

Agenda Date: March 24, 2022
Item Number: B3

Docket: TG- 220105

Company Name: Rabanco Ltd d/b/a Tri County Disposal, Allied Waste Services of Klickitat County, Rabanco Recycling

Staff: Jaclynn Simmons, Regulatory Analyst
John Cupp, Regulatory Analyst, Consumer Protection

Recommendation:

Take no action, allowing tariff pages filed by Rabanco Ltd d/b/a Tri County Disposal, Allied Waste Services of Klickitat County, Rabanco Recycling on February 14, 2022, in Docket TG-220105, as revised on March 15, 2022, to become effective April 1, 2022, by operation of law.

Discussion

On February 14, 2022, Rabanco Ltd d/b/a Tri County Disposal, Allied Waste Services of Klickitat County, Rabanco Recycling (Rabanco or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated approximately \$213,406 (9.7 percent) additional annual revenue for garbage collection services. The Company is also filing a general rate increase in Item 230, disposal fees. On April 1, 2022, disposal fees set by Regional Disposal Company will increase from \$5.00 per yard to \$5.12 per yard. Increased annual disposal revenues and expenses make up \$33,776.91 of the additional revenue requirement. The Company provides regulated solid waste collection service to approximately 5,500 residential and commercial customers in Klickitat County. The proposed general rate increase (GRC) was prompted by insufficient revenues from the current tariff to cover rising operating costs. The last general rate increase became effective on August 1, 2019, for \$118,000 additional annual revenue.

After review of the filing Commission staff (Staff) made adjustments to the Company's payroll calculations, making sure that part time employees were booked for the proper part-time payroll cost. Staff adjusted the Company's allocation method from revenue to prior allocated costs and adjusted the disposal fee to reflect the change from the 2014 general rate case to this filing. Staff also removed intercompany revenue and expenses from the transfer station that the company owns; with this removal it increased the Company's overall revenue requirement from what they had originally filed, even with Staff's other adjustments. Staff believes this adjustment is required to make rates fair, just, reasonable, and sufficient. Staff also adjusted the calculation of average investment to net book value as required by rule change to WAC 480-07-510 (4) (h) in 2018. After Staff's review and adjustments, the Company and Staff agreed to an amount of \$220,185 (10.29 percent) additional annual revenue. The company filed replacement pages at Staff's revised rates.

Type	Current Rate	Proposed Rate	Revised Rate	Precent Increase
1 can	\$14.23	\$15.50	\$15.69	10.29%
3 yard Pick up	\$31.00	\$33.78	\$34.19	10.29%
40-yard Pick-up	\$160.29	\$174.70	\$176.78	10.29%

NOTE: Recycling is provided by the county and funded directly through disposal fees.

Customer Comments

February 28, 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 with questions or concerns. Staff received five comments regarding the proposed rate increase, four opposed and one in favor.

General Comments

Customers oppose the rate increase because the company missed several pickups recently do not deserve an increase. One customer believes a nine percent increase is reasonable and should be allowed.

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.

Conclusions

Staff has completed its review of the Company's documentation. Staff's review shows that the tariff pages filed are reasonable and required as part of the Company's operations.

Recommendations:

Take no action, allowing tariff pages filed by Rabanco Ltd d/b/a Tri County Disposal, Allied Waste Services of Klickitat County, Rabanco Recycling on February 14, 2022, in Docket TG-220105, as revised on March 15, 2022, to become effective April 1, 2022, by operation of law.