

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET TG-132286
)	
Complainant,)	
)	ORDER 01
v.)	
)	
PENINSULA SANITATION)	
SERVICE, INC.,)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF
Respondent.)	REVISIONS
.....)	

BACKGROUND

- 1* Peninsula Sanitation Service, Inc. (Peninsula or Company) provides solid waste collection service to approximately 5,000 customers in Pacific and Wahkiakum Counties. The Washington Utilities and Transportation Commission (Commission) last approved a general rate increase for the Company effective July 1, 2012. As part of approving that increase, the Commission required Peninsula to revise its accounting procedures, conduct a cost of service study, and file a general rate case with an effective date no later than February 1, 2014.¹
- 2* On December 16, 2013, Peninsula filed with the Commission Revised Tariff No. 16. The proposed filing would increase the Company’s rates by approximately eight percent and generate \$230,617 in additional annual revenue. The Company states that this increase is necessary due to increased costs for employee wages and benefits, fuel, and other general operating expenses. The Company did not include a completed cost of service study with its filing. The stated effective date was February 1, 2014.
- 3* On January 1, 2014, the Company notified its customers of the proposed rate increase. To date, three customers have provided comments to Staff, all opposing the increase.
- 4* Commission Staff reviewed the Company’s filing and disagrees with the Company’s stated revenue requirement and proposed rate design structure. Specifically, Staff takes issue with the Company’s proposed accounting treatment of certain expenses for out-of-state travel, meals and entertainment, equipment and repair, legal and accounting fees, affiliate rent, advertising, driver payroll, and officer payroll. In addition, Staff raised questions regarding Peninsula’s cost allocation methodology between regulated and non-regulated activities.

¹ See Docket TG-120283, Order 02 (June 28, 2012).

5 Staff recommends that the Commission issue a complaint and order suspending the
Company's proposed tariff revisions.

DISCUSSION

6 Peninsula has not yet demonstrated that its proposed tariff revisions would ultimately
result in rates that are fair, just, reasonable, and sufficient. Further, it appears that
Peninsula has not complied with a prior Commission order requiring the Company to
support its next general rate case filing with a cost of service study. Therefore, the
Commission suspends the tariff filing and will hold public hearings, if necessary, to
determine whether the proposed increases are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 7 (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,
rules, regulations, practices, accounts and affiliated interests of public service
companies, including solid waste companies.
- 8 (2) Peninsula Sanitation Service, Inc., is a solid waste company and a public service
company subject to Commission jurisdiction.
- 9 (3) The tariff revisions Peninsula Sanitation Service, Inc., filed on December 16,
2013, would increase charges and rates for service presently provided by the
Company in Pacific and Wahkiakum Counties.
- 10 (4) This matter came before the Commission at its regularly scheduled meeting on
January 30, 2014.
- 11 (5) Peninsula Sanitation Service, Inc., has not yet demonstrated that the tariff
revisions would ultimately result in rates that are fair, just, reasonable and
sufficient.
- 12 (6) The Commission believes it is necessary to investigate the Company's books,
accounts, practices and activities, and to investigate and appraise various phases
of the Company's operations.
- 13 (7) Peninsula Sanitation Service, Inc., bears the burden of proof to show that the
proposed increases are just, reasonable and sufficient.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revisions Peninsula Sanitation Service, Inc., filed on December 16,
2013, are suspended.
- 15 (2) The Commission will hold hearings at such times and places as may be required.
- 16 (3) Peninsula Sanitation Service, Inc., must not change or alter the tariffs filed in this
docket during the suspension period, unless authorized by the Commission.
- 17 (4) The Commission will institute an investigation of Peninsula Sanitation Service,
Inc.'s books, accounts, practices, activities and operations as described above.

DATED at Olympia, Washington, and effective January 30, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

JEFFREY D. GOLTZ, Commissioner