

Agenda Date: December 27, 2006
Item Number: B2

Docket: TG-061736
Company Name: Empire Disposal, Inc.

Staff: Nicki Johnson, Regulatory Analyst
John Cupp, Consumer Program Specialist

Recommendation

Approve the request for less than statutory notice to revise rates, at staff recommended levels, in Docket TG-061736 to become effective January 1, 2007.

Background

On November 15, 2006, Empire Disposal, Inc., (Empire or company) filed a general rate increase. The filing proposed to increase rates to customers in both Whitman and Spokane counties. Subsequent to the company's filing, Whitman County notified the company that effective February 1, 2007, disposal fees at the county solid waste disposal facility would increase from \$69 to \$95 per ton. On November 30, 2006, Empire filed substitute pages for Whitman County increasing the rates further due to the disposal increase. The company also filed a less than statutory notice request since it filed the substitute pages on less than 45 days notice to the commission. Customer notices went out on December 1, 2006, and included the revised proposed rates for Whitman County customers. The company serves about 4,100 customers in Whitman County and 1,100 customers in southern Spokane County.

In addition to the increased disposal fees, the proposed filing is to recover the higher costs of fuel, payroll, and insurance since the company's last increase in 2002.

On December 13, 2006, staff presented this item to the commission for public comment. The commission had received one customer comment on the filing. On December 14, 2006, Consumer Affairs notified the customer of the staff revised rates. The commission received no other comments on the filing since the December 13 open meeting.

Staff's review of Empire's books and records revealed that the proposed rates were excessive. The company's proposal would have resulted in \$281,600 (15.99 percent) more revenue per year.

The staff revised proposed rates generate an additional \$268,700 (15.25 percent) per year.

The current, proposed, and revised rates are:

	Present Rates	Proposed Rates	Revised Rates
Whitman County			
<u>Residential Weekly Service</u>			
1 can	\$11.95	\$13.78	\$13.64
2 can	\$15.50	\$18.16	\$18.02
65 gallon cart	\$16.75	\$19.51	\$19.37
90 gallon cart	\$20.00	\$24.02	\$23.86
Recycle	\$3.10	\$4.10	\$4.10
<u>Commercial Service</u>			
1 Yard container per pickup	\$9.75	\$11.67	\$11.52
2 Yard container per pickup	\$19.50	\$23.34	\$23.20
25 yard dropbox per pickup	\$112.60	\$152.60	\$152.60
Spokane County			
<u>Residential Weekly Service</u>			
1 can	\$14.05	\$14.65	\$14.51
2 can	\$19.90	\$20.65	\$20.51
65 gallon cart	\$21.15	\$22.00	\$21.86
90 gallon cart	\$26.25	\$27.45	\$27.29
<u>Commercial Service</u>			
1 Yard container per pickup	\$13.05	\$13.65	\$13.50
2 Yard container per pickup	\$25.80	\$27.00	\$26.86
25 yard dropbox per pickup	\$124.15	\$164.15	\$164.15

Conclusion

Approve the request for less than statutory notice to revise rates, at staff recommended levels, in Docket TG-061736 to become effective January 1, 2007.