

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

MASON COUNTY GARBAGE CO.,
INC.,

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to
Recycling Credits or Charges

DOCKET TG-200251

ORDER 01

GRANTING EXEMPTION FROM
RULE; ALLOWING TARIFF
REVISIONS TO BECOME
EFFECTIVE BY OPERATION OF
LAW

BACKGROUND

- 1 On March 23, 2020, Mason County Garbage Co., Inc., (Mason County Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions for a recycling commodity adjustment, requesting and exemption from WAC 480-70-351(2), which would allow the Company to calculate a 12-month adjustment using the most recent 6-month historical period.
- 2 WAC 480-70-351(2) provides that solid waste companies that estimate the revenue from the sales of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers must use the most recent 12-month historical period to estimate the revenue for the next 12 months. Mason County Garbage was previously granted an exemption from WAC 480-70-351(2) in Docket TG-190777 which became effective November 1, 2019.
- 3 In its filing, Mason County Garbage asserts that the recycling commodity markets are becoming more stable, and a shorter projection period for calculating commodity adjustments is no longer necessary to avoid large swings in the credit or debit to customers based on changing commodity values. The Company seeks to use a six-month historical period because the recycling commodity markets have only recently stabilized, and they are likely to remain stable for the foreseeable future. The Company will return to using 12 months of costs for calculations in its next commodity adjustment filing in 2021.
- 4 Staff agrees that the Company's data supports the assertion the recycling market is stabilizing. Staff examined the most recent 12-month period and observed that the first 3

months of the data included substantial shifts in commodity expenses not prevalent in the latter 9 months. Staff agrees that allowing the 6-month period for calculating the commodity adjustment results in rates that are fair, just, reasonable, and sufficient.

5 WAC 480-07-110 allows the Commission to grant an exemption from, or modify the application of, its rules if consistent with the public interest, the purposes underlying regulation, and applicable statutes.¹ Staff recommends that the Commission grant Mason County Garbage's request for an exemption from WAC 480-70-351(2).

DISCUSSION

6 The Commission agrees with Staff's recommendation and grants Mason County Garbage's request for an exemption from WAC 480-70-351(2). Using the most recent 6-month historical period to estimate revenues is reasonable because it reflects a more realistic estimate of the recyclable commodity revenue on a going-forward basis. Accordingly, we find that granting the Company's request for an exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

FINDINGS AND CONCLUSIONS

- 7 (1) The 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.
- 8 (2) Mason County Garbage 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 (3) Mason County Garbage is subject to WAC 480-70-351(2), which requires solid waste companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers to use the most recent 12-month historical period to estimate the revenue for the next 12 months.

¹ See also WAC 480-70-051.

- 10 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. See also WAC 480-07-110.
- 11 (5) Staff recommends the Commission grant Mason County Garbage's request for an exemption from WAC 480-70-351(2).
- 12 (6) This matter came before the Commission at its regularly scheduled meeting on April 10, 2020.
- 13 (7) After reviewing the request filed in Docket TG-200251 by Mason County Garbage on March 23, 2020, and giving due consideration, the Commission finds that the granting the exemption is in the public interest, and is consistent with both the purposes underlying the regulation and applicable statutes.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The Commission grants Mason County Garbage Co., Inc.'s request for an exemption from WAC 480-70-351(2). Mason County Garbage Co., Inc., may use the most current 6 months of historical revenues to calculate its recycling commodity adjustment for the commodity price adjustment in this Docket.
- 15 (2) The tariff filed by Mason County Garbage Co., Inc., on March 23, 2020, will become effective on May 1, 2020, by operation of law.
- 16 (3) The Commission retains jurisdiction over the subject matter and Mason County Garbage Co., Inc., to effectuate the provisions of this Order.

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

DATED at Lacey, Washington, and effective April 10, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary