

Agenda Date: May 27, 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
Pam Smith, Consumer Protection Staff

Recommendation

1. Dismiss the complaint and order suspending the filing by Basin Disposal of Washington, LLC d/b/a Basin Disposal of Walla Walla, in Docket TG-091764.
2. Allow the revised rates filed by Basin Disposal of Washington, LLC d/b/a Basin Disposal of Walla Walla on April 29, 2010, to become effective 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, which is 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	NA	\$ 66.40
Drop Box 20 Yard - Per Pick Up	\$92.00	NA	\$ 107.36

Order 02 issued in this docket authorized Basin to file revised tariff pages reflecting the revised rates agreed to by staff and the company, and granted Basin's request for 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. Basin filed the revised tariff pages on April 29, 2010.

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. No customer comments were received for the disposal fee only filing.

On April 30, 2010, the company notified its customers of the proposed rate increase by mail. The commission received five customer comments on this filing; all customers oppose the proposed increase.

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 Pam Smith at 1-888-333-9882 with questions or concerns.

General Comment

- Two customers believe the amount of the increase is excessive due to current economic conditions. Two customers believe the company has had too many rate increases. One customer is on a fixed income and cannot afford another increase.

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.

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 company's operations, that the financial information supports the revised revenue requirement, and that the revised rates and charges are fair, just, reasonable, and sufficient. The customer's comments do not change staff's opinion that the company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.

Staff recommends the commission:

1. Dismiss the complaint and order suspending the filing by Basin Disposal of Washington, LLC d/b/a Basin Disposal of Walla Walla in Docket TG-091764.
2. Allow the revised rates filed by Basin Disposal of Washington, LLC d/b/a Basin Disposal of Walla Walla on April 29, 2010, to become effective June 1, 2010.