

Agenda Date: November 25, 2009  
Item Number: B1

**Docket:** TG-091646  
Company Name: Nooksack Valley Disposal, Inc., G-166

Staff: Christopher Mickelson, Regulatory Analyst  
Nancy Paulson, Consumer Protection Staff

### **Recommendation**

Take no action, allowing the revised rates filed by Nooksack Valley Disposal, Inc., to become effective December 1, 2009, by operation of law.

### **Discussion**

On October 19, 2009, Nooksack Valley Disposal, Inc., (Nooksack or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$152,315 (14.9 percent) in additional annual revenue.

The tariff revisions propose to increase rates for residential and commercial garbage collection, and residential recycling collection. The proposed rate revisions are prompted by increases in disposal fees, assets, labor, health care, insurance and other general operating expenses. The company provides regulated service to 2,688 residential and commercial customers in Whatcom County. Nooksack's last general rate increases became effective for garbage on November 1, 1990, and for recycling on January 1, 1999.

After review and discussions, staff and the company agreed to a revised revenue requirement of \$136,499 (13.4 percent) in additional annual revenue. On November 19, 2009, the company filed revised rates at staff recommended levels.

### **Customer Comments**

On November 1, 2009, the company notified its customers of the proposed rate increase by mail. Two customer comments have been received to date. All comments oppose the proposed rate increase. Please note that customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

Consumer Protection staff advised customers that company documents pertinent to this rate case may be found at [www.utc.wa.gov](http://www.utc.wa.gov), and to contact Nancy Paulson at 1-888-333-9882 with questions or concerns.

### **General Comments**

One customer commented that she likes to recycle, but the proposed recycling rate is too high. Another customer commented that mandatory recycling is not fair and reasonable. The service is too costly and the customer does not generate enough recycling per month to justify this expense.

**Staff Response**

Staff advised the customers that state law requires rates to be fair and reasonable, and sufficient to allow the company a chance to recover operating expenses and earn a return on investment. Customers were advised that recycling is mandated by Whatcom County ordinance.

**Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
Stack 3-Bin Every Other Week Pick-up (Mandatory Recycling Service)	\$3.86 <sup>1</sup>	\$5.36 <sup>1</sup>	\$6.19
68-Gallon Cart Weekly Pick-up	\$21.78	\$24.65	\$22.59
68-Gallon Cart Every-Other-Week Pick-up	\$14.39	\$16.29	\$14.92

<sup>1</sup> – Monthly rates for recycling only customers are an additional one dollar (\$1.00).

<b>Commercial Per Pick-up Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
1 Yard Container	\$17.00	\$19.25	\$19.24
2 Yard Container	\$26.80	\$30.35	\$30.34
25 Yard Drop Box	\$115.90	\$131.20	\$131.20

**Charge Comparison – Average Residential Customer – One Cart Customer**

<b>Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
68-Gallon Cart Weekly (Garbage Service)	\$21.78	\$24.65	\$22.59
Stack 3-Bin (Mandatory Recycling Service)	\$3.86	\$5.36	\$6.19
Total Monthly Bill	\$25.64	\$30.01	\$28.78
Increase From Current Rate		17.0%	12.2%

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 operations. The company’s financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

**Conclusion**

Take no action, allowing the revised rates filed by Nooksack Valley Disposal, Inc., to become effective December 1, 2009, by operation of law.