

Agenda Date: October 27, 2011  
Item Number: B5

**Docket:** TG-111688  
Company Name: Harold LeMay Enterprises Inc., d/b/a Pierce County Refuse G-98

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

**Recommendation**

Take no action, allowing the rates as filed by Harold LeMay Enterprises Inc., d/b/a Pierce County Refuse on September 16, 2011, as revised on October 17, 2011, to become effective on November 1, 2011, by operation of law.

**Discussion**

On September 16, 2011, Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse (Pierce County or company) filed Tariff No. 9 replacing Tariff No. 8.6 with the Utilities and Transportation Commission (commission). The tariff revisions would generate approximately \$1,968,000 (8.3 percent) in additional annual revenue. The proposed increases are prompted by increases in labor, healthcare, pension, maintenance and fuel costs. Harbor provides regulated solid waste collection service, residential and multi-family recycle service, and yard waste service to approximately 112,500 residential and commercial customers in Pierce County. The company's last general rate increase became effective March 1, 2008.

Staff's analysis indicates the proposed rates are too high for all services. Staff and the company agreed to a revised revenue requirement of approximately \$1,872,500 (7.9 percent) in additional annual revenue and revised rates. On October 17, 2011, the company filed revised rates at staff recommended levels.

**Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Percent Increase</b>
32-Gallon Can Weekly Pick-up	\$ 15.54	\$ 16.46	\$ 16.41	5.60%
65-Gallon Cart Weekly Pick-up	\$ 21.85	\$ 23.15	\$ 23.09	5.68%
Mandatory Curbside Recycling 96 Gallon Cart-Comingled – Every-Other-Week Service	\$ 5.02	\$ 6.03	\$ 6.01	19.72%
Voluntary Yard waste – Every other Week service	\$ 5.10	\$ 5.56	\$ 5.53	8.43%

<b>Commercial Per Pick-up Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>	<b>Percent Increase</b>
1-Yard Container – First Pick-up	\$ 27.19	\$ 28.80	\$ 28.72	5.63%
1-Yard Container – Addl. Pick-ups Each	\$ 14.75	\$ 15.62	\$ 15.58	5.63%
2-Yard Container– First Pick-up	\$ 44.51	\$ 47.14	\$ 47.01	5.62%
2-Yard Container – Addl. Pick-ups Each	\$ 26.51	\$ 28.08	\$ 28.00	5.62%
20-Yard Drop Box (Non-Compacted) First Pick-up	\$160.00	\$216.00	\$211.50	32.19%
20-Yard Drop Box (Non-Compacted) Addl. Pick-ups	\$115.00	\$155.30	\$152.00	32.17%

**Bill Comparison – Residential Customer**

<b>Monthly Rates</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
65-Gallon Cart (Weekly Garbage Service)	\$ 21.85	\$ 23.15	\$23.09
Recycling Cart (Mandatory Every-Other-Week Service)	\$ 5.02	\$ 6.03	\$ 6.01
Recycle Commodity Credit	(\$ .91)	( \$ .91)	( \$ .91)
Total Monthly Bill	\$ 25.96	\$28.27	\$ 28.19
Percent Increase		8.90%	8.59%

**Customer Comments**

On September 30, 2011, the company notified its customers of the proposed rate increase by mail. Twenty eight customer comments have been received. Twenty seven customers oppose the increase. One customer supports the increase. Consumer Protection staff advised the customers that they may access company documents pertinent to this rate case at [www.utc.wa.gov](http://www.utc.wa.gov)., and that they may contact Pam Smith at 1-888-333-WUTC (9882) with questions or concerns.

**General Comments**

- Twenty seven customers oppose the increase due to current economic conditions and frequent increases. Three customers are on a fixed income. One customer believes that recycling is too expensive.

**Staff Response**

The customers were advised that state law requires solid waste and recycling 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. Customers were advised that commission regulatory staff will review the filing to ensure that all rates and fees are appropriate.

- One customer believed that the landfill cost would be reduced when the Pierce County landfill was completed.

**Staff Response**

The customer was informed that Pierce County sets the landfill rates and comments on rates should be directed to Pierce County Solid Waste Division and to call the commission with additional questions.

**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 commission take no action, allowing the rates as filed by Harold LeMay Enterprises Inc., d/b/a Pierce County Refuse on September 16, 2011, as revised on October 17, 2011, to become effective on November 1, 2011, by operation of law.