

Agenda Date: March 25, 2010  
Item Number: B1

**Docket:** TG-100253

Company Names: Rabanco Ltd. G-12, d/b/a Eastside Disposal and Allied Waste Services of Bellevue.

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

### **Recommendation**

Take no action, allowing the revised rates filed by Rabanco Ltd., G-12, d/b/a Eastside Disposal and Allied Waste Services of Bellevue in Docket TG-100253 to become effective April 1, 2010, by operation of law.

### **Discussion**

On February 12, 2010, Rabanco Ltd. G-12, d/b/a Eastside Disposal and Allied Waste Services of Bellevue ("Rabanco" or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate approximately \$510,000 (5.5 percent) in additional annual revenue for solid waste, curbside and multi-family recycling, and yard waste collection services. Rabanco is proposing to increase solid waste rates by approximately \$645,000 (11.8 percent) and decrease curbside and multi-family recycling service and yardwaste service by approximately \$57,000 (-2.6 percent), \$54,000 (-26.9 percent), and \$24,000 (-1.6 percent) respectively. Rabanco serves approximately 22,000 residential and commercial customers in Eastern King County in the areas surrounding Bellevue and Issaquah. The last general rate increase became effective October 1, 2008.

The proposed residential and commercial solid waste rate increases are prompted by increases in labor, healthcare, pension benefit increases, and other expenses. Staff's analysis showed the company's proposed rates were excessive. Staff and the company agreed to revised rates that generate an overall increase in annual revenue of approximately \$465,000 (5.0 percent). The components of the revised rates affecting annual revenues are: solid waste service increasing approximately \$610,000 (11.2 percent), curbside recycling service decreasing approximately \$63,000 (-2.9 percent), multi-family recycling service decreasing approximately \$55,000 (-27.3 percent), and yard waste service decreasing approximately \$27,000 (-1.9 percent). On March 17, 2010, the company filed substitute pages with the commission at revised rates.

**Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
Solid Waste – Mini Can Weekly Service	\$ 5.79	\$ 6.50	\$ 6.47
One Can Weekly Service	\$ 9.24	\$ 10.38	\$ 10.32
Recycling - Every Other Week Service	\$ 8.20	\$ 8.00	\$ 7.95
- Weekly Service	\$ 10.18	\$ 9.90	\$ 9.90
Yard Waste – Every Other Week Service	\$ 7.00	\$ 6.90	\$ 6.85
- Weekly Service	\$ 9.50	\$ 9.35	\$ 9.30
<b>Commercial Per Pick Up</b>			
Multi-Family Recycling (Per Yard)	\$ 2.26	\$ 1.65	\$ 1.64
Multi-Family (96 Gallon Cart)	\$ 7.25	\$ 7.71	\$ 7.67
One Yard Container - Monthly Rent	\$ 6.00	\$ 6.50	\$ 6.50
- Per Pick Up	\$ 12.77	\$ 14.34	\$ 14.26
Drop Box 30 Yard - Monthly Rent	\$ 55.00	\$ 57.50	\$ 57.50
Drop Box 30 Yard - Per Pick Up	\$ 111.00	\$ 124.65	\$ 123.95

**Average Customer Charge Comparison – One Can Solid Waste Bellevue Area**

<b>Service Level</b>	<b>Present</b>	<b>Proposed</b>	<b>Revised</b>
Solid Waste Component – Weekly Service	\$ 9.24	\$ 10.38	\$ 10.32
Mandatory Recycling – Every Other Week	\$ 8.20	\$ 8.00	\$ 7.95
Recycle Commodity Debit	\$ .43	\$ .43	\$ .43
Total Solid Waste and Mandatory Recycling	\$ 17.87	\$ 18.81	\$ 18.70
Percent Increase		5.3%	4.6%
Total Solid Waste and Mandatory Recycling	\$ 17.87	\$ 18.81	\$ 18.70
Voluntary Yard Waste – Every Other Week	\$ 7.00	\$ 6.90	\$ 6.85
Total Solid Waste, Mandatory Recycling and Voluntary Yard Waste	\$ 24.87	\$ 25.71	\$ 25.55
Percent Increase		3.4%	2.7%

**Average Customer Charge Comparison – One Can Solid Waste Issaquah Area**

<b>Service Level</b>	<b>Present</b>	<b>Proposed</b>	<b>Revised</b>
Solid Waste Component – Weekly Service	\$ 9.24	\$ 10.38	\$ 10.32
Mandatory Recycling – Weekly Service	\$ 10.18	\$ 9.90	\$ 9.90
Recycle Commodity Debit	\$ .43	\$ .43	\$ .43
Total Solid Waste and Mandatory Recycling	<u>\$ 19.85</u>	<u>\$ 20.71</u>	<u>\$ 20.71</u>
Percent Increase		4.3%	4.3%
Total Solid Waste and Mandatory Recycling	\$ 19.85	\$ 20.71	\$ 20.71
Voluntary Yard Waste – Weekly Service	<u>\$ 9.50</u>	<u>\$ 9.35</u>	<u>\$ 9.30</u>
Total Solid Waste, Mandatory Recycling and Voluntary Yard Waste	<u>\$ 29.35</u>	<u>\$ 30.06</u>	<u>\$ 30.01</u>
Percent Increase		2.4%	2.3%

**Customer Comments**

On March 1, 2010, the company notified its customers of the proposed rate increase by mail. The commission received 32 customer comments on this filing; all customers oppose the proposed increase. Please note that customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

Consumer Protection staff advised customers that they may access company documents about this rate case at [www.utc.wa.gov](http://www.utc.wa.gov), and that they may contact Dennis Shutler at 1-888-333-9882 with questions or concerns.

**Service Quality Comments**

- Two customers commented on poor customer service, such as misplaced lids and cans, missed pickups and employees talking on their cell phones.

**Staff Response**

Staff contacted the customers and offered to open an informal complaint. Both customers declined.

**General Comment**

- Twenty-nine customers believe the amount of the increase is excessive due to increased costs of living and current economic conditions.

**Staff Response**

Customers were advised that state law requires rates to be fair and reasonable, and sufficient to allow the company the opportunity to recover reasonable operating expenses and earn a reasonable return on investment.

- One customer wants improved recycling efforts, such as the ability to pick up electronics, appliances, batteries and fluorescent lights.

**Staff Response**

Staff advised the customer to contact King County's Solid Waste Division at 1-800-325-6165, extension 64466, to comment on this issue. Recycling decisions are made through King County's solid waste management plan.

**Conclusion**

Commission staff has completed its review of Rabanco'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 customer's comments do not change staff's opinion that the company's financial information support the revised revenue requirement and the revised rates and charges are fair, just, reasonable and sufficient.

Staff recommends the commission take no action, allowing the revised rates filed by Rabanco Ltd., G-12, d/b/a Eastside Disposal and Allied Waste Services of Bellevue in Docket TG-100253 to become effective April 1, 2010, by operation of law.