

Agenda Date: December 11, 2008
Item Number: B1

Docket: **TG-081969**
Waste Management of Washington, d/b/a Valley Garbage, G-237

Staff: Layne Demas, Transportation Program Staff
Dennis Shutler, Consumer Protection Staff

Recommendation

Take no action on this filing at this time to allow for customer comments.

Discussion

On October 30, 2008, Waste Management of Washington, d/b/a Valley Garbage, (Valley or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate approximately \$2,300,000 (9.8 percent) in additional annual revenue. The tariff revisions propose to increase and decrease rates for garbage collection service, increase rates for curbside recycling collection service, and lower rates for yardwaste collection service. The proposed rate revisions are prompted by increases in disposal fees, labor, fuel, medical insurance, pension costs, and other operating expenses. The company has also built a new operating facility to replace the aging facility acquired years ago. Valley serves approximately 51,600 residential and commercial customers in eastern Spokane County. Valley's last rate increase was effective on February 1, 2003.

Today's presentation allows customers or other interested parties to comment to the commission. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting on December 23, 2008.

Valley notified its customers of the proposed rate increase by mail on November 28, 2008. The commission has not received any comments on this filing to date.

This rate case is the final step to apply uniform rates to all customers. Due to various acquisitions, the company operated with three different rate structures that applied to three different service areas. The company proposed to bring all rates to parity in 2003. To avoid rate shock, staff recommended, and the company agreed, to bring all commercial rates and two residential areas into parity, and increase one residential area incrementally closer to the other two residential areas. The company agreed to file uniform rates in its next rate case. This filing brings all rates into parity by decreasing rates in one residential area and increasing rates in the other residential area.

Rate Comparison

Spokane

| <u>Residential - monthly rates</u> | <u>Present</u> | <u>Proposed</u> |
|---|-----------------------|------------------------|
| One Mini Can per week | \$ 11.15 | \$10.50 |
| One 32 gallon Can per week | \$14.10 | \$13.60 |
| One 35 gallon Cart per week | \$15.10 | \$14.70 |
| Mandatory Curbside Recycling | \$3.35 | \$4.65 |
| Recycling Commodity Credit (<i>expires July 31, 2009</i>) | (\$1.32) | (\$1.32) |
| Voluntary Yardwaste | \$9.19 | \$7.90 |
| <u>Commercial - per pickup</u> | | |
| One Yard Container | \$13.95 | \$15.30 |
| Two Yard Container | \$24.95 | \$27.40 |

Valley

| <u>Residential - monthly rates</u> | <u>Present</u> | <u>Proposed</u> |
|---|-----------------------|------------------------|
| One Mini Can per week | \$ 9.25 | \$10.50 |
| One 32 gallon Can per week | \$11.95 | \$13.60 |
| One 35 gallon Cart per week | \$12.95 | \$14.70 |
| Mandatory Curbside Recycling | \$3.35 | \$4.65 |
| Recycling Commodity Credit (<i>expires July 31, 2009</i>) | (\$1.32) | (\$1.32) |
| Voluntary Yardwaste | \$9.19 | \$7.90 |
| <u>Commercial - per pickup</u> | | |
| One Yard Container | \$13.95 | \$15.30 |
| Two Yard Container | \$24.95 | \$27.40 |

**Average Customer Charge Comparison – One 32 Gallon Cart Customer
 Spokane**

| <u>Monthly Service</u> | <u>Present</u> | <u>Proposed</u> |
|---|-----------------------|------------------------|
| Garbage | \$15.10 | \$14.70 |
| Mandatory Recycling net of commodity credit | <u>\$2.03</u> | <u>\$3.33</u> |
| Total Garbage and Mandatory Recycling | \$17.13 | \$18.03 |
| | | 5.3% |
| Voluntary Yardwaste | <u>\$9.19</u> | <u>\$7.90</u> |
| Total: Garbage, Mandatory Recycling and Voluntary Yardwaste | \$26.32 | \$25.93 |
| | | -1.5% |

Valley

| <u>Monthly Service</u> | <u>Present</u> | <u>Proposed</u> |
|---|-----------------------|------------------------|
| Garbage | \$12.95 | \$14.70 |
| Mandatory Recycling net of commodity credit | <u>\$2.03</u> | <u>\$3.33</u> |
| Total Garbage and Mandatory Recycling | \$14.98 | \$18.03 |
| | | 20.4% |
| Voluntary Yardwaste | <u>\$9.19</u> | <u>\$7.90</u> |
| Total: Garbage, Mandatory Recycling and Voluntary Yardwaste | \$24.17 | \$25.93 |
| | | 7.3% |

Commission staff has not yet completed its review of company's supporting financial documents, books and records.

Conclusion

Take no action on this filing at this time to allow for customer comments.