

Agenda Date: April 25, 2024
Item Number: B4

Docket: TG-240180
Company Name: Harold Lemay Enterprises, Inc., d/b/a City Sanitary, Joe's Refuse, White Pass Garbage

Staff: Tiffany Van Meter, Regulatory Analyst
Benjamin Sharbono, Regulatory Analyst
Kris Irelan, Consumer Protection Staff

Recommendation

Take no action, allowing the tariff pages filed on March 13, 2024, as revised on April 17, 2024, to take effect May 1, 2024, by operation of law.

Background

On March 13, 2024, Harold Lemay Enterprises, Inc. d/b/a City Sanitary, Joe's Refuse, White Pass Garbage (LeMay or Company), filed for rate increases in the form of revisions to Tariff No. 10 with the Washington Utilities and Transportation Commission (Commission) that would generate approximately \$1,056,500 (9.4 percent) in additional annual revenue for the collection of garbage, recycling, and yard waste. The Company has operations in two locations, Lewis and Thurston counties. For the Company's operations in Lewis County, the proposed rates would generate approximately \$684,000 (8.3 percent) in additional annual revenue and for the Company's operations in Thurston County, the proposed rates would generate a decrease in revenue of approximately \$370,000 (12 percent).

The Company serves approximately 13,000 residential garbage, 11,000 recycling customers, 2,100 commercial customers, 400 yard-waste customers, 90 roll-off customers and 7 multi-family customers in Lewis County. In Thurston County the Company serves approximately 4,600 garbage and recycling customers, 600 commercial customers, 100 yard-waste customers, 90 roll-off and 290 multi-family customers. The Company's last general rate case took effect September 1, 2020.

Discussion

The proposed increase is a result of payroll and other operating increases, and to begin recovery of the large amount of investments since the Company's last general rate case.

After review, Commission staff (Staff) found the proposed rates would result in excess revenue. Staff made adjustments to update fuel expense, normalize insurance claims and adjust assets to remove duplicate line items and a truck not purchased. Staff also removed certain non-allowable employee appreciation expenses and bonuses. Staff and the Company agreed on a new additional annual revenue of approximately \$838,000 (7.4 percent). On April 17, 2024, the Company filed

revised rates at Staff recommended levels. Staff believes these revised rates are fair, just, reasonable, and sufficient.

Rate Comparison

Lewis County

Residential Rates (Per Month)	Current Rates	Proposed Rates	Revised Rates	Increase/Decrease
65 Gal. Monthly Garbage	9.25	9.84	9.72	5.09%
65 Gal. EOW Garbage	14.99	15.94	15.75	5.09%
65 Gal. Weekly Garbage	22.82	24.27	23.98	5.09%
95 Gal. Cart Weekly Garbage	30.07	31.98	31.60	5.09%
Every-Other-Week Recycling	9.45	12.05	11.49	21.6%
Every-Other-Week Yard waste	16.70	14.38	14.04	-15.9%
Commercial Rates (Per Pickup)				
1 Yard Container First Pickup	25.85	27.49	27.16	5.09%
2 Yard Container First Pickup	45.68	48.58	48.00	5.09%

Thurston County

Residential Rates (Per Month)	Current Rates	Proposed Rates	Revised Rates	Increase/Decrease
65 Gal. Weekly Garbage	23.00	23.85	23.57	2.46%
95 Gal. Weekly Garbage	32.55	33.75	33.35	2.46%
Every-Other-Week Recycling	8.17	14.00	13.24	62.1%
Every-Other-Week Yard waste	10.88	11.37	11.04	1.46%

Customer Comments

On March 15, 2024, the Company notified its customers by mail of a proposed 9.4 percent rate increase for the collection of solid waste, recycling, and yard waste. Staff received six customer comments. Five customers were opposed to the rate increase because they felt that inflation is too high and that they cannot afford a rate increase because they are on a fixed/low income. One customer was unsure what the rate increase was regarding. Staff called that customer and discussed the proposal. Customers were notified that they may access relevant documents about this rate increase on the Commission's website, and that they may contact Kris Irelan at (888) 333-9882 or kris.irelan@utc.wa.gov with questions or concerns.

Conclusion

Take no action, allowing the tariff pages filed on March 13, 2024, as revised on April 17, 2024, to take effect May 1, 2024, by operation of law.