

Agenda Date: February 14, 2008
Item Numbers: B2 and B3

Dockets: TG-080079, TG-080082
Company Names: Murrey's Disposal Company, Inc. G-9
American Disposal Company, Inc. G-87

Staff: Nicki Johnson, Regulatory Analyst
Dennis Shutler, Consumer Affairs Specialist

Recommendation

Take no action on this filing at this time to allow for customer comments.

Discussion

On January 14, Murrey's Disposal Company, Inc. (Murrey's), and American Disposal Company, Inc. (American), (collectively the companies), filed with the Washington Utilities and Transportation Commission (commission) tariff revisions that would generate \$1,268,000 (4.80 percent) in additional revenue per year. The companies are under common ownership and have identical rates. Murrey's and American serve 53,000 customers in Pierce County.

The proposed filings pass through the increased disposal fees, increase residential and multi-family recycling rates and increase the yard waste rates. The last general rate increase for garbage, multi-family recycling and yard waste rates became effective January 1, 1999. The residential recycling rates were last increased in November 2005 in response to the new single-stream recycling program.

The proposed garbage rate increases are prompted by a \$3.06 per ton tip fee increase at Land Recovery, Inc., the disposal site in Pierce County. Customers will be notified of this disposal fee pass-through on their next bill. Proposed rates would generate \$346,000 (1.59 percent) in additional revenue per year.

The companies propose to increase the recycling rates to recover increased fuel, labor and processing costs. Proposed recycling rates would generate \$544,000 (16.54 percent) in additional revenue per year.

Proposed yard waste rates increase to recover rising costs since the last rate increase nine years ago. Proposed yard waste rates would generate \$378,000 (31.09 percent) in additional revenue per year.

Today's presentation allows customers or other parties to make comments to the commission. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting on February 28, 2008.

Murrey's and American notified the customers of the rate increase by mail on January 30, 2008. The commission received 21 customer comments on this filing as of February 6, 2008. Most

customers object to the amount of the proposed increases in rates. They feel the increases exceed the cost of inflation. Two people felt they did not need the larger-sized containers (residential recycling carts are 96 gallon or 65 gallon; yard waste carts are 90 gallon) and would like to see an option of smaller container sizes or less frequent service at a reduced rate.

Rate Comparison

	Current Rate	Proposed Rate
Residential Recycling (per month)	\$4.75	\$5.50
Yard Waste (per month)	\$4.30	\$5.64
Yard Waste Extra	\$1.20	\$2.00
Multi-family Recycling (per yard)	\$3.19	\$4.14
Multi-family (96 gallon cart per pick up)	\$3.53	\$4.55
Multi-family (6 yard container per pick up)	\$28.14	\$31.55

Commission staff has not yet completed its review of the companies' supporting financial documents, books and records.

Conclusion

Take no action on this filing at this time to allow for customer comments.