

Agenda Date: May 21, 2020
Item Number: B2

Docket: TG-200369
Company Name: Island Disposal, Inc.

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

Recommendation

Take no action, thereby allowing the tariff pages filed on April 15, 2020, and revised on May 15, 2020, to go into effect by operation of law.

Discussion

On April 15, 2020, Island Disposal, Inc. (Island or company), filed original Tariff No. 9 with the Washington Utilities and Transportation Commission (commission) that would generate approximately \$234,000 (4.8 percent) additional annual revenue, with a proposed effective date of June 1, 2020. This filing is being made pursuant to Order 01 in Docket TG-190421, which required the company to file a general rate case no later than December 31, 2020. In Docket TG-190421, the company added automated garbage rates in order to begin switching its customers to automated garbage service. Among other cost increases, this filing includes the addition of automated garbage trucks and additional containers to service its customers as the company continues to convert customers to automated service. Island currently provides garbage service to approximately 12,000 residential, commercial, and roll-off customers in Island County. The company's last general rate case took effect July 1, 2012.

Commission staff's (staff) review found the proposed rates would result in excessive revenue. Staff made adjustments to the company's payroll expense and removed certain non-allowable employee appreciation expenses, among other adjustments. The company and staff have agreed on a revised revenue requirement of approximately \$193,000 (3.6 percent) additional annual revenue, and on revised rates, which are fair, just, reasonable, and sufficient. On May 15, 2020, the company filed revised rates at staff recommended levels.

Rate Comparison

Residential Rates (Monthly)	Current Rates	Proposed Rates	Revised Rates	Increase
32 Gal. Can Weekly Garbage	\$ 17.35	\$ 18.12	\$ 17.97	3.6%
35 Gal. Cart Weekly Garbage	\$ 17.83	\$ 18.62	\$ 18.46	3.6%
64 Gal. Cart Weekly Garbage	\$ 25.66	\$ 26.80	\$ 26.57	3.6%
96 Gal. Cart Weekly Garbage	\$ 36.88	\$ 38.52	\$ 38.19	3.6%
35 Gal. Cart EOW Garbage	\$ 13.86	\$ 14.48	\$ 14.35	3.6%

Commercial Rates (Per Pickup)

1 Yard Container Pickup	\$ 19.59	\$ 20.46	\$ 20.29	3.6%
2 Yard Container Pickup	\$ 38.14	\$ 39.84	\$ 39.49	3.6%

Customer Comments

On April 30, 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 john.cupp@utc.wa.gov with questions or concerns. Staff received five consumer comments regarding the proposed rate increase, three opposed and two in favor.

General Comments

Two customers commented that this is not the company's first rate increase since 2012, as stated in the notice. One is concerned about the timing of the increase with many people out of work right now. Two customers stated their support of the increase, one saying the company provides excellent service.

Staff Response

Staff explained rates increased in TG-190421 as a result of automated collection services being implemented, and this is the first increase since 2012 in which all revenue and expenses are reviewed, not just those related to automated collection. Staff also explained that the company was required in TG-190421 to file a general rate case by December 31, 2020.

Conclusion

Take no action, thereby allowing the tariff pages filed on April 15, 2020, and revised on May 15, 2020, to go into effect by operation of law.