

Agenda Date: September 24, 2014  
Item Number: B1

**Docket:** TG-143045  
Company Name: Rabanco, LTD., dba Lynnwood Disposal and Allied Waste Services of Lynnwood, G-12

Staff: Amy White, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

Take no action, allowing the rates filed by Rabanco, LTD., dba Lynnwood Disposal and Allied Waste Services of Lynnwood, on August 5, 2014, as revised on August 12, 2014, to become effective on October 1, 2014, by operation of law.

### **Discussion**

On August 5, 2014, Rabanco, LTD., dba Lynnwood Disposal and Allied Waste Services of Lynnwood (Lynnwood or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The proposed filing would generate approximately \$65,700 (0.7 percent) additional annual revenue. Lynnwood serves approximately 44,000 residential and 2,200 commercial customers in King and Snohomish Counties.

This filing is made to correct two errors in the company's last general rate case, TG-140594, which was effective on July 1, 2014. The first corrects a staff error calculating the rate of change related to charges for extra services. Staff's error would have caused the company to under-collect approximately \$3,700.

In TG-140594, staff and the company agreed upon a revised revenue requirement of approximately \$333,000 (3.5 percent) additional annual revenue. However, the company improperly coded the customer count for one recycling line of business as the company's "recycling-only" service area when it should have been counted in the garbage-plus-recycling customer counts. As a result, the recycling operation would have under-collected approximately \$62,000 from the agreed-upon revenue requirement. This rate filing does not increase the agreed-upon revenue requirement in TG-140594, it adjusts the recycling rates to reflect the corrected customer counts. Even though this correction increases rates for both customer categories (Garbage Services and Recycling-Only) from the rates that went into effect July 1, 2014, in TG-140594, all customers will experience an overall rate decrease from the levels that were in effect before TG-140594 became effective.

**Rate Comparison**

<b><u>Residential Monthly Rates</u></b>	<b><u>Customer Count TG- 140594</u></b>	<b><u>Customer Count TG- 143045</u></b>	<b><u>Rate Effective Prior To 7/1/14</u></b>	<b><u>7/1/14 Rate (TG- 140594)</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percent Increase Proposed To TG- 140594</u></b>	<b><u>Overall Percent Change From Rates Prior To 7/1/14</u></b>
Every-Other-Week Recycling (With Garbage Pickup)	10,451	16,984	\$7.67	\$6.60	\$6.90	4.5%	-10.0 %
Every-Other-Week Recycling-Only Service	6,660	127	\$8.67	\$7.40	\$7.90	6.8%	-8.9%
<b>Total</b>	<b>17,111</b>	<b>17,111</b>					

Staff has completed its review of the company’s supporting financial documents, books and records. Staff and the company agreed that the revised revenue requirement of approximately \$333,000 (3.5 percent) additional annual revenue from TG-140594 is still appropriate, and that the two errors discussed above resulted in rates that would under-collect approximately \$65,700 annually. The company mailed a notice to its customers related to this filing explaining the error and proposed increases on August 14, 2014.

**Customer Comments**

On Sept. 1, the company notified its customers by mail of the proposed rate increase. Customers were notified they may access relevant documents about this rate increase on the commission’s website, and may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns. Staff received one consumer comment opposed to the rate increase.

**Business Practices**

- In addition to opposing a rate increase, a customer believes it is unfair to charge for recycling service unless a customer uses the service.

**Staff Response**

Staff explained that the mandatory charge for recycling is set by the county in which the customer receives service.

The customer’s comments do not change staff’s opinion that the proposed rates are fair, just, reasonable and sufficient.

**Conclusion**

Take no action, allowing the rates filed by Rabanco, LTD., dba Lynnwood Disposal and Allied Waste Services of Lynnwood, on August 5, 2014, as revised on August 12, 2014, to become effective on October 1, 2014, by operation of law.