

Agenda Date: September 26, 2013  
Item Number: B3

**Docket:** TG-131329  
**Company Name:** Fiorito Enterprises, Inc., & Rabanco Companies, G-60, dba Kent-Meridian Disposal Company

**Staff:** Amy White, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Take no action, thereby allowing the tariff revisions filed by Fiorito Enterprises, Inc., & Rabanco Companies, dba Kent-Meridian Disposal Company, on July 17, 2013, as revised on September 16, 2013, to become effective on October 1, 2013, by operation of law.

**Discussion**

On July 17, 2013, Fiorito Enterprises, Inc., & Rabanco Companies, dba Kent-Meridian Disposal Company (Kent-Meridian or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$482,000 (4.5 percent) additional annual revenue. Kent-Meridian serves approximately 51,000 residential and commercial customers in King County. The filing is prompted by increases in labor, fuel, maintenance, healthcare, yard waste processing fees, pension, and other general operating expenses. The company's last general rate increase became effective on March 1, 2012. On August 16, 2013, the company filed to extend the effective date to September 15, 2013, and on August 30, 2013, filed again to extend the effective date to October 1, 2013.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review found that the company's proposed rates would result in excess revenue. Staff and the company agreed to a revised revenue requirement of approximately \$431,000 (4 percent) additional annual revenue. On September 16, 2013, Kent-Meridian filed revised tariff pages with the revised rates at staff recommended levels.

**Rate Comparison**

|  | <b>Current Rate</b> | <b>Proposed Rate</b> | <b>Revised Rate</b> | <b>Percent Increase</b> |
|--|---------------------|----------------------|---------------------|-------------------------|
| <b>Residential Monthly Rates</b>       |                     |                      |                     |                         |
| One 19-Gallon Mini-Can Weekly Pick-Up  | \$8.89              | \$9.17               | \$9.13              | 2.7 %                   |
| One 32-Gallon Tote Weekly Pick-Up      | \$13.81             | \$13.75              | \$13.69             | (0.9) %                 |
| One 90-Gallon Tote Weekly Pick-Up      | \$29.56             | \$29.74              | \$29.61             | 0.2 %                   |
|  |                     |                      |                     |                         |
| <b>Mandatory Residential Recycling</b> |                     |                      |                     |                         |
| Recycling Every-Other-Week Pick-Up     | \$6.58              | \$6.85               | \$6.81              | 3.5 %                   |

|   | <b>Current Rate</b> | <b>Proposed Rate</b> | <b>Revised Rate</b> | <b>Percent Increase</b> |
|---|---------------------|----------------------|---------------------|-------------------------|
| <b>Yard Waste</b>                                     |                     |                      |                     |                         |
| Yard Waste March-to-November Every-Other-Week Pick-Up | \$ 6.29             | \$ 7.42              | \$ 7.38             | 17.3%                   |
|   |                     |                      |                     |                         |
| <b>Commercial Monthly Rates</b>                       |                     |                      |                     |                         |
| 2.0-Yard Container Each Pick-Up                       | \$30.80             | \$35.77              | \$35.64             | 15.7 %                  |
| 4.0-Yard Container Each Pick-Up                       | \$60.84             | \$63.26              | \$62.99             | 3.5 %                   |
| 8.0-Yard Container Each Pick-Up                       | \$127.35            | \$119.37             | \$118.81            | (6.7 ) %                |

### **Customer Comments**

On July 31, 2013, the company notified its customers of the proposed rate increase by mail. Staff received eight consumer comments regarding the proposed rate increase; all are opposed to the rate increase. Customers were notified that they may access relevant documents about this filing on the commission's website, and that they may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns.

### **General Comments**

- Four customers commented that the company files for increases more frequently than it should. One customer commented that the amount of the proposed increase is excessive.

### **Staff Response**

The 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 its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

### **Conclusion**

Take no action, thereby allowing the tariff revisions filed by Fiorito Enterprises, Inc., & Rabanco Companies, dba Kent-Meridian Disposal Company, on July 17, 2013, as revised on September 16, 2013, to become effective on October 1, 2013, by operation of law.