

Agenda Date: February 7, 2007
Item Number: B1

Docket: TG-070109
Company Name: Harold LeMay Enterprises, Inc., G-98
d/b/a Pacific Disposal and Butlers Cove Refuse Service

Staff: Nicki Johnson, Regulatory Analyst
John Cupp, Consumer Program Specialist

Recommendation

Take no action on this filing at this time.

Background

Today's presentation is to allow customers or other parties to comment on the proposed rates in Docket TG-070109. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting on February 28, 2007.

On January 12, Harold LeMay Enterprises, Inc., d/b/a Pacific Disposal and Butlers Cove Refuse Service (Pacific Disposal or company) filed tariff pages to increase the residential recycling rates. The company proposes that the increase become effective March 1. Pacific Disposal operates in northern Thurston County, including the cities of Lacey and Tumwater. It provides service to approximately 38,000 residential customers.

On December 4, 2006, the Thurston County Board of County Commissioners approved Ordinance No. 13696, which amended the county code and established a new minimum residential recycling collection service (minimum service level). Residential recycling will change from a source separated three-bin system to a modified single-stream collection program. All recycling material will be put in a 96-gallon-cart and be collected every-other-week, except glass. Glass will be placed in a separate container and will be picked up once every four weeks. The new program also expands the material collected to include plastic tubs. The minimum service level does not specify when the haulers should begin implementing the new service.

To provide the modified single-stream recycling service, the company proposes to purchase new 96-gallon carts and new recycling trucks. The proposed rates generate an additional \$1,375,000 (9.0 percent) per year on total company operations.

The commission received comments from 91 Pacific Disposal customers. Of these, nine support the new program and the rate increase. The remaining 82 customers expressed their opposition to the increase, almost unanimously because they feel the increase is too drastic. Almost all of the customers voiced concerns about changes to their curbside recycling service. Staff has answered many questions about the new recycling program for these customers, to help them understand what they can do to deal with the changes.

The current and proposed rates are:

	Present Rates	Proposed Rates	Percent Increase
<u>Residential</u>			
Every-Other-Week Recycle	\$3.67	\$6.67	81.74%
Recycle Only	\$4.67	\$7.67	64.24%
Recycle Cart Redelivery	N/A	\$16.80	

Conclusion

Take no action on this filing at this time.