

Agenda Date: March 24, 2016  
Item Number: B1

**Docket:** TG-152350  
Company Name: Carroll-Naslund Disposal Service, Inc.  
dba Naslund Disposal Service, Inc., G-37

Staff: Greg Hammond, Regulatory Analyst  
Ann LaRue, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

1. Dismiss the Complaint and Order Suspending Tariff Revisions filed by Carroll-Naslund Disposal Service, Inc. on December 15, 2015, and revised on January 20 and 21, 2016; and
2. Allow revised rates, filed on March 16, 2016, to go into effect April 1, 2016.

### **Discussion**

On December 15, 2015, Carroll-Naslund Disposal Service, Inc. dba Naslund Disposal Service, Inc. (Naslund or company), filed revisions to Tariff No. 4 with the Utilities and Transportation Commission (commission) that would generate approximately \$95,000 (8.1 percent) additional annual revenue. The proposed increase would become effective February 1, 2016, and is prompted by increases in disposal fees, wages, postage, insurance, and other operating expenses. Naslund currently serves approximately 3,700 residential, commercial, and drop box customers in Asotin and Garfield Counties. The company's last general rate increase became effective May 1, 2009.

On January 28, 2016, the commission issued an order suspending rates and allowing temporary rates, subject to refund, effective February 1, 2016, to allow for the disposal fee increase at the Asotin County Regional Landfill.

Staff's review found the proposed rates would result in excessive revenue. Staff made a significant fuel adjustment of approximately \$20,000, as well as an adjustment to payroll to remove unsupported bonuses and an adjustment to rent expense to remove unsupported affiliate rent. The company and staff have agreed on a revised revenue requirement of approximately \$46,000 (4.6 percent) additional annual revenue and on revised rates, which are fair, just, reasonable, and sufficient. All of the revised rates are less than the company's original proposed rates. On March 16, 2016, the company filed revised rates at staff recommended levels.

**Rate Comparison**

<b>Residential Monthly Rates</b>	Original Rates	Temporary Rates	Revised Rates	Increase
<b>Asotin County - Weekly Service</b>				
64 Gal Toter	\$ 16.00	\$ 16.52	\$ 16.60	3.8%
96 Gal Toter	\$ 19.10	\$ 19.86	\$ 20.06	5.0%
<b>Garfield County - Weekly Service</b>				
64 Gal Toter (New Service)	N/A	N/A	\$ 17.83	N/A
96 Gal Toter	\$ 19.54	\$ 20.30	\$ 20.49	4.9%
<b>Commercial Service - Per Pickup</b>				
<b>Asotin County</b>				
1.5 Yard Container	\$ 12.43	\$ 13.07	\$ 13.36	7.5%
2 Yard Container	\$ 15.30	\$ 16.13	\$ 16.52	8.0%
<b>Garfield County</b>				
1.5 Yard Container	\$ 14.78	\$ 15.42	\$ 15.66	6.0%
2 Yard Container	\$ 18.00	\$ 18.83	\$ 19.17	6.5%
<b>Drop Box - Per Pickup</b>				
20 Yard Container	\$ 75.00	N/A	\$ 75.00	0.0%

**Customer Comments**

On December 31, 2015, the company notified customers by mail of the proposed rate increase. Staff received one consumer comment opposed to the proposed rate increase. The customer was notified that relevant documents about this rate increase are available on the commission's website, and they may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns.

**General Comments**

The customer commented the proposed increase will make it difficult for her to retire.

**Staff Response**

The customer was advised state law requires rates to be fair, just, reasonable and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Regulatory staff reviews filings to ensure all rates and fees are appropriate.

**Conclusion**

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