

July 10, 2009

Re: Update on Rate Application Filed in December 2008

Dear Valued Customer:

This letter is to update you on the progress of our application for a general rate increase that we filed last year, on December 19, 2008, with the Public Utilities Commission. In the application, we requested rate increases for our various lines of service (as described in detail in our January 13, 2009 letter to customers).

Under the current schedule, a decision by the Commission on our rate application is expected to be issued during the last week of July 2009 with an effective date of August 1, 2009 for new rates. As we draw closer to this date, we will keep you informed as we receive additional information.

The review of such an application is a very lengthy process that involves review by the Consumer Advocate (CA) as well as the Public Utilities Commission (Commission). The CA's obligation is to represent the interests of consumers before the Commission. The Commission's role includes ensuring that regulated companies, like Young Brothers, provide their customers with adequate and reliable services at just and reasonable rates, while providing regulated companies with a fair opportunity to earn a reasonable rate of return.

The process to review applications such as ours includes public hearings, information requests submitted by CA to Young Brothers, a position statement by the CA and testimony by the CA's experts and, in this case, a settlement agreement by the CA and Young Brothers submitted to the Commission (rather than a contested evidentiary hearing before the Commission). The settlement agreement, as well as all of the documentation, testimony and other evidence submitted in this case, are now under review by the Commission.

If you have any questions, please feel free to call your local port or your Account Representative. For prior customer notices or more information on this case or other matters, you may also visit our website at [www.youngbrothershawaii.com](http://www.youngbrothershawaii.com). Thank you for your continued patronage.

Sincerely,

*/s/ Matthew J. Humphrey*  
Matthew J. Humphrey  
Vice President and General Manager