

Agenda Date: July 10, 2014  
Item Number: B1

**Docket:** TG-140086  
Company Name: Rabanco, Ltd.  
dba Tri-County Disposal, G-12

Staff: Ann LaRue, Regulatory Analyst  
Amy White, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Rabanco, Ltd. dba Tri-County Disposal, on January 15, 2014, and revised on February 25, 2014, and allow revised rates filed on July 2, 2014, to go into effect July 11, 2014.

### **Discussion**

On January 15, 2014, Rabanco, Ltd. dba Tri-County Disposal (Tri-County or company) filed revisions to Tariff No. 8 with the Utilities and Transportation Commission (commission) that would generate approximately \$229,000 (19.1 percent) additional annual revenue. The proposed increase was prompted by the company taking over collection service to 905 residential and commercial customers in the City of White Salmon (city)<sup>1</sup> and increased costs for labor, fuel, maintenance, healthcare, pension, and other general operating expenses. Tri-County serves approximately 4,800 residential and commercial customers in Klickitat, Skamania, and Yakima Counties. The company's last general rate increase became effective December 1, 2011.

On February 25, 2014, the company filed revised tariff pages at staff recommended levels, which were allowed to go into effect March 1, 2014, on a temporary basis, subject to refund. The commission set rates on a temporary basis because the company had no rates for service within the City of White Salmon and the company had not completed the purchase of the City of White Salmon's collection equipment. The company has since completed this purchase.

Staff's review found the proposed rates would result in excessive revenue. The company and staff have agreed on a revised revenue requirement of approximately \$158,000 (11 percent) additional annual revenue and on revised rates, which are fair, just, reasonable, and sufficient. All of the revised rates are greater than the temporary rates, allowed to become effective March 1, 2014, but less than the company's original proposed rates. On July 2, 2014, the company filed revised rates at staff recommended levels.

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<sup>1</sup> Collection services were provided by the City of White Salmon until March 1, 2014, and are currently provided by Tri-County following the City of White Salmon relinquishing its territory.

**Rate Comparison**

<b>Residential Monthly Rates</b>	<b>Current Rate</b>	<b>Company Proposed Rate</b>	<b>Temporary Rate</b>	<b>Revised Rate</b>	<b>Revised Increase</b>
1 Can	11.99	14.40	12.69	13.31	11%
2 Cans	15.92	19.12	16.84	17.67	11%
3 Cans	19.63	23.58	20.77	21.79	11%
4 Cans	23.53	28.26	24.89	26.12	11%
<b>City of White Salmon</b>					
35-Gallon Toter	NA	14.40	12.69	13.31	
65-Gallon Toter	NA	20.76	17.76	18.63	
95-Gallon Toter	NA	28.80	25.75	27.02	
<b>Commercial Per Pickup Rates</b>					
32-Gal Can	2.57	3.09	2.70	2.85	10.9%
1.5-Yard Container	15.60	18.74	16.50	17.30	10.9%
2-Yard Container	19.76	23.74	20.90	21.95	11.1%
3-Yard Container	26.13	31.39	27.65	29.00	11.1%
<b>City of White Salmon</b>					
35-Gallon Toter	NA	14.40	2.70	2.85	
65-Gallon Toter	NA	20.76	4.10	4.30	
95-Gallon Toter	NA	28.80	5.95	6.25	
1-Yard Container	NA	13.12	11.00	11.55	
<b>Drop-Box Service</b>					
40-Yard Container	135.10	162.30	142.95	149.95	11%

**Customer Comments**

On January 28, 2014, the company notified its customers of the proposed rate increase by mail. Staff received 11 consumer comments, all 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**

- Seven customers stated that the amount of the proposed increase is excessive. Several are senior citizens living on fixed incomes.

**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 reviews filings to ensure that all rates and fees are appropriate.

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**Conclusion**

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Rabanco, Ltd. dba Tri-County Disposal on January 15, 2014, and revised on February 25, 2014, and allow revised rates filed on July 2, 2014, to go into effect July 11, 2014.