

Agenda Date: August 29, 2019
Item Number: B2

Docket: TG-190612
Company Name: Murrey's Disposal Co., Inc.

Staff: Greg Hammond, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, thereby allowing the tariff pages filed on July 16, 2019, and revised on August 20, 2019, to take effect September 1, 2019, by operation of law.

Discussion

On July 16, 2019, Murrey's Disposal Co., Inc. (Murrey's Disposal or company) filed tariff revisions with the Washington Utilities and Transportation Commission (commission). As proposed, the tariff revisions would generate approximately \$19,000 (18.0 percent) in additional annual revenue for medical waste collection services. The proposed increase is prompted primarily by increases in labor and medical waste disposal costs. The company provides regulated medical waste collection service to approximately 250 customers in Pierce County. Murrey's Disposal has not had a rate increase to its medical waste tariff (Tariff No. 3) since December 15, 2007.

The medical waste operation is a small portion of the larger Murrey's Disposal Co., Inc., which provides solid waste collection service in Pierce County. Murrey's Disposal is accounted for as a single entity, with allocations being made to determine the pro forma results of the medical waste operations. In order to audit the medical waste operations, it would require review of the books and records of all of Murrey's Disposal. Due to this, the company has proposed using the audited workpapers from its most recent general rate case, TG-180953. That filing, which became effective January 1, 2019, resulted in increases to its solid waste collection rates. The workpapers also contained the cost and allocations data necessary to calculate a rate increase for medical waste collection rates, but the company did not propose any changes to its medical waste Tariff No. 3 in that filing.

In this filing, the company has provided these same audited workpapers to support their request for a rate increase. No changes have been made to the audited workpapers from TG-180953 aside from an increase to the per-gallon disposal cost. This change caused a \$1,500 increase to the revenue requirement. The company also proposed to simplify its rate design by combining some of its per-gallon tiered rates. The new rate design uses 50 and 100 gallon increments instead of the 5, 10, and 20 gallon increments currently in place.

On August 20, 2019, the company filed revised pages to correct some minor clerical errors. Commission staff (staff) has reviewed the company's work papers and financial records and believes the proposed rates are fair, just, reasonable, and sufficient.

Rate Comparison

Per Gallon Rates	Current Rates*	Proposed Rates	Increase
0-50 Gallons	\$ 1.88	\$ 2.21	17.9%
51-100 Gallons	\$ 1.64	\$ 1.93	17.9%
101-150 Gallons	\$ 1.29	\$ 1.52	17.9%
151-200 Gallons	\$ 1.06	\$ 1.25	17.9%
201-250 Gallons	\$ 0.95	\$ 1.12	17.9%
251-300 Gallons	\$ 0.87	\$ 1.03	17.9%
301-350 Gallons	\$ 0.81	\$ 0.95	17.9%
351-400 Gallons	\$ 0.73	\$ 0.86	17.9%
401-500 Gallons	\$ 0.68	\$ 0.80	17.9%
500+ Gallons	\$ 0.63	\$ 0.74	17.9%

*Because the rate tiers are proposed to change, the company computed equivalent rates using the weighted average of the current rate tiers for the sake of comparison.

Customer Comments

On July 31, the company notified its customers by mail of the proposed rate increase. Staff received no comments.

Conclusion

Take no action, thereby allowing the tariff pages filed on July 16, 2019, and revised on August 20, 2019, to take effect September 1, 2019, by operation of law.