSAVER ADJUSTMENT	0.000 CENTS/KWH
06/01/13 - 05/31/14	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	0.8071 CENTS/KWH
07/01/13 - 06/30/14	RESID. PBF SURCHARGE ADJUSTMENT	0.8312 CENTS/KWH
08/01/13	FINAL RATE INCREASE (1.25%), DOCKET NO. 2011-0092 (2012 TEST YEAR)	
04/01/14 - 04/30/14	SOLARSAVER ADJUSTMENT	-0.2453 CENTS/KWH
05/01/14	SOLARSAVER ADJUSTMENT	0.0000 CENTS/KWH
06/01/14	REVENUE BALANCING ACCOUNT RATE ADJUSTMENT	1.6239 CENTS/KWH
07/01/14 -11/30/14	RESID. PBF SURCHARGE ADJUSTMENT	1.0157 CENTS/KWH
12/01/14	RESID. PBF SURCHARGE ADJUSTMENT	0.7583 CENTS/KWH
12/01/14	GREEN INFRASTRUCTURE FEE	1.29 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.