

Agenda Date: April 22, 2021  
Item Number: B1

**Docket:** TG-210109  
Company Name: Yakima Waste Services, Inc.

Staff: Scott Sevall, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

Take no action allowing the tariff filed by Yakima Waste Services, Inc. on February 14, 2021, and revised on April 16, 2021, to go into effect by operation of law.

### **Discussion**

On February 14, 2021, Yakima Waste Services, Inc., (company) filed a tariff revision with the Utilities and Transportation Commission (commission) that would generate approximately \$713,000 (5.75 percent) additional annual revenue. The proposed increase is prompted by increased expenses for disposal, maintenance, labor, fuel, and other operating and administrative costs. The company serves approximately 12,700 residential customers, 3,000 residential recycling customers, 600 residential yard waste customers, 8,500 commercial customers, and 400 roll off customers in Yakima County. The company's last general rate increase became effective October 1, 2017.

Commission staff (staff) has completed its review of the company's filing and financial records and staff and the company have come to an agreement of \$836,371 (6.7 percent) additional annual revenue. As the historical test period is based on 2020, staff and the company removed certain costs that are associated with the COVID-19 pandemic. This was the largest downward adjustment made. The company will seek recovery of the COVID-19 costs in a separate petition to the commission.

During this case the company was involved in labor negotiations, and staff and the company have agreed to adjustments resulting from this labor negotiation. These adjustments occurred during the period when the company had extended the original April 1<sup>st</sup> effective date. The result of these negotiations caused an increase in the labor costs for this business unit and an increase in the additional annual revenue originally requested by the company in this docket.

The company filed an updated Lurito-Gallagher (LG) model which was first filed with the company's Mason County operation in Docket TG-210038. The additional annual revenue staff and the company agreed to is \$836,371. The historical LG generates \$706,330 in additional annual revenue. The model has been reviewed by staff and found to be inline with the commission policy statement issued on this subject. Therefore, staff believes the rates resulting in this case are fair, just, reasonable, and sufficient.

<b>Rate Comparison</b>				
<i>Service</i>	<i>Current Rate</i>	<i>Proposed Rate</i>	<i>Revised Rate</i>	<i>Percentage</i>
Solid Waste 64 Gallon tote wkly	\$11.88	\$12.59	\$12.73	7.15%
Recycling tote EOW	\$8.97	\$11.08	\$9.42	5.0%
Yard Waste Tote EOW	\$10.18	\$10.71	\$10.78	5.9%
3-Yard Container Per Pickup	\$14.13	\$14.98	\$15.15	7.2%
30-Yard Drop Box Per Pickup	\$97.27	\$103.12	\$104.26	7.2%

### **Customer Comments**

On February 25, 2021, the company notified its customers by mail of the proposed rate increase. Customers were notified that they may contact John Cupp at 1-888-333-9882 or [john.cupp@utc.wa.gov](mailto:john.cupp@utc.wa.gov) with questions or concerns. Staff received seven consumer comments opposed to the proposed rate increase and one in favor.

### **General Comments**

Three customers oppose the increase because they are unhappy with the company's customer service. Two customers, one being a landlord, believe the timing of the increase is bad because of the pandemic. One said this increase would be hard on them because of their low income.

### **Staff Response**

Staff informed customers 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. Customers were also told that commission staff performs a thorough review of rate filings to ensure all rates and fees are appropriate. Staff also informed customers how to contact Consumer Protection with customer service concerns.

### **Conclusion**

Take no action allowing the tariff filed by Yakima Waste Services, Inc. on February 14, 2021, and revised on April 16, 2021, to go into effect by operation of law.