

Agenda Date: August 29, 2013
Item Number: B2

Docket: TG-131121
Company Name: Empire Disposal, Inc. – G-75

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

Recommendation

Take no action, allowing the rates as revised on August 26, 2013, by Empire Disposal, Inc., to become effective on September 1, 2013, by operation of law.

Discussion

On June 11, 2013, Empire Disposal, Inc. (Empire or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$202,000 (8.9 percent) additional annual revenue. The proposed increases are prompted by increases in employee wages and benefits, fuel, parts and equipment. The company serves approximately 5,000 customers in Spokane and Whitman County. The company's last general rate increase became effective November 1, 2010.

On July 17, 2013, the company filed to extend the effective date from August 1, 2013 to September 1, 2013.

Staff and the company have agreed to a lower revenue requirement of approximately \$197,000 (8.7 percent) additional annual revenue. On August 26, 2013, Empire filed a complete set of substitute pages, including revised rates at staff recommended levels.

Rate Comparison

Residential Garbage - Spokane	Current Rate	Proposed Rate	Percent Increase
One 32-Gallon Can Weekly Pick-Up	\$ 16.17	\$ 17.67	9.3 %
One 65-Gallon Cart Weekly Pick-Up	\$ 24.38	\$ 26.61	9.3 %
One 90-Gallon Cart Weekly Pick-Up	\$ 30.40	\$ 33.23	9.3 %
Residential Garbage - Whitman			
One 32-Gallon Can Weekly Pick-Up	\$ 15.44	\$ 16.88	9.3 %
One 65-Gallon Cart Weekly Pick-Up	\$ 22.00	\$ 24.05	9.3 %
One 90-Gallon Cart Weekly Pick-Up	\$ 27.12	\$ 29.64	9.3 %
Residential Recycling - Whitman			
Residential Recycling Service	\$ 7.98	\$ 9.98	25.1 %

Commercial Per Pick-Up Rates - Spokane	Current Rate	Proposed Rate	Percent Increase
1-Yard Container Per Pick-Up	\$ 15.21	\$ 16.62	9.3 %
1.5-Yard Container Per Pick-Up	\$ 22.79	\$ 24.91	9.3 %
2-Yard Container Per Pick-Up	\$ 30.30	\$ 33.12	9.3 %
Commercial Per Pick-Up Rates - Whitman			
1-Yard Container Per Pick-Up	\$ 13.26	\$ 14.49	9.3 %
1.5-Yard Container Per Pick-Up	\$ 20.01	\$ 21.87	9.3 %
2-Yard Container Per Pick-Up	\$ 26.71	\$ 29.19	9.3 %
Drop Box - Spokane			
25-Yard Roll-off, Per Haul	\$ 245.35	\$ 245.35	0.0 %
40-Yard Roll-off, Per Haul	\$ 328.75	\$ 328.75	0.0 %
Drop Box - Whitman			
25-Yard Roll-off, Per Haul	\$ 229.50	\$ 229.50	0.0 %
40-Yard Roll-off, Per Haul	\$ 328.75	\$ 328.75	0.0 %

Customer Comments

On June 30, 2013, the company notified its customers of the proposed rate increase by mail. Staff received two consumer comments regarding the proposed rate increase; both are opposed to the 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.

General Comments

One customer expressed the need for curbside recycling in her area.

Staff Response

- Staff advised the customer to contact Spokane County about her recycling needs, and provided the number for Spokane Regional Solid Waste.

One customer said the company has been disguising recent rate increases as “Fuel Surcharges.”

- Staff explained the difference between a general rate increase and a fuel surcharge.

Conclusion

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, the company’s financial information supports the revised revenue requirement and the revised proposed rates and charges are fair, just, reasonable, and sufficient.

The customer's comments do not change staff's opinion.

Staff recommends that the commission take no action, allowing the rates as revised on August 26, 2013, by Empire Disposal, Inc., to become effective on September 1, 2013, by operation of law.