

Agenda Date: January 28, 2010
Item Number: B1

Docket: TG-091653
Company: Waste Control, Inc., G-101

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

Recommendation:

Take no action, allowing the revised rates filed by Waste Control, Inc., G-101, in Docket TG-091653 to become effective February 1, 2010, by operation of law.

Discussion:

On October 15, 2009, Waste Control, Inc., G-101, (Waste Control or the company) filed with the Utilities and Transportation Commission (commission) revisions to its current tariff proposing approximately a \$276,000 (8.7 percent) increase in annual revenue. On November 17, 2009, the Company extended the effective date of the filing to January 1, 2010, and again on December 14, 2009, to extend the effective date to February 1, 2010. The proposed increase was prompted by increases in fuel, employee labor and benefit increases, liability insurance, vehicle maintenance expenses, and other operating expenses. Present rates have been in effect since January, 2003. Waste Control provides regulated service throughout Cowlitz County to approximately 9,900 customers.

Staff's analysis shows Waste Control's proposed rates are excessive. After review and discussions, staff and the company agreed to a revised revenue requirement of \$ 211,361 (6.64 percent) in additional annual revenue. On January 25, 2010, the company filed revised rates at staff recommended levels.

Customer Comments

On October 30, 2009, the company notified its customers of the proposed rate increase by mail. The commission received seven customer comments on this filing; six oppose, and one supports the proposed increase. Please note that customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

Consumer Protection staff advised customers that they may access company documents about this rate case at www.utc.wa.gov, and that they may contact Dennis Shutler at 1-888-333-9882 with questions or concerns.

Business Practice Comments

- One customer wants the company to offer recycling service.

Staff Response

Staff advised the customer to contact Cowlitz County to comment on the recycling program, since these decisions are made through a solid waste management plan approved by local government officials.

- One customer wants the company to offer bi-monthly garbage service.

Staff Response

Staff advised the customer that the company is not considering service level adjustments in this rate case, however, it offers once per month on-call service.

General Comment

- Four customers believe the amount of the increase is excessive due to increased costs of living and current economic conditions.

Staff Response

Customers were advised that state law requires rates to be fair and reasonable, and sufficient to allow the company the opportunity to recover reasonable operating expenses and earn a reasonable return on investment.

- One customer believes Waste Control's rate increase in 2003 generated \$21 million for a new county landfill.

Staff Response

Staff advised the customer that in 2003 the commission granted a rate increase for the company's operations and expenses. The rate increase did not generate funds for a new county landfill.

Rate Comparison

<u>Residential – Monthly Rates</u>	<u>Present</u>	<u>Proposed</u>	<u>Revised</u>
30-35 Gal Cart Woodland	\$ 10.00	\$11.85	N/C
60-65 Gal Cart Woodland	13.00	15.40	N/C
30-35 Gal Cart Cowlitz County	13.85	14.75	N/C
60-65 Gal Cart Cowlitz County	17.30	18.40	\$17.80
<u>Commercial – Per Pickup</u>			
One Yard <u>Woodland</u> 1 st Pickup	20.77	25.96	N/C
Addl. Pickup	10.52	13.15	N/C
One Yard <u>Cowlitz County</u> 1 st Pickup	24.92	26.97	26.64
Addl. Pickup	14.77	15.95	15.65
<u>Drop Boxes- Per Pickup</u>			
Woodland and Cowlitz County			
20 Yard	70.00	76.00	N/C

Average Customer Charge Comparison

<u>Monthly Rates</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Revised Rate</u>
Garbage Service 60-65 Gallon Cart	\$17.30	\$18.40	\$17.80
Increase from Current Rate		6.36%	2.89%

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows some expenses were excessive and staff has negotiated lower revised rates. Staff has determined the lower revised rates are fair, just, reasonable, and sufficient.

Recommendation

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