

Agenda Date: May 31, 2018  
Item Number: B1

**Docket: TG-180221**

Company Name: Gary's Garbage Services, LLC

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

### **Recommendation**

Take no action, allowing the revisions to Tariff No. 15 filed by Gary's Garbage Services, LLC, on March 13, 2018, as revised on May 23, 2018, to become effective June 1, 2018, by operation of law.

### **Discussion**

On March 13, 2018, Gary's Garbage Services, LLC, (Gary's or company) filed Tariff No. 3 that would generate approximately \$32,000 (12.4 percent) additional annual revenue to offset increasing operating expenses. The company serves approximately 300 customers in Pend Orielle County. The company's last general rate increase became effective on October 1, 2014 providing the company with approximately \$29,000 (24.1) of additional revenue.

After staff's review of the company's financial data, staff discovered that the requested revenue increase would be insufficient for the company to recover the cost of doing business. The main driver in this rate increase is a result of the company investing about \$83,000 in depreciable assets since the last rate case and slightly increased operating costs. The company and staff have agreed on a revised annual revenue increase of approximately \$37,000 (14.3 percent) that would go into effect in the form of a rate plan. The company would receive additional revenue in the amount of \$28,600 (11 percent) in year one effective June 1, 2018, and an additional \$8,300 (3.3 percent) in year two effective June 1, 2019. Staff and the company have also agreed on revised rates to implement the rate plan, which are fair, just, reasonable, and sufficient. On May 23, 2018, the company filed revised rates at the agreed upon levels.

### **Rate Comparison**

Service	Current Rates	Company Proposed Rates	Rate Plan Year 1 Rates	Percent Increase/ Decrease	Rate Plan Year 2 Rates	Percent Increase/ Decrease
<b><u>Residential</u></b>						
1 32-gal. Can Garbage (Weekly)	20.01	23.50	21.85	9.2%	22.63	3.6%
1 45-gal. Can Garbage (Weekly)	25.57	26.50	26.75	4.6%	27.71	3.6%
<b><u>Commercial</u></b>						
1-Yd Container (Weekly)	21.11	23.88	24.00	13.7%	24.86	3.6%
4-Yd Container (Weekly)	66.13	74.75	73.50	11.1%	75.50	2.7%
<b><u>Drop-Box Service</u></b>						
30-Yd Drop Box	208.21	235.52	234.10	12.4%	242.51	3.6%

### **Customer Comments**

On March 9, 2018, 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 no comments regarding the proposed rate 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 March 13, 2018, and revised on May 23, 2018, to go into effect June 1, 2018, by operation of law.