

Agenda Date: November 25, 2009
Item Number: B2

Docket: TG-091673
Company Name: Couse's Sanitation and Recycle, Inc., G-169

Staff: Nicki Johnson, Regulatory Analyst
Nancy Paulson, Consumer Protection Staff

Recommendation

Take no action, allowing the revised rates filed by Couse's Sanitation and Recycle, Inc., to become effective December 7, 2009, by operation of law.

Discussion

On October 21, 2009, Couse's Sanitation and Recycle, Inc., (Couse's or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$29,300 (10.6 percent) in additional annual revenue.

The tariff revisions propose to increase rates for regulated garbage service to the company's 450 residential and commercial customers in Ferry County. The proposed rate revisions are prompted by increases in labor and disposal fees. Ferry County is increasing disposal fees at the Torboy Transfer Station from \$120 per ton to \$134 per ton effective December 7, 2009. Couse's last general rate increase became effective on April 1, 2005.

After review and discussions, staff and the company agreed to a revised revenue requirement of \$25,700 (9.3 percent) in additional annual revenue. On November 17, 2009, the company filed revised rates at staff recommended levels.

Customer Comments

On October 26, 2009, the company notified its customers of the proposed rate increase by mail. One customer comment opposing the proposed increase has been received to date. Consumer Protection staff advised the customer that all company documents pertinent to this rate case may be found at www.utc.wa.gov, and to contact Nancy Paulson at 1-888-333-9882 with questions or concerns.

General Comments

The customer opposes the proposed rate increase due to the poor economy. The customer also commented that the company was granted previous increases for fuel costs but now that fuel costs are down, rates have not decreased.

Staff Response

Staff advised the customer that state law requires rates to be fair, reasonable and sufficient to allow the company a chance to recover operating expenses and earn a return on investment. Even though fuel costs have come down from last year's level, the commission uses a twelve month average to determine the fuel costs allowed in rates.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Revised Rate
One 32- Gallon Can Monthly Pick-up	\$7.52	\$8.43	\$8.16
One 32-Gallon Can Weekly Pick-up	\$16.23	\$18.18	\$17.61
Two 32-Gallon Cart Weekly Pick-up	\$21.15	\$23.69	\$22.95

Commercial Rates	Current Rate	Proposed Rate	Revised Rate
2 Yard Container per Pick-up	\$28.63	\$32.07	\$32.07
20 Yard Drop Box Hourly Rate	\$80.50	\$90.16	\$90.16
20 Yard Drop Box Rent	\$62.92	\$70.44	\$70.44

Average Customer Charge Comparison – One Can Customer

Monthly Rates	Current Rate	Proposed Rate	Revised Rate
Garbage Service	\$16.23	\$18.18	\$17.61
Increase from Current Rate		12.0%	8.5%

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operations. The company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

Conclusion

Take no action, allowing the revised rates filed by Couse's Sanitation and Recycle, Inc., to become effective December 7, 2009, by operation of law.