

Agenda Date: March 28, 2019  
Item Number: B1

**Docket:** TG-181036  
**Company:** West Waste and Recycling, Inc.

**Staff:** Cristina Steward, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

1. Dismiss the Complaint and Order Suspending the Tariff Revisions, filed by West Waste and Recycling, Inc., entered on January 31, 2019.
2. Allow the tariff revisions filed in Docket TG-181036, on March 22, 2019, to become effective April 1, 2019.

### **Discussion**

On December 17, 2018, West Waste and Recycling, Inc. filed tariff revisions with the Washington Utilities and Transportation Commission (commission) that would generate approximately \$138,800 (11.9 percent) in additional annual revenue. The company serves approximately 1,000 residential and commercial customers in Jefferson and Clallam Counties.

The proposed increase was prompted by increases in disposal fees, wages, postage, insurance, and other operating expenses. It has been over 20 years since the company's last general rate case.

The company's rate filing includes a pass-through disposal fee increase set by Harold LeMay Enterprises, Inc., that increases the disposal rate from \$69.71 per ton to \$80.00 per ton on January 1, 2019, at the LeMay transfer station. Commission staff's (staff) analysis shows the increased disposal rate would generate approximately \$54,000 (4 percent) additional annual revenue. The remainder of the requested rate increase is attributable to an \$84,800 increase in operating expenses.

On January 31, 2019, the commission issued a Complaint and Order Suspending the Tariff Revisions and allowing only the disposal fee rates to go into effect, on a temporary basis, subject to refund, to give staff and the company more time to review the filing.

Staff has now completed its review of the company's books and financial records. The company has regulated and unregulated operations and shares equipment, management, accounting, and facilities with three affiliates. The affiliate companies are much smaller than the regulated operations and use less of the shared expenses.

Staff has determined an allocation factor based on man hours to allocate shared expenses among the companies. This allocator was applied to expenses, shared assets, and non-regulated costs

were removed. After these adjustments the company and staff came to a total agreed upon annual revenue increase of approximately \$93,000 (8 percent) in additional annual revenue, including the increase in disposal fees. The company filed revised rates on March 22, 2019, that are fair, just, reasonable, and sufficient.

**Residential Rate Comparison**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Disposal Fee Only Rate (Effective 2/1/2019)</b>	<b>Proposed Rate</b>	<b>Increase</b>
<b>1-Can Weekly Garbage</b>	\$16.39	\$17.01	\$17.70	8%
<b>2-Can Weekly Garbage</b>	\$24.92	\$26.79	\$26.91	8%
<b>1-Can Every Other Week Garbage</b>	\$9.07	\$9.38	\$9.79	8%

**Commercial Rate Comparison**

<b>Per Pickup Rate</b>	<b>Current Rate</b>	<b>Disposal Fee Only Rate (Effective 2/1/2019)</b>	<b>Proposed Rate</b>	<b>Increase</b>
<b>1-yard Pick-up Weekly</b>	\$14.85	\$15.59	\$16.04	8%
<b>1.5-Yard Pick-up Every Other Week</b>	\$20.79	\$21.85	\$22.45	8%

**Customer Comments**

On December 31, 2018, the company notified its customers by mail of the proposed rate increase. Staff received no comments.

**Conclusion**

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