

Agenda Date: February 23, 2012
Item Number: B2

Docket: TG-111970
Company Name: Consolidated Disposal Service, Inc., G-190

Staff: Amy White, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Consolidated Disposal Service, Inc., on November 14, 2011, and allow the suspended rates to become effective March 1, 2012.

Discussion

On November 14, 2011, Consolidated Disposal Service, Inc. (Consolidated or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The proposed filing would generate approximately \$202,000 (2.7 percent) additional annual revenue. The company serves approximately 5,800 regulated residential and 800 commercial customers in Grant and Adams Counties. The filing is prompted by increases in labor, benefits, postage, fuel, business and occupation taxes, and other operating expenses. The company's last general rate increase became effective on November 1, 2005.

On December 29, 2011, the commission entered a Complaint and Order Suspending Tariff.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operation, the company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable and sufficient.

Rate Comparison

<u>Residential Monthly Rates</u>	Current Rate	Proposed Rate	Percent Increase
Adams County			
One 32-Gallon Can Weekly Pick-up	\$11.65	\$12.29	5.5%
Two 32-Gallon Cans Weekly Pick-up	\$14.90	\$15.72	5.5%
Grant County			
One 32-Gallon Can Weekly Pick-up	\$9.53	\$10.05	5.5%
Two 32-Gallon Cans Weekly Pick-up	\$12.17	\$12.84	5.5%

<u>Commercial Per Pick-up Rates</u>	Current Rate	Proposed Rate	Percent Increase
Adams County			
Commercial Can	\$2.56	\$2.70	5.5%
1.5-Yard Container	\$15.65	\$16.51	5.5%
300 Gallons Monthly	\$67.82	\$71.55	5.5%
Grant County			
Commercial Can	\$1.91	\$2.01	5.2%
1.5-Yard Container	\$11.75	\$12.40	5.5%
300 Gallons Monthly	\$50.92	\$53.72	5.5%

Customer Comments

On November 30, the company notified its customers of the proposed rate increase by mail. Staff received three 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 believe that it is bad timing for a rate increase due to the current economic conditions. The other customer opposes the rate increase because he is a senior citizen on a fixed income.

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.

Conclusion

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Consolidated Disposal Service, Inc., on November 14, 2011, and allow the suspended rates to become effective March 1, 2012.