

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-091933
)	(<i>Consolidated</i>)
)	
Complainant,)	ORDER 05
)	
v.)	
)	
WASTE MANAGEMENT OF WASHINGTON, INC. d/b/a WASTE MANAGEMENT OF SNO-KING, G-237)	ORDER DISMISSING COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS; ALLOWING TARIFF REVISIONS, ON LESS THAN STATUTORY NOTICE; GRANTING EXEMPTIONS FROM RULES
Respondent.)	
.....)	
)	
)	
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-091945
)	(<i>Consolidated</i>)
)	
Complainant,)	ORDER 04
)	
v.)	
)	
WASTE MANAGEMENT OF WASHINGTON, INC. d/b/a WASTE MANAGEMENT OF SNO-KING, G-237)	ORDER DISMISSING COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS; ALLOWING TARIFF REVISIONS, ON LESS THAN STATUTORY NOTICE; GRANTING EXEMPTIONS FROM RULES
Respondent.)	
.....)	

BACKGROUND

1 On December 17, 2009, Waste Management of Washington, Inc., (WMW or Company) filed with the Utilities and Transportation Commission (Commission) tariff revisions, designated as Tariff No. 15, for the operations it conducts under the registered trade name Waste Management Sno-King (Sno-King). The purpose of the filing is to increase rates due to increases in fuel, labor, health care, insurance, and other general operating expenses. The stated effective date is February 1, 2010.

- 2 In this filing, Sno-King proposes to increase charges and rates for service it provides by approximately \$475,301 or 4.4 percent. Sno-King provides regulated service to approximately 21,200 residential and commercial customers in the northeastern part of King County. Sno-King's last general rate increase became effective on September 1, 2005.
- 3 On January 14, 2010, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
- 4 Staff's analysis showed a higher revenue requirement for residential and commercial garbage, and recycling collection services than what the Company proposed. Staff's analysis also showed that yard waste rates were too high and would generate more than the required revenue requirement.
- 5 Staff and the Company agreed to a revised revenue requirement of \$743,617 (6.9 percent) in additional annual revenue and revised rates. On May 14, 2010, the Company filed the revised rates on substitute tariff pages 2, 6, 15, 16, 17, 19, 21, 22, 24, 25, 28, 29, 34, 35, 36, 37, 38 and 39.
- 6 The larger revenue requirement, as compared to what the Company originally filed, is due to the following:
- a. The pro forma fuel cost adjustment using the most recent 12-month period increased the regulated revenue requirement by \$61,699. The average price of fuel increased from \$2.48 per gallon to \$2.88 per gallon for the most recent 12-month period.
 - b. Pro forma wages and benefits increased to reflect the recently negotiated union contract, resulting in an additional \$74,581 regulated revenue requirement.
 - c. The Company's original filing contained numerous errors. An error in the allocation factors for driver hours resulted in approximately \$406,700 in additional regulated revenue requirement.
- 7 In response to recent legislation, the Company added a 0.3 percent business and occupation tax to Item 5 (Application of Rates – Taxes) of Tariff No. 15, with an

effective date of May 1, 2010, to expire on June 30, 2013. *See* Laws of 2010, c. 23, § 1001. The temporary tax will appear on customers' invoices as a separate line item.

- 8 The Company requests an exemption from Washington Administrative Code (WAC) 480-70-266, Tariffs, to allow the revised rates to become effective on May 1, 2010, on less than statutory notice, and an exemption from WAC 480-70-271, Customer Notice, to allow the Company to notify customers affected by the increased revised rates in the next billing cycle.
- 9 RCW 81.28.050 and WAC 480-70-266 require forty-five days' notice to the Commission prior to the effective date of the tariff. The Company requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on June 1, 2010. The Company requests less than statutory notice because the revised rates result in some increases, as compared to the rates the Company originally proposed.
- 10 WAC 480-70-271 requires solid waste companies to provide each affected customer a notice at least thirty days before the requested effective date of a proposed rate increase. Granting the Company's request for less than statutory notice also requires an exemption from WAC 480-70-271, regarding notice to customers. For the same reason the Company identified for seeking less than statutory notice, the Company seeks such an exemption from customer notice requirements. The Company originally notified customers of the proposed rates filed on December 31, 2009, and requests an exemption from the customer notice rule to allow the Company to notify customers by bill insert in the next billing cycle.
- 11 Docket TG-091945 addressed a petition filed by Waste Management seeking the Commission's interpretation of the filing requirements of WAC 480-07-520(4) or, in the alternative, an exemption from those requirements. The Commission consolidated Docket TG-091945 with Docket TG-091933 because the decision on the petition may have affected the Company's filing in Docket TG-091933. On March 23, 2010, the Commission denied Waste Management's petition in part and granted an exemption from a portion of the rule for this Docket TG-091933 only. The filing in Docket TG-091933 complies with WAC 480-07-520(4) and Order 03 in Docket TG-091945.

FINDINGS AND CONCLUSIONS

- 12 (1) The Washington Utilities and Transportation 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. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.*
- 13 (2) Waste Management of Washington, Inc., is a solid waste company and a public service company subject to Commission jurisdiction.
- 14 (3) This matter came before the Commission at its regularly scheduled meeting on May 27, 2010.
- 15 (4) Tariff No. 15 and substitute pages 2, 6, 15, 16, 17, 19, 21, 22, 24, 25, 28, 29, 34, 35, 36, 37, 38 and 39 presently under suspension are fair, just, reasonable and sufficient because Waste Management of Washington, Inc. has demonstrated that it requires additional revenues and has filed revised rates at Staff's recommended levels.
- 16 (5) After reviewing the tariff revisions Waste Management of Washington, Inc., filed in Docket TG-091933 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in TG-091933, dated December 17, 2009, and allow Tariff No. 15 and substitute pages 2, 6, 15, 16, 17, 19, 21, 22, 24, 25, 28, 29, 34, 35, 36, 37, 38 and 39 filed on May 14, 2010, to become effective on June 1, 2010.
- 17 (6) Staff's analysis showed a higher revenue requirement for residential and commercial garbage, and recycling collection services than what the Company proposed. Staff's analysis also showed that yard waste rates were too high and would generate more than the required revenue requirement.
- 18 (7) Staff and the Company agreed to a revised revenue requirement of \$743,617 (6.9 percent) in additional annual revenue and revised rates. On May 14, 2010, the Company filed the revised rates on substitute tariff pages 2, 6, 15, 16, 17, 19, 21, 22, 24, 25, 28, 29, 34, 35, 36, 37, 38 and 39.

- 19 (8) The larger revenue requirement, as compared to what the Company originally filed, is due to the following:
- i. The pro forma fuel cost adjustment using the most recent 12-month period increased the regulated revenue requirement by \$61,699. The average price of fuel increased from \$2.48 per gallon to \$2.88 per gallon for the most recent 12-month period.
 - ii. Pro forma wages and benefits increased to reflect the recently negotiated union contract, resulting in an additional \$74,581 regulated revenue requirement.
 - iii. The Company's original filing contained numerous errors. An error in the allocation factors for driver hours resulted in approximately \$406,700 in additional regulated revenue requirement.
- 20 (9) In response to recent legislation, the Company added a 0.3 percent business and occupation tax to Item 5 (Application of Rates – Taxes) of Tariff No. 15, with an effective date of May 1, 2010, to expire on June 30, 2013. *See* Laws of 2010, c. 23, § 1001. The temporary tax will appear on customers' invoices as a separate line item.
- 21 (10) RCW 81.28.050 and WAC 480-70-266 require forty-five days' notice to the Commission prior to the effective date of the tariff. The Company requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on June 1, 2010. The Company requests less than statutory notice because the revised rates result in some increases, as compared to the rates the Company originally proposed.
- 22 (11) WAC 480-70-271 requires solid waste companies must provide each affected customer a notice at least thirty days before the requested effective date of a proposed rate increase. Granting the Company's request for less than statutory notice also requires an exemption from WAC 480-70-271, regarding notice to customers. For the same reason the Company identified for seeking less than statutory notice, the Company seeks such an exemption from customer notice requirements. The Company originally notified customers of the proposed rates filed on December 31, 2009, and requests an exemption from the customer notice

rule to allow the Company to notify customers by bill insert in the next billing cycle.

- 23 (13) Docket TG-091945 addressed a petition filed by Waste Management seeking the Commission's interpretation of the filing requirements of WAC 480-07-520(4) or, in the alternative, an exemption from those requirements. The Commission consolidated Docket TG-091945 with Docket TG-091933 because the decision on the petition may have affected the Company's filing in Docket TG-091933. On March 23, 2010, the Commission denied Waste Management's petition in part and granted an exemption from a portion of the rule for this Docket TG-091933 only. The filing in Docket TG-091933 complies with WAC 480-07-520(4) and Order 03 in Docket TG-091945.

ORDER

THE COMMISSION ORDERS:

- 24 (1) The Complaint and Order Suspending Tariff Revisions in Docket TG-091933, entered on December 17, 2009, is dismissed.
- 25 (2) Tariff No. 15 filed on December 17, 2009, and substitute pages 2, 6, 15, 16, 17, 19, 21, 22, 24, 25, 28, 29, 34, 35, 36, 37, 38 and 39 filed on May 14, 2010, by Waste Management of Washington, Inc., in this Docket shall become effective on June 1, 2010, on a permanent basis.
- 26 (3) After the effective date of this Order, the Commission grants Waste Management of Washington, Inc.'s request, as permitted by WAC 480-70-266, to allow the revised rates to become effective June 1, 2010, on less than statutory notice.
- 27 (4) After the effective date of this Order, Waste Management of Washington, Inc., is granted an exemption from WAC 480-70-271, concerning customer notice requirements. Waste Management of Washington, Inc. shall notify customers of the rate increases in the next billing cycle.

DATED at Olympia, Washington, and effective May 27, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner