

Agenda Date: August 28, 2014
Item Number: B2

Docket: TG-141415
Company Name: Couse's Sanitation and Recycle, Inc. G-169

Staff: Mike Young, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, allowing revised tariff pages filed by Couse's Sanitation and Recycle, Inc., on August 18 and August 19, 2014, to become effective September 1, 2014, by operation of law.

Discussion

On May 15, 2014, Couse's Sanitation and Recycle, Inc. (Couse's or company), filed revisions to Tariff No. 6 with the Utilities and Transportation Commission (commission) that would generate approximately \$42,000 (15 percent) additional annual revenue. The proposed rates are to recover increases in employee wages and benefits, fuel, maintenance, and other general operating expenses since the company's last general rate increase became effective on January 1, 2012. The company serves approximately 500 customers in Ferry County.

Staff found that the company did not correctly adjust depreciation expense in changing from the accelerated method used for income tax purposes to the straight-line method, which is the accepted method for rate making purposes. The company also did not correctly calculate its debt-to-equity ratio for use in the Lurito-Gallagher model. These and other minor adjustments resulted in a lower revenue requirement of \$27,200 (9.7 percent) additional annual revenue. On August 18, and August 19, 2014, the company filed revised rates that would generate the agreed upon lower revenue requirement. Staff has completed its review of the company's supporting documents and records and finds the revised rates are fair, just, reasonable, and sufficient.

RATE COMPARISON

	Current Rate	Company Proposed Rate	Percent Change	Revised Rate	Percent Change to Revised Rate
Residential Garbage					
1 Can - Weekly Pickup	\$ 9.44	\$ 10.86	15.1%	\$ 10.35	9.7%
2 Cans - Weekly Pickup	\$ 26.53	\$ 30.51	15.1%	\$ 29.09	9.7%
1 Can – Every-Other-Week Pickup	\$ 14.45	\$ 16.62	15.1%	\$ 15.84	9.7%
1 Can - Monthly Pickup	\$ 9.44	\$ 10.86	15.1%	\$ 10.35	9.7%
Commercial Garbage					
2-Yard Container - Per Pickup	\$ 35.92	\$ 41.31	15.1%	\$ 39.38	9.7%
4-Yard Container - Per Pickup	\$ 64.53	\$ 74.21	15.1%	\$ 70.75	9.7%
Roll-Off Garbage					
Roll-Off Truck Rate Per Hour	\$ 100.98	\$ 116.13	15.1%	\$ 123.00	9.7%
Drop Box Rent - Per Month					
30-Yard Drop Box	\$ 108.11	\$ 124.33	15.1%	\$ 118.53	9.7%
40-Yard Drop Box	\$ 123.88	\$ 142.46	15.1%	\$ 135.82	9.7%

Customer Comments

On July 25, 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 one consumer comment opposed to the rate increase.

General Comments

- The customer believes the company should not be allowed to increase its rates again, after several increases in the last five years. He said this increase will have an adverse effect on one of the state’s poorest areas.

Staff Response

The customer was 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, allowing the revised tariff pages filed by Couse's Sanitation and Recycle, Inc., on August 18 and August 19, 2014, to become effective September 1, 2014, by operation of law.