

Agenda Date: April 25, 2013  
Item Number: B2

**Docket:** TG-130225  
Company Name: Basin Disposal, Inc. G-118

Staff: Amy White, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Take no action, thereby allowing the tariff revisions filed by Basin Disposal Inc., on February 13, 2013, as revised on April 18, 2013, to become effective on May 1, 2013, by operation of law.

**Discussion**

On February 13, 2013, Basin Disposal, Inc (BDI or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$565,000 (14.6 percent) additional annual revenue. The filing is prompted by increases in disposal fees, wages, benefits, postage, fuel, medical insurance, and other general operating expenses. BDI serves approximately 9,900 residential and commercial customers in Benton and Franklin counties. The company's last general rate increase became effective on August 1, 2005.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review found that the company's proposed rates would result in excess revenue. Staff and the company agreed to a revised revenue requirement of approximately \$349,000 (9.0 percent) additional annual revenue. On April 18, 2013, BDI filed revised tariff pages with the revised proposed rates at staff recommended levels.

**Rate Comparison**

	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Percent Increase</b>
<b>Residential Monthly Rates</b>				
One 64-Gallon Tote Weekly Pick-Up	\$14.35	\$17.50	\$17.25	20.2 %
One 96-Gallon Tote Weekly Pick-up	\$17.85	\$22.50	\$21.25	19.0 %
<b>Commercial Monthly Rates</b>				
1.0-Yard Container	\$13.54	\$17.50	\$15.00	10.8 %
2.0-Yard Container	\$21.39	\$23.50	\$22.00	2.9 %
8.0-Yard Container	\$43.10	\$43.50	\$35.00	(18.8 %)

### **Customer Comments**

On Feb. 15, 2013, the company notified its customers of the proposed rate increase by mail. Staff received 11 consumer comments, all opposed to the proposed rate increase. Customers were notified that documents related to the proposed rate increase are available on the commission's website, and that they may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns.

### **General Comments**

- Eight customers commented that the proposed increase is excessive. Four customers cited current economic conditions as their reason for opposing the increase.

#### **Staff Response**

Customers were advised that state law requires rates to be fair, just, and reasonable, while also allowing the company to recover reasonable operating expenses and earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

- One customer stated that customers inside Pasco city limits receive the same service at a lower price.

#### **Staff Response**

Staff contacted the company and learned that the population density in Pasco allows the company to service twice as many customers in a day inside the city as it can service outside city limits. It is much more efficient to provide service in Pasco, so the company can provide the service at a lower price. The company provides service in Pasco under a contract with the city.

### **Conclusion**

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 customers' comments do not change staff's opinion that the company's financial information supports the staff's revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

Take no action, thereby allowing the tariff revisions filed by Basin Disposal, Inc., on February 13, 2013, as revised on April 18, 2013, to become effective on May 1, 2013, by operation of law.