

Agenda Date: February 27, 2014
Item Number: B1

Docket: TG-140086
Company Name: Rabanco, Ltd.
dba Tri-County Disposal, G-12

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

Recommendation

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco, Ltd. dba Tri County Disposal, on January 15, 2014, and revised on February 25, 2014.
2. Allow the revised rates, filed on February 25, 2014, to become effective on March 1, 2014, on a temporary basis, subject to refund.

Discussion

On January 15, 2014, Rabanco, Ltd. dba Tri-County Disposal (Tri-County or company), filed revisions to Tariff No. 8 with the Utilities and Transportation Commission (commission) that would generate approximately \$229,000 (19.1 percent) additional annual revenue. The proposed increase would become effective March 1, 2014, and is prompted by the company taking over collection service to 905 residential and commercial customers in the City of White Salmon (city)¹ and increased costs in labor, fuel, maintenance, healthcare, pension, and other general operating expenses. Tri-County Disposal currently serves approximately 4,800 residential and commercial customers in Klickitat, Skamania, and Yakima Counties. The company's last general rate increase became effective December 1, 2011.

Commission staff has completed its review of the company's supporting financial documents. However, the information provided by the company for the acquisition of the garbage truck, the carts and the dump bed truck from the City of White Salmon was unsupported. On February 13, 2014, staff advised the company that without a signed purchase or a lease agreement for the assets owned by the City of White Salmon, the assets would be excluded from the rate case. The company stated that the purchase of this equipment would not be completed prior to beginning collection service in the City of White Salmon. On February 21, 2014, the company provided a signed lease agreement for the assets owned by the City of White Salmon.

On February 25, 2014, the company filed revised tariff pages reflecting revised rates at staff recommended levels, subject to refund. The revenue impact of the revised rates is approximately \$82,000 (5.8 percent) additional annual revenue.

¹ Collection services are currently provided by the City of White Salmon but will be provided by Tri-County Disposal.

Tri-County currently has no rates established for the City of White Salmon. The company will assume solid waste collection services in the city on March 1, 2014, and will purchase the garbage truck, the carts and the dump bed truck from the City of White Salmon through auction some time thereafter. Staff expects the company to provide support for the expenses related to the purchase of the assets to commission staff forthwith, so that permanent rates may be established.

Rate Comparison

Residential Monthly Rates	Current Rate	Company Proposed Rate	Staff Proposed Rate	Increase
1 Can	11.99	14.40	12.69	5.8%
2 Cans	15.92	19.12	16.84	5.8%
3 Cans	19.63	23.58	20.77	5.8%
4 Cans	23.53	28.26	24.89	5.8%
City of White Salmon				
35-Gallon Toter	NA	14.40	12.69	
65-Gallon Toter	NA	20.76	17.76	
95-Gallon Toter	NA	28.80	25.75	
Commercial Per Pickup Rates				
32-Gal Can	2.57	3.09	2.70	5.1%
1.5-Yard Container	15.60	18.74	16.50	5.8%
2-Yard Container	19.76	23.74	20.90	5.8%
3-Yard Container	26.13	31.39	27.65	5.8%
City of White Salmon				
35-Gallon Toter	NA	14.40	2.70	
65-Gallon Toter	NA	20.76	4.10	
95-Gallon Toter	NA	28.80	5.95	
1-Yard Container	NA	13.12	11.00	
Drop-Box Service				
40-Yard Container	135.10	162.30	142.95	5.8%

Customer Comments

On January 28, 2014, the company notified its customers of the proposed rate increase by mail. Staff received nine consumer comments, all opposed to the rate increase. 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

- Seven customers stated that the amount of the proposed increase is excessive. Several are senior citizens living on fixed incomes.

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 for the company to earn a reasonable return on investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

Conclusion

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2. Allow the revised rates, filed on February 25, 2014, to become effective on March 1, 2014, on a temporary basis, subject to refund.