## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of) YOUNG BROTHERS, LIMITED For Approval of Rate Increase Pursuant to Decision and Order

No. 19115.

DOCKET NO. 02-0118

DECISION AND ORDER NO. 19425

Filed <u>June 20</u>, 2002 At <u>12:00</u> o'clock <u>P</u>.M.

Chief Clerk of the dommission

ATTEST: A True Copy

KAREN HIGASHI

Chief Clerk, Public Utilities Commission, State of Hawaii.

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#### DECISION AND ORDER

I.

On May 6, 2002, YOUNG BROTHERS, LIMITED (YB) filed an application requesting commission approval of changes to its tariff to reflect a rate increase of 3.0 per cent for non-containerized commodity rates (proposed tariff changes). YB makes its request pursuant to Decision and Order No. 19115, filed on December 20, 2001, in Docket No. 01-0255. The effective date of the proposed tariff changes is June 20, 2002.

YB served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate). By its statement of position, filed on June 18, 2002, the Consumer Advocate asserts, among other things, that it does not object to the commission's approval of YB's proposed tariff changes, subject to certain reservations which

¹In Decision and Order No. 19115, the commission approved the parties' stipulation that, among other things, authorized a three-year pilot rate flexibility program (aka, zone of reasonableness). In lieu of filing a rate case, YB will provide at least 45 days notice of any proposed rate change to a customer class or commodity, by tariff filing, as required by Hawaii Revised Statutes § 271-6-17(b).

the Consumer Advocate may address in YB's subsequent filings or docketed matters.

II.

By Decision and Order No. 19115, the commission, among other things, established rate flexibility within a reasonable zone which allows YB to file for commission approval a maximum annual rate increase threshold of 5.5 per cent over a 12-month period for any customer class or classes, without filing a rate case, provided that YB does not exceed its authorized 11.06 per cent rate of return on its average depreciated rate base.

Upon careful review and consideration of the record, the commission finds that: (1) the proposed tariff changes are reasonable; (2) the proposed tariff changes are within the maximum annual rate increase threshold of 5.5 per cent over a 12-month period; (3) YB's rate of return, with the proposed tariff changes, is below its authorized 11.06 per cent rate of return on its average depreciated rate base; and (4) the proposed tariff changes appear to be in conformance with Decision and Order No. 19115. Based on the above, the commission will allow YB's proposed tariff changes to take effect, effective June 20, 2002.

III.

### THE COMMISSION ORDERS:

- 1. YB's application for approval of changes to its tariff, filed on May 6, 2002, is approved and will be allowed to take effect, effective June 20, 2002.
- 2. Notwithstanding an approval of YB's application in this docket, the terms and conditions set forth in Decision and Order No. 19115 shall continue until further order of the commission.

DONE at Honolulu, Hawaii this 20th day of June, 2002.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Bv

Dennis R. Yamada, Chairman

Bv

(EXCUSED)

Wayne H. Kimura, Commissioner

Bv

Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Kevin M. Katsura

Commission Counsel

02-0118.ac

#### CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing <u>Decision and Order No. 19425</u> upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

LISA M. K. SAKAMOTO VICE PRESIDENT FINANCE & GOVT. AFFAIRS YOUNG BROTHERS, LTD. P. O. Box 3288 Honolulu, HI 96801

J. DOUGLAS ING, ESQ.
WRAY H KONDO, ESQ.
WATANABE ING & KAWASHIMA
First Hawaiian Center
999 Bishop Street, 23rd Floor
Honolulu, HI 96813

Catherine Sakato

DATED: June 20, 2002