

Agenda Date: January 26, 2012
Item Number: B2

Docket: TG-112144
Company Name: Torre Refuse and Recycling, LLC
d/b/a Sunshine Disposal & Recycling, G-260

Staff: Nicki Johnson, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling on December 14, 2011, and the revised pages filed on January 10, 2012, and January 17, 2012.
2. Allow the revised pages filed on January 10, 2012, and January 17, 2012, to become effective on February 1, 2012, on a temporary basis, subject to refund.

Discussion

On December 14, 2011, Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling, (Torre or company) filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$153,000 (5 percent) in additional annual revenue. The proposed increases are prompted by the February 1, 2012, increase in the Spokane County disposal fees, which increase from \$98 per ton to \$104 per ton at the waste-to-energy facility and from \$103 per ton to \$109 per ton at the transfer stations. In addition, the costs for labor, employee benefits, and fuel have increased since the last general rate increase became effective June 1, 2009. Torre provides regulated solid waste collection service to approximately 5,500 residential and commercial customers in western Spokane 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 10, 2012, and on January 17, 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 increase is approximately \$64,000 of additional annual revenue.

Customer Comments

On December 26, 2011, the company notified its customers of the proposed rate increase by mail. The commission received seven customer comments opposing the rate increase. Consumer

Protection staff advised 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.

General Comments

- Two customers oppose a rate increase because they are on a fixed income, and three customers oppose the increase due to the current economic conditions.

Staff Response

The customers were advised that state law requires solid waste and recycling 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 investment. Regulatory staff will review the filing to ensure that all rates and fees are appropriate.

Business Practices

- Two customers believe that the prices should go down because of a decrease in fuel and labor costs.

Staff Response

Staff attempted to reach the customers to discuss their fuel and labor cost issues. The customers have not responded.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Percent Increase	Temporary Disposal-Only Rate
32-Gallon Cart Weekly Pick-up	\$18.75	\$19.85	5.9%	\$19.08
60-Gallon Cart Weekly Pick-up	\$25.50	\$27.00	5.9%	\$25.96
Commercial Per Pick-up Rates				
2-Yard Container	\$31.00	\$32.80	5.8%	\$31.57
40-Yard Drop Box (Non-Compacted)	\$90.00	\$95.00	5.6%	N/A**

** Drop Box disposal rates are published separately in Item 230.

Conclusion

Commission staff has not completed its review of the of the company's supporting financial documents, books and records. The company has not demonstrated that the proposed rates are fair, just, reasonable, or sufficient. Therefore, staff recommends the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling, on December 14, 2011, and allow the revised pages filed on January 10, 2012, and January 17, 2012, to become effective on February 1, 2012, on a temporary basis, subject to refund.