

Agenda Date: April 26, 2006  
Item Number: B1

**Docket: TG-060408**

Company Name: Waste Management of Washington, Inc., G-237  
in Seattle (Rainier) & South Sound (Raffo/RST)

Staff: Bob Colbo, Transportation Program Staff  
John Cupp, Consumer Affairs Specialist

### **Recommendation**

Issue a complaint and order suspending the tariff filing of Waste Management of Washington, Inc., G-237, Inc., Seattle & South Sound Operations (WM-SS or company) and allow temporary rates subject to refund to become effective May 1, 2006, in Docket TG-060408.

### **Discussion**

On March 15, 2005, WM-SS proposed a new combined Tariff No. 21, cancelling Tariff No. 20 for Rainier Disposal and Tariff No. 6 for Raffo/RST. The two companies operate in south King County and are both under common ownership and control. They combined their operations before 2005. Present rates have been in effect for over three years. The new tariff contains across the board rate increases for all categories of solid waste service including, garbage, curbside recycling, and yard waste. The primary reason for the increase was a new labor contract for union drivers effective April 1, 2006, increasing labor and fringe benefit costs. Other costs for insurance, fuel and recycle processing also increased. Thirteen customers commented on this proposal, all opposed to the rate increase. Customers gave numerous reasons for their opposition. Over half said the company provides poor customer service. Other reasons were the amount of the increase and that existing rates are already too high.

The filing was originally based on the union's initial demands and increased garbage rates by \$905,000 (10.0%), yard waste rates by \$67,000 (6.34%) and curbside recycling rates by \$422,000 (23.3 %) for a total of \$1,394,000 (12.78%). A tentative contract agreement has now been reached and will be voted on by union members on April 29, 2006. Staff has reviewed WM-SS's total operations and the allocations between different lines of business and between contract and regulated areas. We have also reduced labor cost projections where the tentative agreement's actual amounts are less than the original demand. The result is a revised filing that is agreeable to both the company and staff, however the union will not vote to approve the tentative agreement until after today's open meeting. The revised impact will be to lower the garbage revenue requirement to \$447,000. The total impact of revised rates will therefore be \$936,000 (8.58%).

A representative sampling of present, proposed, and revised rates follows:

	Present	Proposed	Revised
<u>Residential</u>			
1 can	\$11.45	\$12.80	\$12.10
1 toter	18.45	20.60	19.50
Yardwaste - Tariff 20	9.85	10.20	10.20
Yardwaste - Tariff 6	8.20	10.20	10.20
Curbside Recycle - Tariff 20	6.60	7.37	7.37
Curbside Recycle - Tariff 6	4.60	7.37	7.37
<u>Commercial</u>			
1 Yd per pick up	11.50	13.20	12.10
20 Yd Drop Box per pick up	85.00	92.20	92.20

It is therefore recommended that the commission issue a complaint and order suspending the tariff filing of Waste Management of Washington, Inc., G-237, Inc., Seattle & South Sound Operations (WM-SS or company) and allow temporary rates subject to refund to become effective May 1, 2006, in Docket TG-060408.

Attachment