

Agenda Date: October 10, 2007  
Item Number: B1

**Docket: TG-071785**

Company Name: Waste Management of Washington, Inc., d/b/a Brem-Air Disposal, G-237

Staff: Layne Demas, Regulatory Analyst  
Dennis Shutler, Consumer Program Staff

### **Recommendation**

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Waste Management of Washington, Inc., d/b/a Brem-Air Disposal.
2. Allow temporary rates at the staff recommended revised rates to become effective October 15, 2007, subject to refund.

### **Discussion**

On August 31, 2007, Waste Management of Washington, Inc., d/b/a Brem-Air Disposal (Brem-Air or company), filed a general rate increase for solid waste service and rates for a new residential curbside recycle service. Kitsap County ordinance 379-2007 has mandated a single stream curbside recycling program be implemented by October 1, 2007. The company serves approximately 42,000 customers in Kitsap County. The last general rate increase has been in effect since 2001. The overall impact of the proposed filing will be approximately \$861,700 (6.56 percent). The major drivers of the proposed revision are increases in labor, benefits and fuel expenses. All other expense categories with the exception of disposal fees have increased at varying levels since the last increase.

The commission has received 18 comments in response to the filing. A count of issues from these customers is as follows:

<b>Issue</b>	<b>Total</b>	<b>Open Complaint</b>
<b><u>Service quality comments</u></b>		
Inconsistent pickups	1	No
Garbage falls to the ground and is left after pickup	1	No
Rates increase but service does not improve	1	No
Service is poor (no details)	1	No
<b><u>Proposed rate increase comments</u></b>		
Objects to increase	16 <sup>1</sup>	
Undecided	1	
Supports increase	1	
Total customers responding	<u>18</u>	

<sup>1</sup> Service quality comments were included with comments objecting to the increase.

Staff's review of Brem-Air's operations revealed that some proposed rates were excessive. On

October 5, 2007, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$769,218 (5.89 percent). Although the company filed revised rates at lower levels, customers have not yet been advised that staff and the company have agreed to revised rates and they have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates.

### **Rate Comparison**

	<b><u>Present</u></b>	<b><u>Proposed</u></b>	<b><u>Revised</u></b>
<b><u>Residential - monthly rates</u></b>			
Mini can	\$ 9.15	\$ 9.20	n/a
One 32 gal. can per week	\$11.45	\$12.00	\$11.90
One 35 gal. cart per week	\$12.80	\$13.40	\$13.30
One 64 gal. cart per week	\$16.10	\$16.90	\$16.70
One 96 gal. cart per week	\$20.75	\$21.80	\$21.60
Curbside Recycling	\$ 3.65	\$ 4.05	n/a
Commodity Credit	\$ 1.38	\$ 1.38	n/a
Yardwaste (optional)	\$ 6.75	\$8.15	n/a
<b><u>Commercial - per pickup</u></b>			
One yard container	\$ 9.12	\$ 9.50	\$ 9.40
Two yard container	\$17.13	\$17.80	\$17.60
20 yard Drop box	\$104.10	\$124.50	\$124.20
Monthly rent	\$ 70.15	\$ 62.30	n/a

### **Conclusion**

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Brem-Air in Docket TG-071785 and allow temporary revised rates at staff recommended levels, to become effective October 15, 2007, subject to refund.