

Agenda Date: March 29, 2018  
Item Numbers: B2 and B3

**Dockets: TG-180155 and TG-180156**  
Company Name: Columbia River Disposal, Inc. (G-48 and G-51)

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

### **Recommendation**

Take no action, thereby allowing the tariff pages filed on February 14, 2018, and revised on March 21, 2018, to go into effect April 1, 2018, by operation of law.

### **Discussion**

On February 14, 2018, Columbia River Disposal, Inc. (Columbia River or company), filed revisions to Tariff Nos. 8 and 13 with the Utilities and Transportation Commission (commission) that would generate approximately \$154,400 (15.1 percent) additional annual revenue in the G-48 certificated area (TG-180155), and would generate approximately 13,800 (15.0 percent) additional annual revenue in the G-51 certificated area (TG-180156). The proposed increase would become effective April 1, 2018, and is prompted by growth in payroll expenses, fuel expenses, parts and materials costs, and fuel expenses, among others.

The company currently serves approximately 1,880 garbage customers in Skamania County under the G-48 certificate, and serves approximately 217 garbage customers in Skamania and Klickitat Counties under the G-51 certificate. The company's last general rate increase became effective October 1, 2016, for the G-48 certificate, and April 1, 2004, for the G-51 certificate.<sup>1</sup>

Staff's review found the proposed rates would result in excessive revenue. Staff made adjustments to the depreciation schedule, removing or adjusting certain asset values as agreed upon in the company's last general rate case (TG-160424). Staff also removed assets that would be fully depreciated by the effective date of the general rate increase, and made a pro forma adjustment to allow full recovery for new assets purchased since the end of the test year and put in service before the tariff revisions were filed. In addition, staff made adjustments to payroll, removing terminated employees and bringing new employees up to full time, while also accounting for the recent changes in management structure.

The company and staff have agreed on a revised revenue requirement of approximately \$113,900 (9.4 percent) for the G-48 certificated area. For the G-51 area, as filed, the Lurito-Gallagher revenue deficiency was approximately \$27,000 (30.9 percent) but the company chose to limit the additional annual revenue requirement to approximately \$13,800 (15.0 percent) in order to limit the rate impact on its small customer base. Staff's adjustments did not move the revenue requirement below this \$13,800 threshold, so staff and the company have agreed on the

---

<sup>1</sup> The G-51 certificate, formerly known as Bingen Garbage Service was sold and transferred to its current owner, Waste Connections, on January 14, 2015.

originally proposed rates. Staff believes these revised rates are fair, just, reasonable, and sufficient. On March 21, 2018, the company filed revised rates at staff recommended levels.

**Rate Comparison**

**TG-180155, G-48 Certificate (Skamania County)**

<b>Service</b>	<b>Current Rates</b>	<b>Revised Rates</b>	<b>Percent Increase</b>
20 Gal. Mini-Can (Weekly)	\$ 16.88	\$ 18.76	11.1%
1 Can Garbage (Weekly)	\$ 19.54	\$ 21.71	11.1%
45 Gal. Garbage (Weekly)	\$ 31.61	\$ 35.12	11.1%
60 Gal. Garbage (Weekly)	\$ 39.44	\$ 43.82	11.1%
1 Yard Garbage (Monthly Rent)	\$ 16.06	\$ 17.84	11.1%
1 Yard Garbage (Per Pickup)	\$ 16.79	\$ 18.66	11.1%

**TG-180156, G-51 Certificate (Klickitat and Skamania Counties)**

<b>Service</b>	<b>Current Rates</b>	<b>Revised Rates</b>	<b>Percent Increase</b>
20 Gal. Mini-Can (Weekly)	\$ 12.70	\$ 14.61	15.0%
1 Can Garbage (Weekly)	\$ 13.80	\$ 15.87	15.0%
45 Gal. Garbage (Weekly) - New	N/A	\$ 26.97	N/A
60 Gal. Garbage (Weekly) - New	N/A	\$ 38.35	N/A
1 Yard Garbage (Monthly Rent)	\$ 13.65	\$ 15.70	15.0%
1 Yard Garbage (Per Pickup)	\$ 10.95	\$ 12.59	15.0%

**Customer Comments**

On February 28, the company notified its customers by mail of the proposed rate increase. Customers were notified they may access documents related to this case on the commission’s website, and they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received two consumer comments regarding the proposed rate increase; one opposed and one undecided.

**General Comments**

- One customer opposed the rate increase, stating the proposed amount is excessive. Another customer wrote to express the need for curbside collection of recyclables.

**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.

Staff provided information about how to contact Skamania County to recommend a curbside recycling program.

**Conclusion**

Take no action, thereby allowing the tariff pages filed on February 14, 2018, and revised on March 21, 2018, to go into effect April 1, 2018, by operation of law.