

Agenda Date: October 30, 2008  
Item Number: B2

**Docket:** TG-081518  
Company Name: Waste Connections of Washington, Inc., G-253

Staff: Nicki Johnson, Regulatory Analyst  
Dennis Shutler, Consumer Protection Staff

### **Recommendations**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Waste Connections of Washington, Inc.; and
2. Allow the temporary rates to become effective November 1, 2008, on a permanent basis.

### **Discussion**

On August 15, 2008, Waste Connections of Washington, Inc., (Waste Connections or company) filed with the Utilities and Transportation Commission (commission) revisions to its tariff for garbage collection rates that would generate \$959,800 (5.4 percent) in additional annual revenue. The commission regulates only the company's garbage operations in Clark County. The company provides recycling service under contract with the Clark County Public Works-Recycling and Solid Waste Program. The company serves approximately 58,000 customers in Clark County. The proposed increase in rates is prompted by increases in labor, fuel, benefits, and new equipment purchases. The company's last general rate increase became effective in November 2006.

Staff completed its analysis of the company's operations and on September 16, 2008, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$772,000 (4.4 percent) of additional revenue per year.

On September 25, 2008, the commission entered a Complaint and Order Suspending Tariff Revisions to allow customers the opportunity to comment on the revised rates before determining whether the revisions were fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis October 1, 2008, subject to refund.

### **Customer Comments**

The company notified its customers of the proposed rate increase by mail on August 29, 2008. The commission received eight customer comments on this filing. Staff's open meeting memorandum, dated September 25, 2008, summarized and responded to six of the customers' comments. The commission received two additional comments that raised the following new issues:

- **Customer Comment** – Rather than just increasing garbage rates, the company should offer alternatives like cutting the cost in half by providing every-other-week service.

**Staff's response** – The company provides both one can and mini-can every-other-week-service. Staff advised the customer to contact the company to sign-up for the service.

- **Customer Comment** –Two customers commented on when they received the customer notice and the date of the public comment open meeting:
  - o The company should give more than three days’ notice of an open meeting in Olympia.
  - o The customer received the notice on September 13, three days after the September 11, open meeting, and requests another meeting because the company did not properly notify the public about the filing date.

**Staff’s response** – Consumer Protection Staff contacted the two customers and explained that the company’s notice complied with all the requirements of WAC 480-70-271, the 30-day notice rule. The company mailed the customer notices on August 29, 2008, which is more than 30 days prior to the proposed effective date of October 1, 2008.

On September 25, 2008, the Consumer Protection Staff sent every customer who had commented on Waste Connections’ filing a letter advising them of staff’s recommended revised rates. No customer has yet responded to staff’s letter.

**Rate Comparison**

	<b>Present</b>	<b>Proposed</b>	<b>Revised</b>
<b>Residential Monthly Rates</b>			
1 Can Garbage - Weekly	\$12.21	\$12.91	\$12.77
2 Cans Garbage - Weekly	\$17.73	\$18.74	\$18.54
Mini-Can Garbage - Weekly	\$9.64	\$10.19	\$10.08
<b>Commercial</b>			
One Yard Container – Weekly - Per Month	\$80.22	\$84.76	\$83.91
20 Yard Drop Box - Per Pick-up	\$96.00	\$105.50	\$104.26

**Average Customer Charge Comparison – One Can Customer**

<b>Monthly Service</b>	<b>Present</b>	<b>Proposed</b>	<b>Revised</b>
Garbage Component	\$12.21	\$12.91	\$12.77
		5.7%	4.6%

Commission staff has completed its review of Waste Connections’ supporting financial documents, books and records. Staff’s review shows that the expenses are required and reasonable for Waste Connections’ operations. The company’s financial information supports the revised revenue requirement and the revised rates are fair, just, reasonable, and sufficient.

**Conclusion**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Waste Connections of Washington, Inc.; and
2. Allow the temporary rates to become effective November 1, 2008, on a permanent basis.