

Agenda Date: January 26, 2012
Item Number: B3

Docket: TG-112169
Company Name: Pullman Disposal Service, Inc., G-42

Staff: Amy White, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Pullman Disposal Service, Inc., on December 16, 2011, and January 23, 2012.
2. Allow the revised pages filed on January 23, 2012, to become effective on February 1, 2012, on a temporary basis, subject to refund.

Discussion

On December 16, 2011, Pullman Disposal Service, Inc. (Pullman or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate \$175,478 (4.65 percent) in additional annual revenue. The proposed increases are prompted by increases in disposal fees, wages and benefits, postage, fuel, business and occupation taxes, medical insurance, and other operating expenses. The company's last general rate increase became effective January 1, 2009. The company serves approximately 9,200 customers in and around Pullman in Whitman County.

Commission staff has not completed its review of the company's supporting financial documents, books and records. Therefore, the company has not demonstrated the proposed rates are fair, just, reasonable or sufficient.

However, if the commission suspends a tariff that includes rates to recover disposal fees, RCW 81.77.160 requires the commission to allow the rates related to the disposal fees to become effective on the originally filed effective date on an interim basis, subject to refund, pending the commission's final order. On January 23, 2012, the company filed revised tariff pages designed to recover just the disposal increase portion of the proposed rates. The revenue impact of the disposal fee increase is approximately \$52,000 of additional annual revenue.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Percent Increase	Temporary Disposal-Only Rate
Outside Pullman City Limits				
One 32-Gallon Can Every Other Week Pick-up	\$12.25	\$13.03	6.4%	\$12.51
One 95-Gallon Cart Every Other Week Pick-up	\$23.69	\$25.20	6.4%	\$24.19
Voluntary Recycle Service Every Other Week Pick-up	\$2.59	\$2.68	3.9%	\$2.59
Inside Pullman City Limits				
One 32-Gallon Can Every Other Week Pick-up	\$14.84	\$15.71	5.9%	\$15.10
One 95-Gallon Cart Every Other Week Pick-up	\$26.28	\$27.88	6.0%	\$26.78
Mandatory Recycle Service Every Other Week Pick-up (charge included in monthly rate)	\$2.59	\$2.68	3.9%	\$2.59
Commercial Per Pick-up Rates				
Monthly Rental, 1.5-Yard Container	\$4.52	\$4.81	6.4%	\$4.52
1.5-Yard Container, Per Pick-up	\$15.58	\$16.58	6.4%	\$15.91
4-Yard Container, Monthly Rental	\$6.97	\$7.42	6.5%	\$6.97
4-Yard Container, Each Pick-up	\$36.74	\$39.09	6.4%	\$37.52

Customer Comments

On December 31, 2011, the company notified its customers of the proposed rate increase by mail. No customer comments have been received. Consumer Protection staff advises the customers that they may access company documents pertinent to this rate case at www.utc.wa.gov, and that they may contact Pam Smith at 1-888-333-WUTC (9882) with questions or concerns.

Conclusion

Staff recommends the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Pullman Disposal Service, Inc., on December 16, 2011, and January 23, 2012, and allow the revised pages filed on January 23, 2012, to become effective on February 1, 2012, on a temporary basis, subject to refund.