

Agenda Date: May 23, 2007
Item Number: B2

Docket: TG-070749

Company Name: Rabanco, LTD, d/b/a Allied Waste Services of Kent, Rabanco Companies, and Sea-Tac Disposal, G-12

Staff: Nicki Johnson, Regulatory Analyst
John Cupp, Regulatory Analyst

Recommendation:

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco, LTD, d/b/a Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal.
2. Allow temporary rates at the staff recommended revised rates to become effective June 1, 2007, subject to refund.

Background:

On April 16, 2007, Rabanco, LTD, d/b/a Allied Waste Services of Kent, Rabanco Companies, and Sea-Tac Disposal, (Rabanco or company), filed a new Tariff 26 to combine its Tariff 25 and its Tariff 20 (adopted from Waste Management of Washington, Inc.). The filing proposes to increase some garbage rates and to decrease others. Residential recycling and yard waste rates increase under the proposed rates. The proposed filing generated about \$375,418 (9.4 percent) annually. The company serves 11,600 regulated solid waste customers in southern King county.

The company states in its filing that the rate increase is necessary to offset increases in payroll, payroll-related costs and fuel. Rabanco's proposed rates are scheduled to become effective on June 1, 2007. The company's last general rate increase became effective in August 2004.

As of May 21, 2007, the commission received seven customer comments on this filing. Most customers are concerned with the increase in the residential recycling rate.

Staff's review of Rabanco's operations revealed that the proposed rates were excessive. On May 18, 2007, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$210,500 (5.29 percent). Although the company filed revised rates at lower levels, customers have not yet been advised that staff and the company have agreed to revised rates and they have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates.

The following schedule shows current, proposed and revised rates:

	Present	Proposed	Revised
<u>Residential Monthly Rates</u>			
<u>Tariff 25</u>			
One Can	\$9.40	\$9.55	\$9.55
60 Gallon Toter	\$13.60	\$13.80	\$13.80
Recycle	\$4.74	\$6.91	\$6.33
96 Gallon E.O.W. Yard Waste	\$6.96	\$8.00	\$7.50
Company-Owned Toter Rent	\$1.00	\$1.50	\$1.50
<u>Tariff 20</u>			
One Can	\$11.45	\$9.55	\$9.55
60 Gallon Toter	\$18.45	\$13.80	\$13.80
Recycle	\$6.60	\$6.91	\$6.33
96 Gallon Weekly Yard Waste	\$9.85	\$11.60	\$10.40
Company-Owned Toter Rent	N/A	\$1.50	\$1.50
<u>Commercial - per Pickup</u>			
<u>Tariff 25</u>			
One Yard Container	\$10.50	\$11.35	\$11.35
<u>Tariff 20</u>			
One Yard Container	\$11.50	\$11.35	\$11.35
<u>Drop Boxes - per Pickup</u>			
<u>Tariff 25</u>			
20 Yard	\$68.50	\$120.00	\$112.00
<u>Tariff 20</u>			
20 Yard	\$92.20	\$120.00	\$112.00

Conclusion:

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco, LTD, d/b/a Allied Waste Services of Kent, Rabanco Companies, and Sea-Tac Disposal and allow temporary revised rates at staff recommended levels, to become effective June 1, 2007, subject to refund.