

Agenda Date: November 22, 2023  
Item Number: B1

**Docket:** TG-230840  
**Company:** Sound Disposal, Inc.

**Staff:** Rachel Stark, Regulatory Services  
Mike Young, Regulatory Services  
Andrew Roberts, Consumer Protection

### **Recommendation**

To take no action by allowing tariff pages filed by Sound Disposal Inc. in Docket TG-230840 on October 6, 2023, to become effective November 1, 2023, by operation of law.

### **Background**

On October 6, 2023, Sound Disposal, Inc. (Sound Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as filed, will generate approximately \$322,000 (21.9 percent) in additional revenue. The Company provides regulated solid waste, recycling, and yard waste collection services to approximately 1,700 residential, 225 multi-family, and 295 commercial customers in Snohomish County. The Company's last general rate increase became effective on July 1, 2022.

### **Discussion**

The driving force for the rate filing is increased operating costs including salary increases to retain employees and remain a competitive employer, moving from a cash basis to an accrual accounting basis, and relocating from three locations into one. The Company also purchased a new roll-off truck since its last rate case.

The Company did not separate its non-regulated commercial recycling activity from regulated operations, and the Company did not separate costs for garbage, recycling, and yard waste. The result is subsidization of recycling by garbage rates. However, Snohomish County requires recycling, so each garbage customer also pays for recycling. The non-regulated operations were allocated largely based on customer count. Commission staff (Staff) would prefer a more accurate measure such as route hours. The difference did not significantly affect rates. Staff informed the Company that in its next filing it will have to remove all non-regulated revenues and costs, and separate garbage, recycling and yardwaste into separate lines of business.

Staff reviewed the Company's books and records and made some minor adjustments that were not material to rates, including changing some allocation methodologies. Commission staff also found an error in the Company's results of operations. Staff finds the Company's proposed rates as filed are fair, just, reasonable, and sufficient.

### **Customer Comments**

On October 16, the Company notified its customers of the proposed rate increase by mail. Staff received two consumer comments, both opposed to the increase.

The customers feel the proposed increase is excessive. Customers state there was nearly a 30 percent increase just over a year ago and if this proposed increase is approved, rates will have risen nearly 55 percent in approximately 18 months. Public citizens do not get cost of living increases like this in their salaries.

### **Staff Response**

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 perform a thorough review of rate filings to ensure that all rates and fees are appropriate.

### **Rate Comparison**

<b>Service</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Percent Increase</b>
Mini can weekly garbage w/recycling and every-other-week yardwaste	\$13.37	\$16.30	21.9%
1 can weekly garbage w/recycling and every-other-week yardwaste	\$18.12	\$22.09	21.9%
1 can monthly garbage w/every-other-week recycling	\$6.95	\$8.47	21.9%
1 can weekly recycling only	\$7.60	\$9.27	21.9%
1 can 32 gal – first pick up and each additional pick up	\$5.25	\$6.40	21.9%
1 can 60 gal – first pick up and each additional pick up	\$8.25	\$10.06	21.9%

### **Conclusion**

Staff has completed its review of the Company's documentation. Staff's review shows that the revised tariff pages filed are reasonable and required as part of the Company's operations.

### **Recommendation**

To take no action by allowing tariff pages filed by Sound Disposal Inc. in Docket TG-230840 on October 6, 2023, to become effective November 1, 2023, by operation of law.