

Agenda Date: February 27, 2014  
Item Number: B2

**Docket:** TG-140070  
Company Name: Excess Disposal, Inc., G-107

Staff: Amy White, Regulatory Analyst  
Sheri Hoyt, Consumer Protection Staff

### **Recommendation**

Take no action, allowing the proposed rates filed by Excess Disposal, Inc., on January 15, 2014, as revised on February 20, 2014, to become effective March 1, 2014, by operation of law.

### **Discussion**

On January 15, 2014, Excess Disposal, Inc., (Excess Disposal or company) filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate approximately \$141,000 (19.3 percent) additional annual revenue. The filing included tariff pages with no changes, which the company subsequently withdrew on January 31, 2014.

The proposed increases will offset an eight percent increase in disposal fees and increases in maintenance and repair costs, health insurance, salaries, professional fees, and office and postage costs. The company provides regulated residential and commercial garbage collection service to approximately 875 customers in Pend Oreille County. The company's last general rate increase became effective on January 1, 2011.

Staff's analysis showed that the company has demonstrated a revenue requirement of approximately \$147,000 (20.2 percent), higher than the company's original filing. The company chose not to file revised rates at the higher revenue requirement. Staff and the company agreed to the revenue requirement of \$141,047 (19.3 percent) additional annual revenue. On February 20, 2014, the company filed revised pages to correct technical errors on several tariff pages and to add rates which had been inadvertently omitted from one page.

### **Customer Comments**

On Jan. 30, the company notified its customers of the proposed rate increase by mail. Staff received two consumer comments regarding the proposed rate increase; both were opposed. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact Sheri Hoyt at 1-888-333-9882 or shoyt@utc.wa.gov with questions or concerns.

### **General Comments**

- One customer said the rates are already too high, gasoline has gone down so the company does not need an increase, and that the company's union problems are their problems and he should not have to pay.

- One customer said the proposed increase for him would be approximately 37 percent; he felt that was excessive and that the request should be carefully examined and most likely adjusted downward.

**Staff Response**

State law requires rates to be fair and reasonable for customers, while also allowing the company to recover appropriate operating expenses and earn a reasonable return on its investment. Rates are based on each company's specific needs.

**Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Percent Increase</b>
32-Gallon Can Weekly Pick-Up	\$17.46	\$21.00	20.2 %
45-Gallon Can Weekly Pick-Up	\$26.41	\$32.00	21.1 %
<b>Commercial Rates - Per Pick-Up</b>			
1 - Yard Container Weekly Pick-Up	\$75.12	\$90.00	19.8 %
<b>Drop Box</b>			
10 - Yard Drop Box (Non-Compacted)	\$64.63	\$80.00	23.8 %
20 - Yard Drop Box (Non-Compacted)	\$123.05	\$150.00	21.9 %

**Conclusion**

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operation. The company's financial information supports the proposed revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

Therefore, staff recommends that the commission take no action, allowing the proposed rates filed by Excess Disposal, Inc., on January 15, 2014, as revised on February 20, 2014, to become effective March 1, 2014, by operation of law.