

Agenda Date: March 12, 2009
Item Number: B2

Docket: TG-090272
Company Name: Carroll-Naslund Disposal Service, Inc., G-37
d/b/a Naslund Disposal Service

Staff: Nicki Johnson, Regulatory Analyst
Nancy Paulson, Consumer Protection Staff

Recommendation

Take no action on this filing at this time to allow for customer comments.

Discussion

On February 17, 2009, Carroll-Naslund Disposal Service, Inc. (Naslund Disposal or company), filed with the Utilities and Transportation Commission (commission) tariff revisions for garbage collection services that would generate approximately \$76,500 (7.4 percent) in additional annual revenue. The company serves approximately 3,900 customers in Asotin and Garfield counties. In this filing, the company proposes to increase rates only in Asotin County. The proposed rates are prompted by increases in disposal fees, labor, and the additional cost to convert to an automated system. The proposed effective date is April 1, 2009. The company requested less-than-statutory notice for the filing because the commission did not receive the filing 45 days before the effective date. Naslund Disposal's last general rate increase became effective in May 2007.

Today's presentation allows customers or other parties to make comments to the commission concerning the company's proposed rates. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting scheduled for March 26, 2009.

Customer Comments

On February 14, 2009, the company notified its customers of the rate increase by mail. A total of 24 customer comments have been received to date; 22 opposed, one in favor and one undecided. Please note: Customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

Some comments regarding rates will not be responded to until the audit is complete. The results of the audit will be available when the staff recommendation is presented to the commissioners.

Consumer Protection staff advised customers that they have access to all company documents pertinent to this rate case at utc.wa.gov and that they may contact Nancy Paulson toll-free at 1-888-333-9882 with questions or concerns.

Filing Documents and Methodology Comments

- Thirteen customers calculated that the proposed rate increase ranges from 16 to 58 percent, due to the changes in service levels, not the 5 to 13 percent stated by the company.

Staff Response

Regulatory staff will respond to these comments when the audit is complete.

Business Practice Comments

- Twelve customers oppose the service level changes. Several of these customers mentioned they will need to halve their frequency of pick-up to keep their cost similar to their current rate. They hesitate to decrease the service level because hot temperatures in summer pose sanitation concerns. Two customers said the containers are too large and bulky, especially for senior citizens to handle.

Staff Response

The company made the decision to switch to carts as a cost-saving measure and for easier handling by the solid waste workers.

General Comments

- One customer said the current rate is fair. One customer doesn't believe she should pay for company equipment through a rate increase. One customer said the company is entitled to the rate increase. Naslund Disposal is still giving service level options to suit customers' needs. Three customers wouldn't mind a smaller increase as costs should decrease with more efficient equipment. Eight customers are opposed to a rate increase because of the poor economy. Eight customers mentioned they are opposed to an increase as they are senior citizens and/or on a fixed income.

Staff Response

Consumer Protection staff advised customers that state law requires rates to be fair and reasonable for customers, but sufficient to allow the company a chance to recover operating expenses and earn a return on investment.

Rate Comparison

	Present	Proposed
Residential Monthly Rates		
Mini-Can Weekly Service	\$8.97	Not Available
One Can Weekly Service	\$11.54	Not Available
Two Can Weekly Service	\$16.21	Not Available
64 Gallon Cart Every-Other-Week Service	Not Available	\$13.42
64 Gallon Cart Weekly Service	Not Available	\$18.27
96 Gallon Cart Weekly Service	\$20.19	\$21.20
	Present	Proposed
Commercial		
Two Yard Container Service Per Month	\$73.19	\$76.80

20 Yard Drop Box Service Per Pick-up	\$65.00	\$75.00
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Average Customer Charge Comparison – One Can Garbage

Monthly Garbage	Present	Proposed
One Can Weekly Service	\$11.54	
64 Gallon Cart Every-Other-Week Service		\$13.42
		16.3%

Monthly Garbage	Present	Proposed
One Can Weekly Service	\$11.54	
64 Gallon Cart Weekly Service		\$18.27
		58.3%

Commission staff has not yet completed its review of the company's supporting financial documents, books and records.

Conclusion

Take no action on this filing at this time to allow for customer comments.