

Agenda Date: October 29, 2003
Item Number: B1

Docket: TG-031467
Company: Bainbridge Disposal, Inc., G-143

Staff: Bob Colbo, Transportation Program Staff

Recommendation:

Grant the Less than Statutory Notice (LSN) request of Bainbridge Disposal, Inc., G-143, allowing a November 1, 2003, effective date for their revised deferred residential and multi-family recycle rates in Docket TG-031467.

Discussion:

On September 12, 2003, Bainbridge Disposal filed revised pages to its current tariff seeking an annual adjustment in its deferred commodity recycle program. At its Open Meeting of September 24, 2003, the Commission took no action on the Company's original LSN request for an October 1, 2003, effective date.

The purpose of deferred recycling is to return the value of the commodities collected back to customers. The process is two-fold: estimating the prospective value of commodities expected for the future year, and then comparing/truing -up last year's estimates with what actually happened (the deferral.)

When setting up last year's estimate, the Company changed the mix of commodities it picked up and began selling them to a new broker "as is" rather than sorted. Those anticipated losses became the basis of a charge/debit to customers during the past year. Actual experience one year later reveals commodity values didn't decline as expected; the result is a significant credit due to customers.

The Company filed revised pages that return the full amount of the recycling credit to multi-family customers. However, the Company is concerned about the cash flow implications of the large credit currently due its residential customers. It agreed to pro-rate this year's deferred adjustment for residential customers over the next two years – half this year and half next year. It also filed revised pages accomplishing that purpose and correcting technical details of its original filing. A new LSN now requests a November 1, 2003, effective date.

Additional details are provided below:

As <u>Filed</u>	Technically <u>Corrected</u>	As <u>Revised</u>
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<u>Residential</u>	Estimate		\$0.56 Cr	\$0.56 Cr
per customer/	Deferral		<u>0.70 Cr</u>	<u>0.35 Cr</u>
per month	Total	<u>\$0.43Cr</u>	1.26 Cr	0.91 Cr

		<u>As Filed</u>	<u>Technically Corrected</u>	<u>As Revised</u>
<u>Multi-Family</u>	Estimate		\$0.18 Cr	\$0.18 Cr
per customer/	Deferral		<u>0.30 Cr</u>	<u>0.30 Cr</u>
per month	Total	<u>\$0.02 Dr</u>	0.48 Cr	0.48 Cr

Conclusion:

It is therefore recommended that the Commission grant the Less than Statutory Notice (LSN) request of Bainbridge Disposal, Inc., G-143, allowing a November 1, 2003, effective date for their revised deferred residential and multi-family recycle rates in Docket TG-031467.