

Agenda Date: July 26, 2019
Item Number: B1

Docket: TG-190279
Company Name: Rabanco Ltd, d/b/a SeaTac Disposal

Staff: Scott Sevall, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation:

Take no action, thereby allowing the tariff pages filed on April 15, 2019, by Rabanco Ltd, d/b/a SeaTac Disposal as revised on July 18, 2019, and on July 22, 2019, to take effect August 1, 2019 by operation of law.

Discussion

On April 15, 2019, Rabanco Ltd, d/b/a SeaTac Disposal, (SeaTac Disposal or company) filed with the Washington Utilities and Transportation Commission (commission) a proposal for a general rate increase generating approximately \$1.1 Million (41.86 percent) in additional annual revenue, to become effective August 1, 2019. The proposed increases are prompted by increased disposal fees, employee wages and benefits, fuel, recovery of newly purchased operating assets and other general operating expenses. The company provides service to approximately 11,000 garbage and recycling customers in King County. The company's last general rate filing was for \$395,000 additional annual revenue and became effective September 1, 2015.

Commission staff (staff) has completed its review of the filing and found that the proposed rates were excessive. Staff made adjustments to disposal and recycling processing costs, and adjusted the allocation factor used to allocate costs between regulated and non-regulated operations. As filed, the company used customer count to allocate general and administrative costs; staff proposed using the ratio of previously allocated costs to allocate general and administrative costs, which had been utilized in previous filings. These adjustments resulted in \$448,000 (18.0 percent) additional annual revenue. The company agreed with staff's changes and filed revised tariff pages on July 18, 2019 and July, 22, 2019, at the agreed upon rates.

Residential Rate Comparison

Monthly Rate	Current Rate	Proposed Rate	Increase
64 Gallon Toter Weekly Garbage	\$23.68	\$27.55	16.3%
Recycling – Every Other Week	\$7.06	\$8.77	24.2%

Yard waste – Every Other Week	\$9.99	\$11.39	14.0%
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Commercial Rate Comparison

Per Pickup Rate	Current Rate	Proposed Rate	Increase
2-Yard per Pick-up	\$34.72	\$40.40	16.3%
6-Yard per Pick-up	\$94.23	\$109.63	16.3%
30-Yard Drop Box	\$148.27	\$172.51	16.3%

Staff has completed its review of the company's financial books and records and finds the revised rates, to be fair, just, reasonable, and sufficient.

Customer Comments

On May 30, 2019, the company notified its customers by mail of the proposed rate increase. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received 33 consumer comments, all opposed to the proposed rate increase.

General Comments

The amount of the requested increase is the primary concern for all of the customers who commented on this case. Several seniors on retirement incomes are concerned that rates are increasing much faster than their income.

Staff Response

Staff informed customers that state law requires rates to be fair, just, reasonable, and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Customers were also told that commission staff performs a thorough review of rate filings to ensure all rates and fees are appropriate.

Recommendations:

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