

Agenda Date: March 23, 2023  
Item Number: B2

**Docket:** TG- 230103  
Company Name: Kent Meridian Disposal Company, d/b/a Republic Services of Kent;  
Allied Waste Services of Kent

Staff: Mike Young, Senior Regulatory Advisor  
John Cupp, Consumer Protection Staff

### **Recommendation**

To take no action, allowing tariff pages filed by Kent Meridian Disposal Company, d/b/a Republic Services of Kent; Allied Waste Services of Kent, on February 15, 2023, in Docket TG-230103 as revised on March 20, 2023, to become effective April 1, 2023, by operation of law.

### **Discussion**

On January 13, 2023, Kent Meridian Disposal Company (Kent Meridian or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated approximately \$1,093,100 (9.2 percent) additional annual revenue for the collection of garbage services. The Company provides service to approximately 22,000 residential, commercial, and recycling customers in King County. The Company's last general rate increase became effective on March 15, 2022.

This filing is to recover increased costs for wages, benefits, insurance, fuel, and to correct allocations of the King County Health Department solid waste fee, and recycling processing costs to multi-family recycling rates. The Company's filing in 2022 reduced garbage rates while increasing recycling and yard waste rates. The solid waste fee levied by the King County Health Department had been applied to recycling and yard waste services in the Company's work papers, but this fee is only applicable to solid waste. In addition, the Company work papers had allocated the entire amount of recycling processing fees all to residential recycling rates; some of that cost should be allocated to multi-family recycling rates. The current filing corrects these issues and includes other cost increases. Also included in this filing is an adjustment for Washington's carbon emission fee, which third party fuel providers will start assessing this year. The adjustment in this case amounts to \$0.40 per gallon of diesel fuel.

Commission staff (Staff) made some minor adjustments including a revenue adjustment to account for the increased rates during the test year and amortizing some non-recurring costs over three years. Staff has completed its review of the Company's books and records, and the Company has agreed to a revised lower revenue requirement of \$1,053,000 (8.9 percent) additional annual revenue.

### Rate Comparison

Service	2021 Rate	Current Rate	Company Proposed Rate	Staff Revised Rate	Difference from Current Rate	Percentage Difference
1 can 1x week	\$18.40	\$18.18	\$21.39	\$21.19	\$3.01	16.6%
32-gal cart 1x week	\$17.02	\$17.50	\$20.59	\$20.40	\$2.90	16.6%
96-gal recycle cart	\$8.49	\$10.54	\$10.07	\$9.91	(\$0.63)	-6.0%
96-gal yard waste cart	\$10.99	\$14.91	\$13.39	\$12.61	(\$2.30)	-15.4%
2 yard per pickup	\$43.51	\$44.36	\$52.20	\$51.72	\$7.36	16.6%
8 yard per pickup	143.70	\$146.50	\$172.40	\$170.79	\$24.29	16.6%

### Customer Comments

On February 17, 2023, the Company notified its customers by mail of the proposed rate increase. Customers were notified that they may contact John Cupp with questions or concerns. Staff received 28 consumer comments, all opposed to the increase.

### Customer Comments

Missed pickups and concerns that the requested amount is excessive are the dominant themes in the comments on this case. Customers feel missed pickups are an example of poor customer service. Several stated that the rates increase faster than the inflation rate.

### 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.

Staff explained safety issues related to missed pickups caused by inclement weather.

### Conclusion

The issue of missed pickups due to inclement weather or labor work stoppages is being addressed in a separate solid waste rulemaking docket that is currently in process. Staff has

completed its review of the Company's documentation. Staff's review shows that the tariff pages filed are reasonable and required as part of the Company's operations.

**Recommendation**

To take no action, allowing tariff pages filed by Kent Meridian Disposal Company, d/b/a Republic Services of Kent; Allied Waste Services of Kent, on February 15, 2023, in Docket TG-230103 as revised on March 20, 2023, to become effective April 1, 2023, by operation of law.