

Agenda Date: August 27, 2015
Item Number: B2

Docket: TG-151382

Company Name: Waste Management of Washington, Inc, dba Waste Management – North Sound; and Waste Management – Marysville, G-237

Staff: Melissa Cheesman, Regulatory Analyst
Greg Hammond, Regulatory Analyst
Mike Young, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, thereby allowing the proposed rates filed by Waste Management of Washington, Inc., doing business as Waste Management – North Sound; and as Waste Management – Marysville; on July 2, 2015, as revised on August 20, 2015, to become effective September 1, 2015, by operation of law.

Discussion

On July 2, 2015, Waste Management of Washington, Inc., doing business as Waste Management – North Sound; and as Waste Management – Marysville; (collectively “the company”), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$2,273,000 (3.7 percent) of additional annual revenue. The proposed increase was prompted by increases in labor, recycling processing costs, and other operating and administrative costs along with the company’s continuing investment in compressed natural gas vehicles and infrastructure. The company currently serves approximately 115,000 residential, commercial, and drop box customers in King and Snohomish Counties. The company’s last general rate increase became effective January 1, 2014.

Commission staff completed its review of the company’s supporting financial documents and data request responses and concluded the company’s proposed rates would result in excessive revenue. The company and staff have agreed to a revised \$1,584,000 (2.6 percent) of additional annual revenue. The company filed revised tariff pages on August 20, 2015, reflecting the agreement.

Rate Comparison

	(a)	(b)	(c)	(c-a)	(c-a)/(a)
Residential Monthly Rates (Garbage service – weekly)	Current Rate	Company Proposed Rate	Staff Revised Rate	Increase (Decrease) Amount	Percentage Increase (Decrease)
One-35 Gallon Cart – Snohomish County	\$14.80	\$15.69	\$15.37	\$0.57	3.85%
One-64 Gallon Cart – Snohomish County	\$23.55	\$24.96	\$24.45	\$0.90	3.82%
One-35 Gallon Cart – King County	\$15.11	\$16.02	\$15.69	\$0.58	3.84%
One-64 Gallon Cart – King County	\$23.98	\$25.42	\$24.90	\$0.92	3.84%
Residential Monthly Rates (Recycling service – every other week)					
One-96 Gallon Cart – Snohomish and King Counties	\$9.12	\$8.67	\$8.82	(\$0.30)	(3.29%)
Residential Monthly Rates (Yard Waste service – weekly)					
One-96 Gallon Cart – Snohomish and King Counties	\$10.40	\$11.33	\$11.33	\$0.93	8.94%
Commercial Per Pickup Rates (Garbage service – per pickup)					
One-2 Yard Container – Snohomish County	\$28.84	\$30.50	\$29.94	\$1.10	3.81%
One-4 Yard Container – Snohomish County	\$45.68	\$48.30	\$47.42	\$1.74	3.81%
One-2 Yard Container – King County	\$36.40	\$38.49	\$37.79	\$1.39	3.82%
One-4 Yard Container – King County	\$59.30	\$62.71	\$61.57	\$2.27	3.83%
Drop-Box Service (Garbage service)					
30 Yard Container per Pickup – Snohomish and King Counties	\$121.38	\$128.35	\$126.02	\$4.64	3.82%
30 Yard Container Monthly Rent – Snohomish and King Counties	\$71.50	\$75.61	\$74.23	\$2.73	3.82%

Customer Comments

On August 1, the company notified its customers by mail of the proposed rate increase. 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 jcupp@utc.wa.gov with questions or concerns. Staff received 60 consumer comments regarding the proposed rate increase; 50 opposed to the rate increase, 4 in favor, and 6 undecided.

General Comments

- Nine customers commented that fuel prices are down, and should not be a reason for the company's rates to increase. Seven customers stated the current rates are already too high. Six customers expressed that fuel costs have dropped and should offset the increase in other expenses. Several customers believe executive salaries could be reduced to keep rates lower.

Staff Response

The customers were advised that state law requires rates to be fair, just, reasonable and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

Conclusion

Take no action, thereby allowing the proposed rates filed by Waste Management of Washington, Inc., doing business as Waste Management – North Sound; and as Waste Management – Marysville; on July 2, 2015, as revised on August 20, 2015, to become effective September 1, 2015, by operation of law.