

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
YOUNG BROTHERS, LIMITED)
For Approval to Dispose of Barges)
Malana and Kahoku.)
_____)

DOCKET NO. 2007-0356

ORDER APPROVING TWO-YEAR AMORTIZATION PERIOD

PUBLIC UTILITIES
COMMISSION

2008 JUL -2 A 10:56

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amount not less than the combined net book value of both barges.

3. Within fifteen days after finalizing the sale of the Malana, Young Brother shall file with the commission and the Consumer Advocate: (A) a copy of the sales documents; and (B) a report that identifies the buyer, the agreed-upon sales price, the terms of the sale, and a computation of the net gain or loss, if any, from the sale, including the proposed period of amortization.

4. Within fifteen days after finalizing the sale of the Kahoku, Young Brother shall file with the commission and the Consumer Advocate: (A) a copy of the sales documents; and (B) a report that identifies the buyer, the agreed-upon sales price, the terms of the sale, and a computation of the net gain or loss, if any, from the sale, including the proposed period of amortization.

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7. This docket will remain open, pending receipt and review of the foregoing reports and documents.

On June 16, 2008, Young Brothers filed its Sales Report,² in compliance with Decision and Order No. 24055.

II.

Discussion

By its Sales Report, Young Brothers informs the commission that: (1) on May 30, 2008, it entered into a Purchase Agreement dated May 30, 2008, as amended on June 2, 2008, with Offshore Express, Inc., a Louisiana corporation, for the purchase of both barges for a total price of \$3.3 million, "as is where is," in Tacoma, Washington; (2) the scheduled date of closing was

²Young Brothers' Submission of Report and Documents Related to the Sale of Barges Malana and Kahoku; Exhibits C - F; and Certificate of Service, filed on June 16, 2008 (collectively, "Sales Report").

June 17, 2008; and (3) it computes the gain on the sale of the two barges at \$935,678, which is the sum of the sales price of \$3.3 million minus the total net book value of \$2,364,322 for the two barges.³ Accordingly, Young Brothers seeks the commission's approval to apply a two-year amortization period for ratemaking purposes for the net gain realized on the sale of the two barges, thereby resulting in an annual amortized gain of \$467,839.

In support of its request, Young Brothers notes that its proposed amortization period is consistent with the two-year amortization period approved by the commission in In re Young Bros., Ltd., Docket No. 02-0201, involving the sale of the PT&S 286-1 Barge and which resulted in a net gain of \$1.6 million. The Consumer Advocate, by letter dated June 20, 2008, "informs the Commission that it does not oppose Young Brothers' proposal to amortize over a two-year period, the net gain anticipated from the sale of the [two] barges."⁴

Upon review, the commission: (1) approves Young Brothers' request to apply a two-year amortization period for ratemaking purposes for the net gain realized on the sale of the Malana and Kahoku barges; and (2) closes this docket.

³By letter dated June 20, 2008, Young Brothers subsequently informed the commission that the sale of the two barges closed on June 18, 2008, instead of on June 17, 2008.

⁴Consumer Advocate's letter, dated June 20, 2008, at 1; see also Commission's letter, dated June 19, 2008, seeking the Consumer Advocate's comments on Young Brothers' request.

III.

Orders

THE COMMISSION ORDERS:

1. Young Brothers' request, filed on June 16, 2008, to apply a two-year amortization period for ratemaking purposes for the net gain realized on the sale of the Malana and Kahoku barges, is approved.

2. This docket is closed unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii JUL - 2 2008.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By: 
Carlito P. Caliboso, Chairman

By: 
John E. Cole, Commissioner

By: 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:



Michael Azama
Commission Counsel

2007-0356,cp

CERTIFICATE OF SERVICE

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

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

P. ROY CATALANI
VICE PRESIDENT
STRATEGIC PLANNING & GOVERNMENT AFFAIRS
YOUNG BROTHERS, LIMITED
P. O. Box 3288
Honolulu, HI 96801