

Agenda Date: October 25, 2006
Item Number: B1

Docket: TG-061310
Company Name: Fiorito Enterprises, Inc. & Rabanco Companies, d/b/a Kent-Meridian Disposal Company G-60

Staff: Nicki Johnson, Regulatory Analyst
John Cupp, Consumer Program Specialist

Recommendation

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Fiorito Enterprises, Inc. & Rabanco Companies, d/b/a Kent-Meridian Disposal Company,
2. Allow the staff recommended revised temporary rates to become effective October 26, 2006, on a permanent basis.

Background

On August 15, Fiorito Enterprises, Inc. & Rabanco Companies, d/b/a Kent-Meridian Disposal Company (Kent-Meridian or company) filed proposed rates that would have increased its revenue by approximately \$1,293,600 (10.74%). Staff's review of the company's books and records found the proposed rates were excessive. On September 25, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$669,000 (5.56%).

The commission received comments from 26 customers regarding this proposed rate increase. One customer asked that any additional revenue go toward proper costs and not into executives' pockets. Twenty-five customers opposed the increase. Eleven comments mentioned poor customer service and six mentioned frequent increases as the reasons for opposing this proposal.

On September 27, the commission entered a Complaint and Order Suspending Tariff Revisions to allow customers the opportunity to comment on the revised rates before determining whether the revisions were fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis October 1.

Discussion

The filing increases solid waste and residential recycling rates and decreases rates for yard waste and multi-family recycling. The company serves approximately 39,000 customers in King County in the area stretching from Auburn and Kent to North Bend.

On Monday, October 2, Consumer Affairs staff sent all 26 customers who had commented on the originally proposed filing a letter advising them of the staff recommended revised rates. One customer responded to the letter. He stated that the revised rates were much more reasonable than the proposed rates. However, he still feels that a 5.56 percent increase is quite substantial.

The table below provides a sample of present, proposed and revised rates:

	Present Rates	Proposed Rates	Revised Rates
<u>Residential</u>			
One Can	\$10.25	\$11.25	\$10.80
64 Gallon Toter	\$15.80	\$18.50	\$17.70
90 Gallon Toter	\$20.90	\$24.55	\$23.50
Recycling	\$4.79	\$5.49	\$5.14
Yard waste	\$6.06	\$5.12	\$5.79
<u>Commercial</u>			
One Yard Container per month	\$53.15	\$60.26	\$55.10
20 Yard Dropbox per haul	\$100.00	\$130.00	\$113.00
Multi-Family Recycle per yard	\$2.15	\$2.00	\$1.06

The single comment in response to staff's second notice regarding the lower revised rates simply said the rates are still too high. The second round of comments provided no additional information for staff to consider. Staff continues to believe the company has demonstrated that it needs the additional revenue and that the rates currently in effect on a temporary basis are fair, just, reasonable and sufficient.

Conclusion

Staff recommends that the commission Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Fiorito Enterprises, Inc. & Rabanco Companies, d/b/a Kent-Meridian Disposal Company and allow revised temporary rates at staff recommended levels, to become effective October 26, 2006, on a permanent basis.

Attachment