

Agenda Date: August 27, 2015  
Item Number: B1

**Docket:** TG-151183  
**Company Name:** Rabanco LTD, G-12, dba Sea Tac Disposal

**Staff:** Scott Sevall, Regulatory Analyst  
Ann LaRue, Regulatory Analyst  
Greg Hammond, Regulatory Analyst  
John Cupp, Consumer Protection Staff

**Recommendation**

Take no action, thereby allowing the tariff revisions filed by Rabanco LTD, dba Sea Tac Disposal, on June 4, 2015, as revised on August 19, 2015, to become effective on September 1, 2015, by operation of law.

**Discussion**

On June 4, 2015, Rabanco LTD, dba Sea Tac Disposal (Sea Tac Disposal or company), filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$395,000 (13.7 percent) of additional annual revenue. Sea Tac Disposal serves approximately 11,000 residential, commercial, and drop box customers in King County. The filing was prompted by increases in labor, fuel, maintenance, healthcare, pension and other general operating expenses. On July 17, 2015, the company extended the effective date to September 1, 2015. The company's last general rate increase became effective on March 01, 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. In the future Staff encourages the company to file general rate cases for Sea Tac Disposal and Fiorito Enterprises, Inc. & Rabanco Companies, G-60, dba Kent-Meridian Disposal Company at the same time because of the cost allocation issues related to shared facilities, personnel, and assets between the two operations. Staff and the company agreed to a revised revenue requirement of approximately \$265,000 (9.2 percent) of additional annual revenue. On August 19, 2015, Sea Tac Disposal filed revised tariff pages with the revised proposed rates at staff recommended levels.

**Rate Comparison**

	<b>Current Rate</b>	<b>Company Proposed Rate</b>	<b>Staff Revised Rate</b>	<b>Percent Increase</b>
<b>Residential Rates</b>				
20-Gallon Mini-Can Weekly Pick-Up	\$ 9.32	\$ 10.51	\$ 10.34	11 %
32-Gallon Tote Weekly Pick-Up	\$ 13.33	\$ 15.03	\$ 14.79	11 %
96-Gallon Tote Weekly Pick-Up	\$ 28.15	\$ 31.73	\$ 31.24	11 %

<b>Residential Rates</b>	<b>Current Rate</b>	<b>Company Proposed Rate</b>	<b>Staff Revised Rate</b>	<b>Percent Increase</b>
<b>Mandatory Residential Recycling</b>				
Recycling Every-Other-Week Pick-Up	\$ 7.14	\$ 8.76	\$ 8.09	13.4 %

<b>Yard Waste</b>				
Yard Waste March-to-November Every-Other-Week Pick-Up	\$ 10.91	\$ 12.00	\$ 11.00	.82 %
<b>Commercial Per Pickup Rates</b>				
2.0-Yard Container	\$ 29.16	\$ 32.87	\$ 32.36	11 %
4.0-Yard Container	\$ 54.63	\$ 61.58	\$ 60.63	11 %
8.0-Yard Container	\$ 107.47	\$ 121.15	\$ 119.27	11 %

### **Customer Comments**

On June 30, 2015, the company notified its customers by mail of the proposed rate increase. Customers were notified they may access relevant documents about this rate increase on the commission's website, and they may contact John Cupp at 1-888-333-9882 or jcupp@utc.wa.gov with questions or concerns. Staff received eight consumer comments, all opposed to the rate increase.

### **General Comments**

- Customers commented the amount of the increase is excessive. They do not believe costs have increased enough to justify such an increase, and fuel costs have declined. One customer stated that competition would 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. Rates are based on company expenses and not the rate of inflation. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

### **Conclusion**

Take no action, allowing the tariff revisions filed by Rabanco LTD, dba Sea Tac Disposal, on June 4, 2015, as revised on August 19, 2015, to become effective on September 1, 2015, by operation of law.