

Agenda Date: December 21, 2023
Item Number: B1

Docket: TG-230778
Company: Murrey's Disposal Company, Inc. d/b/a Olympic Disposal

Staff: Ben Sharbono, Regulatory Analyst
Andrew Roberts, Regulatory Analyst

Recommendation

Issue a Complaint and Order suspending the Tariff Revisions filed by Murrey's Disposal Company, Inc. d/b/a Olympic Disposal on September 15, 2023, and set Docket TG-230778 for hearing.

Background

On August 15, 2023, Murrey's Disposal Company, Inc. d/b/a Olympic Disposal (Olympic or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that would generate approximately \$1,885,000 (15.9 percent) in additional annual revenue. Olympic provides regulated solid waste collection service to approximately 15,500 residential; 1,900 commercial; 117 roll-off; and 6,040 residential recycling in Clallam and Jefferson Counties. The Company's last general rate increase became effective on June 1, 2011.

Olympic is seeking this increase due to increased capital investments, wage expenses, repair costs, and allocated expenses since its last general rate increase.

Discussion

In Commission staff's (Staff) review of the Company's books, accounts, and supporting documents, Staff identified several expenses that did not have substantial support showing the costs are necessary for the operation of regulated services. Staff discussed these items with the Olympic, however, after several meetings, discussions, emails, and two extensions of the effective date to allow further consideration, discussion, and review, Staff and the Company have been unable to agree treatment of the issues.

The outstanding issues are:

- Insurance expenses related to incidents.
- Employee bonuses and incentive compensations.
- Employee Community Activity expenses: costs associated with bolstering employee morale.
- Company travel expenses, including food expenses.
- Severance payments to employees.

Staff has discussed these items with the Company and requested additional information to support the Company position. Staff has considered and discussed the information provided by

the Company, both internally and with the Company. Staff concluded the information did not support the inclusion of the expenses in rates would be justified or provide reasonable benefits to the customers. The Company disagrees with Staff's position and analysis. Due to limitations on resolving the case within statutory limits and the subject matter differences, Staff recommends the Commission suspend the tariff revisions and set the docket for hearing.

Customer Comments

On September 30, 2023, the Company notified its customers of the proposed rate increase by mail. Staff received five consumer comments, all opposed to the proposed rate increase.

In addition to commenting that the proposed increase is excessive, several customers are unhappy that they are forced to use a larger can at a higher price.

Staff stated 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. Staff perform a thorough review of rate filings to ensure that all rates and fees are appropriate. Staff have worked with customers to find options to save money.

Conclusion

Staff has completed its review of the accounts, books, and supporting documents. Staff and Olympic disagree on the handling of several accounts and are unable to come to agreement on a revenue requirement. Staff and the Company have reached an impasse.

Recommendation

Issue a Complaint and Order suspending the Tariff Revisions filed by Murrey's Disposal Company, Inc. d/b/a Olympic Disposal on September 15, 2023, and set Docket TG-230778 for hearing.