

Agenda Date: June 26, 2014
Item Number: B2

Docket: TG-140594
Company Name: Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood, G-12

Staff: Amy White, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, allowing the rates filed April 9, 2014, as revised on June 20, 2014, by Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood to become effective on July 1, 2014, by operation of law.

Discussion

On May 16, 2012, Rabanco, LTD d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood (Lynnwood or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The proposed filing would generate approximately \$372,500 (3.9 percent) additional annual revenue. Lynnwood serves approximately 44,000 residential and 2,200 commercial customers in King and Snohomish Counties. The filing is prompted by increases in labor, fuel, maintenance, healthcare, pension, a new organics contamination fee, and other general operating expenses. The company's last general rate increase became effective on August 1, 2012.

On May 16, 2014, and again on June 6, 2014, the company filed to extend the effective date of the filing. The company filed revised pages with rates at the staff revised levels on June 20, 2014.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review found that the company's proposed rates would result in excess revenue. Staff and the company agreed to a revised revenue requirement of \$333,000 (3.5 percent) additional annual revenue. On June 20, 2014, Lynnwood filed revised tariff pages with the revised proposed rates at staff-recommended levels. The company also agreed to include a second notice to commercial customers since staff's rates were higher than the company-proposed rates.

Rate Comparison

<u>Residential Monthly Rates</u>	<u>Current Rate</u>	<u>Company Proposed Rate</u>	<u>Staff Revised Rate</u>	<u>Percent Increase</u>
One 19-Gallon Mini-Can Weekly Pick-Up	\$ 6.09	\$ 6.48	\$ 6.48	6.4 %
One 32-Gallon Can Weekly Pick-Up	\$10.88	\$11.58	\$11.57	6.3 %
One 96-Gallon Tote Weekly Pick-Up	\$29.10	\$30.97	\$30.96	6.4 %
Recycling Every-Other-Week (With Garbage Service)	\$ 7.67	\$ 6.89	\$ 6.87	-10.4 %
Yard Waste Every-Other-Week	\$ 7.71	\$ 8.62	\$ 8.40	8.9 %

<u>Residential Monthly Rates Including Mandatory Recycling</u>	<u>Current Rate</u>	<u>Company Proposed Rate</u>	<u>Staff Revised Rate</u>	<u>Percent Increase</u>
One 19-Gallon Mini-Can Weekly Pick-Up Plus Recycling Every-Other-Week	\$13.76	\$13.37	\$13.35	-3.0 %
One 32-Gallon Can Weekly Pick-Up Plus Recycling Every-Other-Week	\$18.55	\$18.47	\$18.44	-0.5 %
One 96-Gallon Tote Weekly Pick-Up Plus Recycling Every-Other-Week	\$36.77	\$37.86	\$37.83	-2.9 %
<u>Commercial Monthly Rates</u>	<u>Current Rate</u>	<u>Company Proposed Rate</u>	<u>Staff Revised Rate</u>	<u>Percent Increase</u>
2.0-Yard Container	\$22.90	\$24.37	\$24.60	7.4 %
4.0-Yard Container	\$43.74	\$46.55	\$46.90	7.2 %
8.0-Yard Container	\$85.26	\$90.74	\$91.40	7.2 %

Customer Comments

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

General Comments

- Opponents of the increase feel the company’s rates are already unreasonably high.

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.

The customers’ comments do not change staff’s opinion that the proposed rates are fair, just reasonable and sufficient.

Conclusion

Take no action, allowing the rates filed April 9, 2014, as revised on June 20, 2014, by Rabanco, LTD d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood to become effective on July 1, 2014, by operation of law.