

Agenda Date: May 31, 2018  
Item Number: B3

**Docket:** TG-180323  
Company Name: Harold LeMay Enterprises Inc., dba Harbor Disposal Company and Eastern Grays Harbor Disposal G-98

Staff: Scott Sevall, Regulatory Analyst  
Rachel Stark, Consumer Protection Staff

### **Recommendation**

Grant the company's request for an exemption from WAC 480-07-520(4), and allow the rates, as filed by the company on April 16, 2018, and revised on May 22, 2018 to become effective on June 1, 2018.

### **Discussion**

On April 16, 2018, Harold LeMay Enterprises, Inc., dba Harbor Disposal Company and Eastern Grays Harbor Disposal (Harbor Disposal or company) filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$121,000 (3 percent) in additional annual revenue. The proposed increases are prompted by increases in labor, healthcare, pension, maintenance and new asset costs. Harbor Disposal provides regulated solid waste collection service to approximately 6,400 residential, 1,800 commercial, and 40 drop-box customers in Grays Harbor County. The company's last general rate increase was for \$634,000 (21 percent) and became effective on January 1, 2011.

The company requests an exemption from Washington Administrative Code (WAC) 480-07-520(4), work papers, this exemption would exempt the company from having to file the required work papers for Harold LeMay Enterprises Inc., limiting the work papers to just the work papers for Harbor Disposal. The company has provided all the required work papers for Harbor Disposal Company and Eastern Gray Harbor.

Commission staff (staff) has reviewed the company's work papers and financial records. Staff's primary adjustments were payroll and depreciation. Staff found that assets for recycling had been allocated to solid waste. This is the main reason for solid waste rates increasing to a lesser degree than the company proposed and the recycling rate increase more than the company originally proposed. The company and staff have agreed to a revised annual revenue increase of approximately \$122,000 (3 percent). The rates are compared in the following table.

### **Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Percent Increase</b>
32-Gallon Can Weekly Pick-up	\$ 16.24	\$ 16.48	\$ 16.44	1.2%
65-Gallon Cart Weekly Pick-up	\$ 25.57	\$ 25.94	\$ 25.89	1.2%
Mandatory Curbside Recycling 96 Gallon Cart-Comingled – Every-Other-Week Service	\$ 7.87	\$ 8.88	\$ 8.98	14.1%

<b>Commercial Per Pick-up Rates</b>				
1-Yard Container – First Pick-up	\$ 33.81	\$ 34.30	\$ 34.23	1.2%
1-Yard Container – Addl. Pick-up	\$ 19.63	\$ 19.91	\$ 19.88	1.2%
<b>Drop-Box Per Pick-up Rates</b>				
20-Yard Drop Box First Pick-up	\$ 265.00	\$ 268.84	\$ 268.31	1.2%
20-Yard Drop Box Addl. Pick-up	\$ 140.00	\$ 142.03	\$ 141.75	1.2%

### **Customer Comments**

On April 30, 2018, the company notified its customers by mail of the proposed tariff revision. Staff have not received any consumer comments regarding this proposed rate increase.

### **Conclusion**

Commission staff has completed its review of the company's supporting financial documents, books and records and found the company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient. Therefore, staff recommends the following:

Grant the company's request for an exemption from WAC 480-07-520(4), and allow the rates, as filed by the company on April 16, 2018, and revised on May 22, 2018, to become effective on June 1, 2018.