

Agenda Date: July 28, 2022  
Item Number: B3

**Docket:** TG- 220446  
Company Name: Yakima Waste Systems, Inc.

Staff: Jaclynn Simmons, Regulatory Analyst  
John Cupp, Regulatory Analyst

### **Recommendation:**

Take no action, thereby allowing tariff pages filed by Yakima Waste Systems, Inc. on June 16, 2022, in Docket TG-220446 as revised on July 18, 2022, to become effective August 1, 2022, by operation of law.

### **Discussion**

On June 16, 2022, Yakima Waste Systems, Inc. (Yakima Waste or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated approximately \$1,037,000 (7.5 percent) additional annual revenue for the collection of garbage, yard, and recycling services. The main driver for this filing is an increase to payroll expenses and new assets due to continued automation of routes. The Company provides regulated solid waste and recycling collection services to approximately 26,200 residential and commercial customers in Yakima County. The Company's last general rate increase became effective on May 1, 2021.

After review of the filing, Commission staff (Staff) made a few adjustments to the Company's payroll calculations and matched employees to the current payroll and job listings. Staff reviewed the Company's new assets and removed assets that will become fully depreciated in the rate year.

Staff proposed a change in how the COVID expense recovery allowed in TG-210561 would be handled going forward. Currently the Company has higher rates in effect based on COVID expenses that would expire on a certain date and be replaced by rates based on pre-COVID expense levels. Instead, Staff calculated the remaining COVID expense yet to be recovered by subtracting the collected COVID revenue from the allowable expense amount per TG-210561. Staff included the amount yet to be recovered, amortized over a three-year period, in Staff's calculation of the Company's revenue requirement. The Company agreed to this change. This will streamline the process of future rate filings.

### **Conclusion**

Staff has finished its review of all the documents and books provided by the Company and believes that the rates agreed upon are fair, just, reasonable, and sufficient.

After Staff’s review and adjustments, the Company and Staff agreed to an amount of \$954,717 (7 percent) additional annual revenue. The Company filed replacement pages at Staff’s revised rates.

**MSW Rates**

Type	Current Rate	Proposed Rate	Revised Rate	Percent Increase	Dollar increase
1 96 Gal 1x w	\$15.62	\$16.63	\$16.53	5.85%	\$0.91
1 1.5 yd 1x w	\$37.67	\$40.11	\$39.87	5,85%	\$2.20
20 YD -RO	\$93.02	\$93.58	\$98.46	5.85%	\$5.44

**Recycling Rates**

Type	Current Rate	Proposed Rate	Revised Rate	Percent Increase	Dollar Increase
64 Gal EOW	\$9.42	\$13.68	\$13.44	42.63%	\$4.02

**Yard waste Rates**

Type	Current Rate	Proposed Rate	Revised Rate	Percent Increase	Dollar Increase
96 Gal EOW	\$10.78	\$9.83	\$9.67	-10.29%	(\$1.11)

**Customer Comments**

On June 29, 2022, 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 with questions or concerns. Staff received six consumer comments, all opposed to the rate increase.

**General Comments**

Several customers commented that the increase to the recycle rate is excessive. Two customers are opposed to the switch to automated carts because they will have to switch to a 48-gallon cart which is larger than they need, and more expensive. Customers feel the company should cut costs rather than raise rates.

**Staff Response**

Staff explained the high increase in recycling rates is due to costs for investments related to automation of recycling routes. Included in these new rates are costs for new vehicles and bins the company will provide to recycling customers that are compatible with the new vehicles. The costs for these investments are then spread among the recycling customers in the area.

Staff further explained 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. Commission Staff performs a thorough review of rate filings to ensure that all rates and fees are appropriate.

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