

Agenda Date: September 25, 2008
Item Number: B1

Docket: TG-080868
Company Name: Rabanco, Ltd, G-12
d/b/a Eastside Disposal and Allied Waste Services of Bellevue

Staff: Nicki Johnson, Regulatory Analyst
Dennis Shutler, Consumer Protection Staff

Recommendations

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Rabanco Ltd, d/b/a Eastside Disposal and Allied Waste Services of Bellevue; and
2. Allow the temporary rates to become effective October 1, 2008, on a permanent basis.

Discussion

On May 16, 2008, Rabanco Ltd, d/b/a Eastside Disposal and Allied Waste Services of Bellevue (Rabanco or company) filed with the Utilities and Transportation Commission (commission) revisions to its tariff for solid waste collection rates that would generate \$672,000 (7.4 percent) in additional annual revenue. The company serves approximately 21,200 customers in eastern King County in the areas surrounding Bellevue and Issaquah. The proposed increase in rates is prompted by increases in the costs of labor, fuel, equipment, healthcare, pensions and other operating costs. The company's last general rate increase became effective in May 2006.

On June 26, 2008, the commission entered a Complaint and Order Suspending Tariff Revisions because the company had not yet demonstrated that the proposed rates were fair, just, reasonable and sufficient.

Staff completed its analysis of the company's operations and on August 22, 2008, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$312,000 (3.4 percent) of additional revenue per year.

According to staff's analysis, the proposed yard waste rates were below the cost of providing the service. As a result, the company requested that the higher revised yard waste rates go into effect on a temporary basis at staff recommended levels on less than statutory notice per WAC 480-70-276.

The company's original customer notice of May 30, 2008, did not contain the higher revised yard waste rates. The company also petitioned the commission for an exemption from WAC-480-70-271, the rule that requires 30 days notice to customers.

At the August 28, 2008, open meeting, the commission continued the suspension period to allow customers the opportunity to comment on the revised rates before determining whether the revisions were fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis September 1, 2008, subject to refund, and allowed the request for less than statutory treatment and an exemption from customer notification.

Customer Comments

The company notified its customers of the proposed rate increase by mail on May 30, 2008. The commission received 17 customer comments on this filing. Staff’s open meeting memorandum, dated August 28, 2008, summarized and responded to those customers’ comments. On September 2, 2008, the Consumer Protection staff sent every customer who had commented on Rabanco’s filing a letter advising them of staff’s recommended revised rates. No customer has yet responded to staff’s letter.

Rate Comparison

	Present	Proposed	Revised
Residential Monthly Rates			
1 Can Garbage - Weekly	\$9.64	\$10.20	\$9.24
60 Gallon Cart Garbage - Weekly	\$16.17	\$17.25	\$15.57
60 Gallon Cart Rental	\$1.50	\$1.75	\$1.50
Residential Recycling – EOW*	\$7.50	\$8.35	\$8.20
Residential Recycling - Weekly	\$9.31	\$10.43	\$10.18
Residential Yard Waste - EOW	\$5.29	\$6.14	\$7.00
Residential Yard Waste - Weekly	\$7.93	\$9.19	\$9.50
Commercial			
One Yard Container - Per Month	\$61.29	\$63.93	\$61.29
20 Yard Drop Box - Per Pick-up	\$111.00	\$114.87	\$111.00

*EOW means “Every Other Week”

Average Customer Charge Comparison –One Can Customer Bellevue Area

Monthly Service	Present	Proposed	Revised
Garbage Component - Weekly	\$9.64	\$10.20	\$9.24
Mandatory Recycling - EOW	\$7.50	\$8.35	\$8.20
Commodity Credit	(\$2.49)	(\$2.49)	(\$2.49)
Total Garbage and Recycling	\$14.65	\$16.06	\$14.95
Voluntary Yard Waste - EOW	\$5.29	\$6.14	\$7.00
Total Garbage, Recycling, Yard Waste	\$19.94	\$22.20	\$21.95
		11.3%	10.1%

Average Customer Charge Comparison – One Can Customer Issaquah Area

Monthly Service	Present	Proposed	Revised
Garbage Component - Weekly	\$9.64	\$10.20	\$9.24
Mandatory Recycling- Weekly	\$9.31	\$10.43	\$10.18
Commodity Credit	(\$2.53)	(\$2.53)	(\$2.53)
Total Garbage and Recycling	\$16.42	\$18.10	\$16.89
Voluntary Yard Waste - Weekly	\$7.93	\$9.19	\$9.50
Total Garbage, Recycling, Yard waste	\$24.35	\$27.29	\$26.39
		12.1%	8.4%

Commission staff has completed its review of Rabanco's supporting financial documents, books and records. Staff's review shows that the expenses are required and reasonable for Rabanco's operation. The company's financial information supports the revised revenue requirement and the revised rates are fair, just, reasonable, and sufficient.

Conclusion

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2. Allow the temporary rates to become effective October 1, 2008, on a permanent basis.