

Agenda Date: July 26, 2018
Item Number: B1

Docket: TG-180523

Company Name: Torre Refuse and Recycling, LLC, G-260
d/b/a Sunshine Disposal and Recycling

Staff: Cristina Steward, Regulatory Analyst
Greg Hammond, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Grant the Request for Exemption from WAC 480-07-520(4)(e) and take no action, thereby allowing the tariff revisions filed on June 13, 2018, by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal and Recycling, to become effective on August 1, 2018, by operation of law.

Discussion

On June 13, 2018, Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal and Recycling (Torre or company) filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$204,000 (6.8 percent) additional annual revenue. The proposed increases are due to increased operating costs. Torre provides regulated service to approximately 5,500 residential and commercial customers in Stevens and Spokane Counties. The company's last general rate increase, of \$77,500, became effective on November 1, 2013.

Torre has regulated and non-regulated operations, and shares equipment, management, accounting, customer service, and facilities costs with three of its affiliates: Ada-Lin Waste Systems, Inc., Sunshine Recyclers, Inc., and Sunshine Disposal Inc. The company has requested an exemption from WAC 480-07-520(4)(e) due to the level of difficulty in providing the affiliates' information, and fears that competitors could use the information to undercut future non-regulated contract bids.

The company allocates costs to each division monthly or as bills are paid and uses allocation factors applicable to each cost. For example, a repair to a shared truck would be allocated to the portion of company operations based on the asset's original percentage of cost allocation determined when the truck was capitalized. Staff has reviewed these entries and allocations and finds the methods and percentages reasonable.

The increase in operating costs includes a wage increase of 3 percent. The company's last general rate case, in 2013 included a 2 percent wage increase. Staff found a 3 percent increase in four years to be reasonable. Other cost increases include fuel and new equipment. Staff reviewed the company's journal entries, financial statements, and allocations for reasonableness. Staff's review was not impeded by the request for exemption from WAC 480-07-520(4)(e).

Customer Comments

On June 28, 2018, the company notified its customers of the proposed rate increase by mail. Staff received five consumer comments regarding the proposed rate increase; four opposed to the rate increase, and one undecided. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns.

Conclusion

Staff has completed its review of the company's financial data and has found the proposed rates to be fair, just reasonable, and sufficient. Staff's review of the filing shows that the operating expenses are reasonable and required as part of the company's operation. The company's financial information supports the revenue requirement.

Recommendation

Therefore, staff recommends the commission grant the Request for Exemption from WAC 480-07-520(4)(e) and take no action, thereby allowing the tariff revisions filed on June 13, 2018, by Torre Refuse and Recycling, LLC, d/b/a Sunshine Disposal and Recycling, to become effective on August 1, 2018, by operation of law.