

Agenda Date: November 24, 2010
Item Number: B1

Docket: TG-101706
Company Name: Waste Management of Washington, Inc. G-237

Staff: Layne Demas, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

1. Grant the company's request for an exemption from WAC 480-07-520(4) Work papers, for the purposes of this filing only.
2. Take no action and allow the company's proposed rates filed on October 15, 2010, to become effective December 1, 2010, by operation of law.

Discussion

On October 15, 2010, Waste Management of Washington, Inc. (Waste Management or company) filed tariff revisions with the Utilities and Transportation Commission (commission) for the operations it conducts under the registered trade name Waste Management – Kennewick (WM - Kennewick). The tariff revisions would increase Waste Management's rates in its WM – Kennewick division by approximately \$314,000 (22 percent) in additional annual revenue. WM – Kennewick provides regulated service to approximately 5,000 residential and commercial customers in Benton County. WM – Kennewick's last general rate increase became effective on June 1, 2003.

Customer Comments

On November 1, 2010, the company notified its customers of the proposed rate increase by mail. The commission received eight customer comments on this filing.

Consumer Protection staff advised customers that they may access company documents about this rate case at www.utc.wa.gov and that they may contact Pam Smith at 1-888-333-9882 with questions or concerns.

General Comment

- Seven customers believe the amount of the increase is too high or unnecessary.

Staff Response

Customers were advised that state law requires rates to be fair, just, reasonable and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on investment. One of the seven customers requested an explanation of why the cost of garbage collection service is going up so dramatically. Staff attempted to contact the customer about the cost of service. The customer has not responded.

Business Practice Comment

- Two customers would like a recycling and/or yard waste option.

Staff Response

Customers were advised that recycling decisions are made through a solid waste management plan approved by local governing officials. For questions or comments about the design of a recycling program, they were referred to their county solid waste division.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Percent increase
64-Gallon Can Weekly Pick-up	\$12.05	\$14.90	23.6
96-Gallon Cart Weekly Pick-up	\$15.20	\$18.50	21.7

Commercial Per Pick-up Rates	Current Rate	Proposed Rate	Percent increase
1-Yard Container	\$ 9.80	\$ 12.00	22.4
2-Yard Container	\$14.60	\$ 17.80	17.8
30-Yard Drop Box (Non-Compacted)	\$80.00	\$113.50	41.8

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 customer's comments do not change staff's opinion that 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 the following:

1. Grant the company's request for an exemption from WAC 480-07-520(4) Work papers, for the purposes of this filing only.
2. Take no action and allow the company's proposed rates filed on October 15, 2010, to become effective December 1, 2010, by operation of law.