

Agenda Date: January 27, 2011
Item Number: B1

Docket: TG-102023
Company Name: Mason County Garbage Co., Inc., G-88

Staff: Nicki Johnson, Regulatory Analyst
Dennis Shutler, Consumer Protection Staff

Recommendation

Take no action and allow the company's proposed rates filed on December 16, 2010, to become effective February 1, 2011, by operation of law.

Discussion

On December 16, 2010, Mason County Garbage Co., Inc. (Mason County Garbage or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$385,000 (9.0 percent) in additional annual revenue. Mason County Garbage provides regulated service to approximately 10,000 residential and commercial customers in Mason County. The company disposes the garbage it collects in either Kitsap or Mason counties, whichever is closest to the collection route. On January 1, 2011, the disposal fee at the Mason County transfer station increased from \$80.40 to \$81.04 per ton. The disposal fee in Kitsap County is \$62.02 per ton. The company's last general rate increase became effective on April 1, 2001.

Customer Comments

On December 30, 2010, the company notified its customers of the proposed rate increase by mail. The commission received two customer comments on this filing. One customer is undecided and one customer only commented on the program.

Consumer Protection staff advised customers that they may access all company documents about this rate case at www.utc.wa.gov, and that they may contact Dennis Shutler at 1-888-333-9882 with questions or concerns.

Business Practices

- One customer believes the company should offer once-a-month recycling pick-up.
- One customer believes the company should update the options to include glass, plastic tubs, and plastic supplement bottles.

Staff Response

The Mason County Commissioners determine whether there should be additional service options for the residents of Mason County. The UTC's jurisdiction in this filing is limited to review and approval of the rates requested by the company to provide the service. Customers were advised that they may contact the county's solid waste staff at

(360) 427-7771 to discuss additional service options or request that additional materials be added to the curbside recycling program.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Percent Increase
Garbage Disposed in Mason County			
32 - Gallon Can Weekly Pick-up	\$14.03	\$14.73	5.0%
2 32 - Gallon Can Weekly Pick-up	\$21.03	\$22.10	5.1%
Mandatory Curbside Recycling 96 - Gallon Cart, Comingled Every-Other-Week Service	\$ 8.18	\$ 8.82	7.8%
Garbage Disposed in Kitsap County			
32 - Gallon Can Weekly Pick-up	\$13.10	\$13.73	4.8%
2 32 - Gallon Can Weekly Pick-up	\$19.40	\$20.33	4.8%
Mandatory Curbside Recycling 96 - Gallon Cart, Comingled Every-Other-Week Service	\$ 8.18	\$ 8.82	7.8%
Commercial Per Pick-up Rates			
Garbage Disposed in Mason County			
1.5 - Yard Container –Per Pick-up	\$16.34	\$17.18	5.1%
2 - Yard Container–Per Pick-up	\$21.50	\$22.62	5.2%
Garbage Disposed in Kitsap County			
1.5 - Yard Container, Per Pick-up	\$14.65	\$15.35	4.8%
2 - Yard Container, Per Pick-up	\$19.15	\$20.06	4.8%
Drop Box Per Pick-up Rate			
In Mason and Kitsap Counties			
20 - Yard Drop Box (Non-Compacted) Per Pick-up	\$56.75	\$96.40	69.9%

Bill Comparison – Residential Customer

Monthly Rates Garbage Disposed in Mason County	Current Rate	Proposed Rate
32 - Gallon Can Weekly Pick-up	\$14.03	\$14.73
Recycling Cart Mandatory Every-Other-Week Service	\$ 8.18	\$ 8.82
Recycle Commodity Credit	(\$1.75)	(\$1.75)
Total Monthly Bill	\$20.46	\$21.80
Percent Increase		6.6%

Monthly Rates Garbage Disposed in Kitsap County	Current Rate	Proposed Rate
32 - Gallon Can Weekly Pick-up	\$13.10	\$13.73
Recycling Cart Mandatory Every-Other-Week Service	\$ 8.18	\$ 8.82
Recycle Commodity Credit	(\$1.75)	(\$1.75)
Total Monthly Bill	\$19.53	\$20.80
Percent Increase		6.5%

Conclusion

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 operation. The customer's comments do not change staff's opinion that the company's financial information supports the proposed revenue requirement and the proposed rates and charges are fair, just, reasonable and sufficient. Therefore, staff recommends the following:

Take no action and allow the company's proposed rates filed on December 16, 2010, to become effective February 1, 2011, by operation of law.