



PUBLIC UTILITIES COMMISSION

HERMINA MORITA
CHAIR

LORRAINE H. AKIBA
COMMISSIONER

MICHAEL E. CHAMPLEY
COMMISSIONER

FOR IMMEDIATE RELEASE

June 2, 2014

Sales Decoupling Tariffs for HECO Companies Approved

HONOLULU – On Friday, May 30, 2014, the Hawaii Public Utilities Commission (“PUC”) issued an order approving the annual “sales decoupling” tariff filings for the Hawaiian Electric Company, Inc., the Hawaii Electric Light Company, Inc., and the Maui Electric Company, Limited¹. The sales decoupling mechanism is comprised of two tariffs which serve different purposes. The Revenue Balancing Account tariff is designed to decouple or break the link between sales and total electric revenues and thereby removes the utilities’ disincentives to increase energy efficiency and integrate customer-sited generation, such as rooftop photovoltaic systems. The Rate Adjustment Mechanism (RAM) is a formula driven mechanism intended to compensate the HECO Companies for changes in utility costs and infrastructure investment between rate cases and thereby reduces the frequency of rate cases. The RAM consists of formula-driven estimates and escalators based on an August 2010 Commission decision in Docket No. 2008-0274.

This is the fourth consecutive annual filing for HECO, the third for HELCO, and the second for MECO. The effect of this annual adjustment is an increase in a typical residential customer’s bill of \$4.89 per month for a HECO customer (600 kWh per month), \$3.92 for a HELCO customer (500 kWh per month), \$4.90 for a MECO – Maui Division customer (600 kWh per month), and \$3.27 for a MECO – Molokai and Lanai Divisions customer (400 kWh per month). These increases are largely due to increased capital expenditures by the utility and declines in sales over the past year.

¹The “HECO Companies” include Hawaiian Electric Company, Inc. (“HECO”), Hawaii Electric Light Company, Inc. (“HELCO”), and Maui Electric Company, Ltd. (“MECO”).

In a different proceeding, the Commission is currently reviewing whether or not changes should be made to the RAM to more appropriately track utility performance measures and incentivize cost savings to customers. A decision in that proceeding is expected by the end of the year.

#

Media Contact:

James (Jay) P. Griffin, Ph.D.

Chief Researcher

(808) 586-2020

Hawaii.PUC@hawaii.gov

<http://puc.hawaii.gov/>