

Agenda Date: January 24, 2007  
Item Number: B1

**Docket:** TG-061748  
Company Name: Harold LeMay Enterprises, Inc., G-98  
d/b/a Rural Garbage Service

Staff: Nicki Johnson, Regulatory Analyst  
John Cupp, Consumer Program Specialist

### **Recommendation**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Harold LeMay Enterprises, Inc., d/b/a Rural Garbage Service.
2. Allow the staff recommended revised temporary rates to become effective January 25, 2007, on a permanent basis.

### **Background**

On November 17, 2006, Harold Lemay Enterprises, Inc., d/b/a Rural Garbage Service (Rural Garbage or company) filed proposed rates that would have increased its revenue by approximately \$112,200 (5.38%). Staff's review of the company's books and records found the proposed rates were excessive. On December 20, 2006, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$104,500 (5.11%).

Additionally on December 4, 2006, the Thurston County Board of County Commissioners approved Ordinance No. 13696, which amended the county code and established new minimum residential recycling collection service (minimum service level). The new minimum service level, now in effect, does not contain a recommendation for a non-recycler fee (\$1.50 for one can and \$1.00 for each additional can). At staff's request, the company filed a substitute page for residential rates that deleted the higher charges for "garbage only" rates.

The commission received two comments on the originally proposed rates from Rural Garbage customers. Both were opposed to the increase. One felt that the recycling commodity credit should not be reduced, as it will take away consumers' incentive to recycle. The other customer misunderstood the recycling charges and credits, and received help from staff.

On December 27, 2006, the commission entered a Complaint and Order Suspending Tariff Revisions to allow customers the opportunity to comment on the revised rates before determining whether the revisions were fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis January 1, 2007, subject to refund.

### **Discussion**

The filing increases solid waste rates. The company serves approximately 5,200 customers in southern Thurston County in the area around Yelm.

On December 27, 2006, Consumer Affairs staff sent each customer who had commented on the Rural Garbage filing a letter advising them of staff's recommended revised rates. One customer called to express concern that the fee was dropping from \$1.50 to zero for customers who do not recycle. Staff explained that the change was due to a new county ordinance. The customer said he was satisfied and would decide whether to call the Thurston County Commissioners. The second round of comments provided no additional information for staff to consider. Staff continues to believe the company has demonstrated that it needs the additional revenue and that the rates currently in effect on a temporary basis are fair, just, reasonable and sufficient.

The table below provides a sample of present, proposed and revised rates:

	Present Rates	Proposed Rates	Revised Rates
<hr/> <b>Residential</b> <hr/>			
One Can	\$10.06	\$10.85	\$10.74
Two Can	\$15.84	\$16.95	\$16.86
Mini-Can	\$7.95	\$8.55	\$8.40
Non-Recycler Fee	\$1.50	\$1.50	\$0.00
 <hr/> <b>Commercial</b> <hr/>			
One-Yard Container per month	\$60.38	\$66.14	\$66.14
Two-Yard Container per month	\$113.90	\$118.07	\$118.07
 20-Yard Dropbox first haul	 \$120.00	 \$130.00	 \$130.00
20-Yard Dropbox additional haul	\$70.00	\$74.00	\$74.00

### **Conclusion**

Staff recommends that the commission dismiss the Complaint and Order Suspending the Tariff Revisions filed by Harold LeMay Enterprises, Inc., d/b/a Rural Garbage Service and allow revised temporary rates at staff recommended levels, to become effective January 25, 2007, on a permanent basis.