

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of  BAINBRIDGE DISPOSAL, INC.,  Petitioner,  Seeking Exemption from the Provisions of WAC 480-70-351(2) Relating to Recycling Credits or Charges	DOCKET TG-190683  ORDER 01  GRANTING EXEMPTION FROM RULE; ALLOWING TARIFF REVISIONS TO BECOME EFFECTIVE BY OPERATION OF LAW
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**BACKGROUND**

- 1 On August 14, 2019, Bainbridge Disposal, Inc., (Bainbridge Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions proposing a residential recycling commodity adjustment decrease of \$1.76, from a debit of \$6.58 per customer to a debit of \$4.82 per customer; and a multi-family recycling commodity adjustment decrease of \$1.51, from a debit of \$2.45 per customer to a debit of \$0.94 per customer. The filing also includes a petition requesting an exemption from WAC 480-70-351(2) Rates, recycling programs, credits, or charges (Petition).
- 2 WAC 480-70-351(2) states 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.
- 3 In its Petition, the Company asserts that the recycling commodity markets remain volatile, and the Company seeks approval to continue using a 6-month, rather than a 12-month average to calculate its proposed recycling commodity adjustment.
- 4 Commission staff (Staff) reviewed the Petition and determined that the request for an exemption from the 12-month historical period requirement is reasonable. Staff recommends granting Bainbridge Disposal’s request for exemption.
- 5 Staff also recommends allowing the tariff revisions for the commodity credit adjustment to become effective by operation of law. The commodity credit is a mechanism for periodically adjusting cost or profit sharing linked to the recyclable commodity market. It

allows customers to benefit when recyclables generate additional profit to the Company, and prevents the Company from suffering losses if it costs more than expected to dispose of the materials.

### DISCUSSION

6 We agree with Staff's recommendation and grant Bainbridge Disposal's Petition for 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 recyclable commodity revenue. 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.<sup>1</sup>

7 We also allow the proposed tariff revisions to become effective by operation of law. We note that the Commission has allowed other regulated solid waste companies to implement similar commodity adjustments allowing them to more quickly pass on changes in revenues or costs for processing recyclable material.

### FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts and affiliated interests of public service companies, including solid waste companies.
- 9 (2) Bainbridge Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 10 (3) Bainbridge Disposal 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.
- 11 (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.

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<sup>1</sup> See WAC 480-70-051 and WAC 480-07-110.

- 12 (5) This matter came before the Commission at its regularly scheduled meeting on September 26, 2019.
- 13 (6) After reviewing Bainbridge Disposal's proposed tariff revisions filed on August 14, 2019, in this docket and giving due consideration to all relevant matters and for good cause shown, 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, and that the proposed tariff revisions should become effective October 1, 2019, by operation of law.

**ORDER**

**THE COMMISSION ORDERS:**

- 14 (1) The Commission grants Bainbridge Disposal, Inc.'s petition for an exemption from WAC 480-70-351(2). Bainbridge Disposal, Inc., may use the most recent six months of historical revenues to calculate its recycling commodity adjustment.
- 15 (2) The tariff revisions Bainbridge Disposal, Inc., filed on August 14, 2019, will become effective on October 1, 2019, by operation of law.
- 16 (3) The Commission retains jurisdiction over the subject matter and Bainbridge Disposal, Inc., 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 Lacey, Washington, and effective September 26, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON,  
Executive Director and Secretary