

Agenda Date: November 29, 2012  
Item Number: B1

**Docket:** TG-121510  
**Company Name:** Rabanco LTD d/b/a Eastside Disposal; Container Hauling;  
Rabanco Companies, Issaquah Division; Rabanco Connections

**Staff:** Amy White, Regulatory Analyst  
Melissa Cheesman, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco LTD on September 14, 2012, and extended on October 16, 2012.

**Discussion**

On September 14, 2012, Rabanco LTD (Rabanco or company), filed tariff revisions with the Utilities and Transportation Commission (commission). The proposed filing would generate approximately \$381,000 (6.5 percent) in additional annual revenue. The company serves approximately 22,000 residential and commercial customers in Eastern King County in the areas surrounding Bellevue and Issaquah. The filing is prompted by increases in labor, fuel, maintenance, healthcare, pension and other general operating expenses. The company's last general rate increase became effective on April 1, 2010. On October 16, 2012, the company filed to extend the effective date to November 16, 2012.

Commission staff has not completed its review of the company's supporting financial documents, books and records. Several data requests have been issued by staff, to the company, and are still outstanding. Therefore, the company has not yet demonstrated the proposed rates are fair, just, reasonable and sufficient.

**Rate Comparison**

<b><u>Residential Rates</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percent Increase</u></b>
1 Mini Can Weekly Pick-up	\$10.86	\$11.33	4.3%
One 60-Gallon Toter Weekly Pick-up	\$18.48	\$19.27	4.3%
One 90-Gallon Toter Weekly Pick-up	\$26.97	\$28.13	4.3%
Yard Waste Services – Appendix A	\$6.85	\$7.75	13.1%
Recycling Services – Appendix A	\$7.95	\$8.43	6.0%

<u>Commercial Rates</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percent</u>
One 96-Gallon Toter Weekly Pick-up	\$7.26	\$7.57	4.3%
2.0-Yard Container Weekly Pick-up	\$27.29	\$28.46	4.3%
4.0-Yard Container Weekly Pick-up	\$51.23	\$53.42	4.3%
<u>Drop Box Rates</u>			
Drop Box 20 Yards Per Pick-up	\$123.95	\$129.25	4.3%
Drop Box 30 Yards Per Pick-up	\$123.95	\$129.25	4.3%

### Customer Comments

On October 1, 2012, the company notified its customers of the proposed rate increase by mail. Staff received 17 consumer comments regarding the proposed rate increase. Fourteen commenters were opposed to the rate increase, one was in favor and two were undecided. Customers were notified that they may access documents about this rate case on the commission's website, and that they may contact John Cupp at 1-888-333-WUTC (9882) or [jcupp@utc.wa.gov](mailto:jcupp@utc.wa.gov) with questions or concerns.

### **Filing Documents and Methodology**

- One customer stated it is unfair that the company proposes the highest increase to the mini-can service.

#### **Staff Response**

The actual dollar amount of the proposed increase to the mini-can service is lower than the amount of the proposed changes to other classes of service. Because the mini-can service has the lowest base rate, the percentage is higher.

### **General Comments**

- Five customers said the company should manage its costs better. Four customers said the company should not be allowed to increase its rates while the economy is struggling. Two customers commented that the rates are already too high.

#### **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 review filings to ensure that all rates and fees are appropriate.

### Conclusion

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Rabanco LTD on September 14, 2012, and extended on October 16, 2012.