

Agenda Date: August 26, 2021
Item Numbers: B1, B2, B3, B4, B5, and B8

Dockets: TG-210436, TG-210437, TG-210457, TG-210459, TG-210561 and TG-210580

Company Names: Waste Connections of Washington, Inc., Harold Lemay Enterprises, Inc. d/b/a Pacific Disposal, Butler's Cove Refuse Service, Rural Garbage Service, Pierce County Refuse, City Sanitary Co., Joe's Refuse Service, and White Pass Garbage Co., Murrey's Disposal Company, Inc., and Yakima Waste Systems, Inc.

Staff: Scott Sevall, Regulatory Analyst
Greg Hammond, Regulatory Analyst,
Ben Sharbono, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Issue orders granting exemption from workpaper rules in WAC 480-07-520(4) and allow the revised tariff pages filed under Dockets TG-210436, TG-210437, TG-210457, TG-210459, TG-210561, and TG-210580, to take effect September 1, 2021.

Discussion

On June 8, 2021, June 9, 2021, June 14, 2021, June 15, 202, June 16, 2021, and July 16, 2021, the six Waste Connections, Inc. companies (Companies) filed with the Washington Utilities and Transportation Commission (Commission), requests for rate increases to recover COVID-19 costs and requests for exemption from the workpaper filing requirements in WAC 480-07-520(4). The individual requests are summarized as follows:

Business Unit (d/b/a)	Docket	COVID Expenses	Additional Annual Revenue	Percent Increase
Pacific Disposal, Butlers Cove	TG-210436	\$235,895	\$119,433	0.46%
Pierce County Refuse	TG-210437	\$252,860	\$129,353	0.37%
Joe's Refuse, White Pass	TG-210457	\$74,864	\$38,299	0.44%
Murrey's Disposal	TG-210459	\$350,450	\$179,282	0.47%
Yakima Waste	TG-210561	\$136,007	\$69,576	0.60%
Waste Connections of WA	TG-210580	\$236,200	\$118,100	0.56%

In each filing, the COVID expenses shown in the table above is amortized over two years, increasing all rates by the percentage amounts also shown in the table above. The additional annual revenue totals and percent increases have been adjusted to include the effect of revenue sensitive items. The proposed tariff pages include separate rate pages containing the increased rates which are set to expire after two years on August 31, 2023. At which point, the current tariff rates would once again take effect on September 1, 2023.

The purpose of these filings is to recover non-ordinary expenses incurred due to the COVID-19 pandemic that began in March 2020. Along with the costs of Personal Protective Equipment (PPE), the expenses proposed for recovery under these filings include additional labor costs incurred by the Companies during the first several months of the COVID-19 pandemic. In April of 2020, a temporary pay increase of two dollars per hour was granted to all hourly employees at all Waste Connections companies. This was done to incentive employees to continue serving the community in the uncertain and unprecedented times during the early stages of the pandemic. Once solid waste hauling was declared an essential service, in June of 2020 the Company halted these hourly incentive additions and paid employees a small lump sum amount (\$800 for most employees) for their efforts during the initial stages of the pandemic. The Company was able to successfully serve the community without service interruptions or incurring additional overtime costs that would have resulted had employees not gone to work for health and safety reasons.

These filings also reflect the additional costs incurred to provide advance customer notice, as requested by Consumer Protection Staff. The printing and mailing costs are approximately \$0.60 per customer, to be recovered over the two-year period.

Upon completion of its review, Commission staff (Staff) found the proposed rates to be fair, just, reasonable, and sufficient. Consistent with the treatment of these same costs in Mason County Garbage Co., Inc.'s filing under Docket TG-210298, Staff believes these costs are reasonable and should be granted recovery in rates in the manner proposed by the Company under these dockets.

Rate Comparison

Residential Rates (Per Month)	Current Rates (64 Gal Weekly)	Revised Rates (64 Gal Weekly)	Increase
Pacific Disposal, Butlers Cove	\$20.40	\$20.50	0.46%
Pierce County Refuse	\$26.77	\$26.87	0.37%
Joe's Refuse, White Pass Garbage	\$21.83	\$21.93	0.44%
Murrey's Disposal	\$31.19	\$31.34	0.48%
Yakima Waste	\$12.73	\$12.81	0.62%
Waste Connections of WA	\$39.96	\$40.18	0.56%

Customer Comment Summary

The Company provided timely notices to its customers by mail. Customers were notified that they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received 72 total consumer comments; 65 opposed to the rate increases and seven in favor.

Customer Comments

Seven customers said they are pleased with the Company's service and support the proposed increase. Customers oppose the increase because they also had extra expenses due to the pandemic and were not able to recover them. Several customers do not believe the Company had extra COVID-related expenses. Many believe it is a bad time to increase rates because of the overall economic impact the pandemic has had on customers. A few believe the Company already received assistance from the government to recover these costs.

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 assured the customers that staff's investigation included allowing only appropriate expenses into rates, and that staff has followed up to make sure the Company has not collected COVID relief money from the government.

Conclusion

Issue orders granting exemption from workpaper rules in WAC 480-07-520(4) and allow the revised tariff pages filed under Dockets TG-2136, TG-210437, TG-210457, TG-210459, TG-210561, and TG-210580, to take effect September 1, 2021.