

Agenda Date: September 24, 2014  
Item Number: B3

**Docket:** TG-143115  
Company Name: Waste Management of Washington, Inc, dba Waste Management of Ellensburg

Staff: Ann LaRue, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Take no action, thereby allowing the proposed rates filed by Waste Management of Washington, Inc., dba Waste Management of Ellensburg on August 14, 2014, as revised on September 15, 2014, and September 16, 2014, to become effective October 1, 2014, by operation of law.

**Discussion**

On August 14, 2014, Waste Management of Washington, Inc, dba Waste Management of Ellensburg (WM Ellensburg or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$140,000 (5.3 percent) additional annual revenue. The proposed increase was prompted by increases in maintenance, labor, fuel, and other operating and administrative costs. WM Ellensburg currently serves approximately 4,500 residential, commercial, and drop box customers in Kittitas and Grant Counties. The company's last general rate increase became effective November 1, 2009.

Commission staff has completed its review of the company's supporting financial documents and data request responses and concludes the company's proposed rates would result in slightly excessive revenue. The company and staff have agreed to a revised revenue requirement of approximately \$138,000 (5.2 percent) additional annual revenue and to revised rates for delivery charges. On September 15, 2014, and on September 16, 2014, the company filed revised tariff pages at staff recommended levels.

**Rate Comparison**

<b>Residential Monthly Rates (weekly service)</b>	<b>Current Rate</b>	<b>Company Proposed Rate</b>	<b>Staff Revised Rate</b>	<b>Increase</b>
1 32-Gallon Can	\$12.52	\$13.11	No Change	4.7%
2 32-Gallon Cans	\$19.15	\$20.05	No Change	4.7%
1 35-Gallon Cart	\$13.87	\$14.52	No Change	4.7%
1 64-Gallon Cart	\$20.50	\$21.46	No Change	4.7%
1 96-Gallon Cart	\$27.13	\$28.40	No Change	4.7%

<b>Commercial Per Pickup Rates</b>	<b>Current Rate</b>	<b>Company Proposed Rate</b>	<b>Staff Revised Rate</b>	<b>Increase</b>
32-Gallon Can	\$4.03	\$4.22	No Change	4.7%
1.5-Yard Container	\$27.06	\$28.32	No Change	4.7%
2-Yard Container	\$33.88	\$35.45	No Change	4.6%
3-Yard Container	\$48.34	\$50.58	No Change	4.6%
<b>Drop-Box Service</b>				
20-Yard Container	\$89.50	\$101.20	No Change	13.1%
Delivery	\$47.00	\$53.14	\$50.00	6.4%

### **Customer Comments**

On September 1, 2014, the company notified its customers by mail of the proposed rate increase. Customers were notified they may access relevant documents about this rate increase on the commission's website, and may contact John Cupp at 1-888-333-9882 or [jcupp@utc.wa.gov](mailto:jcupp@utc.wa.gov) with questions or concerns. Staff received four consumer comments regarding the proposed rate increase; three opposed to the rate increase and one undecided.

### **Business Practices**

A customer expressed unhappiness that the company did not provide service while her road was closed due to a fire in the area. The customer stated that other services, such as mail, Federal Express and newspaper delivery provided service during that time.

### **Staff Response**

The company is not required to collect solid waste when a government entity restricts access to a road. The company explained that this road was barricaded. It is very narrow, and a driver would have no way of knowing if it would be possible to turn the truck around. Staff believes the company complied with its tariff and used its best judgment in not entering the road during the closure.

### **General Comments**

Two customers stated that they are on fixed incomes and cannot afford an increase.

### **Staff Response**

The 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 to earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

### **Conclusion**

Take no action, thereby allowing the proposed rates filed by Waste Management of Washington, Inc, dba Waste Management of Ellensburg on August 14, 2014, as revised on September 15, 2014, and September 16, 2014, to become effective October 1, 2014, by operation of law.