

Opportunity for Public Comments Regarding Young Brothers' General Rate Increase Application (Docket No. 2024-0255)

March 18, 2025

Dear Valued Customer,

On October 15, 2024, Young Brothers, LLC ("Young Brothers") filed its Application for a General Rate Increase with the Hawaii Public Utilities Commission (the "Commission") requesting an increase of \$26.3 million in revenue to cover significant increases in the cost of service, support critical investments to upgrade equipment and infrastructure, and sustain vital interisland shipping service that connects the state's island communities.

The Commission and the Division of Consumer Advocacy are in the process of conducting a review of Young Brothers' request, which includes an opportunity for the general public to submit written comments or provide in-person testimony to the Commission.

Members of the general public, including customers of Young Brothers, may attend one or more public meetings to express their views on Young Brothers' request, orally, in writing, or both. Written statements may be submitted prior to or at the public meetings by either postal or electronic mail, addressed as follows:

Postal Mail: Public Utilities Commission 465 South King Street #103 Honolulu, HI 96813 Electronic Mail: Hawaii.PUC@hawaii.gov Website:

PUC Public Comments

Please reference Docket No. 2024-0255 and include your name, as well as the entity or organization represented, if any.

A copy of the Notice of Public Hearing for the City and County of Honolulu and County of Hawaii is included with this letter and is posted online on our website and at Young Brothers' port locations statewide.

If you have any questions, please call your local Young Brothers' office or your account representative. Thank you for your continued patronage.

Sincerely, Young Brothers, LLC

NOTICE OF PUBLIC HEARING

APPLICATION OF YOUNG BROTHERS, LLC FOR APPROVAL OF A GENERAL RATE INCREASE AND CERTAIN TARIFF CHANGES.

Docket No. 2024-0255

The STATE OF HAWAII PUBLIC UTILITIES COMMISSION ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-12 and 269-16, HEREBY GIVES NOTICE that it will hold a public hearing regarding Young Brothers, LLC.'s ("Applicant" or "Young Brothers") request for a general rate increase as stated in its Application for Approval of a General Rate Increase and Certain Tariff Changes filed on October 15, 2024 ("Application") and supplemented by Applicant's Motion for Temporary Rate Relief, Witness Testimonies and Exhibits filed on February 7, 2025. The public hearing will be held in person on:

April 7, 2025, at 5:30 p.m.

Hawaii Public Utilities Commission Hearing Room Kekuanao'a Building 465 South King Street, Room 103 Honolulu, Hawaii 96813

Online (via web browser or WebEx mobile device app)

Link:

https://hpuc.my.webex.com/hpuc.my/j.php?MTID=m505888920b416a574c6a a298d70fecc8

Meeting number: 2551 520 6450

Password: 0255

Telephone

Dial-in Number: +1-650-479-3208 Access Code: 2551 520 6450

The Commission will investigate whether Applicant's proposed General Rate Increase, Water Carrier Inflationary Cost Index ("WICI"), and Temporary Rate Increase are just and reasonable.

General Rate Increase

Applicant seeks approval of the following requests from the Commission:

- 1) A revenue increase of \$26,368,923 or 27.06% over revenue at present rates for the 2025 Test Year (based on a rate of return on rate base of 10.92%);
- 2) Permanent rates that will allow Young Brothers an opportunity to earn a fair rate of return on its investments to go into effect within the timeframe stipulated by the parties to this proceeding, as approved by the Commission;
- 3) Implementation of the first-tier of the WICI, an automatic annual rate adjustment tied to the annual percentage change in the GDP Price Index, capped at 5%; and
- 4) Other relief as the Commission deems just and appropriate under the circumstances.

Applicant's proposed changes for its General Rate Increase request are summarized below:

	Rate Category	Percentage Change
A.	Targeted Rate increases	
1.	LCL – less than pallet (DRY)	35%
	LCL – less than pallet (REEFER)	45%
2.	HILO Containers and Straight Load	35%
3.	LCL - Hazardous	35%
4.	Minimum Bill of Lading (MBOL)	41.5%-76.6%
5.	Trans-Shipment	20%
B.	Residual Rate Increases	
6.	Automobiles	30%
7.	Bulk-Auto Discount	-10%
8.	Roll-On, Roll-Off	30%
9.	LCL- Pallets (DRY)	30%
10.	LCL – Pallets (REEFER)	40%
11	Non-Hilo Containers and Straight Load	19.25%
12	Storage and Detention	20%

Water Carrier Inflationary Cost Index

Young Brothers states in its Application that the Water Carrier Inflationary Cost Index or WICI is intended to help mitigate increases in operating costs associated with inflationary pressures and that the first-tier of the WICI is an annual rate adjustment tied to the Gross Domestic Product Price Index (GDPPI). Applicant requests that the Commission approve the first-tier of the WICI annual adjustment on an expedited basis, by March 1, 2025. Furthermore, after the initial WICI rate adjustment, Applicant proposes filing by the first business day of June of every year of a subsequent WICI rate adjustment, a notice with the Commission that provides the amount of the annual rate adjustment along with the supporting GDPPI documentation.

If authorized, the WICI would be applied to all regulated cargo rates in Tariff No. 5-A in effect at the time of the WICI's annual implementation, adjusted to remove applicability to fuel surcharges, and capped at 5% per year.

Temporary Rate Increase

On February 7, 2025, the Applicant filed a Motion for Temporary Rate Relief in two steps: a first step increase of 20% by April 1, 2025, and a second step increase of 5% by July 1, 2025. If authorized, each temporary rate step increase would be applied to all regulated cargo rates in Tariff No. 5-A in effect at the time of each step increase.

If authorized, the temporary rate relief would be in effect until the Commission issues a decision on the General Rate Increase. Any authorized General Rate Increase would not be in addition to any Temporary Rate Increase, but would instead be adjusted to account for any authorized Temporary Rate Increase.

Summary

The foregoing is a brief summary of the requests included in the Application and Motion for Temporary Rate Relief. Copies of the Application, Motion for Temporary Rate Relief, and other filings are available for public review through the Commission's electronic Case and Document Management System, accessible at https://hpuc.my.site.com/cdms/s/search and typing in "2024-0255" into the search bar. In addition, copies of the Application and Motion for Temporary Rate Relief are also available for review by contacting the Commission's Honolulu Office [(808) 586-2020] or the Division of Consumer Advocacy [(808) 586-2800].

The purpose of this public hearing is to receive testimony on the views of the general public regarding the proposed General Rate Increase, WICI, and Temporary Rate Increase. All interested persons are invited to attend the public hearing to state their views on the proposed General Rate Increase, WICI, and Temporary Rate Increase. The Commission may impose time limits for each person's testimony so that all in attendance will have the opportunity to speak at the public hearing. Statements may also be e-mailed to the Public Utilities Commission at puc@hawaii.gov or mailed to the Public Utilities Commission at puc@hawaii.gov or mailed to the Public Utilities Commission, 465 South King Street, Room 103, Honolulu, Hawaii 96813. All written statements should reference Docket No. 2024-0255.

Any person may request an auxiliary aid or service or an accommodation due to a disability by contacting the Commission no later than 5 business days prior to the hearing date.

Motions to Intervene or Participate in this proceeding shall comply with subchapter 4, Rules of Practice and Procedure Before the Public Utilities Commission,

Hawaii Administrative Rules, Title 16, Chapter 601, including the filing deadline in Hawaii Administrative Rules § 16-601-57(1).

Leodoldff R. Asuncion,

Chair

Honolulu Star-Advertiser: March 17, 24, and 31, 2025; April 6, 2025

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PUBLIC UTILITIES

COMMISSION

F-321182

2024-0255

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).

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Tuesday, April 8, 2025, at 5:30 p.m.

Natural Energy Laboratory of Hawaii Authority (NELHA) Hale lako Building, Collaboration Area

73-970 Makako Bay Drive

Kailua-Kona, Hawaii 96740

 ${\bf Map:} \quad \underline{https://nelha.hawaii.gov/wp-content/uploads/2023/08/Administration-Map-content/uploads/2023/08/A$

e1691779801617.png

Wednesday, April 9, 2025, at 5:30 p.m.

Hawaii Community College Building 389, Rooms 101 and 102 1175 Manano Street

Hilo, Hawaii 96720

Map: HawCC_Manono_Campus_Map_6-24

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Leodoloff R. Asuncion,

Chair

West Hawaii Today: March 18 and 25, 2025; April 1 and 7, 2025 Hawaii Tribune Herald: March 19 and 26, 2025; April 2 and 8, 2025

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The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).