

And Providing Clarifications Regarding Tariff Transmittal," filed May 28, 2015 ("Order No. 32866") and (2) the amended tariff sheets filed by each of the HECO Companies to be effective June 1, 2015, through June 7, 2015.

I.

Background And Procedural History

On March 31, 2015, HECO, HELCO, and MECO each filed a transmittal - Transmittal Nos. 15-03, 15-04, and 15-05, respectively - proposing to revise the Revenue Balancing Account ("RBA") Provision tariff ("RBA Tariff") to revise the RBA Rate Adjustment. HECO proposed to increase its current RBA Rate Adjustment from \$0.021269 per kilowatt-hour ("kWh") to \$0.022830 per kWh for the period from June 1, 2015, to May 31, 2016. Likewise, for the same period, HELCO proposed to increase its current RBA Rate Adjustment from \$0.012225 per kWh to \$0.014421 per kWh, and MECO proposed to increase its current RBA Rate Adjustment from \$0.016239 to \$0.018221 per kWh for all divisions.

On March 31, 2015, the commission issued Order No. 32735 in Docket No. 2013-0141.¹ In that Order, the commission made a number of changes to the HECO Companies' decoupling mechanisms, including the following (numbered as in original):

2. The RAM mechanism shall be modified to include a cap that shall be applied to the total annual RAM Revenue Adjustment. The cap shall limit the automatic component of RAM adjustment increases to an amount equal to or lower than the Gross Domestic Product Price Index ("GDPPI").
3. The 90% adjustment shall be removed in favor of the GDPPI cap.
4. In order to provide a means for timely recovery of expanded capital programs, the Commission will allow the Companies to apply for approval by the Commission, on a case by case basis, to recover revenues outside of and in addition to the capped RAM revenues. The HECO Companies and the Consumer Advocate shall develop criteria for the commission's review for recovery of these costs (which may include consolidated or "programmatic" baseline expenditures) through the RAM or the Renewable Energy Infrastructure Program ("REIP") surcharge
5. The changes in Paragraphs 1 through 4 above shall be made effective on an interim basis pending commission resolution of the proceedings concerning the HECO Companies'

¹In the Matter of PUBLIC UTILITIES COMMISSION Instituting an Investigation to Reexamine the Existing Decoupling Mechanisms for Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited, Docket No. 2013-0141, "Order No. 32735 Modifying Decoupling Mechanisms And Establishing Briefing Schedule," filed March 31, 2015 ("Order No. 32735").

Power Supply Improvement Plan ("PSIPs") in
Docket No. 2014-0183.²

Among other things, Order No. 32375 directed each of the HECO Companies to file, on or before April 15, 2015: (1) amended submittals reflecting the calculation and application of the Revenue Adjustment Mechanism ("RAM") cap consistent with the findings and conclusions in Order No. 32735; (2) revised effective Target Revenues for the 2015 RAM period determined according to the RBA and RAM tariffs as amended by the provisions of Order No. 32735; and (3) revised RBA and RAM tariffs consistent with the provisions of Order No. 32735. Order No. 32735 also extended the date for the Consumer Advocate's response to the transmittal filings from April 30, 2015, to on or before May 15, 2015.³

On April 15, 2015, in response to Order No. 32735, each of the HECO Companies submitted an amended RBA Rate Adjustment tariff filing. Based on the HECO Companies' interpretation of Order No. 32735, the RBA Rate Adjustments were revised as follows: (1) HECO's proposed RBA Rate Adjustment of \$0.022830 per kWh

²Order No. 32735 at 6-7 (footnotes omitted).

³The Consumer Advocate is an ex officio party to these proceedings pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a). The Consumer Advocate and the HECO Companies are referred to herein as the "Parties."

decreased to \$0.022201; (2) HELCO's proposed RBA Rate Adjustment of \$0.014421 per kWh increased to \$0.014424; and (3) MECO's proposed RBA Rate Adjustment of \$0.018221 per kWh decreased to \$0.017229.

On May 15, 2015, the Consumer Advocate filed its Statement of Position ("SOP") concerning the transmittals. In its SOP, the Consumer Advocate proposed four adjustments to each of the HECO Companies' proposed RBA Rate Adjustments.

On May 28, 2015, the commission issued Order No. 32866, which clarified several matters regarding the Companies' April 15, 2015 transmittals, and ordered each of the Companies to file amended transmittals by June 3, 2015, to become effective on June 8, 2015.

On June 3, 2015, in response to Order No. 32866, each of the HECO Companies submitted a further amended RBA Rate Adjustment tariff filing. Based on the HECO Companies' interpretation of Order No. 32866, the RBA Rate Adjustments were revised as follows: (1) HECO's April 15, 2015 proposed RBA Rate Adjustment of \$0.022201 per kWh decreased to \$0.021078; (2) HELCO's April 15, 2015 proposed RBA Rate Adjustment of \$0.014424 per kWh decreased to \$0.013971; and (3) MECO's April 15, 2015 proposed RBA Rate Adjustment of \$0.017229 per kWh decreased to \$0.015987. Also, in accordance with Order No. 32866, in the June 3, 2015 transmittals, each of

the Companies filed amended tariff sheets including amended language in each Company's RAM Provision tariff.

On May 29, 2015, each of the HECO Companies filed tariff sheets that reflected an RBA Rate Adjustment of \$0.00 per kWh, effective June 1, 2015 through June 7, 2015.

No protests were filed regarding the HECO Companies' transmittals.

II.

Findings And Conclusions

Based on its review of the transmittals filed by each of the HECO Companies on March 31, 2015, April 15, 2015, and June 3, 2015, and the supplemental filings in this matter, the commission finds that the June 3, 2015 transmittals are consistent with applicable tariffs and the commission's orders, and are, therefore, just and reasonable. Accordingly, the June 3, 2015 transmittals, including the amended tariff sheets provided therein, are approved and shall be effective as of June 8, 2015, for each of the HECO Companies.

The commission also approves the tariff sheets filed by each of the HECO Companies on May 29, 2015, to be in effect from June 1, 2015, through June 7, 2015.

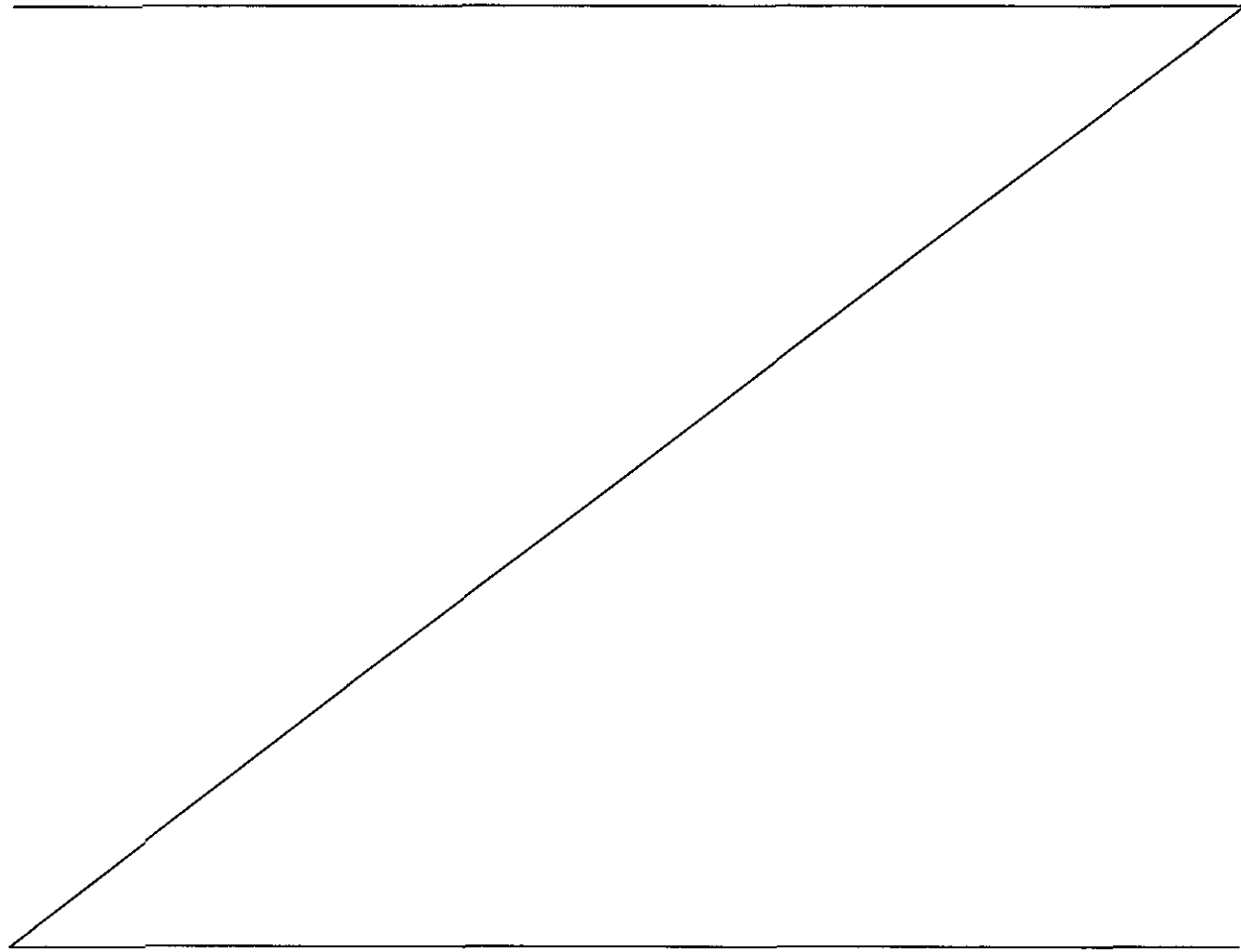
III.

Orders

THE COMMISSION ORDERS:

1. The June 3, 2015 transmittals filed by each of the HECO Companies, including the amended tariff sheets provided therein, are approved and shall be effective as of June 8, 2015, for each of the HECO Companies.

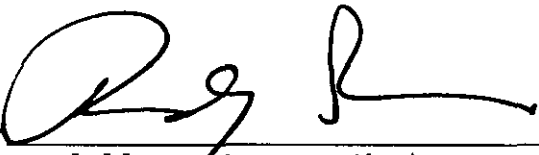
2. The RBA Rate Adjustment identified in the June 3, 2015 transmittals by each of the HECO Companies is approved and shall be effective as of June 8, 2015, for each of the HECO Companies.



3. The tariff sheets filed by the HECO Companies on May 29, 2015, to be in effect from June 1, 2015, through June 7, 2015, are approved.

DONE at Honolulu, Hawaii JUN - 8 2015.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Randall Y. Iwase, Chair

By 
Michael E. Champley, Commissioner

By 
Lorraine H. Akiba, Commissioner

APPROVED AS TO FORM:


Thomas C. Gorak
Commission Counsel

TRANS#15-03,1504&15-05(CON)sr

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail,
postage prepaid, and properly addressed to the following parties:

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