

Agenda Date: June 28, 2012
Item Number: B4

Docket: TG-120723
Company Name: Island Disposal, Inc., G-154

Staff: David Gomez, Deputy Assistant Director
John Cupp, Regulatory Analyst

Recommendation

Take no action, allowing the rates filed by Island Disposal, Inc., on May 17, 2012, to become effective on July 1, 2012, by operation of law.

Discussion

On May 17, 2012, Island Disposal, Inc. (Island Disposal or company), filed revisions to its Tariff No. 8 with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$310,000 (8.3 percent) additional annual revenue. The proposed rate revisions are prompted by increases in labor, employee benefits, fuel and equipment. Island Disposal provides regulated service to approximately 10,000 residential and commercial customers in Island County. The company's last general rate case became effective on April 1, 2008.

Rate Comparison

Residential Weekly Rates	Current Rate	Proposed Rate	Percent Increase
32-Gallon Can Weekly Pick-Up	\$16.54	\$17.35	4.9%
Two 32-Gallon Can Weekly Pick-Up	\$23.94	\$25.12	4.9%
Commercial Rates			
1.5-Yard Container – First Pick-Up	\$41.32	\$43.35	4.9%
1.5-Yard Container – Each Additional Pick-Up	\$27.73	\$29.09	4.9%
Drop Box Per Pick-Up Rate			
30-Yard Drop Box (Non-Compacted) Per Pick-Up	\$91.25	\$150.00	64.4%

Customer Comments

On May 31, the company notified its customers of the proposed rate increase by mail. Three comments have been received, all from customers who are opposed to the proposed rate increase. The customers were notified that they may access documents about this rate case on the commission's website, and that they may contact John Cupp at 1-888-333-WUTC (9882) or jcupp@utc.wa.gov with questions or concerns.

General Comments

- Three customers stated that the current condition of the economy makes it a bad time to raise rates, and that rates are high enough already.

Staff Response

The customers were advised that state law requires rates to be fair, just, reasonable and sufficient to allow the company to recover reasonable operating expenses, and, the opportunity for the company to earn a reasonable return on investment. Regulatory staff review filings to ensure that all rates and fees are appropriate.

- One customer also stated that the company should provide curbside recycling.

Staff Response

Staff explained to the customer that recycling plans are the responsibility of each individual county and instructed her to contact Island County.

Commission 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 customer comments do not change staff's opinion that the company's financial information supports the proposed revenue requirement and the proposed rates and charges are fair, just, reasonable and sufficient.

Conclusion

Take no action, allowing the rates filed by Island Disposal, Inc., on May 17, 2012, to become effective on July 1, 2012, by operation of law.