

Agenda Date: August 24, 2023
Item Number: B1

Docket: TG- 230518
Company Name: Peninsula Sanitation Service, Inc.

Staff: Mike Young, Regulatory Services Staff
John Cupp, Consumer Protection Staff

Recommendation:

To take no action, allowing tariff pages filed by Peninsula Sanitation Service, Inc, on June 16, 2023, in Docket TG-230518 as revised on August 21, 2023, to become effective September 1, 2023, by operation of law.

Background

On June 16, 2023, Peninsula Sanitation Service (Peninsula or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated approximately \$553,000 (13.4 percent) additional annual revenue for the collection of garbage services. The Company provides solid waste collection service to approximately 3,000 customers in Pacific County. The Company's last general rate increase became effective on September 1, 2020.

This filing is to recover increased costs for wages, benefits, insurance, fuel, and new containers and equipment. This is the first general rate increase since the Company was purchased by Waste Connections, Inc., which was previously approved by the Commission in Docket TG-210847 and became effective December 1, 2021.

Discussion

Commission staff (Staff) made some minor adjustments including removing a trailer that has not yet been received and placed in service. Staff has completed its review of the Company's books and records, and the Company has agreed to a revised lower revenue requirement of \$509,000 (12.3 percent) additional annual revenue.

Rate Comparison

| Service | Current Rate | Company Proposed Rate | Revised Rate | Difference | Percentage Difference |
|----------------------|---------------------|------------------------------|---------------------|-------------------|------------------------------|
| 60 gal 1x wk. | \$27.38 | \$31.55 | \$31.23 | \$3.85 | 14.0% |
| 90 gal 1x a wk. | \$34.66 | \$39.90 | \$39.53 | \$4.87 | 14.0% |
| 300 gal per pickup | \$33.09 | \$38.13 | \$37.73 | \$4.64 | 14.0% |
| 20 yd box per pickup | \$213.72 | \$247.76 | \$243.73 | \$30.01 | 14.0% |

Customer Comments

On June 30, 2023, the Company notified its customers by mail of the proposed rate increase. Staff received three consumer comments regarding the proposed rate increase, all opposed.

General Comments

All three customers are unhappy that their locally owned business was sold to a large, profitable corporation which now wants to increase rates.

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

Conclusions

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

Recommendations:

To take no action, allowing tariff pages filed by Peninsula Sanitation Service, Inc, on June 16, 2023, in Docket TG-230518 as revised on August 21, 2023, to become effective September 1, 2023, by operation of law.