

Agenda Date: April 28, 2011  
Item Number: B1

**Docket:** TG-110505  
Company Name: Zippy Disposal Services, Inc., G-121

Staff: Layne Demas, Regulatory Analyst  
Pam Smith, Consumer Protection Staff

### **Recommendation**

Take no action, thereby allowing the proposed rates filed by Zippy Disposal Services, Inc., on March 17, 2011, to become effective May 1, 2011, by operation of law.

### **Discussion**

On March 17, 2011, Zippy Disposal Services, Inc. (Zippy or company), filed a new Tariff 16 that proposes increased rates for solid waste collection that would generate approximately \$25,000 (3.3 percent) in additional annual revenue. The proposed effective date is May 1, 2011. The proposed rate revisions are prompted by increases in labor costs, health and welfare benefits, business taxes, increased investment, and other operating expense increases. Zippy serves approximately 1,600 residential and commercial customers in Chelan County. Zippy's last general rate increase became effective March 1, 2009.

### **Customer Comments**

On March 17, 2011, the company notified its customers of the proposed rate increase by mail. One customer comment has been received to date. Consumer Protection staff advised the customer that they may access company documents pertinent to this rate case at [www.utc.wa.gov/water](http://www.utc.wa.gov/water), and that they may contact Pam Smith at 1-888-333-WUTC (9882) with questions or concerns.

### **General Comment**

- The customer believes the increase is too high, yet, would support a lower rate increase.

### **Staff Response**

The customer was advised that state law requires rates to be fair, just, reasonable, and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on investment.

**Rate Comparison**

<b><u>Residential - Monthly Rates</u></b>	<b><u>Present</u></b>	<b><u>Proposed</u></b>
One Mini Can Per Week	\$ 12.50	\$ 12.89
One 32 Gal. Can Per Week	\$ 15.11	\$ 15.59
Two 32 Gal. Cans Per Week	\$ 19.06	\$ 19.64
One 65 Gal. Cart Per Week	\$ 19.06	\$ 19.64
One 95 Gal. Cart Per Week	\$ 23.55	\$ 24.32
<b><u>Commercial - Per Pick Up</u></b>		
One-Yard Container	\$ 15.05	\$15.50
Two-Yard Container	\$ 23.60	\$ 24.35
20-Yard Drop Box	\$ 115.00	\$118.65

Commission staff has completed its review of the company's supporting financial documents, books, and records. Staff's review shows that the expenses are reasonable and required as part of the company's operations. The company's financial information supports the requested revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

**Conclusion**

Staff recommends the commission take no action, thereby allowing the proposed rates filed by Zippy Disposal Services, Inc., on March 17, 2011, to become effective May 1, 2011, by operation of law.