

Agenda Date: January 26, 2017
Item Number: B1

Docket: **TG-161238**
Company Name: Bainbridge Disposal, Inc. G-37

Staff: Greg Hammond, Regulatory Analyst
Mike Young, Regulatory Analyst
Tiffany Van Meter, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Allow Tariff No. 16, filed on November 23, 2016, and revised on January 20, 2017, to go into effect February 1, 2017.

Discussion

On November 23, 2016, Bainbridge Disposal, Inc. (Bainbridge or company), filed Tariff No. 16 with the Utilities and Transportation Commission (commission) that would generate approximately \$411,000 (14.5 percent) additional annual revenue. The proposed increase was to become effective January 1, 2017, and is prompted by increases in disposal fees, payroll and related expenses, and new truck purchases. On December 13, 2016, the company filed to extend the effective date to February 1, 2017. Bainbridge currently serves approximately 6,600 residential, commercial, and drop box customers on Bainbridge Island in Kitsap County. The company's last general rate increase became effective April 1, 2008.

Staff's review found the proposed rates would result in excessive revenue. Staff made a substantial payroll adjustment due to changes made in the regulated and non-regulated allocation method for employees, and from updating the current employees based on an updated payroll report. Additionally, staff re-allocated the expense of an affiliate transfer station to only allow for recovery based on regulated tonnage brought through the transfer station. The company and staff have agreed on a revised revenue requirement of approximately \$306,000 (10.9 percent) additional annual revenue, and on revised rates, which are fair, just, reasonable, and sufficient. On January 20, 2017, the company filed revised rates at staff recommended levels.

Rate Comparison

Residential Rates	Current Rates	Revised Rates	Increase
Mini-Can Weekly	\$ 4.94	\$ 5.45	10.3%
1 Can Weekly Garbage	\$ 11.85	\$ 13.08	10.4%
64 Gal. EOW Recycling Only	\$ 6.65	\$ 7.34	10.5%
64 Gal. EOW Recycling (w/ WG)	\$ 5.65	\$ 6.25	10.6%
96 Gal. EOW Yardwaste	\$ 8.64	\$ 10.04	16.2%
Commercial Service - Per Pickup			
1 Can Permanent Service (Per Pickup)	\$ 1.70	\$ 1.97	15.9%
2 Yard Container	\$ 18.15	\$ 20.03	10.4%
Drop Box - Per Pickup			
10 Yard	\$ 49.72	\$ 54.87	10.4%
20 Yard	\$ 69.38	\$ 76.56	10.3%
50 Yard	\$ 125.00	\$ 137.94	10.4%

Customer Comments

On November 28, 2016, the company notified its customers by mail of the proposed rate increase. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns. Staff received three consumer comments regarding the proposed rate increase, two opposed to the rate increase and one in favor.

General Comments

One customer commented that the amount of the proposed increase is excessive. Another customer stated the company provides excellent service and deserves a rate increase.

Staff Response

The customers were advised that 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. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

Conclusion

Allow Tariff No. 16, filed on November 23, 2016 and revised on January 20, 2017, to go into effect February 1, 2017.