

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)	)	
	)	
YOUNG BROTHERS, LIMITED	)	DOCKET NO. 2013-0032
	)	
For Approval to Institute an Annual)	)	
Freight Rate Adjustment Pilot	)	
Program	)	
<hr/>	)	

ORDER NO. 3 1 6 5 1

RECEIPT AND APPROVAL, WITH MODIFICATIONS,  
OF ANNUAL FREIGHT RATE ADJUSTMENT TARIFF

**FILED**  
 2013 NOV 14 P 1:39  
 PUBLIC UTILITIES  
 COMMISSION

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YOUNG BROTHERS, LIMITED	)	Docket No. 2013-0032
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Freight Rate Adjustment Pilot	)	
Program	)	
_____	)	

RECEIPT AND APPROVAL, WITH MODIFICATIONS,  
OF ANNUAL FREIGHT RATE ADJUSTMENT TARIFF

By this Order, the commission acknowledges receipt of YOUNG BROTHERS, LIMITED ("YB") Annual Freight Rate Adjustment ("AFRA") tariff, Rule No. 215, filed and effective on October 15, 2013, in accordance with the commission's approval of the AFRA pilot program by Decision and Order No. 31493, filed on October 11, 2013. The commission approves the AFRA tariff subject to the modification set forth below. Specifically, the following language shall be added to the AFRA tariff:

"The AFRA shall be computed by:

Step 1. Determining the revenue requirement

Operating Expenses (based on YB's most recent test year)
+ <u>(Rate Base x Rate of Return)</u>
Revenue Requirement

Step 2. Determine amount of rate adjustment

Revenue Requirement  
 - Revenues at Current Rates  
 -----  
 Net Revenue via Rate Increase/Decrease

Step 3. Determine percentage increase to freight rates

Net Revenue via rate increase or decrease  
 ÷ General freight revenue (last calendar year)  
 -----  
 Percentage increase/decrease to freight rates

More specifically, the AFRA will be calculated as follows:

$$(F) \text{ Amount To Be Collected (Refunded) } = (A + B + C + D - E)$$

where:

(A) = Test Year ("TY") Rate Base x Return on Rate Base

(B) = TY Income Tax Expense

(C) = TY Labor Hours x AFRA Year Contract Rates:

TY Labor Expenses  
 + [AFRA Year Increase of TY Labor Expenses - Productivity  
 Factor]

(D) = AFRA Year Non-Labor Expenses:

TY Non-Labor Expenses  
 + AFRA Year Increase of TY Non-Labor Expenses  
 ([TY Non-Labor Expenses - Fuel - GET - Depreciation] x  
 inflation factor (Consumer Price Index - Honolulu))

(E) = AFRA Year Actual General Freight Revenues:

AFRA Year Revenues - Fuel Price Adjusted ("FPA") Revenue

AFRA Percentage Calculation:

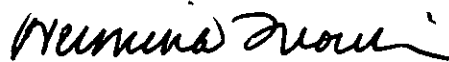
(G) AFRA Year Actual General Freight Revenues

(H) AFRA Percentage Increase/Decrease = F/G"


Within ten (10) days of this Order, YB shall file an amended AFRA tariff with the commission reflecting the modifications set forth herein.

DONE at Honolulu, Hawaii NOV 14 2013

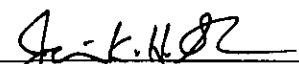
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Hermina Morita, Chair

By   
Michael E. Champley, Commissioner

By   
Lorraine H. Akiba, Commissioner

APPROVED AS TO FORM:

  
Jamie K. H. Sheu  
Commission Counsel

2013-0032.do

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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EXECUTIVE DIRECTOR  
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DIVISION OF CONSUMER ADVOCACY  
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ROY CATALANI  
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