

Agenda Date: December 27, 2006
Item Number: B6

Docket: TG-061755

Company Name: Rabanco, LTD d/b/a Lynnwood Disposal, Maltby Division, G-12

Staff: Bob Colbo, Regulatory Analyst
Lynda Johnson, Consumer Program Specialist

Recommendation

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco LTD d/b/a Lynnwood Disposal, Maltby Division.
2. Allow temporary rates at the staff recommended revised rates to become effective January 1, 2007, subject to refund.

Discussion

On November 17, 2006, Rabanco LTD d/b/a Lynnwood Disposal, Maltby Division, G-12, (Lynnwood) filed proposed rates that would increase its current revenue by approximately \$261,700 (3.2%). The filing increases residential, recycling, yard waste, and commercial solid waste rates. The company serves approximately 16,500 residential and 1,750 commercial customers in southwest unincorporated Snohomish County. The company's last general rate increase became effective in August 2005. The company states in its filing that the rate increase is necessary to offset increases in payroll and fringe benefits, fuel, and Industrial Insurance claims. The proposed effective date is January 1, 2007.

Seventeen customer comments have been received on this filing – all opposed. Several comments disagreed with the large increase in recycling and yard waste service. Many felt it was too high and would discourage these services. Others cited poor customer service by the company and their representatives, especially during the snow storm when pickups were missed several times.

Staff reviewed Lynnwood's operations, books, and records and concluded that proposed rates were excessive. On December 20, 2006, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$160,200 (1.96 %) overall and will result in rates that are fair, just, reasonable, and sufficient. Although the company filed revised rates at lower levels, customers have not yet been advised that staff and the company have agreed to revised rates, and they have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates.

The table below provides a sample of present, proposed and revised rates:

<u>Service</u>	<u>Present</u> <u>Rate</u>	<u>Proposed</u> <u>Rate</u>	<u>Revised</u> <u>Rate</u>
<u>Residential</u> - wkly svc., monthly			
Mini Can	\$ 5.05	\$ 5.10	\$ 5.05
One Can	9.05	9.15	9.05
Recyclin	6.17	6.76	6.48
Yard Waste	6.29	7.04	7.04

Commercial Containers - No Increases

Drop Box Service

25 Yd. Box			
Monthly Rent	\$ 36.00	\$ 50.00	\$ 36.00
per Pick Up	100.00	110.00	101.00
30 Yd. Box			
Monthly Rent	39.00	55.00	39.00
per Pick Up	100.00	110.00	101.00

Conclusion

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco LTD d/b/a Lynnwood Disposal, Maltby Division and allow temporary revised rates at staff recommended levels, to become effective January 1, 2007, subject to refund.