

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

v.

WASTE CONTROL, INC.

Respondent.

DOCKET TG-140560

STAFF'S RESPONSE TO WASTE  
CONTROL INC.'S MOTION TO  
ALLOW TEMPORARY RATES  
SUBJECT TO REFUND AT THE  
PROPOSED SETTLEMENT  
LEVEL FILED IN OCTOBER 2014

**I. INTRODUCTION**

1 Washington Utilities and Transportation Commission Staff ("Staff") files the following, limited response to Waste Control, Inc.'s ("Waste Control" or "Company") recent motion seeking temporary rate relief.

**II. STAFF'S POSITION ON ADDITIONAL TEMPORARY RATES**

**A. Staff does not object to the Company's proposal**

2 Staff has been unable to find precedential authority supporting or refuting what the Company clearly acknowledges as a unique request. Given the lack of precedent and Staff's obligation to prepare for the upcoming hearing and briefing in the above-referenced case, Staff has no substantive argument for or against Waste Control's motion for temporary rates.

**B. If the Commission grants the Company's request for temporary rates, the Commission should employ Staff's proposed rate design**

3 Should the Commission allow the Company's request, Staff recommends the Commission set additional interim temporary rates subject to refund on the basis of Staff's

recommended rate design. For ease of reference, Staff's Attachment A1 to this response reflects an updated version of Staff's previously-filed rate design spreadsheet, Exhibit MC-12.<sup>1</sup> Attachment A1 reflects Staff's proposed rate design methodology in Staff's testimony MC-11T filed on August 15, 2014, the adjusted revenue requirement based on the Parties' proposed settlement,<sup>2</sup> and Staff's response to Bench Request No. 1. Specifically, Staff's Attachment A1 reflects a \$339,912 revenue deficiency (i.e. additional annual revenue), and assigns \$317,649 to regulated operations with the remaining \$22,264 assigned to non-regulated Kalama operations.

4

Staff disagrees with Waste Control's rate design<sup>3</sup> for the following reasons:

- (1) The Company's "Price Out" worksheet utilizes unsupported adjusted customer counts for each line of service (which are different from the actual customer counts used by Staff and provided by the Company in Exhibit JD-11, worksheet "WP-8 – Cust Count (x per wk)").
- (2) The Company's proposed rates generate approximately \$15,000 more additional annual revenue than Staff's recommended revenue deficiency.
- (3) The Company's "Price Out" worksheet proposes rates for non-regulated Kalama operations which are not included in this proceeding.
- (4) The Company's "Rate design" worksheet uses two separate calculated increase percentages to increase rates instead of increasing all rates by the same calculated increase percentage.
- (5) The Company's "Rate design" worksheet includes proposed rates for Toutle hauls and rents that are not already included in Tariff 14 or suspended Tariff 15.

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<sup>1</sup> *WUTC v. Waste Control, Inc.*, Docket TG-140560, Supplemental Testimony of Melissa Cheesman (for rate design), Exhibit No. MC-11T and Exhibit No. MC-12, August 15, 2014.

<sup>2</sup> *WUTC v. Waste Control, Inc.*, Docket TG-140560, Partial Settlement Agreement (proposed), October 14, 2014; *see also* Testimony of Melissa Cheesman in Support of Proposed Partial Settlement Agreement, October 14, 2014.

<sup>3</sup> Staff is unclear as to whether the Company has officially proposed a rate design with its motion for additional temporary rates. Waste Control does not appear to have filed a proposal with the Commission's Records Center but did email a rate design spreadsheet to Staff counsel and the Administrative Law Judge included as file "WCI Operations for temp rate increase incl design 021315.xlsx", on worksheets "Rate design", "Price Out", and "Summary Price Out". Staff's disagreement refers to the spreadsheet file provided to Staff's counsel and the ALJ.

### III. STAFF CANNOT CONFIRM THE COMPANY'S CLAIMS REGARDING UNION BANK LOAN COVENANTS

5 The Company argues that its declining financial position requires a request for additional temporary rate relief. Specifically, Waste Control's motion and the accompanying declaration of Ms. Jacqueline Davis state that an affiliated entity, Heirborne Investments I ("HBI"), is in violation of loan covenants due to the current financial position of Waste Control.

6 Staff cannot weigh in on the Company's claims regarding the violation in terms in affiliates' loan covenants. The Company has not identified the specific, relevant loan covenants and supporting details. Thus, Staff cannot provide analysis or a recommendation regarding the covenants' requirements and whether Waste Control has forced other affiliated entities into violation of creditor terms and conditions.

### IV. THE COMPANY'S MOTION DEMONSTRATES THE CLOSE TIES BETWEEN WASTE CONTROL AND ITS AFFILIATES

7 Although indifferent to the Company's present motion, Staff does want to point out that Waste Control's proposal further supports Staff's fundamental argument that the Company and its various affiliates are inextricably intertwined.<sup>4</sup> The Company's motion and the Declaration of Jackie Davis expressly state that HBI is out of compliance with loan covenants because of Waste Control's purported financial position. Due to the inherent possibility of cross subsidies between entities with common management that also secure and collateralize loans for one another, the Commission should look very closely to ensure

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<sup>4</sup> See *WUTC v. Waste Control, Inc.*, Docket TG-140560, Testimony of Melissa Cheesman, Exhibit No. MC-1T, pp 6-7, July 18, 2014; see also *WUTC v. Waste Control, Inc.*, Docket TG-140560, Prefiled Testimony of Joe Willis, Exhibit No. JW-1T, April 4, 2014.

common costs are fairly allocated and affiliate transactions support regulatory accounting principles.

## V. CONCLUSION

8 Staff does not object to the Company's motion requesting interim temporary rates subject to refund. Staff does not, however, support the Company's proposed rates. If the Commission allows the Company's motion, Staff recommends the Commission set temporary rates subject to refund on the basis of Staff's recommended rate design rather than Waste Control's. Staff cannot provide any analysis or recommendation on the Company's declaration regarding being out of compliance with loan covenants.

DATED this \_\_\_\_\_ day of February 2015.

Respectfully submitted,

ROBERT W. FERGUSON  
Attorney General



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BRETT P. SHEARER  
Assistant Attorney General  
Counsel for Washington Utilities and  
Transportation Commission Staff

REVISED  
STAFF PRICE OUT

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1		Waste Control, Inc. - Staff Rate Design												
2		STAFF PRICE OUT												
3		LURITO-GALLAGHER												
4		Calculated Increase Percentage		10.02%										
5		Revenue Requirement		4,311,871										
6		Revenue Deficiency		\$339,912										
7		Non-Regulated Kalama Revenue Deficiency		22,264	10.02%									
8		Regulated Revenue Deficiency		\$317,649	10.02%									
9														
10		*** Staff proposes to equally increase all Tariff 14 rates not listed in this price-out by 10.02 percent.												
11														
12														

  

	Test Year	Test Year	Difference	Change
	Calculated Revenue	Actual Revenue		
Residential	2,037,084	2,072,146	35,062.06	1.72%
Commercial	509,305	598,392	89,087.13	17.49%
Drop Box	508,293	498,831	(9,461.68)	-1.86%
Sub Total	3,054,682	3,169,369	114,687.50	3.75%
Pass-Thru	580,454	580,454	-	0.00%
<b>Total Regulated</b>	<b>3,635,135</b>	<b>3,749,823</b>	<b>(114,688)</b>	<b>-3.1%</b>
Kalama Non-Regulated	222,136	222,136	(222,136)	
<b>Total Operations</b>	<b>3,971,959</b>	<b>3,971,959</b>	<b>(336,824)</b>	

check  
3,971,959 Lurito-Gallagher Revenue Input

REVISED  
STAFF PRICE OUT

A	B	C	D	E	F	G	H	I	J	K	L	M	N
WC's Tariff 14	Services	Actual Customer	Frequency	Tariff 14	Temporary Rates Suspended Tariff 15	Staff Calculated Increased Rates	Staff Proposed Rates	Test Year Monthly Revenue (@ Tariff 14 rates)	Test Year Annual Revenue (@ Tariff 14 rates)	Staff Proposed Annual Revenue	Staff Proposed Percentage Change From Tariff 14		
13	CARTS Cowlitz County												
14	Item No. and Page No.	2,608		20.80	22.35	22.88	22.79	54,246.40	650,956.80	713,235.84	9.57%		
15	Item 100, Page	3,544		17.80	18.87	19.58	19.14	63,083.20	756,998.40	813,985.92	7.53%		
16		1,388		14.75	15.52	16.23	15.49	20,473.00	245,676.00	258,001.44	5.02%		
17													
18													
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REVISED  
STAFF PRICE OUT

A	B	C	D	E	F	G	H	I	J	K	L	M	N
WCI's Tariff 14					Temporary Rates	Staff Calculated Increased Rates	Staff Proposed Rates	Test Year Monthly Revenue (@ Tariff 14 rates)	Test Year Annual Revenue (@ Tariff 14 rates)	Staff Proposed Annual Revenue	Staff Proposed Percentage Change From Tariff 14		
Item No. and Page No.	Services	Actual Customer	Frequency	Tariff 14	Suspended Tariff 15	Increased Rates	Proposed Rates	Monthly Revenue (@ Tariff 14 rates)	Annual Revenue (@ Tariff 14 rates)	Annual Revenue	Percentage Change From Tariff 14		
15	Item 240, Page 37												
56	Woodland												
57	1.0 Yd pu	5	4.33	13.15	14.07	14.47	16.62	284.70	3,416.37	4,317.88	26.39%		
58	1.0 Yd rent	5	1.00	12.81	12.79	14.09	12.52	64.05	768.60	751.20	-2.26%		
59	1.0 Yd special pickup	4	1.00	14.40	15.30	15.84	17.66	57.60	847.68	847.68	22.64%		
60	1.5 Yd pu	43	4.33	18.75	20.06	20.63	21.08	3,491.06	41,892.75	47,098.62	12.43%		
61	1.5 Yd rent	43	1.00	14.01	13.99	15.41	15.03	602.43	7,229.16	7,755.48	7.28%		
62													
63	2.0 Yd pu	3	4.33	24.45	26.15	26.90	27.94	317.61	3,811.27	4,355.29	14.27%		
64	2.0 Yd rent	3	1.00	15.53	15.50	17.09	15.65	46.59	559.08	563.40	0.77%		
65													
66	3.0 Yd pu	2	4.33	33.44	35.92	36.79	38.77	289.59	3,475.08	4,028.98	15.94%		
67	3.0 Yd rent	2	1.00	15.70	15.66	17.27	16.01	31.40	376.80	384.24	1.97%		
68													
69	4.0 Yd pu	1	4.33	42.85	46.07	47.14	48.50	185.54	2,226.49	2,520.06	13.19%		
70	4.0 Yd rent	1	1.00	15.71	15.65	17.28	18.95	15.71	188.52	227.40	20.62%		
71													
72	6.0 Yd pu	1	4.33	57.20	61.61	62.93	65.75	247.68	2,972.11	3,416.37	14.95%		
73	6.0 Yd rent	1	1.00	16.67	16.58	18.34	19.83	16.67	200.04	237.96	18.96%		
74	Item 240, Page 38												
75	COWLITZ - CARTS												
76	30-35 GAL	7	4.33	4.15	4.30	4.57	4.57	125.79	1,509.44	1,662.20	10.12%		
77	60-65 GAL	19	4.33	5.36	5.61	5.90	5.90	440.97	5,291.61	5,824.72	10.07%		
78	90-100 GAL	71	4.33	7.06	7.42	7.77	7.77	2,170.46	26,045.47	28,664.77	10.06%		
79	Item 240, Page 38												
80	WOODLAND - CARTS												
81	30-35 GAL	2	4.33	4.15	4.30	4.57	4.57	35.94	431.27	474.91	10.12%		
82	60-65 GAL	5	4.33	5.36	5.61	5.90	5.90	116.04	1,392.53	1,532.82	10.07%		
83	90-100 GAL	7	4.33	7.06	7.42	7.77	7.77	213.99	2,567.86	2,826.10	10.06%		
84	Item 240, Page 38												
85	Add'l Commercial Toter Service Per Pickup	3	1.00	9.00	9.35	9.90	9.90	27.00	324.00	356.40	10.00%		
86	Special Pick-up - 90gal	1	1.00	8.00	8.35	8.80	8.80	8.00	96.00	105.60	10.00%		
87	Item 240, Page 35												
88	MF CARTS (COWLITZ, CASTLE ROCK, WOODLAND)												
89	30-35 gal	16		14.85	15.62	16.34	16.34	237.60	2,851.20	3,137.28	10.03%		
90	60-65 GAL	178		18.35	19.42	20.19	20.19	3,266.30	39,195.60	43,125.84	10.03%		
91	90-100 GAL	1		21.45	23.00	23.60	23.60	21.45	257.40	283.20	10.02%		
92	Item 80, Page 20												
93	Deluxe	1	4.33	1.85	1.85	2.04	2.04	8.01	96.13	106.00	10.27%		
94	Sub Totals							212,226	2,546,713	2,801,236			

REVISED  
STAFF PRICE OUT

A	B	C	D	E	F	G	H	I	J	K	L	M	N
WCI's Tariff 14	Item No. and Page No.	Actual Customer	Frequency	Tariff 14	Temporary Rates Suspended Tariff 15	Staff Calculated Increased Rates	Staff Proposed Rates	Test Year Monthly Revenue (@ Tariff 14 Rates)	Test Year Annual Revenue (@ Tariff 14 Rates)	Staff Proposed Annual Revenue	Staff Proposed Change From Tariff 14		
14	Drop Box	32	4.33	81.00	81.00	89.12	89.12	11,223.36	134,680.32	148,181.61	10.02%		
15	20 Yd pkup	32	1.00	76.00	76.00	83.62	83.62	2,432.00	29,184.00	32,110.08	10.03%		
95	Rent	14	4.33	88.00	88.00	96.82	96.82	5,334.56	70,430.74	70,430.74	10.02%		
96	30 Yd pkup	14	1.00	76.00	76.00	83.62	83.62	1,064.00	12,768.00	14,048.16	10.03%		
97	Rent	3	4.33	98.00	98.00	107.82	107.82	1,273.02	15,276.24	16,806.98	10.02%		
98	40 Yd pkup	1	4.33	150.00	150.00	165.03	165.03	649.50	7,794.00	8,574.96	10.02%		
99	Compacted												
100	40 Yd pkup	7	4.33	103.80	103.80	114.20	114.20	3,059.74	36,716.93	40,395.70	10.02%		
101	Temporary - Drop Box	7	1.00	104.40	104.40	114.86	114.86	710.72	8,528.68	9,383.18	10.02%		
102	20 Yd pkup	4	4.33	113.40	113.40	124.77	124.77	2,067.96	24,815.50	27,303.61	10.03%		
103	Rent	4	4.33	123.60	123.60	135.99	135.99	2,192.21	26,306.55	28,943.59	10.02%		
104	30 Yd pkup												
105	40 Yd pkup												
106	Mt. St. Helens	0	4.33	295.00	295.00	324.57	324.57	196.52	2,338.18	2,594.56	10.02%		
107	Penn Pick	0	4.33	315.00	315.00	346.57	346.57	157.38	1,888.55	2,077.82	10.02%		
108	Temp Pick	4	1.00	130.00	130.00	143.03	143.03	455.00	5,460.00	6,007.26	10.02%		
109	Rent w/ld												
110	Del/respot - temp												
111	Temp rent/day w/ld	1	1.00	155.00	155.00	170.53	170.53	155.00	1,860.00	2,046.36	10.02%		
112	Temp rent/mo w/ld												
113	DB Extras												
114	Del/respot	23	1.00	51.00	51.00	56.11	56.11	1,156.00	13,872.00	15,261.92	10.02%		
115	Mileage	2,021	1.00	4.25	4.25	4.68	4.68	8,590.14	103,081.67	113,511.11	10.12%		
116	Daily Rent	186	1.00	4.50	4.50	4.95	4.95	836.25	10,095.00	11,038.50	10.00%		
117	Hourly	8	1.00	97.50	97.50	107.27	107.27	804.38	9,652.50	10,619.73	10.02%		
118	Sub Totals							42,357.74	506,292.83	559,335.87			
119	Staff Proposed Total Changes from Tariff 15												
120	Residential									2,037,084	2,240,769		
121	Commercial/Multi-Family									509,305	560,217		
122	Drop Box									508,293	559,336		
123	Items not included in Price Out												
124	Pass-Thru									336,824	370,582		
125	Total Test Year Revenues									580,454	580,454		
126										3,971,959	4,311,357		
127										(514)	(514)		
128													
129													
130													
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Regulated Proposed Revenue 4,066,957  
 Regulated Test Year Revenue 3,749,823  
 Calculated Additional Annual Revenue 317,135  
 Regulated Revenue Deficiency (514)

As a percentage of the Revenue Requirement -0.15%  
 As a percentage of the Revenue Deficiency -0.01%

Residential 2,037,084  
 Commercial/Multi-Family 509,305  
 Drop Box 508,293  
 Items not included in Price Out 336,824  
 Pass-Thru 580,454  
 Total Test Year Revenues 3,971,959

Staff Proposed Total Changes from Tariff 15  
 Residential 2,240,769  
 Commercial/Multi-Family 560,217  
 Drop Box 559,336  
 Items not included in Price Out 370,582  
 Pass-Thru 580,454  
 Total Revenue Generated by Staff Proposed Rates 4,311,357

Regulated Proposed Revenue 4,066,957  
 Regulated Test Year Revenue 3,749,823  
 Calculated Additional Annual Revenue 317,135  
 Regulated Revenue Deficiency (514)



REVISED

SINGLE, COMPANY WIDE RATES

	A	B	C	D	E	F	G	H	I	J
1	Waste Control, Inc. -Staff Rate Design									
2	SINGLE, COMPANY WIDE RATES									
3										
4	RESIDENTIAL - CARTS									
5	Waste Control, Inc. -Staff Rate Design	Actual Customer	Frequency	Increased Rates <i>(Rates stated are Tariff 14 rates increased by Staff's calculated increase percentage)</i>	Monthly Revenue		Average Rate			
6	CARIS Cowlitz County									
7	90-100 GAL	2608		22.88	59,671.04					
8	60-65 GAL	3544		19.58	69,391.52					
9	30-35 GAL	1388		16.23	22,527.24					
10	CARIS Castle Rock									
11	90-100 GAL	151		22.61	3,414.11					
12	60-65 GAL	229		19.31	4,421.99					
13	30-35 GAL	94		15.95	1,499.30					
14	CARIS Woodland									
15	90-100 GAL	341		22.17	7,559.97					
16	60-65 GAL	719		16.94	12,179.86					
17	30-35 GAL	436		13.04	5,685.44					
18	Total 90-100 GAL	3100			70645.12					22.79
19	Average Rate 90-100 GAL									
20	Total 60-65 GAL	4492			85993.37					19.14
21	Average Rate 60-65 GAL									
22	Total 30-35 GAL	1918			29711.98					15.49
23	Average Rate 30-35 GAL									
24										
25										

REVISED  
SINGLE, COMPANY WIDE RATES

	A	B	C	D	E	F	G	H	I	J
26										
27	COMMERICAL									
28	CONTAINERS									
29	Cowlitz County and Castle Rock									
30	1.0 Yd pu	18	4.33	17.22	1,342.13	1.0 Yd pu	23	1,655.40	16.62	
31	1.0 Yd rent	18	1.00	12.09	217.62	1.0 Yd rent	23	288.07	12.52	
32	1.0 Yd special pickup	7	1.00	18.70	130.90	1.0 Yd special pickup	11	194.26	17.66	
33										
34	1.5 Yd 2X	8	8.66	22.28	1,543.56	1.5 Yd pu	59	5,384.66	21.08	
35	1.5 Yd rent	8	1.00	13.00	104.00	1.5 Yd rent	51	767	15.03	
36	2.0 Yd pu	54	4.33	28.00	6,546.96	2.0 Yd pu	57	6,896.39	27.94	
37	2.0 Yd 2X	2	8.66	28.00	484.96	2.0 Yd 2X	59	923.19	27.94	
38	2.0 Yd rent	56	1.00	15.57	871.92	2.0 Yd rent	19	3,189.39	15.65	
39	3.0 Yd pu	17	4.33	39.00	2,870.79	3.0 Yd pu	26	416.14	38.77	
40	3.0 Yd 2X	7	8.66	39.00	2,364.18	3.0 Yd 2X	21	4,410.28	16.01	
41	3.0 rent	24	1.00	15.90	381.60	3.0 rent	28	530.55	48.50	
42	4.0 Yd pu	20	4.33	48.57	4,206.16	4.0 Yd pu	21	4,410.28	48.50	
43	4.0 Yd 2X	5	8.66	48.57	2,103.08	4.0 Yd 2X	28	530.55	48.50	
44	4.0 Yd 3X	2	12.99	48.57	1,261.85	4.0 Yd 3X	12	3,416.54	19.19	
45	4.0 Yd rent	27	1.00	19.01	513.27	4.0 Yd rent	12	238.01	19.83	
46	5.0 Yd 2X	8	8.66	57.21	3,963.51	5.0 Yd 2X	12	238.01	85.82	
47	5.0 Yd rent	8	1.00	19.19	153.52	5.0 Yd rent				
48	6.0 Yd pu	11	4.33	66.01	3,144.06	6.0 Yd pu				
49	6.0 Yd rent	11	1.00	19.97	219.67	6.0 Yd rent				
50	4 YD compactor 2X	1	8.66	85.82	743.20	4 YD compactor 2X				
51	Woodland									
52	1.0 Yd pu	5	4.33	14.47	313.28					
53	1.0 Yd rent	5	1.00	14.09	70.45					
54	1.0 Yd special pickup	4	1.00	15.84	63.36					
55	1.5 Yd pu	43	4.33	20.63	3,841.10					
56	1.5 Yd rent	43	1.00	15.41	662.63					
57										
58	2.0 Yd pu	3	4.33	26.90	349.43					
59	2.0 Yd rent	3	1.00	17.09	51.27					
60										
61	3.0 Yd pu	2	4.33	36.79	318.60					
62	3.0 Yd rent	2	1.00	17.27	34.54					
63										
64	4.0 Yd pu	1	4.33	47.14	204.12					
65	4.0 Yd rent	1	1.00	17.28	17.28					
66										
67	5.0 Yd pu	0	4.33	55.84	-					
68	5.0 Yd rent	0	1.00	17.88	-					
69										
70	6.0 Yd pu	1	4.33	62.93	272.49					
71	6.0 Yd rent	1	1.00	18.34	18.34					

REVISED  
SINGLE, COMPANY WIDE RATES

	A	B	C	D	E	F	G	H	I	J
72										
73										
74										
75	Cowlitz County and Castle Rock	1 Yd	1.5 Yd	2 Yd	3 Yd	4 Yd	5 Yd	6 Yd		
76	Monthly Fee, Note 4	86.64	109.47	136.81	184.78	229.34	266.91	305.81	Item 240, Page 36	
77	Special Pick-up	18.70	23.93	30.37	41.15	50.83	61.34	69.04	Item 240, Page 36	
78										
79	Woodland									
80	Monthly Fee, Note 4	76.74	104.74	133.57	176.59	221.42	259.65	290.84	Item 240, Page 37	
81	Special Pick-up	15.84	22.00	28.28	38.18	48.68	56.61	64.31	Item 240, Page 37	
82										
83	Average Rate	81.69	107.11	135.19	180.69	225.38	263.28	298.33		
84	Monthly Fee, Note 4	17.66	22.97	29.33	39.67	49.76	58.98	66.68		
85	Special Pick-up									
86										
87										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1														
2														
3														
4														
5														
6														
7														
8														
9	!!!		Revenue Requirement		4,311,871	!!!<-								
10	!!!		Revenue Deficiency		\$339,912	!!!<-								
11		*	Revenue	input>	3,971,959	* p/f before rates		339,912						
12		*	Expenses	input>	3,922,382	* p/f before rates		8.56%						
13		*	Avg. Investment -	input>	1,548,613	* p/f before rates								
14			curve turnover		316.60	(calculated)								
15			final turnover		277.74	(calculated)								
16			curve No. used		3	(calculated)								
17			Company actual											
18			capital structure:											
19					!!! OPERATING RATIO ->			91.20	!!!<-					
20														
21		*	Actual Debt Ratio	input>	40.00%	Conversion factor data:								
22		*	Actual Equity Ratio	input>	60.00%	B & O Tax	input>	0.015	*					
23		*	Actual Cost of Debt	input>	3.66%	WUTC Fee	input>	0.004	*					
24				input>		City Tax	input>	0.000	*					
25		*	Tax Rate	input>	34.00%	Bad Debts	input>	0.010	*					
26														
27								Revenue Sensitive		2.89%				
28														
29								Conversion Factor		0.8830				
30														

**WASTE CONTROL, INC.**  
**REVISED MC-6 BASED ON SETTLEMENT**  
**NEW IMPROVED LURITO - GALLAGHER FORMULA**

**Total Continued Waste Control, Inc., Operations**

Revenue Deficiency Assignment	
Kalama Revenue	222,136.41
Kalama Portion of Revenue Requirement	244,399.93
Kalama Revenue	22,263.52
Deficiency	10.02%
Regulated Revenue	317,648.56
Deficiency	10.02%

Partial Settlement	
Staff	132,252
Source: MC-6 Revenue Deficiency, Staff position on July 18, 2014	164,308
Add: Settlement	296,560
Settled Rev. Deficiency	124%
Percentage Increase	7.5%
Overall Rev Increase	

**Calculated Increase Percentage Table**

Revenue Requirement	4,311,871
Disposal Pass-Thru	580,454
Revenue Requirement less Disposal Pass-Thru	3,731,418
Test Year Revenue	3,971,959
Disposal Pass-Thru	580,454
Test Year Revenue less Disposal Pass-Thru	3,391,506
Revenue Deficiency	339,912
Calculated Increase Percentage	10.02%