

Agenda Date: October 25, 2006
Item Number: B5

Docket: TG-061484
Company Name: Waste Connections of Washington, Inc., d/b/a Clark County Disposal Company, G-253

Staff: Layne Demas, Regulatory Analyst

Recommendation

1. Issue a Complaint and Order Suspending the Tariff Revisions filed by Waste Connections of Washington, Inc., d/b/a Clark County Disposal Company.
2. Allow temporary rates at the staff recommended revised rates to become effective November 1, 2006, subject to refund.

Discussion

On September 15, 2006, Waste Connections of Washington, Inc., d/b/a Clark County Disposal Company (Clark County Disposal) filed proposed rates that would increase its current revenue by approximately \$1,945,600 (12.3%). The filing increases residential and commercial solid waste rates. The company serves approximately 53,000 residential and 4,700 commercial customers in unincorporated Clark County. The company's last general rate increase became effective in May 1995.

The company states in its filing that the rate increase is necessary to offset increases in payroll, payroll-related costs, fuel, and an accident settlement. Shortly after Clark County Disposal filed its case, Clark County announced a disposal fee increase from \$73.18 per ton to \$74.72 per ton (2.1%) effective January 1, 2007. The disposal fee increase effect is included in the revenue requirement. Clark County Disposal's proposed rates are scheduled to become effective November 1, 2006.

The commission has received thirty seven customer comments concerning Clark County Disposal's original (September 15, 2006) filing. Thirty six customers objected to the magnitude of the two can weekly rate increase. They were concerned that the two can rate increase was not proportional to the one can weekly rate increase. One customer is supportive of the proposed rate increase.

Staff's review of Clark County Disposal's operations revealed that some proposed rates were excessive. On October 19, 2006, the company filed revised rates at the staff recommended level. The revised rates generate approximately \$1,608,000 (10.1%). Although the company filed revised rates at lower levels, customers have not yet been advised that staff and the company have agreed to revised rates and they have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates.

The table below provides a sample of present, proposed and revised rates:

	Present Rates	Proposed Rates	Revised Rates
<u>Residential - monthly rate</u>			
Mini can	\$9.05	\$9.55	\$9.55
One 32 gal. can per week	\$11.13	\$12.08	\$12.08
Two 32 gal. cans per week	\$15.41	\$19.41	\$17.52
Three 32 gal. cans per week	\$21.97	\$27.10	\$25.90
 <u>Commercial - per pickup</u>			
One yard container one pickup per week	\$14.49	\$15.72	\$15.72
20 Dropbox per haul	\$85.00	\$96.00	\$96.00

Conclusion

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revisions filed by Clark County Disposal and allow temporary revised rates at staff recommended levels, to become effective November 1, 2006, subject to refund.