

Agenda Date: December 27, 2007
Item Number: B2

Docket: TG-072202
Company Name: Fred W. & Crystal L. Stanley d/b/a Stanley's Sanitary Service

Staff: Chris Mickelson, Regulatory Analyst
Dennis Shutler, Consumer Affairs Specialist

Recommendations

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Fred W. & Crystal L. Stanley d/b/a Stanley's Sanitary Service.
2. Allow temporary rates at the staff recommended revised rates to become effective January 1, 2008, subject to refund.

Discussion

On November 14, 2007, Fred W. & Crystal L. Stanley d/b/a Stanley's Sanitary Service (Stanley or the company) filed with the Commission (commission) tariff revisions that would generate \$46,069 (11.22 percent) in additional revenue per year. Stanley serves 916 regulated residential and commercial customers located in Eastern Wahkiakum County. The major drivers of the proposed revision are increases in labor, benefits, fuel expenses, and new equipment costs. Stanley's last general rate increase became effective August 1, 2006.

Stanley notified its customers of the rate increases by mail on November 15, 2007. The commission has received one customer comment on this filing as of December 24, 2007. The customer is concerned about the size of the overall increase.

Staff's review of Stanley's operations revealed that the company's proposed rates were excessive. On December 18, 2007, the company filed revised rates at the staff recommended level that would generate \$32,525 (7.89 percent) additional revenue per year. 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, as such, 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.

Rate Comparison

| Monthly Rate (Residential) | Current Rate | Proposed Rate | Revised Rate |
|----------------------------|--------------|---------------|--------------|
| One can (weekly) | \$19.59 | \$21.78 | \$21.14 |
| Two cans (weekly) | \$22.98 | \$25.55 | \$24.80 |
| One can every other week | \$13.73 | \$15.27 | \$14.81 |

| | | | |
|----------------------------|---------|---------|---------|
| Two cans every other week | \$19.59 | \$21.78 | \$21.14 |
| One mini-can (weekly) | \$12.59 | \$14.00 | \$13.57 |
| Extra 32 gallon can (each) | \$5.75 | \$6.39 | \$6.20 |

| Monthly Rate (Commercial) | Current Rate | Proposed Rate | Revised Rate |
|---------------------------|--------------|---------------|--------------|
| One 32 gallon can | \$19.83 | \$22.05 | \$21.40 |
| One container (each) | \$27.07 | \$30.10 | \$29.21 |
| One container (weekly) | \$117.21 | \$130.34 | \$126.47 |
| Two container (weekly) | \$234.43 | \$260.68 | \$252.95 |
| Container Rent | \$15.24 | \$16.95 | \$16.44 |

| Monthly Rate (Service) | Current Rate | Proposed Rate | Revised Rate |
|---------------------------------|--------------|---------------|--------------|
| Drop Box Service | \$170.04 | \$189.08 | \$183.47 |
| Miles exceeding 5 miles/one-way | \$1.90/mile | \$2.11/mile | \$2.05/mile |

Commission staff has completed reviewing the company's supporting financial documents, books and records. The company's records support the revised rates.

Conclusion

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Fred W. & Crystal L. Stanley d/b/a Stanley's Sanitary Service.
2. Allow temporary rates at the staff recommended revised rates to become effective January 1, 2008, subject to refund.