

Agenda Date: August 26, 2021  
Item Number: B7

**Docket:** TG-210567  
Company Name: Rabanco Ltd, d/b/a Lynnwood Disposal

Staff: Greg Hammond, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation:**

Take no action, thereby allowing the tariff pages filed on July 16, 2021, by Rabanco Ltd, d/b/a Lynnwood Disposal, as revised on August 19, 2021, to take effect September 1, 2021, by operation of law.

**Discussion**

On July 16, 2021, Rabanco Ltd, d/b/a Lynnwood Disposal, (Lynnwood Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) a proposed general rate increase that would generate approximately \$555,000 (4.5 percent) in additional annual revenue, to become effective September 1, 2021. The proposed increases are prompted by increased employee wages and benefits, recovery of newly purchased operating assets and other general operating expenses. The Company provides service to approximately 51,000 residential customers in King and Snohomish Counties. The Company's last general rate filing was approved for \$957,000 (8.9 percent) additional annual revenue and became effective July 1, 2019.

Commission staff (Staff) has completed its review of the filing and found that the proposed rates were slightly excessive. Staff's primary adjustments were made to payroll expenses and depreciation expenses, along with other minor adjustments. For payroll expenses, Staff modified the Company's proforma adjustment for wage increases, removing the upward adjustment to employee hours for employees who had worked full time during the rate year. This adjustment had the most significant effect on the total revenue requirement. For the depreciation adjustments, Staff recalculated the depreciation expense and investment using its current methodology, giving full depreciation expense for assets added during the test year, and using end-of-period book value rather than mid-period (average) book value for the purpose of the Company's return on investment calculation. These adjustments resulted in a revised revenue requirement of \$390,700 (3.2 percent) additional annual revenue. The Company agreed with Staff's changes and filed revised tariff pages on August 19, 2021, at the agreed upon rates. Based on Staff's review of the Company's financial books and records, Staff finds the revised rates to be fair, just, reasonable, and sufficient.

**Residential Rate  
Comparison**

Monthly Rate	Current Rate	Proposed Rate	Revised Rate	Increase
<b>64 Gallon Toter Weekly Garbage</b>	\$21.20	\$21.46	\$21.20	0.0%
<b>Recycling – Every Other Week</b>	\$10.00	\$11.23	\$11.07	10.7%
<b>Yard waste – Every Other Week</b>	\$10.17	\$10.38	\$10.20	0.3%

**Multi-Family Rate  
Comparison**

Per Pickup Rate	Current Rate	Proposed Rate	Revised Rate	Increase
<b>64 Gal Garbage and Recy. per Pick-up</b>	\$6.15	\$6.61	\$6.54	6.4%
<b>2-Yard Garbage and Recy. per Pick-up</b>	\$35.45	\$38.30	\$37.91	6.9%

**Commercial Rate  
Comparison**

Per Pickup Rate	Current Rate	Proposed Rate	Revised Rate	Increase
<b>2-Yard per Pick-up</b>	\$25.35	\$25.66	\$25.36	0.02%
<b>6-Yard per Pick-up</b>	\$71.50	\$72.38	\$71.52	0.02%

### **Customer Comments**

On July 21, 2021, the Company notified its customers by mail of the proposed rate increase. Customers were notified that they may access relevant documents about this rate increase on the Commission's website, and that they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received 10 consumer comments opposed to the rate increase.

### **Customer Comments**

Three comments were from senior citizens who feel they will not be able to afford higher rates. Several customers are concerned that the increase exceeds the inflation rate. Other customers believe the increase creates a hardship during the pandemic.

### **Staff Response**

State law requires 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 its investment. Commission Staff performs a thorough review of rate filings to ensure that all rates and fees are appropriate.

### **Recommendations**

Take no action, thereby allowing the tariff pages filed on July 16, 2021, by Rabanco Ltd, d/b/a Lynnwood Disposal, as revised on August 19, 2021, to take effect September 1, 2021, by operation of law.