

Agenda Date: April 29, 2010
Item Number: B2

Docket: TG-091764

Company Names: Basin Disposal of Washington, LLC, d/b/a Basin Disposal of Walla Walla, G-165

Staff: Layne Demas, Regulatory Analyst
Dennis Shutler, Consumer Protection Staff

Recommendation

Issue and order to:

1. Authorize Basin to file revised tariff pages reflecting the revised rates agreed to by staff and the company.
2. Grant Basin an exemption from WAC 480-70-266, Tariffs, to allow it to file the revised tariff pages on less than statutory notice to become effective on June 1, 2010.

Discussion

On November 10, 2009, Basin Disposal of Washington, LLC, d/b/a Basin Disposal of Walla Walla ("Basin" or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate approximately \$84,000 (6.1 percent) in additional annual revenue for solid waste collection services. The filing was prompted by an increase in disposal fees from \$51.45 per ton to \$59.17 per ton effective January 1, 2010. Basin filed rates to recover this increase without filing a general rate case. Basin serves approximately 4,800 residential and commercial customers in Walla Walla County. The company has not filed a general rate case since the company was acquired by Basin Disposal in 2008.

On December 23, 2009, the commission issued a complaint and order suspending the tariff revisions filed by the company on November 9, 2009, and the substitute pages the company filed on December 10, 2009, and allowed the proposed tariffs filed by the company to become effective on January 1, 2010, on a temporary basis, subject to refund if the commission determines that different rates will be fair, just, reasonable and sufficient. The commission also ordered the company:

1. To file all documents required for a general rate case as provided in WAC 480-07-520 by March 1, 2010, together with any additional documents that may be requested by commission staff.
2. To not change or alter the tariffs filed in this Docket during the suspension period, unless authorized by the Commission.

Basin filed the documents required for a general rate case on February 24, 2010. Staff completed its analysis of company's supporting financial records and found the company's proposed revenue requirement is higher than the revenue generated by the temporary rates. The company

asked for approximately \$84,000 (6.1 percent) in additional annual revenue and staff found the company's financial records support approximately \$217,000 (15.9 percent) in additional annual revenue, approximately \$133,000 more than the company requested. Staff and the company negotiated revised rates that are fair, just, reasonable and sufficient. The company agrees with staff's revised revenue requirement and revised rates.

Rate Comparison

	Current Rates	Temporary Rate	Revised Rate
Residential Monthly Rates			
64 Gallon Cart - Weekly Service	\$16.08	\$ 17.29	\$ 19.01
96 Gallon Cart - Weekly Service	\$19.96	\$ 21.47	\$ 23.59
Commercial Per Pick Up			
One Yard Container - First Pick Up	\$20.86	\$ 21.69	\$ 24.20
- Addl. Pick UP	\$11.05	\$ 11.88	\$ 12.82
Drop Box 20 Yard - Monthly Rent	\$56.90	\$ 56.90*	\$ 66.40
Drop Box 20 Yard - Per Pick Up	\$92.00	\$ 92.00*	\$ 107.36

* Drop Box rates are not temporary. They were not affected by the disposal fee increase. They are shown at current level to demonstrate the effect of the revised rates. The revised rates recover all expenses including disposal fees and return on investment.

The company asks that the commission:

1. Authorize Basin to file revised tariff pages reflecting the revised rates agreed to by staff and the company.
2. Grant Basin an exemption from WAC 480-70-266, Tariffs, to allow it to file the revised tariff pages on less than statutory notice to become effective on June 1, 2010. WAC 480-70-266, requires the company to provide at least 45 days' notice to the commission of any filing that will result in an increase in rates to customers. The purpose of the 45 days' notice requirement is to provide sufficient time for staff to analyze the filing. In this case, staff has already completed its analysis and staff recommends that the Commission grant this request.

Customer Comments

Basin used a bill insert, placed in the first bills issued after January 1, 2010, to notify customers of the increases effective January 1, 2010. Therefore, no customer comments were received for the disposal fee only filing.

Customers have not received notice of the increases reflected in the revised rates. Basin has advised Staff that, with the requested June 1, 2010, effective date, the Company will be able to comply with the 30 days' customer notice requirements of WAC 480-70-271.

Conclusion

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the companies' operations, that the financial information supports the revised revenue requirement, and that the revised rates and charges, some of which are higher than the temporary rates, are fair, just, reasonable, and sufficient. However, customers have not received notice of the revised rates and have not had an opportunity to comment on those rates. Therefore, staff recommends the commission issue an order to:

1. Authorize Basin to file revised tariff pages reflecting the revised rates agreed to by staff and the company.
2. Grant Basin an exemption from WAC 480-70-266, Tariffs, to allow it to file the revised tariff pages on less than statutory notice to become effective on June 1, 2010.