

Agenda Date: April 10, 2008
Item Number: B1

Docket: TG-080105
Company Name: Harold Lemay Enterprises, Inc, d/b/a Pierce County Disposal, G-98

Staff: Layne Demas, Regulatory Analyst
Dennis Shutler, Consumer Program Specialist

Recommendation

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Harold Lemay Enterprises, Inc, d/b/a Pierce County Disposal; and
2. Allow the staff recommended revised temporary rates to become effective April 11, 2008, on a permanent basis.

Discussion

On January 16, 2008, Harold Lemay Enterprises, Inc, d/b/a Pierce County Disposal Inc., (Pierce County or company) filed with the Utilities and Transportation Commission proposed rates that would have increased its revenue by approximately \$1,560,000 (7.56 percent). The tariff revisions proposed to increase rates for solid waste collection, curbside recycling, and update the recycle commodity credit. Pierce County Disposal serves approximately 45,000 residential and commercial customers in Southern Pierce County and a small portion of Northern Thurston County. Pierce County Disposal's last general rate increase became effective March 1, 2007. The proposed rate revisions are prompted by increases in disposal fees, labor and benefits, and increased investment in trucks and containers. Disposal fees are increasing in Pierce County from \$98.89 to \$101.95 per ton and in Thurston County from \$72.46 to \$76.00 per ton.

Staff's review of the company's books and records found the proposed rates were excessive. On February 19, 2008, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$1,500,000 (7.25 percent) of additional revenue per year.

On February 28, 2008, the commission entered a Complaint and Order Suspending Tariff Revisions to allow customers the opportunity to comment on the revised rates before determining whether the revisions were fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis March 1, 2008, subject to refund.

On March 1, 2008, the Consumer Affairs section sent every customer who had commented on Pierce County Disposal's filing a letter advising each respondent of staff's recommended revised rates. No customer has yet responded to staff's letter.

Rate Comparison

<u>Residential - monthly rates</u>	<u>Present</u>	<u>Proposed</u>	<u>Revised</u>
One 32 gallon Can per week	\$ 12.50	\$ 14.25	\$ 14.20
Two 32 gallon Cans per week	18.70	21.00	20.80
One 65 gallon Cart per week	19.15	20.15	20.00
One 65 gallon Cart every other week	12.80	13.20	13.10
Curbside Recycling	4.35	5.02	N/C
Recycle Commodity Credit	(1.68)	(1.90)	N/C
<u>Commercial - per pickup</u>			
One Yard Container -1 st pick up	\$ 19.60	\$ 25.60	N/C
One Yard Container – additional pick ups	12.52	13.16	N/C
Two Yard Containers -1 st pick up	33.91	41.56	N/C
Two Yard Containers – additional pick ups	23.15	23.56	N/C
20 Yard Drop Box – 1 st pick up	123.00	160.00	N/C
20 Yard Drop Box – additional pick ups	70.00	115.00	N/C

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 operations. The company’s financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

Conclusion

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Harold Lemay Enterprises, Inc, d/b/a Pierce County Disposal; and
2. Allow the staff recommended revised temporary rates to become effective April 11, 2008, on a permanent basis.