

Agenda Date: May 20, 2021
Item Number: B1

Docket: TG-210248

Company Name: Torre Refuse and Recycling LLC d/b/a Sunshine Disposal & Recycling

Staff: Benjamin Sharbono, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, allowing the tariff revisions filed by Torre Refuse and Recycling LLC on April 15, 2021, to go into effect June 1, 2021, by operation of law.

Discussion

On April 15, 2021, Torre Refuse and Recycling LLC d/b/a Sunshine Disposal & Recycling (Torre or Company), filed revised Tariff Number 8 with the Utilities and Transportation Commission (Commission) that would generate approximately \$30,000 (10.8 percent) additional annual revenue. The filing is prompted by increasing disposal fees, labor, and insurance costs. The Company serves approximately 360 residential, commercial, and drop box customers in Ferry County. The Company's last general rate increase became effective May 1, 2017.

The Company provided a rate model producing an increase of approximately \$88,000 in additional annual revenue. In discussion as to why the Company was electing to take less than half the revenue requirement increase, Staff learned the area serviced by Torre has been in economic depression since before the COVID-19 pandemic, thus the Company is voluntarily maintaining lower rates to provide service and compete against self-hauling. The Company states the rates are not being subsidized by other segments of the Company, and this is an ownership decision.

The majority of the increase is due to Torre's employee costs for this operation increasing by \$30,000 and insurance costs by \$5,000 since the last rate case in 2017. The Ferry County Board of Commissioners is also increasing the disposal fees at the Torboy Transfer Station on June 1, 2021, from \$168.29 to \$170.70 per ton, for a total of \$1,066 additional annual cost.

Staff and the Company did not agree on the methodology for accounting for depreciation of certain assets, primarily trucks, and their associated salvage values. However, Staff and the Company agreed that the amount of depreciation expense included in rates is supported. The depreciation issue will not be a factor in future filings as the remaining salvage value of the assets in question will depreciate over a period of three years. The Company plans to retain the vehicles since the repair and maintenance costs are currently below the cost of replacement.

Commission Staff has completed its review of the Company's supporting financial documents and records. Staff's review shows that the revised expenses are reasonable and required as part of

the Company's operation, the Company's financial information supports the revised revenue requirement, and the rates and charges are fair, just, reasonable, and sufficient.

RATE COMPARISON

	Current Rate	Proposed Rate	Percent Change
Residential Garbage			
1 Can - Weekly Pickup	\$25.95	\$28.80	11.0%
1 64-Gallon Cart – Weekly Pickup	\$37.37	\$41.47	10.9%
1 90-Gallon Cart – Weekly Pickup	\$41.43	\$45.60	10.1%
Comercial Garbage			
1-Yard Bin – Per Pickup	\$28.68	\$31.72	10.6%
2-Yard Bin – Per Pickup	\$46.23	\$50.90	10.1%
6-Yard Bin – Per Pickup	\$110.29	\$121.07	9.8%
Roll-Off Garbage			
Pickup Per Hour Service Fee	\$95.75	\$109.00	13.8%

Customer Comments

On April 30, the Company notified its customers by mail of the proposed rate increase. Staff received no comments.

Conclusion

Take no action, allowing the tariff revisions filed by Torre Refuse and Recycling LLC on April 15, 2021, to go into effect June 1, 2021, by operation of law.