

Agenda Date: August 30, 2012
Item Number: B7

Docket: TG-121353
Company Name: San Juan Sanitation, Co., G-144

Staff: Amy White, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action on the company's less than statutory notice request and require the company to comply with the 30-day customer notice requirement of WAC 480-70-271.

Background

On August 14, 2012, San Juan Sanitation, Co., (San Juan or company) filed with the Utilities and Transportation Commission (commission) tariff pages to implement a mandatory-pay recycling program for residential garbage customers. The company proposes a recycling rate of \$9.40 per month for all residential garbage customers, except for those charged for special "tagged" pick-ups. San Juan operates in San Juan County and estimates it will provide recycling service to approximately 850 residential customers. The proposed rate would generate approximately \$98,000 (5.1 percent) additional annual revenue.

After a public hearing in April 2012, the San Juan County Council (County Council) approved Ordinance No. 2-2012, which established a new, mandatory-pay residential recycling collection service that will be available on San Juan, Lopez, Shaw, and Orcas Islands. The ordinance establishes a single-stream collection method, identifies what materials will be collected, requires customers to provide their own containers, and requires collection every-other-week. The curbside program includes glass, used motor oil and anti-freeze, and other items. The County Council amended Ordinance No. 2-2012 in June 2012 by approving Ordinance No. 9-2012, which updated requirements for the new program while retaining the required September 1, 2012 effective date.

Because the recycling service is new, the company believed that the requirements of WAC 480-70-262 applied to the filing and that a seven-day, less than statutory notice filing with the commission was sufficient. However, since the recycling service is mandatory pay for all residential garbage customers, it is a rate increase governed by WAC 480-70-266, which, among other things, requires a 30-day notice to customers. Therefore, the company must provide a notice to the customers which complies with the requirements of WAC 480-70-271(1).

Customer Comments

On July 9, 2012, the company notified its customers of the new service by mail. Notice is also posted on the company's website. The notice was designed as a mailer to attract customer attention to the new service as early as possible. The mailer lacked several elements required by commission rule, such as a date when the matter would come before the commission and contact information to enable the customers to comment to the commission on the filing. The company had incorrectly assumed the

filing would be processed by the commission as a seven-day, less than statutory notice filing under the requirements of WAC 480-70-262 and that customer notice was not required. Even though the customers were able to comment to the San Juan County Commissioners, customers must be allowed the opportunity to comment to the commission as required in WAC 480-70-271(1)(c)(viii).

No customer comments have been received by the commission regarding either the company's notice or the current filing.

Rate Comparison

	<u>Present</u>	<u>Proposed</u>
Residential Monthly Rates		
Mandatory Recycle Monthly Up To Two 32-gallon Cans (customer supplied)	Not Available	\$9.40
Recycle Only Monthly	Not Available	\$9.40
Occasional Extra 32-gallon Can Pick-up	Not Available	\$3.00

Average Customer Charge Comparison

Garbage Plus Mandatory Recycling Service	Present Charge	Proposed Recycling Charge	Proposed Total	Percent Change Monthly
Garbage - One 20-gallon Mini-can Monthly Pick-up Plus Recycling	\$ 7.70	\$9.40	\$17.10	122%
Garbage - One 32-gallon Can Monthly Pick-up Plus Recycling	\$ 8.50	\$9.40	\$17.90	111%
Garbage - Two 32-gallon Cans Every-Other-Week Pick-up Plus Recycling	\$30.65	\$9.40	\$40.05	30.7%
Garbage - Two 32-gallon Cans Weekly Pick-up Plus Recycling	\$54.65	\$9.40	\$64.05	17.2%

Conclusion

Take no action on the company's less than statutory notice request and require the company to comply with the 30-day customer notice requirement of WAC 480-70-271.