

Agenda Date: January 24, 2007  
Item Number: B3

**Docket: TG-061854**  
Pullman Disposal Service, Inc., G-42

Staff: Bob Colbo, Transportation Program Staff  
John Cupp, Consumer Program Staff

### **Recommendation**

Allow the revised rates filed on January 19, 2007, to become effective February 1, 2007, which includes passing through increased disposal fees per the provisions of RCW 81.77.160(2), and issue a complaint and order Suspending the balance of the tariff revisions of Pullman Disposal Service, Inc., G-42.

### **Background**

On December 14, 2006, Pullman Disposal Service, Inc., (Pullman or company), filed a general rate increase. The company serves approximately 6,000 customers in and around the city of Pullman. Present rates have been in effect since 1997, and the overall impact of the filing will be \$747,731 (26.8%). The major cause of the proposed revision is an increase in tipping fees at the Whitman County Landfill from \$69 to \$95 per ton and increases to employee pay and benefits. The filing was first presented at the open meeting of January 10, 2007, for the purpose of hearing comments from customers.

The commission received comments from three customers who opposed the proposed increase. These customers said they feel the rates are already too high, the charges for the different can sizes are not in proportion with the can sizes, and they don't have the option of taking their business elsewhere. One customer commented in favor of the proposed increase because of the great service she receives, and one customer said they should get an increase only if it really need it.

The company has not yet demonstrated that the proposed increases are fair, just, reasonable, and sufficient. Staff has concerns about the proposed rate design that are not yet resolved. However, RCW 81.77.160(2) requires the commission to pass through the impact of tip fee increases immediately. Accordingly, the company filed revised pages on January 19, 2007, that will recover \$273,737 in disposal fees from residential and commercial customers and \$71,409 from drop-box customers. The combined total of \$345,146 represents a 12.8% increase leaving a balance of \$402,585 still at issue.

The current, proposed, and revised rates are shown below:

<u>Service Level</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Change</u>	<u>Rates Including Disposal Increase</u>	<u>Percent Change</u>
<u>Residential Rates - Wkly Svc., Mo. Rate</u>					
1 Can	\$10.60	\$13.34	25.8%	\$11.64	9.81%
2 Can	\$15.20	\$19.13	25.9%	\$16.76	10.26%
3 Can	\$22.60	\$28.44	25.8%	\$24.68	9.20%
Adj. 3 Can Rate*	\$20.20	\$28.44	40.8%	\$22.28	10.30%
4 Can	\$27.95	\$35.17	25.8%	\$30.55	9.30%
Recycling	\$2.52	\$3.16	25.4%		
Yard Waste	\$5.28	\$6.55	24.1%		
<u>Commercial Rates</u>					
1 Yard Mo. Rent	\$3.82	\$4.81	25.9%		
1 Yd. per pickup	\$9.30	\$11.70	25.8%	\$10.70	15.05%
2 Yard Mo. Rent	\$5.20	\$6.54	25.8%		
2 Yd. per pickup	\$16.40	\$20.63	25.8%	\$19.20	17.07%
3 Yard Mo. Rent	\$6.13	\$7.71	25.8%		
3 Yd. per pickup	\$22.75	\$28.62	25.8%	\$26.95	18.46%
<u>Drop Box Service</u>					
20 Yd. Mo. Rent	\$56.65	\$67.87	19.8%		
20 Yd. per pickup	\$170.85	\$204.68	19.8%		
30 Yd. Mo. Rent	\$56.65	\$67.87	19.8%		
30 Yd. per pickup	\$184.50	\$ 221.03	19.8%		

\* 3 can rate adjusted for rate design re-allocation

**Conclusion**

Allow the revised rates filed on January 19, 2007, to become effective February 1, 2007, which includes passing through increased disposal fees per the provisions of RCW 81.77.160(2), and issue a complaint and order suspending the balance of the proposed tariff revisions of Pullman Disposal Service, Inc., G-42.