

Agenda Date: March 29, 2012  
Item Number: B1

**Docket:** TG-112144  
Company Name: Torre Refuse and Recycling, LLC  
d/b/a Sunshine Disposal & Recycling, G-260

Staff: Nicki Johnson, Regulatory Analyst  
Pam Smith, Consumer Protection Staff

### **Recommendation**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling on December 14, 2011, and the revised pages filed on January 10, 2012, and on January 17, 2012.
2. Allow the revised pages filed on March 21, 2012, to become effective on April 1, 2012.

### **Discussion**

On December 14, 2011, Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling, (Torre or company) filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$170,000 (5.5 percent) in additional annual revenue. The proposed increases are prompted by the February 1, 2012, increase in the Spokane County disposal fees, which increase from \$98 per ton to \$104 per ton at the waste-to-energy facility and from \$103 per ton to \$109 per ton at the transfer stations. In addition, the costs for labor, employee benefits, and fuel have increased since the last general rate increase became effective on June 1, 2009. Torre provides regulated solid waste collection service to approximately 5,500 residential and commercial customers in western Spokane County.

On January 10, 2012, and on January 17, 2012, the company filed revised tariff pages designed to recover just the disposal increase portion of the proposed rates. The revenue impact of the disposal increase is approximately \$64,000 additional annual revenue.

On January 26, 2012, the commission entered a Complaint and Order Suspending Tariff Revisions and allowed the revised pages filed on January 10, 2012, and on January 17, 2012, to become effective on February 1, 2012, on a temporary basis, subject to refund.

Staff has completed its review of the company's financial information and the analysis shows that the proposed rates result in excessive revenue. Staff and the company agreed to a revised revenue requirement of \$138,000 (4.5 percent) additional annual revenue. On March 21, 2012, Torre filed revised rates at staff recommended levels

### **Customer Comments**

On December 26, 2011, the company notified its customers of the proposed rate increase by mail. Staff received nine customer comments opposing the rate increase. Consumer Protection

staff advised the customers that they may access company documents pertinent to this rate case at [www.utc.wa.gov](http://www.utc.wa.gov), and that they may contact Pam Smith at 1-888-333-WUTC (9882) with questions or concerns.

### **General Comments**

- Three customers oppose the rate increase because they are on a fixed income. Four customers oppose the increase due to current economic conditions.

### **Staff Response**

The customers were advised that state law requires solid waste and recycling rates to be fair, just and reasonable; sufficient to allow the company to recover reasonable operating expenses; and provide the company the opportunity to earn a reasonable return on investment. Regulatory staff will review the filing to ensure that all rates and fees are appropriate.

### **Business Practices**

- Two customers believe that the prices should go down because of a decrease in fuel and labor costs.

### **Staff Response**

Staff attempted to reach the customers to discuss their fuel and labor cost concerns. One customer did not respond. Staff talked with the other customer and explained how the fuel and labor cost are calculated into the rate making process.

### **Service Quality**

- There was an additional comment concerning solid waste falling out of the truck during collection.

### **Staff Response**

Staff opened an informal complaint. The company advised the driver and the customer will contact staff if service does not improve.

### **Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Percent Increase</b>
32-Gallon Cart Weekly Pick-up	\$18.75	\$19.85	\$19.65	4.8%
60-Gallon Cart Weekly Pick-up	\$25.50	\$27.00	\$26.75	4.9%
<b>Commercial Per Pick-up Rates</b>				
2-Yard Container	\$31.00	\$32.80	\$32.50	4.8%
30-Yard Drop Box	\$90.00	\$95.00	\$94.00	4.4%

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that 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 revised revenue requirement and the revised proposed rates and charges are fair, just reasonable and sufficient.

**Conclusion**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal & Recycling on December 14, 2011, and the revised pages filed on January 10, 2012, and on January 17, 2012.
2. Allow the revised pages filed on March 21, 2012, to become effective on April 1, 2012.