

Agenda Date: May 21, 2020
Item Numbers: B1

Dockets: TG-200366

Company Name: Methow Valley Sanitation Service, Inc. d/b/a WasteWise Methow G-146

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

Recommendation

Allow the tariff revisions filed by Methow Valley Sanitation Service, Inc. d/b/a WasteWise Methow on April 17, 2020, and as revised on May 14, 2020, to become effective on June 1, 2020, by operation of law.

Discussion

On April 17, 2020, Methow Valley Sanitation Service, Inc. d/b/a WasteWise Methow (WasteWise or company), filed tariff revisions with the Washington Utilities and Transportation Commission (commission) that would generate approximately \$216,000 (23.75 percent) additional annual revenue. WasteWise serves approximately 1,500 residential and commercial customers in Okanogan county. The filing is prompted by increases in wages, benefits, medical insurance, new assets, and other general operating expenses. The last general rate increase for WasteWise was for \$119,500 additional annual revenue and became effective August 1, 2014.

Commission staff (staff) has completed its review of the company's supporting financial documents, books and records. Staff's review found that the company's proposed rates would result in excess revenue. Staff and the companies agreed to a revised revenue requirement of approximately \$206,000 (22.65 percent) additional annual revenue. On May 14, 2020, WasteWise filed revised tariff pages with the revised proposed rates at staff recommended levels.

Staff chose to allocate the purchase of the new truck to solid waste rates since the truck was purchased and modified largely to accommodate the different types and sizes of containers in use by residential and commercial garbage customers. This accounts for the percentage difference in the rate increase for garbage compared to recycling. Recycling is voluntary, and increasing the rate would result in customers declining to subscribe to the service, which would spread the cost over fewer participants, resulting in even higher rates. Since most or all recycling customers also have garbage service, the overall cost impact to customers is, in effect, the same. The rates that staff and the company have agreed to are fair, just, reasonable, and sufficient.

Rate Comparison

WasteWise Rates				
Residential MSW	Current Rate	Proposed Rate	Revised Rate	Percentage
32-Gallon Wkly	\$16.90	\$20.42	\$20.42	20.8%
64-Gallon Wkly	\$23.80	\$28.75	\$28.75	20.8%
Residential Recycle				
96-Gallon EOW	\$22.60	\$25.00	\$23.50	4%
Commercial MSW				
2-yd per pickup	\$30.08	\$36.34	\$36.34	20.8%
Industrial				
20-yd per pickup	\$123.00	\$148.58	\$148.58	20.8%

Customer Comments

On May 1, 2020, the company notified its customers of the proposed rate increase by mail. Staff received no comments on this filing.

Conclusion

Allow the tariff revisions filed by Methow Valley Sanitation Service, Inc. d/b/a WasteWise Methow on April 17, 2020, and as revised on May 14, 2020, to become effective on June 1, 2020, by operation of law.