BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

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

ORDER NO. 33640

ADOPTING PERFORMANCE METRICS AND STANDARDS
FOR THE ANNUAL FREIGHT RATE ADJUSTMENT PILOT PROGRAM

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By this Order, the commission adopts the performance metrics and standards set forth herein, to govern YOUNG BROTHERS, LIMITED's Annual Freight Rate Adjustment Pilot Program.[1]

I.

Background

Young Brothers is a water carrier authorized to transport property by barge between the islands of Oahu, Hawaii, Kauai, Maui, Molokai, and Lanai. Young Brothers provides both interstate and intrastate water-carrier transportation services;

[1]The Parties to this proceeding are YOUNG BROTHERS, LIMITED ("Young Brothers" or "YB") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate" or "CA").

however, only its intrastate water-carrier operations are subject to the commission's jurisdiction.[2]

On December 16, 2011, in Docket No. 2010-0171, the commission approved a general rate increase for Young Brothers, with an increase in intrastate revenues of $10,574,932, or approximately 16.58 percent over intrastate revenues at then-existing rates.[3] The approved increase was based on a rate of return of 10.25 percent and a total intrastate revenue requirement of $74,342,455 for the 2011 calendar test year.[4]

At that time, Young Brothers justified its request for a general rate increase citing, among other things, "the need for rate relief to sustain Young Brothers' ability to serve" and "*cargo volume that has fallen short of the Company's forecasts[.]*"[5]

Fourteen months after approval of the general rate increase in Docket No. 2010-0171, on February 11, 2013,

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[2]In general, "intrastate" cargo both originates, and is destined for delivery, in Hawaii. On the other hand, "interstate" cargo either originates outside of Hawaii and is destined for delivery in Hawaii, or originates in Hawaii and is destined for delivery outside of Hawaii. See In re YOUNG BROTHERS, LIMITED, For Approval of a General Rate Increase and Certain Tariff Changes, Docket No. 2010-0171, Decision and Order No. 30024, filed on Dec. 16, 2011 ("Order No. 30024") at 3 n.4.

[3]Order No. 30024 at 1.

[4]Order No. 30024 at 1.

[5]Order No. 30024 at 5.

Young Brothers filed an Application for Approval to Institute an Annual Freight Rate Adjustment ("AFRA") Pilot Program.[6]

Young Brothers sought to "implement a streamlined, ratemaking process for the purpose of determining whether its proposed rate changes (i.e., increases or decreases [not to exceed 5.5%]) are just, reasonable, and consistent with the public interest" and "prolong the time period between filing applications for a general rate case"[7] and "save the utility, and ultimately its customers, the time, costs and resources" to conduct frequent rate cases.[8]

In reviewing the proposed AFRA Pilot Program, the commission stated that a "streamlined ratemaking process, in conjunction with the establishment of performance metrics/indices, can serve as a tool to potentially" "create the same efficiency incentives as those experienced in competitive markets while maintaining service quality[,]" "provide Young Brothers with a reasonable opportunity to recover

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[6]Application of Young Brothers, Limited For Approval To Institute An Annual Freight Rate Adjustment Pilot Program, filed on Feb. 11, 2013, as amended on Feb. 13, 2013 ("Application").

[7]In re YOUNG BROTHERS, LIMITED, For Approval To Institute An Annual Freight Rate Adjustment Pilot Program, Docket No. 2013-0032, Decision and Order No. 31493, filed on Oct. 11, 2013 ("Order No. 31493"), at 18.

[8]Order No. 31493 at 20.

its prudently incurred costs, including a fair rate of return[,]" and "allow YB's customers to share in the benefits of a streamlined ratemaking process."[9]

The commission stated that "performance metrics should be established at the outset in order to assist the commission and Consumer Advocate in evaluating the value of the AFRA program" and that "absent performance metrics established at the beginning of a streamlined ratemaking pilot program, the commission and the Consumer Advocate would be deprived of a valuable tool to assess the effectiveness of the program."[10]

The commission approved the AFRA Pilot Program and "conclude[d] that the requirement of performance standards and potential penalties if certain standards are not maintained or reached serves to make YB's proposed AFRA reasonable."[11]

II.

The Parties' Proposed Performance Metrics and Standards

With respect to the adoption of performance metrics and standards, the commission previously directed the Parties to "file proposed stipulated performance metrics/indices, or in the

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[9]Order No. 31493 at 20.

[10]Order No. 31493 at 26.

[11]Order No. 31493 at 28.

alternative, separate proposed performance metrics, for the commission's review and approval[,]" which were to include:

a. the performance categories, including safety, performance, reliability, and market access;

b. the standard/benchmark of each category to be met by Young Brothers;

c. how each standard is to be measured; and

d. the penalties to be applied if the standards/benchmarks are not met.[12]

A.

The Consumer Advocate's Proposal

In its submission of proposed performance metrics, the Consumer Advocate stated that "since YB is allowed to obtain annual rate increases through the use of a formula derived revenue requirement, YB should strive to achieve improved performance in its operations as well as financial results."[13]

Therefore, the Consumer Advocate argued, the "performance metrics that will be imposed upon YB as a result of the AFRA pilot program should not be standards that YB has already achieved. Instead, the performance metrics should be

[12]Order No. 31493 at 30.

[13]Division of Consumer Advocacy's Submission of its Proposed Performance Metrics, filed on Dec. 2, 2013 ("CA Submission"), Attachment 1 at 6. The Consumer Advocate related that the Parties were "unable to reach agreement" on the performance metrics, standards, and penalties. Id. at 21.

standards that will provide significant and quantifiable improvement to its operations and customer service."[14]

With regard to the area of "Safety," the Consumer Advocate proposed performance metrics in addition to Young Brothers' recordable incident rate and lost-time incident rate:

(a) The number and dollar value of workers' compensation insurance claims;[15]

(b) The number and dollar value of insurance claims "filed relating to damages to customers or customer vehicles while on YB property as well as to YB property;"[16]

(c) The number of safety violations cited by the U.S. Coast Guard and OSHA;[17] and

(d) The number of events involving hazardous materials.[18]

With regard to the area of "Cost Control/Performance," the Consumer Advocate proposed the performance metrics of:

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[14]CA Submission, Attachment 1 at 6.

[15]CA Submission, Attachment 1 at 8.

[16]CA Submission, Attachment 1 at 8.

[17]CA Submission, Attachment 1 at 9.

[18]CA Submission, Attachment 1 at 9.

(a) Young Brothers' fuel efficiency, separately measured for shoreside and marine operations;[19]

(b) The "electricity usage at its shoreside facilities and establishing energy efficiency goals;"[20]

(c) For labor costs, the "relative ratio of the increase in YB's salary and wage rates in comparison to both Hawaii and national averages;"[21]

(d) Employee absenteeism rates, in comparison to the industry standard, since "a high absenteeism rate can also result in higher labor costs, as it relates to overtime and temporary employees hired to cover absent employees;"[22]

(e) Employee overtime hours and costs, in comparison to the industry standard;[23]

(f) The hours and costs of temporary hires;[24]

(g) Increases in non-labor expenses, as compared to the commission-approved inflation index, because if "YB's non-labor

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[19]CA Submission, Attachment 1 at 10-11.

[20]CA Submission, Attachment 1 at 11.

[21]CA Submission, Attachment 1 at 11.

[22]CA Submission, Attachment 1 at 11-12.

[23]CA Submission, Attachment 1 at 12-13.

[24]CA Submission, Attachment 1 at 13.

expenses are [increasing] at a rate faster than the CPI" this may suggest "YB is not exercising sufficient cost control measures;"[25]

(h) Port turnaround time, which is the "time measured between when the ship (or barge) arrives in port and sails for its next destination;"[26]

(i) "Dwell time" which is the "number of days that a container changed from one status to another such as from an inbound load to empty and then from empty to outbound;"[27]

(j) The "amount of labor hours per cargo ton" which "facilitates a determination [of] whether the Company is taking steps to ensure that it is using its laborers and equipment efficiently to load and unload its cargo;"[28]

(k) The "empty miles factor or load ratio" which "measures the number of loaded miles as compared to empty miles;"[29]

(l) The "return by barge" which is "the total revenues generated by each barge divided by the [barge's] total capacity;"[30]

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[25]CA Submission, Attachment 1 at 13.

[26]CA Submission, Attachment 1 at 13.

[27]CA Submission, Attachment 1 at 14.

[28]CA Submission, Attachment 1 at 14.

[29]CA Submission, Attachment 1 at 14.

[30]CA Submission, Attachment 1 at 15.

(m) The "availability of its marine assets" reported by "the number of hours, both planned and unplanned, that each barge and tug is not available for service;"[31]

(n) A "measure that evaluates the Company's performance as it relates to Hawaii's economy" because if "the ratio suggests that the Company's CPE [(amount of cargo volume measured by container/platform equivalents)] is decreasing even when [Hawaii's Gross Domestic Product (GDP)] is increasing or that the CPE is increasing even though the GDP is decreasing, this will be illustrative that YB's assertions and the reasonableness of the AFRA should be reassessed;"[32] and

(o) The "Company's operating ratio" "to measure the amount of non-productive expenses and whether it is a reasonable level as compared to the total revenues."[33]

The Consumer Advocate proposed the following performance metrics in the area of "Reliability/Customer Service":

(a) Customer satisfaction surveys as to customer service, condition of cargo, and cargo drop-off and pick-up;[34]

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[31]CA Submission, Attachment 1 at 15.

[32]CA Submission, Attachment 1 at 15-16.

[33]CA Submission, Attachment 1 at 16.

[34]CA Submission, Attachment 1 at 17.

(b) Complaints received by Young Brothers;[35]

(c) The amount of time to resolve all complaints;[36]

(d) A standard of 90% of all customer calls answered within 60 seconds;[37] and

(e) The "total number of reported damage claims and the dollar value of the claims related to the cargo that was handled by the Company."[38]

For "Market Access" performance metrics, along with the completion of regulated sailings, the Consumer Advocate proposed:

(a) Young Brothers' total gate hours and the number of vehicles per gate hour;[39] and

(b) That Young Brothers provide a recurring report "on competition in the interisland shipping market" to "evaluate all transport modes, air and sea" because "YB should be required to demonstrate that the market in which it competes is very competitive" "[s]ince YB is essentially the only interisland water carrier and its affiliate Aloha Air Cargo is the dominant cargo carrier by air in Hawaii's market" and "the Commission

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[35]CA Submission, Attachment 1 at 17.

[36]CA Submission, Attachment 1 at 17-18.

[37]CA Submission, Attachment 1 at 18.

[38]CA Submission, Attachment 1 at 18.

[39]CA Submission, Attachment 1 at 19.

appears to have granted the AFRA in part because of the perception that YB operated in a very competitive market[.]"[40]

The Consumer Advocate proposed the penalties of:

(a) If the study on competition in the interisland market "is not performed" or suggests that the "market share controlled by YB or its affiliates is representative of a high concentration" then "AFRA should be terminated until the study is provided or market conditions suggest" it is "highly competitive;"[41]

(b) If there is no correlation between Young Brothers' cargo volume and Hawaii's GDP, "AFRA should be suspended until it can be determined" it is still "reasonable to allow the AFRA to continue;"[42] and

(c) "For all other metrics, if a metric is not met, that the total increase allowed under the AFRA for that year would be limited to 2.25%. If YB does not meet all metrics in the subsequent year, [YB] should not be able to recover any increase in rates until all metrics are met."[43]

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[40]CA Submission, Attachment 1 at 19.

[41]CA Submission, Attachment 1 at 20.

[42]CA Submission, Attachment 1 at 21.

[43]CA Submission, Attachment 1 at 21.

B.

Young Brothers' Proposal

Young Brothers "propose[d] to focus on organization-wide performance standards that relate to the purposes of regulation, which [Young Brothers] understand to be (a) providing service at specified levels and (b) reasonable rates."[44] Along with the "adoption of two indicators proposed by the Consumer Advocate: (1) response to customer calls and (2) dropped customer calls[,]"[45] Young Brothers proposed the following performance metrics:

(a) Safety - "Recordable and lost time incident rates;"[46]

(b) Cost Control - budgeted labor hours and costs versus actual labor hours and costs, as the performance standard of controlling labor costs;[47]

(c) Fuel Efficiency - a benchmark of 2.2 tons of cargo transported per gallon of fuel consumed;[48]

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[44]Response of Young Brothers, Limited to Information Request of the Hawaii State Public Utilities Commission (PUC-IC-102 to PUC-IR-106), filed on Aug. 19, 2013 ("PUC IR"), YB Response to PUC-IR-102 at page 4.

[45]Young Brothers, Limited Submittal of (1) Proposed Performance Metrics and (2) Response to Performance Metrics Proposed by the Division of Consumer Advocacy Filed Under Transmittal No. 13-0005, filed on Nov. 27, 2013 ("YB Submittal"), at 6.

[46]YB Submittal, YB-Ex-01 at 1.

[47]YB Submittal, YB-Ex-01 at 2.

[48]YB Submittal, YB-Ex-01 at 3.

(d) Reliability/Customer Service - a benchmark of 75% on-time barge arrivals;[49]

(e) Reliability/Customer Service - freight delivery and pick-up with a benchmark of 45 minutes for trucker waiting time where "security personnel clock the times entering and exiting YB facility;"[50] and

(f) Market Access - a benchmark of 99% completion of regulated sailings.[51]

With regard to potential penalties, Young Brothers maintained that its "performance be evaluated, through application of each metric and comparison with related benchmarks, in the context of its next general rate case."[52]

C.

Additional Comments on the Parties' Proposals

The commission subsequently directed the Parties to submit "additional comments and suggested refinements" "to the performance standards and metrics under the AFRA Pilot Program."[53]

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[49]YB Submittal, YB-Ex-01 at 7.

[50]YB Submittal, YB-Ex-01 at 7.

[51]YB Submittal, YB-Ex-01 at 8.

[52]YB Submittal at 12.

[53]Docket No. 2013-0032, Order No. 32913 "GRANTING JOINT MOTION OF YOUNG BROTHERS, LIMITED AND DIVISION OF CONSUMER ADVOCACY AND

Young Brothers identified two substantive revisions from its prior proposal. First, for labor efficiency, "YB's original proposal used its budgeted labor hours and dollars as the standard. YB's revised standard proposed to add an efficiency measure of amount of cargo moved per labor hour."[54] Second, for the metric of response to customer calls, Young Brothers explains that it:

> previously agreed with CA that this is an appropriate metric and stated it would work with the CA on the standard. CA's proposal of all calls answered within 60 seconds, with 95% of all calls answered before hang-up by YB's "customer call center[.]" YB has no customer call center, only clerks with multiple duties. YB submits its standards [(90% of customer calls answered, with average wait time of 90 seconds)] are ambitious and noted that it seeks to achieve these standards without expending the funds necessary to establish a call center.[55]

The Consumer Advocate argued that:

> granting Young Brothers the potential for annual revenue increases through the AFRA Pilot Program should result in significant improved performance. Given the potential for annual revenue increases, the AFRA Pilot Program provides a clear benefit to Young Brothers. In exchange for this benefit, Young Brothers should be required to strive for exceptional performance that benefits its

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APPROVING A ONE YEAR EXTENSION OF THE ANNUAL FREIGHT RATE ADJUSTMENT PILOT PROGRAM" and "DISSENTING OPINION OF RANDALL Y. IWASE, CHAIR[,]" filed on June 16, 2015, at 12.

[54]Young Brothers, Limited Submittal of Comments on and Suggested Refinements to Proposed Performance Standards and Metrics, filed on Sept. 14, 2015 ("YB Refinements"), at 3.

[55]YB Refinements at 4.

customers. Furthermore, Young Brothers should be required to quantify its performance with robust performance metrics.[56]

The Consumer Advocate further advocated that "[i]n conjunction with its review of the proposed performance metrics" the commission should review Young Brothers' "monthly financial reports for the reported return on rate base and return on common equity since the inception of the AFRA Pilot Program."[57] The Consumer Advocate contended that the amount of Young Brothers' "returns call into question the reasonableness of the AFRA Pilot Program; therefore, further scrutiny should be given to the AFRA Pilot Program, the absence of any downward adjustment to the authorized rate of return to reflect the decrease in risk associated with the AFRA, and any future requests for AFRA percentage increases."[58]

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[56]Division of Consumer Advocacy's Submission of Comments and Refinements for Proposed Performance Metrics, filed on Sept. 14, 2015 ("CA Refinements"), at 2.

[57]CA Refinements at 2.

[58]CA Refinements at 4.

III.

Findings and Conclusions

A.

Adoption of Performance Metrics and Standards

Initially, the commission makes the following general findings and conclusions with respect to the AFRA Pilot Program:

1. The commission has "general supervision" "over all public utilities"[59] and "shall have power to examine into the condition of each public utility, the manner in which it is operated with reference to the safety or accommodation of the public, the safety, working hours, and wages of its employees, the fares and rates charged by it," "the amount and disposition of its income, and all of its financial transactions, . . . and all matters of every nature affecting the relations and transactions between it and the public or persons or corporations."[60]

2. In approving the AFRA Pilot Program, the commission concluded that "any changes that result in an increase of YB's revenues, whether due to economic changes or a prior AFRA

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[59]Hawaii Revised Statutes (HRS) § 269-6(a) (2007 Repl.).

[60]HRS § 269-7(a) (2007 Repl.); see also HRS § 271G-7(1) (2007 Repl.) ("The general duties and powers of the [commission] shall be . . . [t]o regulate water carriers, and to that end the commission shall have and utilize the investigative powers set forth in section 269-7 as well as all of the duties and powers specifically enumerated in this chapter[.]").

increase, should result in lowering the percentage in the next AFRA filing" and "as the program progresses, the commission may at any time terminate the AFRA should this rate adjustment mechanism be found not to be reasonable or in the public interest."[61]

3. Hence, "to ensure, among other things, that the ratepayers affected by the instant proceeding are protected and that the implementation of the AFRA is consistent with HRS chapter 271-G[,]" the commission reserved the right to, upon its own initiative or motion, "reopen this docket or open a separate docket at any time to institute an investigation or other proceedings."[62]

4. As the commission stated when the AFRA Pilot Program was originally approved, "the requirement of performance standards and potential penalties if certain standards are not maintained or reached serves to make YB's proposed AFRA reasonable" and such "performance metrics should be established at the outset in order to assist the commission and Consumer Advocate in evaluating the value of the AFRA program."[63]

5. Since the commission first approved the AFRA Pilot Program, Young Brothers has benefitted from an

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[61]Order No. 31493 at 22, 23.

[62]Order No. 31493 at 30.

[63]Order No. 31493 at 26.

AFRA tariff increase of 5.5 percent effective November 29, 2013; an AFRA tariff increase of 2.21 percent effective November 29, 2014; and no AFRA tariff increase effective November 29, 2015. The commission finds that Young Brothers cannot accept the benefit of annual freight rate increases, while deferring the assessment of its performance obligations that were, among other things, intended to "create the same efficiency incentives as those experienced in competitive markets while maintaining service quality[,]" and to "allow YB's customers to share in the benefits of a streamlined ratemaking process."[64]

6. Inasmuch as "one of the purposes of an AFRA is to reduce the regulatory burden associated with processing rate cases" the commission reaffirms that Young Brothers must submit accurate filings and detailed supporting documentation that "include clear and transparent information that enables a timely audit of the filing with a minimal expenditure of time on the part of the commission and Consumer Advocate."[65] The failure to adhere to such standards creates inefficiencies that detract from one of

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[64]Order No. 31493 at 20.

[65]In re YOUNG BROTHERS, LIMITED, For an Annual Freight Rate Adjustment Pursuant to Decision and Order No. 31493 and Rule 215 of Young Brothers, Limited Local Freight Tariff No. 5A, Transmittal No. 13-0005, Order No. 31722 "ACCEPTING, WITH MODIFICATIONS, ANNUAL FREIGHT RATE ADJUSTMENT," filed on Nov. 27, 2013, at 6.

Young Brothers' asserted benefits of AFRA, and may thus constitute grounds to reconsider the virtues of the AFRA Pilot Program, and also grounds to reject a proposed AFRA tariff increase.

7. To assist the commission in assessing whether the AFRA mechanism, in its current form, continues "to be reasonable or in the public interest[,]"[66] Young Brothers shall report its various financial calculations (e.g., revenue, expenses, net income, rate of return, and return on equity) for (a) total company operations, (b) intrastate operations, and (c) interstate operations. In addition, Young Brothers shall provide a detailed description of the basis for the allocation of each major expense category to either intrastate or interstate operations.

8. This detailed reporting requirement for (a) total company operations, (b) intrastate operations, and (c) interstate operations shall also apply to Young Brothers' annual and monthly financial reports that it regularly files with the commission.

9. Certain performance metrics utilize a standard or benchmark of the most current three-year average of Young Brothers' historical performance as to that metric (i.e., when comparing Young Brothers' performance from calendar year 2015, the most

[66]Order No. 31493 at 23.

current three-year average would be the results from Young Brothers' performance in calendar years 2012, 2013, and 2014) ("three-year average"). Such three-year average will then be compared to Young Brothers' current performance in the latest available twelve-month trailing period (i.e., for Young Brothers' initial reporting as required by this Order, the twelve-month trailing period shall be Young Brothers' performance in calendar year 2015) ("twelve-month trailing period").

10. As may be applicable, Young Brothers shall provide the commission with the relevant information and documentation to establish both the performance standard of the three-year average, and the current performance in the twelve-month trailing period.

B.

Performance Metrics and Standards

11. The commission adopts the following performance metrics and standards, which shall apply to the current AFRA Pilot Program of Young Brothers.

1.

Safety: Recordable Incident Rate

12. The commission adopts the performance metric of recordable incident rate, which is "the number of employees

per 100 full-time employees who have been injured or suffered an illness required to be recorded under OSHA rules[.]"[67] Generally, an injury or illness is considered "recordable" if it results in any of the recording criteria of death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, and/or loss of consciousness.[68]

13. Young Brothers states that recordable incident rate is "currently being used internally" to evaluate its "provision of timely, frequent, and universal service in a safe manner and efficient manner in fulfillment of its customer and regulatory objectives"[69] and that it "measures separately safety rates for its shoreside and its marine personnel."[70]

14. With regard to a performance standard or benchmark, Young Brothers proposes the national industry average for a recordable incident rate of 7.0, as reported by the U.S. Bureau of Labor Statistics in the Survey of Occupational Injuries and Illnesses.[71] For the first half of 2015, Young Brothers reports that it already meets this proposed standard, with recordable

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[67]YB Refinements at 8.

[68]YB Refinements at 9.

[69]YB Refinements at 7.

[70]YB Refinements at 9.

[71]YB Refinements at 10.

incident rates of 5.26 (shoreside) and 0.0 (marine).[72] Young Brothers explains that while "it has met, and aims to continue to meet or exceed, these benchmarks, the Company's corporate family goal, nonetheless, has always been to have zero injuries."[73]

15. While Young Brothers appears to meet the industry average of 7.0, the commission declines to adopt this figure because a performance standard "should not be standards that YB has already achieved" and should instead serve to "provide significant and quantifiable improvement to its operations"[74] -- in this case, to work towards Young Brothers' "corporate family goal" which "has always been to have zero injuries."[75]

16. As such, the commission adopts the performance standards of Young Brothers' three-year average of its recordable incident rates for (a) shoreside personnel, and (b) marine personnel.[76] Young Brothers' current performance

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[72]YB Refinements at 10.

[73]YB Refinements at 11.

[74]CA Submission, Attachment 1 at 6.

[75]YB Refinements at 11.

[76]If Young Brothers' three-year average is greater than the national industry average of 7.0, the commission will thereafter determine the performance standard for recordable incident rate.

of its recordable incident rates in the twelve-month trailing period shall be compared to these performance standards.

2.

Safety: Lost Time Incident Rate

17. The commission adopts the performance metric of lost time incident rate, which is "the number of employees per 100 full-time employees who have been involved in recordable incidents in which a workday (or more) was lost within the specified time period."[77] "An injury is considered a lost-time incident if it results in one or more days away from work."[78]

18. As with the recordable incident rate, Young Brothers already tracks its lost time incident rate and separately tracks the rates for its shoreside and marine personnel, with a "corporate family goal" of "zero injuries."[79]

19. With regard to a performance standard or benchmark, Young Brothers proposes the national industry average for a lost time incident rate of 3.7, as reported by the U.S. Bureau of Labor Statistics in the Survey of Occupational Injuries and

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[77]YB Refinements at 8.

[78]YB Refinements at 7.

[79]YB Refinements at 7, 9, 11.

Illnesses.[80] For the first half of 2015, Young Brothers reports that it already meets this proposed standard, with lost time incident rates of 1.50 (shoreside) and 0.0 (marine).[81]

20. For the same reasons as with the recordable incident rate, the commission declines to adopt the national average of 3.7 as the performance standard for the lost time incident rate because it is a standard that Young Brothers has "already achieved" and thus insufficient in light of its goal of "zero injuries."

21. As such, the commission adopts the performance standard of Young Brothers' three-year average of its lost time incident rates for (a) shoreside personnel, and (b) marine personnel.[82] Young Brothers' current performance of its lost time incident rates in the twelve-month trailing period shall be compared to these performance standards.

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[80]YB Refinements at 10.

[81]YB Refinements at 10.

[82]If Young Brothers' three-year average is greater than the national industry average of 3.7, the commission will thereafter determine the performance standard for lost time incident rate.

3.

Safety: Workers' Compensation Insurance Claims

22. The commission adopts the performance metric of workers' compensation insurance claims. The commission agrees with the Consumer Advocate that, in addition to the recordable incident rate and lost time incident rate, the total number and dollar value of Young Brothers' workers' compensation insurance claims "would be good indicators of YB's safety performance" and provide "the likely dollar impact on YB's operations"[83] along with the severity of the compensable injuries.

23. As such, the commission adopts the performance standards of Young Brothers' (a) three-year average of the total number of its workers' compensation insurance claims, and (b) three-year average of the total dollar value of its workers' compensation insurance claims. Young Brothers' performance in the twelve-month trailing period shall be compared to these performance standards.

4.

Safety: Hazardous Materials

24. The commission adopts the performance metric of hazardous materials incidents. The commission agrees with the

[83]CA Submission, Attachment 1 at 8.

Consumer Advocate in finding value with a metric "to track YB's record with respect to handling hazardous materials either used by the Company or transported by the Company."[84] A spill involving hazardous materials may result in severe impacts to the community, the environment, the safety of Young Brothers' employees, along with the related expenses for containment and remediation.

25. As such, the commission adopts the performance standards of Young Brothers' (a) three-year average of the total number of its hazardous materials incidents, and (b) three-year average of the total monetary expenses associated with its hazardous materials incidents (e.g., fines, damages or claims, costs of containment and remediation). Young Brothers' performance in the twelve-month trailing period shall be compared to these performance standards.

5.

Efficiency: Labor Efficiency

26. The commission adopts the performance metric of labor efficiency. The commission agrees with Young Brothers that "labor hours is a more directly informative efficiency measure

[84]CA Submission, Attachment 1 at 9.

than labor costs[,]" and more so if labor hours are "tied to the movement of cargo."[85] Young Brothers explains that

> finding an applicable industry-wide standard poses a difficulty. The Company's regulatory and customer obligations (frequent, regular, and universal service to our customers) and role in the State's "just in time" method of inventory management often require different considerations than those employed by water carriers that are not utilities.[86]

27. As a performance standard, Young Brothers proposes 0.58 Container/Platform Equivalents (CPEs) moved per each labor hour expended by shoreside (terminal) personnel, which is "derived by dividing the total number of CPEs transported over a given period of time by the total number of shoreside (terminal) labor hours expended."[87] The labor hours "are derived from hours used in calculating YB's safety metrics, with adjustments to exclude time not associated with cargo-handling activities."[88]

28. Absent a cogent description as to Young Brothers' specific methodology to convert various less-than-container-load

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[85]YB Refinements at 16.

[86]YB Refinements at 16.

[87]YB Refinements at 15. Young Brothers defines "CPEs" as a "unit of volume measurement approximately equivalent to the volume of cargo that would fit into a 20-foot container or that has the same footprint as a 20-foot platform or flatrack." Id. at 15 n.22. The figure of 0.58 is the actual "average labor efficiency rate for the period of 2009 to 2014." Id. at 16.

[88]YB Refinements at 17.

cargo to an equivalent CPE, the commission declines to adopt the use of CPE as a cargo unit along with the proposed standard of 0.58 CPEs moved per each labor hour of shoreside personnel.

29. Rather than rely on a "unit of volume measurement approximately equivalent to the volume of cargo that would fit into a 20-foot container or that has the same footprint as a 20-foot platform or flatrack[,]"[89] given the diversity of cargo transported, the commission concludes that a more accurate measurement is based on actual revenue tons.

30. As such, the commission adopts the performance standards of Young Brothers' (a) three-year average of actual revenue tons, divided by the total shoreside (terminal) labor hours, and (b) three-year average of the dollar value of such total shoreside (terminal) labor hours. Young Brothers' performance in the twelve-month trailing period shall be compared to these performance standards.

6.

Efficiency: Fuel Efficiency

31. The commission adopts the performance metric of fuel efficiency, separately measured for shoreside and

[89]YB Refinements at 15 n.22.

marine activities, by taking the actual revenue tons divided by the total fuel consumed by either shoreside or marine equipment.

32. The commission agrees with the Consumer Advocate that fuel efficiency should be distinguished between shoreside and marine use.[90] If this metric was based on the total fuel consumed by both shoreside and marine activities, as proposed by Young Brothers,[91] the determination of tons moved per gallon of fuel would provide only a broad indicator of fuel efficiency.

33. This is because, in the movement of cargo, fuel is consumed in two distinct activities -- shoreside and marine -- with corresponding equipment that is unique to each function. For example, the fuel consumed by shoreside equipment provides a more accurate indication of fuel efficiency with respect to cargo handling activities. In comparison, the use of fuel by marine equipment is more relevant to fuel efficiency with respect to cargo transport activities.

34. Hence, combining shoreside and marine fuel consumption would dilute the usefulness of this metric to assess Young Brothers' management of "all of its resources" and to "identify potential areas that might require improvement."[92]

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[90]See CA Submission, Attachment 1 at 10.

[91]See YB Refinements at 12-15.

[92]CA Submission, Attachment 1 at 10.

35. As such, the commission concludes that fuel efficiency shall be separately measured for shoreside and marine activities. Shoreside fuel efficiency shall be measured by the actual revenue tons (as referenced in the Labor Efficiency metric), divided by the total fuel consumed by shoreside equipment. Marine fuel efficiency shall be measured by the actual revenue tons (as referenced in the Labor Efficiency metric), divided by the total fuel consumed by marine equipment.

36. The commission adopts the performance standards of Young Brothers' (a) three-year average of shoreside fuel efficiency, as calculated by the method above, and (b) three-year average of marine fuel efficiency, as calculated by the method above. Young Brothers' performance in the twelve-month trailing period shall be compared to these performance standards.

7.

Service: On-Time Barge Arrival

37. The commission adopts the performance metric of on-time barge arrival. Young Brothers contends that "on-time arrival is the most important metric for service reliability" recognizing that "neighbor islands need frequent and timely service to maintain their just-in-time methods of inventory

and distribution" and "on-time sailings are also especially important to shipping local agricultural goods[.]"[93]

38. Young Brothers proposes a performance standard of seventy-five percent (75%) on-time barge arrivals, measured "by dividing the number of barges that arrive on-time by the total number of sailings annually."[94] In addition, Young Brothers would define "on-time arrival" as the "arrival of a barge at its neighbor island destination port by the time the port's gates are scheduled to open for business, which is 7:30 a.m."[95]

39. For the purpose of this calculation, "any recorded barge arrival after 7:30 a.m. is counted as a delay" and "voyages negatively affected by factors not within its control" are included "as part of determining an acceptable on-time arrival percentage."[96] Moreover, delays "that are foreseeable and unavoidable, such as those caused by severe weather, are also counted as delays despite the fact that YB provides advance notice to all customers when such later arrivals are significant and foreseen."[97]

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[93]YB Refinements at 18-19.

[94]YB Refinements at 19.

[95]YB Refinements at 19.

[96]YB Refinements at 19.

40. The commission agrees with the performance standard of seventy-five percent (75%) on-time barge arrivals. However, the commission modifies the definition of "on-time arrival" whereby an "arrival" shall be when the barge is tied up alongside the pier and ready for unloading operations to commence.

41. Young Brothers ambiguously defines "on-time arrival" as being the "arrival of a barge at its neighbor island destination port by the time the port's gates are scheduled to open for business, which is 7:30 a.m."[98] Under this definition, affixing a consistent "arrival" time is problematic given that "arrival" could widely range from the barge's arrival at the harbor entrance, to the barge being tied up alongside the pier and ready for unloading to commence.

42. In light of Young Brothers' goals of "service reliability" and facilitating "just-in-time methods of inventory and distribution[,]"[99] the commission finds that defining "arrival" to be when the barge is tied up alongside the pier and ready for unloading to commence, would be more relevant for the analysis of timely service for Young Brothers' customers.

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[97]YB Refinements at 20.

[98]YB Refinements at 19.

[99]YB Refinements at 18-19.

43. The commission adopts the performance standard of seventy-five percent (75%) on-time barge arrivals, measured "by dividing the number of barges that arrive on-time by the total number of sailings annually[,]" with "on-time arrival" defined as the barge being tied up alongside the pier and ready for unloading operations to commence by the time the port's gates are scheduled to open for business at 7:30 a.m. "[A]ny recorded barge arrival after 7:30 a.m. is counted as a delay." Young Brothers' current performance in the twelve-month trailing period shall be compared to this performance standard.

8.

Service: Customer Wait Time for Freight

44. The commission adopts the performance metric of customer wait time for freight drop-off and pick-up. Young Brothers explains that the "efficient flow of traffic in YB's yard affects customers' ability to meet their own schedules and to use their time optimally[.]"[100]

45. Thus, Young Brothers "proposes as its freight delivery metric the time in minutes taken by a sample of truckers, upon entry to the Honolulu yard, dropping off dry or refrigerated palletized [less than container load (LCL)] cargo, and exiting the

[100]YB Refinements at 21.

secured gate" -- with a "proposed benchmark for trucker wait time" of "an annual average of 45 minutes or less at palletized dry and reefer queues at the port of Honolulu."[101]

46. Young Brothers proposes to focus "on wait times for palletized LCL cargo in its hub and busiest port, Honolulu" because it contends that "longer waiting times are associated with LCL cargo (although containerized cargo constitutes well over half of YB's combined intra-state and interstate cargo volume and LCL makes up a significantly smaller fraction)."[102]

47. The current twice-monthly sampling methodology "comprises one week of data collection for the dry LCL queue and one week for the refrigerated, or reefer, LCL line. The result is 12 weeks of data collection for each palletized LCL queue annually, all of which are then averaged."[103] Specifically, the security personnel "at YB's Honolulu facility randomly select trucks carrying LCL cargo (both dry and refrigerated pallets). Only one truck is selected roughly every hour for the LCL line

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[101]YB Refinements at 22.

[102]YB Refinements at 21.

[103]YB Refinements at 22. For the first half of 2015, Young Brothers reports an average wait time of 41 minutes. Id. at 23.

being measured that week. Trucks are clocked in once they enter the facility and clocked out upon their exit from the facility."[104]

48. As explained by Young Brothers, the value of surveying wait times is that the "data collected informs YB as to wait times that exceed standards and allows management personnel to analyze data and react accordingly. The data (i.e., date, time, type of service) would allow a manager or superintendent to determine the factor or factors on a given day that may have accounted for a delay."[105] Young Brothers further explains:

> The surveys inform that a trucker's time within the Honolulu port is, on average, less than 30 minutes during the earlier morning period, or until roughly 9:30 a.m. As the day progresses to 11:00 a.m., the cut-off time to accept cargo for that day's sailing, the length of time a trucker is in the port increases to roughly 60 minutes because of the higher volume of customers on base. The afternoon truck traffic for the delivery of cargo is observed to be very substantially less than in the morning hours (primarily because, although cargo is still accepted during this afternoon period, it may not be loaded to that particular day's sailing after the 11:00 a.m. cut-off time).[106]

49. At this time, the commission adopts the performance standard of "trucker wait time" which is measured "upon entry to

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[104]YB Refinements at 22 n.28.

[105]YB Refinements at 24.

[106]YB Refinements at 24.

the Honolulu yard" until "exiting the secured gate" with "an annual average of 45 minutes or less at palletized dry and reefer queues at the port of Honolulu."[107] The commission clarifies that "trucker wait time" should be separately measured for (a) freight drop-off, and (b) freight pick-up by customers.[108] Young Brothers' current performance in the twelve-month trailing period shall be compared to these standards.

50. The commission further directs Young Brothers to develop a more comprehensive measurement of customer wait time for freight drop-off and pick-up, beyond dry or refrigerated palletized less than container load cargo at the port of Honolulu.

51. Young Brothers has stated that the "efficient flow of traffic in YB's yard affects customers' ability to meet their own schedules and to use their time optimally[,]"[109] and that the

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[107]YB Refinements at 24.

[108]It appears that Young Brothers may have omitted freight "pick-up" from its most recent submittal. Compare YB Submittal, YB-Ex-01 at 7 (proposing a performance metric of "Freight delivery and pick-up" with a benchmark of 45 minutes for trucker waiting time), and PUC IR, YB Response to PUC-IR-102 at page 21 ("YB proposes a performance standard under which the wait times for truckers picking-up and delivering dry and refrigerated pallets in Honolulu shall be an average of 45 minutes or less." (bolded emphases omitted)), with YB Refinements at 22 ("Young Brothers proposes as its freight delivery metric the time in minutes taken by a sample of truckers, upon entry to the Honolulu yard, dropping off dry or refrigerated palletized cargo, and exiting the secured gate.").

[109]YB Refinements at 21.

"neighbor islands need frequent and timely service to maintain their just-in-time methods of inventory and distribution" which is "an essential component of reducing the costs of goods by, e.g., efficient trucking practices, minimizing warehousing costs, and avoiding the cost to develop and maintain warehouses for refrigerated goods."[110] Moreover, Young Brothers has endorsed the operational value that such data collection provides because it "informs YB as to wait times that exceed standards and allows management personnel to analyze data and react accordingly."[111]

52. In this light, the commission finds that Young Brothers' performance with regard to customer wait time should, in the future, be expanded to measure freight drop-off and pick-up at all ports, and for all cargo. The commission also notes that measuring the trucker wait time "upon entry to the Honolulu yard" until "exiting the secured gate"[112] may not account for wait times endured while outside of the Honolulu yard and awaiting entry.

53. As such, the commission directs Young Brothers to develop more a comprehensive assessment to address these considerations, and within ninety (90) days, provide the

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[110]YB Refinements at 18-19.

[111]YB Refinements at 24.

[112]YB Refinements at 22.

commission with its proposed refinements for the measurement of customer wait time for freight drop-off and pick-up.

9.

Service: Caller Wait Time

54. The commission adopts the performance metric of caller wait time "as an indicator of service to [Young Brothers'] customers."[113] Young Brothers currently "measures its call response performance using data from its telephone system software" which "provides YB managers with real-time behavior and status of calls, as well as the capability to compile information required in computing performance measurements."[114]

55. To assess this performance metric, Young Brothers proposes, for all ports, "to calculate (1) answered call rate, which is the percentage of total shipment-related calls offered to each port that are answered and (2) the average wait time customers must wait before such calls are answered."[115]

56. As a performance standard, Young Brothers suggests "90 percent or more calls answered, with an average wait-time of

[113]YB Refinements at 26.

[114]YB Refinements at 28.

[115]YB Refinements at 26.

90 seconds or less."[116] For the first half of 2015, Young Brothers has exceeded this standard and "achieved a call response rate of 92 percent, with calls answered on average within 71 seconds."[117]

57. The commission declines to adopt Young Brothers' proposed standard because its current performance already exceeds this benchmark, and it therefore would not "provide significant and quantifiable improvement to its operations."[118]

58. As suggested by the Consumer Advocate, the commission adopts the performance standard of ninety percent (90%) of all calls answered within sixty (60) seconds.[119] Young Brothers' current performance in the twelve-month trailing period shall be compared to this standard.

10.

Service: Customer Dropped Calls

59. The commission adopts the performance metric of customer dropped calls which are "the calls that are not answered by a company before the caller hangs up."[120] The commission adopts

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[116]YB Refinements at 26.

[117]YB Refinements at 28.

[118]CA Submission, Attachment 1 at 6.

[119]See CA Submission, Attachment 1 at 18.

[120]See CA Submission, Attachment 1 at 18. Young Brothers previously agreed with the establishment of this performance

the Consumer Advocate's performance standard of a "dropped call ratio of 5% or less."[121] Young Brothers' current performance in the twelve-month trailing period shall be compared to this standard.

11.

Service: Completed Sailings

60. The commission adopts the performance metric of completed sailings. According to Young Brothers, sailing completion rate "is the percentage of its annual scheduled and regulated round-trip sailings that are completed" and is derived by "extracting data from YB's twelve weekly departures and arrivals to confirm the number of completed round-trip sailings on an annual basis and then dividing this number by the total of YB's annual scheduled and regulated round-trip sailings to determine the percentage of completed sailings."[122]

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metric. See YB Submittal at 6, YB-Ex-01 at page 8 (stating that Young Brothers "proposes adoption of two indicators proposed by the Consumer Advocate: (1) response to customer calls and (2) dropped customer calls;" "YB agrees with this performance metric" and "proposes to work toward a benchmark rather than proposing one without sufficient analysis").

[121]See CA Submission, Attachment 1 at 18.

[122]YB Refinements at 29-30.

61. The commission adopts Young Brothers' performance standard for completed sailings of ninety-nine percent (99%) of its scheduled and regulated round-trip sailings.[123] Young Brothers' current performance in the twelve-month trailing period shall be compared to this standard.

12.

Service: Cargo Insurance Loss Ratio

62. The commission adopts the performance metric of cargo insurance loss ratio. In addition to on-time barge arrival, customer wait time for freight drop-off and pick-up, caller wait time, customer dropped calls, and completed sailings, a vital element of customer service is the safe and proper handling of customer cargo. Put another way, a barge's on-time arrival may be academic if the customer's cargo is damaged while under the care of Young Brothers and is rendered unusable.

63. To that end, the commission finds that a performance metric in this area furthers Young Brothers' stated goal of "fulfill[ing] the neighbor islands' need for frequent and timely service to maintain their just-in-time methods of inventory

[123]See YB Refinements at 30.

and distribution" which is "an essential factor in reducing the cost of goods[.]"[124]

64. The commission instructs Young Brothers to establish a performance metric of cargo insurance loss ratio, which is the dollar amount of cargo-damage claims paid, divided by the insurance premiums collected. The performance standards shall be Young Brothers' (a) three-year average of its cargo insurance loss ratio, and (b) three-year average of the number of cargo-damage claims. Young Brothers' performance in the twelve-month trailing period shall be compared to these standards.

C.

Rate of Return and Return on Equity

65. As previously stated, at the time the AFRA Pilot Program was originally approved, the commission directed that "any changes that result in an increase of YB's revenues, whether due to economic changes or a prior AFRA increase, should result in lowering the percentage in the next AFRA filing."[125]

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[124]See YB Refinements at 30. The Consumer Advocate also recommended that Young Brothers "report statistics on how well it treats its customers' cargo" and "the total number of damage claims and the dollar value of the claims related to the cargo that was handled by" Young Brothers. CA Submission, Attachment 1 at 18.

[125]Order No. 31493 at 23.

66. The commission concludes that, although providing a mechanism for annual freight rate adjustments, the AFRA Pilot Program is nonetheless constrained by the rate of return and the return on common equity, as set in Young Brothers' most recent general rate case (Docket No. 2010-0171). Inasmuch as the AFRA Pilot Program must "allow YB's customers to share in the benefits of a streamlined ratemaking process" and also "create the same efficiency incentives as those experienced in competitive markets[,]"[126] the commission observes that the AFRA Pilot Program should not be a means to bypass these commission-approved revenue limitations, and does not obviate the need for responsible cost-control measures.

67. The commission agrees with the Consumer Advocate that Young Brothers should "report its rate of return and return on equity for its total operations as well as for its intrastate operations."[127] As noted in Section III.A., Young Brothers shall report its various financial calculations (e.g., revenue, expenses, net income, rate of return, and return on equity) for (a) total company operations, (b) intrastate operations, and (c) interstate operations, and this reporting requirement shall also apply to Young Brothers' annual and monthly financial

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[126]Order No. 31493 at 20.

[127]CA Submission at 2.

reports that it regularly files with the commission. In addition, Young Brothers shall provide a detailed description of the basis for the allocation of each major expense category to either intrastate or interstate operations.

D.

Future Performance Assessment Measures

68. Insofar as one purpose of the AFRA Pilot Program is to "create the same efficiency incentives as those experienced in competitive markets while maintaining service quality[,]"[128] although not adopted as performance metrics at this time, the commission directs Young Brothers to develop appropriate measurements to assess its performance in the areas below for submission in their next rate case filing.

1.

Efficiency: Container Utilization

69. The commission is generally concerned as to whether Young Brothers' rate base represents the optimal level for efficient operations. Containers and their attendant equipment (e.g., container chassis) may represent a substantial portion of Young Brothers' rate base. Accordingly, the less-than efficient

[128]Order No. 31493 at 20.

use of containers may unnecessarily increase the size of the rate base, and in turn, overstate Young Brothers' revenue requirement when compared to that needed for an optimally-sized rate base.

70. In this regard, the commission is aware that Young Brothers' general practice is to allow customers a certain free period of time to hold a container for the purpose of loading and unloading cargo, after which certain detention charges may be assessed. Unless the detention charges are strictly enforced, overdue assets can measurably increase the inventory of containers and attendant equipment that are necessary to sustain operations.

71. The commission instructs Young Brothers to provide, within ninety (90) days, the proportion of its rate base that is represented by containers and their attendant equipment (e.g., container chassis), the amount of detention charges assessed and collected in relation to the number and duration of overdue containers, identify the information and methodology to regularly track container turnaround times and overdue container assets, and to submit its proposed performance standard in this area.

2.

Efficiency: Barge Utilization

72. To assess whether Young Brothers efficiently utilizes its assets, the Consumer Advocate "recommends that a

benchmark should be established to measure the return by barge. This metric should divide the total revenues generated by each barge divided by the total capacity of the barge."[129]

73. In response, Young Brothers states that this "would not be useful as a performance measure for a regulated utility with obligations to provide universal, frequent, and regular service and to be ready with long lead time assets to meet anticipated demand. YB provides a statewide (i.e., universal) service, with higher utilization ports subsidizing lower utilization ports."[130] "Each barge is not assigned to a specific port, the destination port determining return on asset (e.g., barge destined for Kahului would earn a return greater than a barge destined for Molokai)."[131] "YB cannot maximize profit by using its assets to serve only profitable ports and lines of service or to set frequency by profitability. Because of its obligation to provide regular and frequent service, YB cannot delay sailings to achieve maximum barge capacity utilization (tons per sq. ft. basis)."[132]

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[129]CA Submission, Attachment 1 at 14-15.

[130]YB Refinements, YB-Ex-PM02 at 4.

[131]YB Refinements, YB-Ex-PM02 at 4.

[132]YB Refinements, YB-Ex-PM02 at 4.

74. The commission agrees with the Consumer Advocate that a metric for the efficient use of barge assets may have value for future regulatory policy considerations regarding Young Brothers' service offerings. However, the commission disagrees that performance should be measured based on revenue per barge. As noted by Young Brothers, its frequent sailing schedule may pose challenges in achieving "maximum barge capacity utilization" and the different rates assigned to different cargo may skew the comparison of revenues.

75. The commission instructs Young Brothers to provide, in their next rate case filing, the proportion of its rate base that is represented by its barges, to identify the information and methodology to track the volume of revenue tons loaded per barge, and to submit its proposed performance standard in this area.

E.

Usage of Performance Metrics and Standards from the AFRA Pilot Program

76. The commission will monitor the adopted AFRA Pilot Program performance metrics and standards. The results of the AFRA Pilot Program performance metrics and standards will be reported to the commission and the Consumer Advocate by Young Brothers and non-confidential and non-proprietary

information regarding the results will be posted on the Young Brothers' website.

77. The data collected in connection with Young Brothers' performance for the past three year period during which the AFRA Pilot Program has been in effect will be examined to assess Young Brothers' performance in the next rate case filing. Young Brothers' performance results may be analyzed for any upward or downward adjustments to Young Brothers' rate of return as appropriate in establishing new rates in the future.

78. Should Young Brothers request that the AFRA Pilot Program be instituted again after the next rate case, the commission will also address in connection with that request the establishment of potential penalties for non-performance.

IV.

Orders

THE COMMISSION ORDERS:

1. The commission adopts the performance metrics and standards, as set forth herein, to govern the current AFRA Pilot Program.

2. The data collected in connection with Young Brothers' performance for the past three year period during which the AFRA Pilot Program has been in effect will be examined to assess Young Brothers' performance in the next rate case filing.

3. Young Brothers shall post on its website these performance metrics and standards and non-confidential and non-proprietary information regarding the results to provide transparency regarding Young Brothers' performance.

4. The commission, upon its own initiative or motion, reserves the right to modify the performance metrics and standards, adopted herein.

5. Young Brothers shall submit the supplemental information as required by this Order.

DONE at Honolulu, Hawaii APR 13 2016.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By _____
Randall Y. Iwase, Chair

By _____
Michael E. Champley, Commissioner

APPROVED AS TO FORM:

_____
David S. Taga
Commission Counsel

By _____
Lorraine H. Akiba, Commissioner

2013-0032.ljk

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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