

Recycling & Waste Collection Services
Portable Toilet Rentals
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Commercial • Residential

May 15, 2012

David Danner, Executive Director and Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW PO Box 47250 Olympia, WA 98504-7250

RE: Sanitary Service Co, Inc - Recycling Commodity Price Adjustment and Disposal Fee Pass-through

Dear Secretary Danner:

Enclosed are revised pages to Solid Waste Tariff No. 8 for Sanitary Service Co, Inc. These proposed revised tariff pages contain increased rates for WUTC residential and commercial garbage collection services, and the annual adjustment to the recycling commodity price adjustment. SSC is only requesting revisions to its tariff rates to adjust the commodity credit and recoup disposal fee increases, and this filing does not ask for any changes in the company's own expenses to perform solid waste collection services.

The recycling commodity price adjustment is required because it currently expires on June 30, 2012. Enclosed are work papers showing the calculation of the commodity price adjustment for the next twelve-month period, with an expiration date of June 30, 2013. The calculation is based on the most recent twelve-month historical period, in accordance with WAC 480-70-351(2). The impact of the tracker is an increase in the residential recycling commodity rate from a credit of \$0.24 to a credit of \$0.11 per customer, per month and an increase in the multi-family recycling commodity rate from a debit of \$0.07 to a debit of \$0.22 per yard per pickup.

The requested garbage rate increases are necessary to recover increased disposal fees at the Recomp Transfer Station and the RDS Transfer Station. At Recomp, the disposal fees will increase as a result of an annual CPI adjustment from \$95.87 to \$98.04 per ton; effective July 1, 2012. At RDS, the fees increased on January 1, 2012, due to the City of Ferndale raising its Solid Waste Utility tax rate, and at that time SSC filed an Item 230 pass-through. Now, SSC is requesting to recover the increases to disposal fees at both facilities in residential and commercial container collection rates, other than Item 230. Notifications from the two facilities are included with this filing. If approved by the commission, the increase attributable to both disposal fee escalations would increase company revenue by \$99,302 and residential and commercial garbage rates would go up approximately 0.98%. The effective date of these proposed tariff revisions is July 1, 2012. Work papers showing the calculation of the two disposal fee increases are enclosed.

For this submittal, we are also requesting an exemption from the requirement to file work papers required for a general rate proceeding under WAC 480-07-520(4). We believe SSC qualifies for this

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exemption because it has been less than a year since its most recent general rate request was approved with an effective date of June 1, 2011, in Docket No. TG-102022. In the past year, there have been no significant changes to the company's other expenses, and probably the most material change in costs is attributable to fuel increases. SSC has had no mergers or acquisitions, inflation has been low, and the company has not changed its collection methods. The number of customers served has remained unchanged as well. We believe that granting this exemption from the filing requirements of WAC 480-70-520(4) is consistent with the public interest, as required by WAC 480-70-051 & WAC 480-07-110.

In accordance with WAC 480-70-271(2), to the extent the Commission approves the rates reflecting the disposal fee increases and recycling commodity price adjustment, affected customers will be notified of this rate increase on their next regularly scheduled billing.

Please call me at (360) 734-3490 if you have any questions about this filing.

Sincerely,

Amber Jones

CFO

CC: Whatcom County Council

Bellingham Herald

Lisa Meucci

City of Bellingham Pat Dunn

Polly McNeill

Debbie Bailey Jeff Williamson

[WUTC Consumer Affairs]