

Agenda Date: March 29, 2018
Item Number: B1

Docket: TG-180153

Company Name: Empire Disposal Inc.

Staff: Tiffany Van Meter, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, allowing the revisions to Tariff No. 15 filed by Empire Disposal Inc., on February 14, 2018, as revised on March 22, 2018, to become effective April 1, 2018, by operation of law.

Discussion

On February 14, 2018, Empire Disposal Inc., (Empire or Company) filed revisions to Tariff No. 15 that would generate approximately \$395,000 (13.69 percent) additional annual revenue to offset increases in labor, operating expenses and to recover new capital assets. The company serves approximately 4,500 customers in Spokane and Whitman Counties. The company's last general rate increase became effective on October 1, 2016.

After staff's review of the company's financial data, the company and staff have agreed on a revised annual revenue increase of \$385,000 (13.35 percent). Staff and the company have also agreed on revised rates, which are fair, just, reasonable, and sufficient. On March 22, 2018, the company filed tariff pages with revised rates at staff recommended levels.

Rate Comparison

Spokane Service	Current Rates	Company Proposed Rates	Revised Rates	Percent Increase
Residential				
1 32gal. Can Garbage (Weekly)	\$ 18.82	\$ 21.49	\$ 21.42	13.8%
1 65gal. Can Garbage (Weekly)	\$ 28.33	\$ 32.35	\$ 32.25	13.8%
Commercial				
1 Yd. Container (Weekly)	\$ 17.75	\$ 20.27	\$ 20.21	13.8%
2 Yd. Container (Weekly)	\$ 35.33	\$ 40.34	\$ 40.22	13.8%
<u>Drop Box Service</u>				
Empty & Return 25 Yds	\$ 258.64	\$ 295.32	\$ 294.41	13.8%

Outside of Spokane Service	Current Rates	Company Proposed Rates	Revised Rates	Percent Increase
Residential				
1 32gal. Can Garbage (Weekly)	\$ 18.20	\$ 20.78	\$ 20.72	13.8%
1 65gal. Can Garbage (Weekly)	\$ 25.91	\$ 29.58	\$ 29.49	13.8%
Commercial				
1 Yd. Container (Weekly)	\$ 15.75	\$ 17.98	\$ 17.93	13.8%
2 Yd. Container (Weekly)	\$ 31.64	\$ 36.13	\$ 36.02	13.8%
Drop Box Service				
Empty & Return 25 Yds	\$ 241.93	\$ 276.24	\$ 275.39	13.8%

Customer Comments

On February 28, the company notified its customers by mail of the proposed rate increase. Customers were notified they may access documents related to this rate increase on the commission's website, and they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received five consumer comments regarding the proposed rate increase; four opposed to the rate increase and one in favor.

General Comments

Four customers expressed opposition to the increase because they believe the proposed amount is excessive. One customer wrote in support of the increase.

Staff Response

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. Commission staff performs a thorough review of rate filings to ensure that all rates and fees are appropriate.

Conclusion

Take no action, thereby allowing the tariff pages filed on February 14, 2018, and revised on March 22, 2018, to go into effect April 1, 2018, by operation of law.