

Agenda Date: October 28, 2010
Item Number: B1

Docket: TG-101535
Company Name: Empire Disposal, Inc. G-75

Staff: Layne Demas, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

Allow the staff recommended revised rates, as filed by the company on October 19, 2010, in Docket TG-101535 to become effective November 1, 2010, by operation of law.

Discussion

On September 14, 2010, Empire Disposal, Inc. filed tariff revisions with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$189,000 (9.0 percent) in additional annual revenue. The proposed increases are prompted by increases in labor, healthcare, pension, maintenance and fuel costs. Empire provides regulated solid waste collection service to approximately 5,300 residential and commercial customers in Whitman County. The company's last general rate increase became effective on May 1, 2008.

Staff's analysis indicates the company proposed rates are too high. Staff and the company agreed to a revised revenue requirement of \$154,000 (7.3 percent) in additional annual revenue. On October 19, 2010, the company filed revised rates at staff recommended levels.

Customer Comments

On September 15, 2010, the company notified its customers of the proposed rate increase by mail. The commission received five customer comments on this filing. Please note that customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

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

General Comment

- Four customers believe the amount of the increase is excessive due to the current economic conditions.

Staff Response

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 investment.

Business Practice Comment

- One customer believes the recycling increase is too much. People who produce more waste should be charged more (i.e., if they produce two cans it should be double the single can rate).

Staff Response

The customer was provided the company proposed rate schedule.

Service Quality Comment

- One customer commented on poor customer service from liquid dripping from vehicle and debris in street.

Staff Response

Staff left a message for this customer and is waiting for a call back. Staff will open a complaint and look into the issue when the call is returned.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Revised Rate
32-Gallon Can Weekly Pick-Up	\$ 14.53	\$ 15.82	\$15.50
65-Gallon Cart Weekly Pick-Up	\$ 20.67	\$ 22.51	\$22.05
90-Gallon Cart Weekly Pick-Up	\$ 25.52	\$27.79	\$27.22
Optional Curbside Recycling* - 14 Gallon Bin - Weekly Pick-Up - City of Colfax Only	\$ 4.31	\$ 11.45	\$7.98
Commercial-Per Pick-Up Rates			
1-Yard Container Weekly Pick-Up	\$12.33	\$13.32	\$13.32
25-Yard Drop Box (Non-Compacted)			
First Pick-Up in month	\$206.94	\$229.50	\$229.50
Additional Pick-Ups	\$160.30	\$177.80	\$177.80

* Company does not have a recycling commodity credit/debit and does not participate in revenue sharing.

Bill Comparison - Residential Customer - City of Colfax with Curbside Recycling

Monthly Rates	Current Rate	Proposed Rate	Revised Rate
32-Gallon Cart (Weekly Garbage Service)	\$ 14.53	\$ 15.82	\$15.50
Optional Curbside Recycling - 14 Gallon Bin - Weekly pick-up - City of Colfax Only	\$ 4.31	\$ 11.45	\$7.98
Total Solid Waste and Optional Recycling	\$18.84	\$27.27	\$23.48
Percent Increase		44.7%	24.6%

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 revised revenue requirement and the revised rates and charges are fair, just, reasonable and sufficient. Therefore, staff recommends the following:

Allow the staff recommended revised rates, as filed by the company on October 19, 2010, in Docket TG-101535 to become effective November 1, 2010, by operation of law.