

Agenda Date: December 27, 2012
Item Number: B1

Docket: TG-121510
Company Name: Rabanco, LTD & Rabanco Recycling, Inc., G-12, dba Allied Waste of Bellevue, Eastside Disposal, Container Hauling, Rabanco Companies, Issaquah Division, Rabanco Connections

Staff: Amy White, Regulatory Analyst
Melissa Cheesman, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Allow the tariff revisions filed by Rabanco, LTD & Rabanco Recycling, Inc., dba Allied Waste of Bellevue, Eastside Disposal, Container Hauling, Rabanco Companies, Issaquah Division, Rabanco Connections, on September 14, 2012, as revised on December 21, 2012, to become effective on January 1, 2013.

Discussion

On September 14, 2012, Rabanco, LTD & Rabanco Recycling, Inc., dba Allied Waste of Bellevue, Eastside Disposal, Container Hauling, Rabanco Companies, Issaquah Division, Rabanco Connections (Eastside or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$381,000 (6.5 percent) additional annual revenue. Eastside serves approximately 27,000 residential and commercial customers in King County. The filing is prompted by increases in labor, fuel, maintenance, healthcare, pension, and other general operating expenses. The company's last general rate increase became effective on April 1, 2010.

The company extended the effective date on four separate occasions. The filing is currently scheduled to become effective on January 1, 2013.

Staff has completed its review of the company's supporting financial documents, books and records. Staff's review found that the company's proposed rates would result in excess revenue. Staff and the company agreed to a revised revenue requirement of \$339,000 (5.8 percent) additional annual revenue. On December 21, 2012, Eastside filed revised tariff pages with the revised proposed rates at staff recommended levels.

Rate Comparison

Residential Monthly Rates	Current Rate	Proposed Rate	Staff Revised Rate	Percent Increase
One 19-Gallon Mini-Can Weekly Pick-Up	\$ 6.79	\$ 7.08	\$ 7.01	3.2 %
One 32-Gallon Can Weekly Pick-Up	\$10.86	\$ 11.33	\$11.22	3.3 %
One 90-Gallon Tote Weekly Pick-Up	\$26.97	\$28.13	\$27.86	3.3 %

	Current Rate	Proposed Rate	Staff Revised Rate	Percent Increase
Mandatory Residential Recycling				
Recycling area Appendix-A (Northern King County)	\$ 7.95	\$ 8.43	\$ 8.39	5.5 %
Recycling area Appendix-B (Eastside of Seattle)	\$ 9.90	\$ 10.50	\$10.45	5.5 %
Yard Waste				
Yard Waste March-to-November Every-Other-Week area Appendix-A (Northern King County)	\$ 6.85	\$ 7.75	\$ 7.72	12.7 %
Yard Waste March-to-November Weekly area Appendix B (Eastside of Seattle)	\$ 9.30	\$10.55	\$10.48	12.7 %
Commercial Monthly Rates				
2.0-Yard Container	\$27.29	\$28.46	\$28.19	3.3 %
4.0-Yard Container	\$51.23	\$53.42	\$52.92	3.3 %
8.0-Yard Container	\$100.24	\$104.53	\$103.55	3.3 %

Customer Comments

On October 01, 2012, the company notified its customers of the proposed rate increase by mail. Staff received 17 consumer comments regarding the proposed rate increase; 14 opposed to the rate increase, 1 in favor, and 2 undecided. 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-WUTC (9882) or jcupp@utc.wa.gov with questions or concerns.

Filing Documents and Methodology

- One customer stated it is unfair that the company proposes the highest increase to the mini-can service.

Staff Response

The actual dollar amount of the proposed increase to the mini-can service is lower than the amount of the proposed changes to other classes of service. Because the mini-can service has the lowest base rate, the percentage is higher.

General Comments

- Five customers said the company should manage its costs better. Four customers said the company should not be allowed to increase its rates while the economy is struggling. Two customers commented that the rates are already too high.

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 for the company to earn a reasonable return on investment. Regulatory staff review filings to ensure that all rates and fees are appropriate.

Conclusion

Allow the tariff revisions filed by Rabanco, LTD & Rabanco Recycling, Inc., dba Allied Waste of Bellevue, Eastside Disposal, Container Hauling, Rabanco Companies, Issaquah Division, Rabanco Connections, on September 14, 2012, as revised on December 21, 2012, to become effective on January 1, 2013.