

Agenda Date: July 27, 2012  
Item Number: B1

**Docket:** TG-120716  
**Company Name:** Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood, G-12

**Staff:** Amy White, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Take no action, allowing the rates filed May 16, 2012, as revised on July 23, 2012, by Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood to become effective on August 1, 2012, by operation of law.

**Discussion**

On May 16, 2012, Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood (Lynnwood or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The proposed filing would generate approximately \$482,000 (5.5 percent) additional annual revenue. Lynnwood serves approximately 44,000 residential and 2,200 commercial customers in King and Snohomish Counties. The filing is prompted by increases in labor, fuel, maintenance, healthcare, pension, and other general operating expenses. The company's last general rate increase became effective on August 15, 2010.

On June 16, 2012, the company filed to extend the effective date to August 1, 2012. The company filed revised pages to correct tariff language on July 23, 2012.

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 company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable and sufficient.

**Rate Comparison**

<b><u>Residential Monthly Rates</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percent Increase</u></b>
One 19-Gallon Mini-Can Weekly Pick-Up	\$ 5.72	\$ 6.09	6.4%
One 32-Gallon Can Weekly Pick-Up	\$10.22	\$10.88	6.4%
One 90-Gallon Tote Weekly Pick-Up	\$27.34	\$29.10	6.4%
Recycling Every-Other-Week (With Garbage Service)	\$6.45	\$7.67	18.9%
Yard Waste Every-Other-Week	\$9.25	\$8.23	-11.0%

<b><u>Residential Monthly Rates Including Mandatory Recycling</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percent Increase</u></b>
One 19-Gallon Mini-Can Weekly Pick-Up Plus Recycling Every-Other-Week	\$ 12.17	\$ 13.76	13.1%
One 32-Gallon Can Weekly Pick-Up Plus Recycling Every-Other-Week	\$16.67	\$18.55	11.3%
One 90-Gallon Tote Weekly Pick-Up Plus Recycling Every-Other-Week	\$33.79	\$36.77	8.8%
<b><u>Commercial Monthly Rates</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percent Increase</u></b>
2.0-Yard Container	\$21.52	\$22.90	6.4%
4.0-Yard Container	\$41.10	\$43.74	6.4%
8.0-Yard Container	\$98.97	\$105.37	6.4%

**Customer Comments**

On June 1, the company notified its customers of the proposed rate increase by mail. Twenty-nine comments have been received to date; 27 are opposed to the proposed increase and two are undecided. Customers were notified that they may access documents about this rate case on the commission’s website, and that they may contact John Cupp at 1-888-333-WUTC (9882) or jcupp@utc.wa.gov with questions or concerns.

**Filing Documents and Methodology**

- Twelve customers stated that it is unfair that the company proposes the highest percentage of increase to the mini-can service.

**Staff Response**

The actual dollar amount of the proposed increase to the mini-can service is lower than the amount of the proposed changes to other classes of service. Because the mini-can service has the lowest base rate, the percentage is higher.

**Service Quality**

- Four customers stated that the company does not deserve an increase because of poor service.

**Staff Response**

Staff is working with these consumers to understand the service issues, and will work with the company to resolve their concerns.

### **General Comments**

- One customer believes the company's union employee wages should be reduced.

#### **Staff Response**

Staff explained to the customer that union wages are decided in collective bargaining negotiations between the employees' unions and the company, and are found in contracts that are enforceable in court.

- Twelve customers expressed general disapproval of the proposed increase, stating that the rates are already too high and the company should tighten its belt. Several of these customers are senior citizens living on fixed incomes who state they cannot afford the increase.

#### **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 for the company to earn a reasonable return on investment. Regulatory staff review filings to ensure that all rates and fees are appropriate.

The customers' comments do not change staff's opinion that the proposed rates are fair, just reasonable and sufficient.

### **Conclusion**

Staff recommends that the commission take no action, allowing the rates filed May 16, 2012, and revised on July 23, 2012, by Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood to become effective on August 1, 2012, by operation of law.