

Wyse, Lisa (UTC)

From: John Lloyd [JohnLloyd@Lemayinc.com]
Sent: Wednesday, May 14, 2008 3:01 PM
To: UTC DL Records Center
Subject: Docket TG-080671

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May 14, 2008 3:00PM

Chairman Sidran, Commissioner Oshie and Commisisoner Jones,

It is my understanding that you are very concerned about the content of the notice to customers sent by Pacific Disposal and Butlers Cove Refuse with regards to this rate filing. I would like an opportunity to express my perspective ahead of Thursday's regular open meeting.

John Cupp asked me in January to include additional language in a previous customer notice to our Pierce County customers. I complied with his request, but I expressed my reservations concerns to him. I told him that could possibly be less equipped to answer customer questions, since often times customer comments are related ot their specific account. Garbage customers come in many different forms, with different levels of service and different jurisdictions. It has always been our aim to provide the best possible response to customer comments and we've always had the help of some advance idea of what those issues might be. My concern was more specific to Thurston County since they have historically been more active in the public process. My intent was not to set any customer apart from any other, except with respect to geography. I never heard back from anyone on staff after that with regards to the new customer notice policy.

In April, I sent Mr. Cupp my rate notice for Thurston County customers. I told him also that I was not including the new language. He responded that he hoped I'd reconsider but that my notice met the legal requirements of WAC 480-70-271. Gene Eckhardt from provided me feedback that the Commisioners were very concerned that customers be provided every opportunity to have public input. I responded that I agree, and sending a notice in accordance with the rules accomplishes that. The notice I sent is substantially the same notice I've sent on every rate filing since the rule was amended in 2001.

On Monday (May 9), I had a conversation with Sharon Wallace from staff. For the first time, she explained to me that this new notice requirement was a directive from the Commissioners. We also discussed some of the reasons for the change. I was able to give my input and I felt she heard my concerns. At the end of the conversation, I expressed that we wouldn't have any problem complying with the new requirement in the future.

My company, it's owners, and myself personally all feel very strongly that customer input is essential to our regulatory process. I apologize if we acted in any way to discourage public involvement. That was not my intent. My over-riding concern is that the rules as stated in the WAC exist to protect both the consumers and the industry. A rulemaking has since been opened that will allow a deliberative examination of rules, which satisfies my concerns here.

In my discussion with Ms. Wallace, I felt she agreed with me that the communication between staff and myself was not ideal. If I had known earlier that this change had been directed by the Commissioners across all industries I would not have taken the position I did. On the other hand, I believe staff ideally should inform companies of changes in rate-making procedure and give interested parties a chance to give input, which in this case hadn't happened.

My proposal is this: We will send a supplemental notice to customers informing them of their opportunity to comment at the June 12, 2008 Open Meeting. The notice can be sent as soon as early next week. This notice will result in significant cost to our company for which we will not seek rate relief. In consideration of this, the Commission will suspend this filing, and allow temporary rates at staff approved levels. The Commission may elect not to allow temporary rates, but that would be a tremendously punitive decision costing the company nearly \$35,000 per month in a time when our need for rate relief is very real.

Again, I apologize that we arrived at this juncture and I'm happy to help remedy the situation in a manner agreeable to all of us.

John Lloyd
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