



## **Temporary Rate Adjustment Effective July 1, 2025**

June 30, 2025

Aloha Valued Customer,

Last October, Young Brothers filed a rate case with the Hawai'i Public Utilities Commission (PUC) to adjust customer rates. If approved, the new proposed cost-of-service approach would better align customer charges with Young Brothers' actual cost to provide the service based on location and handling needs.

### **Temporary Customer Rates Effective July 1**

On Friday, the PUC approved new temporary customer rates effective July 1, 2025, with all lines of service increasing by 18.1%. Additionally, the island agricultural product discount will also temporarily increase to 32% for less than container load cargo and 37% for straight load containers. These temporary rates will remain in effect until December 31, 2025, or until the effective date of any final rates established in a general rate increase (GRI) decision, whichever comes first.

After five years since our last rate adjustment, Young Brothers cannot afford to further delay increases without jeopardizing our future viability and ability to continue providing reliable service. This temporary increase is a vital lifeline that will help stabilize Young Brothers' operations and mitigate the mounting financial pressure we have faced while awaiting the PUC's approval to recover costs and investments.

### **Why New Rates Are Needed**

Young Brothers has not been profitable since October 2023. At 2020 rates and without the temporary rate increase, the company projected a net income loss of more than \$31.5 million in 2025. With the temporary rate increase and absent approval of new permanent customer rates, we estimate a net income loss of over \$22.5 million.

Since customer rates were last reset in 2020, operating costs have significantly increased, cargo volume has not returned to pre-pandemic levels, and the company has invested \$120 million to improve the reliability of service—including new barges and tugs, customer equipment, vehicles in the shoreside fleet, and Lāna'i harbor infrastructure enhancements.

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We understand that any rate increase impacts our valued customers, and that's why we never stop working to operate more efficiently. However, securing timely and adequate rate relief is essential for YB to maintain access to private credit, regain financial stability, and continue providing safe and reliable interisland shipping service.

[Young Brothers' Local Tariff No. 5-A](#) will be updated with new rates by the end of business on Monday, June 30, 2025. You can learn more about Young Brothers' proposals to navigate these financial challenges and chart a course to a more resilient financial future at [youngbrothershawaii.com/regulation](http://youngbrothershawaii.com/regulation).

Mahalo for allowing us to move what matters most for Hawai'i's families, businesses, and communities. With your support, we'll continue our 125-year legacy of service connecting our island communities.

Sincerely,  
Young Brothers, LLC