

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET TG-091456
)	
WASTE MANAGEMENT OF)	ORDER 01
WASHINGTON, INC., DBA BREM-)	
AIR DISPOSAL G-237,)	
)	
Petitioner,)	
)	ORDER APPROVING
Requesting Tariff Revisions To)	COMMODITY DEBITS AND
Commodity Credits for Residential)	REQUIRING DEFERRED
Curbside and Multi-Family Recycling)	ACCOUNTING TREATMENT
Services To Become Effective)	FOR RECYCLABLE
November 1, 2009)	COMMODITIES REVENUE
.....)	

BACKGROUND

- 1 On September 11, 2009, Waste Management of Washington, Inc., dba Brem-Air Disposal (Brem-Air or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 20, designated as tariff pages 2, 22 and 25.
- 2 The filing proposes to decrease the current recycling credit of \$1.60 to a charge of \$1.19 per month for residential customers and to decrease the current recycling credit of \$0.27 per unit to a charge of \$0.21 per unit for multi-family customers. The proposed charges reflect the net value from the sale of recyclable materials that Brem-Air collects in its recycling service. The stated effective date is November 1, 2009.
- 3 The Commission allowed Brem-Air’s first commodity adjustment to become effective August 6, 2002, without an order requiring deferred accounting treatment. Brem-Air has filed annual commodity adjustments using the same methodology the Commission established for other companies with required deferred accounting treatment. The commodity adjustment has two components: a true-up component that, for the previous twelve-month test period, compares the estimated commodity value to actual commodity value, and an estimate of the revenue (cost) of the next twelve months using the average twelve-month test period revenue (cost).

- 4 Staff recommends that the Commission require Brem-Air to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in the Company's recycling service using the most recent twelve-month test period to true-up the estimated revenue (cost) to actual revenue (cost), and to estimate revenue (cost) for the next twelve-month period. Staff also recommends that the Commission condition its approval on Brem-Air making its next commodity adjustment effective November 1, 2010, and each November 1 thereafter, and that Brem-Air make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.
- 5 In summary, Staff recommends that the Commission approve the proposed commodity debits to become effective November 1, 2009, and require Brem-Air to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Brem-Air's recycling service.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts and affiliated interests of public service companies, including solid waste companies. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.*
- 7 (2) This matter came before the Commission at its regularly scheduled meeting on October 29, 2009.
- 8 (3) Brem-Air is engaged in the business of providing solid waste services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 9 (4) Brem-Air is subject to RCW 81.28.050 and WAC 480-70-266, which require solid waste companies to file changes in any rate or charge with forty-five days' notice. Brem-Air asks the Commission to allow the tariff revisions filed September 11, 2009, to become effective November 1, 2009, because the current commodity price adjustments will expire October 31, 2009.

- 10 (5) After reviewing Brem-Air's request to allow the revised tariff pages 2, 22 and 25 filed on September 11, 2009, to become effective November 1, 2009, and giving due consideration, the Commission finds that Brem-Air's request is reasonable and should be granted. The Commission also finds it is reasonable to require Brem-Air to implement deferred accounting treatment of the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Brem-Air's recycling service.

O R D E R

THE COMMISSION ORDERS:

- 11 (1) The tariff revisions Waste Management of Washington, Inc., dba Brem-Air Disposal filed on September 11, 2009, will be effective on November 1, 2009.
- 12 (2) Waste Management of Washington, Inc., dba Brem-Air Disposal is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential recycling services. Waste Management of Washington, Inc., dba Brem-Air Disposal shall make its next commodity adjustment effective November 1, 2010, and each November 1 thereafter. Waste Management of Washington, Inc., dba Brem-Air Disposal shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 13 (4) The Commission delegates to the Secretary the authority to approve by letter all compliance filings required in this Order.
- 14 (5) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., dba Brem-Air Disposal to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective October 29, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary