

Agenda Date: August 29, 2024
Item Number: B1

Docket: TG-240468
Company Name: Harold Lemay Enterprises, Inc., d/b/a Butlers Cove Refuse; Pacific Disposal; Rural Garbage Service

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

Recommendation

Take no action allowing the tariff pages filed on July 3, 2024, as revised on August 20, 2024, to take effect September 1, 2024, by operation of law.

Discussion

On June 14, 2024, Harold Lemay Enterprises, Inc. d/b/a Butlers Cove Refuse; Pacific Disposal; Rural Garbage Service (LeMay or Company), filed for rate increases in the form of Tariff No. 10, replacing Tariff No. 9, with the Washington Utilities and Transportation Commission (Commission) that would generate approximately \$1.8 million (5 percent) in additional annual revenue for the collection of garbage, recycling, and yard waste. The Company serves approximately 70,000 garbage, recycling and yard waste operations in Thurston County. The Company's last rate case became effective March 1, 2022.

The proposed increase is a result of new truck purchases, payroll increases, and increases in other operating expenses that the Company wishes to begin recovery for.

After review, Commission staff (Staff) found the proposed rates would result in excess revenue. Staff made adjustments to depreciation expense removing depreciation expense for assets fully depreciating before the effective date of the tariff, removing unallowable expenses related to the corporate airplane and employee appreciation bonuses and events. Staff also adjusted fuel expenses to reflect the most recent 12 months as required by Washington Administrative Code and removed unallowable expenses allocated into the operation for both Corporate and Regional overhead. Staff and the Company agreed on a revised additional annual revenue of approximately \$1.4 million (4.1 percent). On August 20, 2024, the Company filed revised rates at Staff recommended levels.

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

Rate Comparison

Residential Rates (Per Month)	Current Rates	Proposed Rates	Revised Rates	Increase/Decrease
65 Gal. Weekly Garbage (w/Recy)	\$28.60	\$29.83	\$29.54	3.3%
95 Gal. Weekly Garbage (w/Recy)	\$37.08	\$38.60	\$38.25	3.2%
Every-Other-Week Recycling only	\$ 8.42	\$ 9.00	\$ 8.84	4.99%
Every-Other-Week Yard waste	\$ 8.45	\$10.52	\$10.36	22.36%

Yard waste customers are seeing a higher increase due to yard waste being a subscription service that not all customers subscribe to. Therefore, there are far less customers to allocate costs to.

Customer Comments

On June 17, 2024, the Company notified its customers of the proposed rate increase by mail. Staff received 24 consumer comments regarding the proposed rate increase; 21 opposed to the rate increase and three in favor. Customers state that the yard waste fees are increasing but there are fewer pick ups for the yard waste each month. Customers believe that the Company needs to manage or budget its money better and not force increases on customers. Commenters are asking that protections be set in place for people who are on a fixed income. The commenters in favor of the increase state that the Company provides great service and demonstrates true respect for its customers. They also believe that the proposed rate increases seem fair and equitable.

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 July 3, 2024, as revised on August 20, 2024, to take effect September 1, 2024, by operation of law.