

Agenda Date: December 27, 2012  
Item Number: B3

**Docket: TG-121791**

Company Name: Mason County Garbage Co., Inc., dba Mason County Garbage - G-88

Staff: Melissa Cheesman, Regulatory Analyst

### **Recommendation**

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Mason County Garbage Co., dba Mason County Garbage, Inc., on November 13, 2012, and revised on December 3, 2012, and December 19, 2012.
2. Allow the revised pages filed on December 19, 2012, to become effective on January 1, 2013, on a temporary basis, subject to refund.

### **Discussion**

On November 13, 2012, Mason County Garbage Co., Inc., dba Mason County Garbage (Mason or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$387,000 (13 percent) additional annual revenue. The proposed increases are prompted by increases in disposal fees, employee wages and benefits, fuel, parts and equipment. The company's last general rate increase became effective February 1, 2011. The company filed revised tariff pages on December 3, 2012, and December 19, 2012. The company serves approximately 10,000 customers in Mason County.

The company's initial filing on November 13, 2012, did not include the following items required by WAC 480-07-520, which were all resolved by December 14, 2012:

- WAC 480-07-140(6)(b) requires spreadsheets displaying results of calculations based on formulas include all formulas, and do not include locked, password protected or hidden cells.
- WAC 480-07-520(2) requires a copy of every government ordinance related to the case.
- WAC 480-70-326(2)(a)(vi) and 480-70-326(2)(b) require specific information in the company's transmittal letter.
- WAC480-70-286 specifies how to identify tariff changes.

Also, the company filed a corrected Excel model on December 3, 2012.

Commission staff has not completed its review of the company's supporting financial documents, books and records. Therefore, the company has not demonstrated the proposed rates are fair, just, reasonable or sufficient. Staff recommends the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Mason County Garbage Co., Inc., dba Mason County Garbage, on November 13, 2012, as revised on December 3, 2012, and December 19, 2012.

However, if the commission suspends a tariff that includes rates to recover disposal fees, RCW 81.77.160 requires the commission to allow the rates related to the disposal fees to become effective on the originally filed effective date on an interim basis, subject to refund, pending the commission's final order. On December 19, 2012, the company filed revised tariff pages designed to recover just the disposal increase portion of the proposed rates. The revenue impact of the disposal fee increase is approximately \$11,000 (0.44 percent) additional annual revenue.

**Rate Comparison**

<b>Residential Garbage</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Percent Increase</b>	<b>Temporary Disposal-Only Rate</b>
One 32-Gallon Can Weekly Pick-Up	\$14.85	\$15.34	3.3%	\$14.93
One 35-Gallon Cart Weekly Pick-Up	\$17.08	\$17.64	3.3%	\$17.17
One 32-Gallon Can Every-Other-Week Pick-Up	\$8.58	\$8.86	3.3%	\$8.62
One 35-Gallon Cart Every-Other-Week Pick-Up	\$10.27	\$10.59	3.2%	\$10.31
One 32-Gallon Can Monthly Pick-Up	\$4.77	\$4.92	3.1%	\$4.79
<b>Residential Recycling</b>				
Residential Recycling Service	\$8.82	\$10.64	20.6%	\$0
<b>Commercial Per Pick-Up Rates</b>				
1-Yard Container Per Pick-Up	\$16.10	\$16.64	3.4%	\$16.19
1.5-Yard Container Per Pick-Up	\$17.39	\$18.01	3.6%	\$17.53
2-Yard Container Per Pick-Up	\$22.96	\$23.77	3.5%	\$23.14
<b>Drop Box</b>				
10-Yard Roll-off, Per Haul	\$83.00	\$104.40	25.8%	
20-Yard Roll-off, Per Haul	\$96.40	\$121.20	25.7%	

**Customer Comments**

On November 30, 2012, the company notified its customers of the proposed rate increase by mail. Staff received one comment from a consumer who opposes the increase. The customer was notified that documents related the rate increase are available on the commission's website, and that he may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns.

**General Comments**

- The customer believes the requested increase is excessive.

**Staff Response**

The customer was advised that state law requires rates to be fair, just, reasonable, and sufficient to allow the company to recover reasonable operating expenses and earn a reasonable return on investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

**Conclusion**

Staff recommends the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Mason County Garbage Co., Inc., dba Mason County Garbage, on November 13, 2012, as revised on December 3, 2012, and December 19, 2012, and allow the revised pages filed on December 19, 2012, to become effective on January 1, 2013, on a temporary basis, subject to refund.