

Agenda Date: June 27, 2013
Item Number: B2

Docket: TG-130765
Company Name: Torre Refuse and Recycling, LLC, G-260
dba Sunshine Disposal and Recycling

Staff: Mike Young, Regulatory Analyst
Sheri Hoyt, Consumer Protection Staff

Recommendation

Take no action, thereby allowing the tariff revisions filed on May 17, 2013, as revised on June 19, 2013, by Torre Refuse and Recycling, LLC dba Sunshine Disposal and Recycling, to become effective on July 1, 2013, by operation of law.

Discussion

On May 17, 2013, Torre Refuse and Recycling, LLC, dba Sunshine Disposal and Recycling (Torre, or company) filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$61,000 (1.9 percent) additional annual revenue, for garbage service. The request is primarily driven by increases in labor, fuel and other operating expenses. Torre provides regulated service to approximately 5,500 residential and commercial customers in Spokane County. The company's last general rate increase became effective on January 1, 2013.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review found that Torre's proposed rates would result in excess revenue.

Staff and the company agreed to a revised revenue requirement of approximately \$51,000 (1.6 percent) and on June 20, 2013, the company filed lower, revised rates at staff recommended levels.

Rate Comparison

	Current Rate	Proposed Rate	Revised Rate	Percentage Increase
Residential Monthly Rates				
35-Gallon Cart	\$ 19.32	\$ 19.75	\$ 19.70	2.0%
64-Gallon Cart	\$ 26.28	\$ 26.80	\$ 26.75	1.8%
96-Gallon Cart	\$ 33.34	\$ 33.90	\$ 33.90	1.7%
Commercial Monthly Rates				
1.0-Yard Container	\$ 80.11	\$ 81.84	\$ 81.49	1.7%
1.5-Yard Container	\$ 110.98	\$ 113.45	\$ 112.84	1.7%
2.0-Yard Container	\$ 137.52	\$ 139.99	\$ 139.77	1.6%
4.0-Yard Container	\$ 235.55	\$ 239.97	\$ 239.19	1.5%
6.0-Yard Container	\$ 308.69	\$ 314.49	\$ 313.28	1.5%

Customer Comments

On June 1, 2013, the company notified its customers of a proposed rate increase by mail. Staff received seven consumer comments regarding the proposed rate increase, all of which were opposed. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact Sheri Hoyt at 1-888-333-9882 or shoyt@utc.wa.gov with questions or concerns.

General Comments

- Four customers mentioned recent filings to increase and decrease rates due to changes in disposal fees. These customers feel it is inefficient and inappropriate for the company to file for such frequent rate changes.

Staff Response

Spokane Regional Solid Waste System sets the disposal fees, which the company simply passes on to customers.

- One customer stated that the company used to serve his route with two people, but now there is only one person in the truck. He believes lower labor costs should negate the need for an increase.

Staff Response

Staff communicated with the customer via email. The customer was advised that state law requires rates to be fair, just, and reasonable, while also allowing the company to recover reasonable operating expenses and earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

- Three customers said they are on a fixed income and cannot afford to pay increased rates.

Staff Response

Customers were advised that state law requires rates to be fair, just, and reasonable, while also allowing the company to recover reasonable operating expenses and earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

Recommendation

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 customers' comments do not change staff's opinion that the company's financial information supports the staff's revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

Take no action, thereby allowing the tariff revisions filed on May 17, 2013, as revised on June 20, 2013, by Torre Refuse and Recycling, LLC dba Sunshine Disposal and Recycling, to become effective on July 1, 2013, by operation of law.