



4 Commission staff (Staff) reviewed the Company's Petition and determined that the request for an exemption from the 12-month historical period requirement is reasonable. Using the most recent 12-month period to estimate future revenues would include the time period for recycling markets when revenue from the sale of recyclable commodities provided a net positive amount (a credit) back to customers, and would not accurately reflect the recent market down-turn. Changing the calculation should also decrease customer rate shock. Instead of receiving a small credit for 12 months followed by a much larger charge, customers will see a small charge for the first 6 months, which will increase gradually for the next 6 months thereafter. It will also prevent the Company from providing a credit it will not actually receive while incurring significant processing charges.

5 Based on these factors, Staff recommends granting Pierce County Refuse's request for exemption, subject to the following condition(s):

- (a) The Company will calculate the true-up for the commodity credit paid in 2017 using the full 12 months of actual revenue received from the sale of recyclable commodities;
- (b) The Company will use the most recent 6 months of historical revenue to calculate the commodity credit or debit that will go into effect March 1, 2018;
- (c) The Company will file another commodity credit adjustment to be effective September 1, 2018, at which time it will include the previous 6 month's actual revenue in the calculation and estimation of the credit. This filing can be for a 6-month period or 12-month period at the Company's discretion.

### **DISCUSSION**

6 We agree with Staff's recommendation and grant Pierce County Refuse's Petition subject to the conditions set out in paragraph 5 above. Using the most recent 6-month historical period to estimate revenues is reasonable because it reflects a more realistic estimate of recyclable commodity revenue.

## 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) Pierce County Refuse 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) Pierce County Refuse is subject to WAC 480-70-351(2), which requires 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 to use the most recent 12-month historical period to estimate the revenue for the next 12 months.
- 10 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. See also WAC 480-07-110.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on February 28, 2018.
- 12 (6) After reviewing the Petition filed in Docket TG-180058 by Pierce County Refuse on January 16, 2018, and giving due consideration, the Commission finds that the requested exemption is in the public interest, is consistent with the purposes underlying the regulation and applicable statutes, and should be granted.

## ORDER

### THE COMMISSION ORDERS:

- 13 (1) The Commission grants Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse's Petition for an exemption from WAC 480-70-351(2). Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse may use the most recent 6 months of historical revenues to calculate its recycling commodity credit.

- 14 (2) The tariff pages implementing this credit, filed on January 16, 2018, will become effective by operation of law on March 1, 2018, subject to the following conditions:
- (a) Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse will calculate the true-up for the commodity credit paid in 2017 using the full 12 months of actual revenue received from the sale of recyclable commodities;
  - (b) Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse will use the most recent 6 months of historical revenue to calculate the commodity credit or debit that will go into effect March 1, 2018;
  - (c) Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse will file another commodity credit adjustment to be effective September 1, 2018, at which time it will include the previous 6 month's actual revenue in the calculation and estimation of the credit. This filing can be for a 6-month period or 12-month period at Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse's discretion.
- 15 (3) The Commission retains jurisdiction over the subject matter and Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse 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 February 28, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary