

Agenda Date: April 24, 2025
Item Number: B1

Docket: TG- 250164
Company Name: Kent Meridian Disposal Company, d/b/a Republic Services of Kent; Allied Waste Services of Kent

Staff: Jeanine Leggett, Regulatory Services
Kris Irelan, Consumer Protection

Recommendation

Take no action, thereby allowing the Tariff pages filed by Kent Meridian Disposal Company, d/b/a Republic Services of Kent; Allied Waste Services of Kent on March 11, 2025, and revised on April 15, 2025, to take effect May 1, 2025, by operation of law.

Discussion

On March 11, 2025, Kent Meridian Disposal Company (Company) filed with the Washington Utilities and Transportation Commission (Commission) Tariff revisions that, as originally filed, would have generated approximately \$1,074,310 (7.25 percent) additional annual revenue. The Company provides regulated solid waste collection service to approximately 22,000 residential and commercial customers in King County. The Company's last general rate increase became effective on April 1, 2023.

Commission Staff (Staff) have reviewed the documents and information provided by the Company. In reviewing the documents, Staff found that general operating expenses, which include labor, benefits, and maintenance, to name a few, have increased approximately 21 percent since the prior rate case. It also looks like at some point garbage was subsidizing recycling but now garbage has gone down, and recycling has continued to increase. So, the Company is decreasing the garbage rates and increasing the recycling and yard waste rates.

After Staff completed its review of the Company's financial documents and made some very minor adjustments that did not move the overall percentage one way or another. Staff notified the Company of the findings and requested an updated complete tariff be submitted.

Rate Comparison

The table below shows the current, Staff agreed Company-proposed rates, and the most common service levels. The full list of rates is included in the Company's Tariff.

| Lines of Service | Current Rate | Proposed Rate | Difference Revised to Current | |
|------------------------|--------------|---------------|-------------------------------|--------|
| 1 can 1x week | \$15.36 | \$14.69 | (\$0.67) | -4.36% |
| 32-gal cart 1x week | \$24.07 | \$22.94 | (\$1.13) | -4.69% |
| 96-gal recycle cart | \$9.91 | \$12.53 | \$2.62 | 26.44% |
| 96-gal yard waste cart | \$13.71 | \$17.00 | \$3.29 | 24.00% |

Customer Comments

On March 11, 2025, the Company notified customers by mail regarding the proposed rate increase. Staff received 26 comments opposing the proposal. Many commenters expressed concerns about the impact on the middle class, citing potential price gouging. Additionally, some commenters worried that excessively high recycling rates could lead to increased disposal of recyclables in regular trash or illegal dumping along highways. The proposed 26 percent rate increase was criticized as significantly exceeding typical inflation rates, raising questions about its proportionality to standard operating cost adjustments.

Staff clarified that state law mandates rates to be fair, just, reasonable, and sufficient to allow the Company to recover the necessary operating expenses and to earn a reasonable return on its investment. Staff conducts a thorough review of rate filings to ensure that all rates and fees are appropriate.

Customers were also notified that they could access relevant documents about the rate increase on the Commission's website. For any questions or concerns, they were directed to contact Kris Irelan at 1-888-333-9882 or kris.irelan@utc.wa.gov.

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