



## **Proposed Customer Rates for 2025**

February 21, 2025

Aloha Valued Customer,

Last October, Young Brothers filed a rate case with the Hawai'i Public Utilities Commission (PUC) to update how we charge customers. This new cost-of-service approach, based on guidelines approved by the PUC in July 2024, will ensure customers pay their fair share, respective of the true cost of their selected service and route. We are still in the early stages of the extensive public process to review the rate case.

### **Temporary Customer Rates Proposed for April – December 2025**

While the review of the proposed future cost-of-service rates is underway, Young Brothers has asked the PUC to provide immediate temporary rate relief through the end of 2025. If approved by the PUC, customer rates would increase by 20% in April 2025, followed by an additional 5% increase in July 2025.

### **Why Temporary Rate Relief Is Needed**

Like other local companies, Young Brothers is navigating challenging economic conditions, including rising costs and less cargo volume moving between our ports than before the pandemic. YB's inability to reasonably increase its rates on a reliable basis has left YB unable to withstand inflation-based cost increases or fluctuations in cargo volume. Since receiving its last rate increase in 2020, Young Brothers:

- Has faced a 17% increase in operational costs, and cargo volumes have remained below pre-pandemic levels.
- Invested over \$120 million in critical fleet and harbor infrastructure investments to maintain safe, reliable, and sustainable services.
- Was not allowed to seek a rate increase until after September 2023 and has been required to absorb these higher costs and investments.

### **Without Immediate Relief YB's Financial Strain Will Worsen**

At its current rates, YB is projecting continued monthly losses that, absent rate relief, would total nearly \$18 million of losses on its regulated operation in 2025.

[info@htbyb.com](mailto:info@htbyb.com)

(808) 543-9311

[youngbrothershawaii.com](http://youngbrothershawaii.com)



**The financial challenges Young Brothers is facing are pressing and require urgent action.** Temporarily adjusting customer rates is a necessary step, allowed by state law, to provide short-term financial stability while the PUC reviews and implements the proposed future cost-of-service rates by January 1, 2026.

If temporary rate relief is not granted, Young Brothers's financial standing will further deteriorate, putting at risk the company's access to the capital it needs to sustain operations.

The PUC must approve any change in customer rates. A public meeting may be held to review Young Brothers' request and take testimony from interested customers and community members. If so, we will advise our customers accordingly as to dates and times.

We understand that any rate increase impacts our valued customers, and that's why we never stop working to operate as efficiently as possible. However, after more than four years since our last rate increase, Young Brothers cannot afford to delay rate increases without jeopardizing future viability.

Mahalo for trusting us with your interisland shipping needs and supporting our efforts to build a stronger and more resilient financial future and continue our 125-year legacy of serving Hawai'i.

Sincerely,

Young Brothers, LLC