



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

VIA US MAIL AND FAX

July 18, 2011

Diane Carter, Manager
Peninsula Sanitation Service, Inc.
P.O. Box A
Ilwaco, WA 98624

RE: *Filing for a Special Fuel Surcharge,*
Docket TG-111263

Dear Ms. Carter:

On July 14, 2011, Peninsula Sanitation Service, Inc. (the Company), filed with the Washington Utilities and Transportation Commission (Commission) a special fuel surcharge filing of 3.02%. This filing was docketed under Docket TG-111263.

I must deny your request. As you were previously advised by Commission Order 05, issued in Docket A-042090, became effective May 2, 2011. Therefore, every filing effective on or after May 2, 2011, must comply with Order 05. Your filing fails to meet the condition set forth in Ordering Paragraph 2(b) that a company seeking a temporary fuel surcharge must “demonstrate as part of its application that the surcharge will not generate revenues in excess of the authorized portion of the difference between current fuel prices and the fuel costs embedded in the company’s rates or fares that the surcharge is intended to recover....” The Order directs the Commission secretary to reject any application that fails to make the requisite demonstration.

In addition, we are concerned that the company’s request is retroactive rate making treatment, which is prohibited and violates statute. Retroactive rate making occurs when a company recovers costs related to a period or periods prior, constituting an additional charge applied after the service was provided or consumed.

The Order directs the Commission secretary to reject any application that fails to make the requisite demonstration. Therefore, the Company’s request filed on July 14, 2011, is rejected in its entirety. However, be advised that the company may re-file reflecting the corrections, new issues, and effective dates.



If you have any questions regarding this letter, please contact Christopher Mickelson at cmickels@utc.wa.gov or (360) 664-1267.

Sincerely,



DAVID W. DANNER
Executive Director and Secretary