

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET TG-143339
TRANSPORTATION	)	
COMMISSION,	)	ORDER 01
	)	
	)	
MASON COUNTY GARBAGE	)	
CO., INC.,	)	
	)	
Petitioner,	)	ORDER AUTHORIZING REVENUE
	)	SHARING FOR RECYCLABLE
Requesting Authority to Retain 30	)	COMMODITIES REVENUE AND
Percent of the Revenue Received	)	ALLOWING RECYCLABLE
From the Sale of Recyclable	)	COMMODITY CREDIT
Materials Collected in Residential	)	ADJUSTMENT
Recycling Service	)	
.....	)	

**BACKGROUND**

1 On September 15, 2014, Mason County Garbage Co., Inc. (Mason or Company) filed the following documents with the Washington Utilities and Transportation Commission (Commission): (1) a report of its 2013-2014 recycling plan and revenue sharing; (2) revised 2014-2015 commodity credits that result in increased rates to all recycling customers; (3) the Company’s 2014-2015 recycling plan; and (4) a request that the Commission allow Mason to retain up to 30 percent of the revenue received from the sale of recyclable materials during the 2014-2015 recycling plan period. The Company serves approximately 10,000 regulated residential recycling customers in Mason County.

**REPORT ON 2013-2014 RECYCLING PLAN AND REVENUE SHARING**

2 In Docket TG-131744, Order, the Commission required the Company to make a compliance filing consisting of the amount of recycling revenue it retained, the amount of money it spent on the activities identified in its 2013-2014 recycling plan, and the effect the activities had on increasing recycling. Mason made the compliance filing on September 15, 2014, and the results are summarized in the following table:

Task	Budget	Retained	Expensed
<b>Mason County Blue Box Recycling Contract and Glass Hauling</b>	\$ 40,000		\$ 17,768
<b>30-Yard Glass Box - Shelton Transfer</b>	\$ 1,500		\$ 666
<b>Safeway ONP Hauling</b>	\$ 3,500		\$ 1,555
<b>Customer Mailings</b>	\$ 9,500		\$ 4,220
<b>Wilson Recycling glass hauls for Mason County</b>	\$ 1,550		\$ 689
<b>Mason County Community Event participation</b>	\$ 2,000		\$ 888
<b>Mason County Business Expo</b>	\$ 1,400		\$ 622
<b>Yard Waste Program</b>	\$ 8,500		\$ 3,776
<b>Environmental Program Radio Sponsorship</b>	\$ 2,600		\$ 1,155
<b>Total</b>	<b>\$ 70,550</b>		<b>\$ 31,339</b>
<b>Incentive-5%</b>	\$ 3,528		\$ 1,567
<b>Total</b>	<b>\$ 74,078</b>	<b>\$32,906</b>	<b>\$ 32,906</b>

In its compliance filing, the Company reported that it did not decrease the solid waste pounds per month per household by 1 percent for the plan period, and, therefore, Mason did not meet the performance standards to retain 30 percent of revenues received, but retained only 20 percent of revenues received for the sale of recyclable materials.

### PROPOSED 2014-2015 COMMODITY CREDITS

- 3 The Company filed revised replacement tariff pages on October 15, 2014, in which it proposes to increase recycling rates by \$0.78 (commodity credit decrease from \$1.19 to \$0.41) per month for single-family residential customers for the period November 1, 2014, to October 31, 2015. The proposed commodity credits reflect the Commission-approved deferred accounting treatment and reflect the actual revenues received as outlined in the table set forth above in paragraph two.

### PROPOSED 2014-2015 RECYCLING PLAN AND REVENUE SHARING

- 4 RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local

government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to the residential customers.

5 Pursuant to RCW 81.77.185, on September 15, 2014, the Company filed with the Commission a Commodity Revenue Sharing Enhancement Plan for Mason County (Plan) for the period November 1, 2014, to October 31, 2015. The Plan forecasts \$157,000 revenue from the sale of recyclable commodities collected and proposes to retain \$47,100 (30.0 percent) to spend on Plan activities.

6 The Plan identifies the following activities and budget amounts: Recycling and Glass hauling for Mason County (\$31,322), Public Newspaper hauling (\$6,365), Customer mailings (\$1,038), Community events (\$938) Mason County Business Expo (\$5,695) and Environmental Program radio sponsorship (\$1,742). The Plan's total budget is \$47,100.

7 The Plan's 2014-2015 budget includes an incentive payment of \$2,355 (5.0 percent of eligible planned expenditures).<sup>1</sup> The Plan states in part:

“Mason County Garbage will strive to demonstrate that performance by increasing recycle pounds per month per household by 1%.”

Additionally, as set forth in the Plan, eligibility for the award of an incentive will be determined by Mason County's satisfaction that expenditures of revenue sharing funds by the Company are consistent with the Plan's activities and budgets and subject to review by the Commission.

8 Michelle Whittaker, Mason County Solid Waste Program Manager, signed the Plan and certified that it is consistent with Mason County's Comprehensive Solid Waste Management Plan. Mason County recommends that the Commission allow the Company to retain up to 30 percent of the actual value of recyclable commodity revenues received from November 1, 2014, to October 31, 2015, the period of the Plan.

9 Staff recommends that the Commission grant the Company's request to retain up to 30 percent of the recyclable commodity revenue collected during the period of the Plan, and

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<sup>1</sup> On May 30, 2012, the Commission issued its interpretive and policy statement (IPS) in Docket TG-112162 to address issues concerning implementation of recycling revenue sharing plans, including Incentives, Bonuses or Returns in paragraphs 26 through 32. The IPS articulates a policy that incentives should be conditioned upon or tied to achieving performance goals or objectives.

allow the recycling commodity credits filed by Mason on September 15, 2014, and revised on October 15, 2014, to go into effect November 1, 2014, by operation of law.

### FINDINGS AND CONCLUSIONS

- 10 (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.
- 11 (2) Mason 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.
- 12 (3) This matter came before the Commission at its regularly scheduled meeting on October 30, 2014.
- 13 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. RCW 81.77.185 states that the remaining revenue shall be passed to residential customers.
- 14 (5) Mason County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Mason County's Solid Waste Division certified that Mason's recycling plan is consistent with Mason County's Comprehensive Solid Waste Management Plan.
- 15 (6) The Plan includes a provision for an incentive payment of 5 percent, of Mason's planned expenditures. The Plan conditions the award of the incentive on achieving specific performance goals.
- 16 (7) Mason's request to retain up to 30 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from November 1, 2014, to October 31, 2015, is consistent

with RCW 81.77.185, and the Commission finds that Mason's request should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 17 (1) If Mason County Garbage Co., Inc., complies with the Plan as set forth in this Order, the Company may retain up to 30 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from November 1, 2014, to October 31, 2015.
- 18 (2) Mason County Garbage Co., Inc., shall present its revenue sharing plan and commodity adjustments to the Commission requesting an effective date each August 1 hereafter, and shall make all future revenue sharing plans and commodity adjustment filings 45 days prior to the proposed effective date.
- 19 (3) Mason County Garbage Co., Inc., shall make a compliance filing with the Commission no later than September 15, 2015, in which the Company shall identify the amount of revenue it retained, the amount of money it spent on the activities identified in the Plan, and the effect of the activities had on increasing recycling.
- 20 (4) The commodity credits filed by Mason County Garbage Co., Inc., on September 15, 2014, and revised on October 15, 2014, are allowed to go into effect by operation of law.
- 21 (5) The Commission delegates the Secretary the authority to approve by letter all compliance filings required in this Order.
- 22 (6) The Commission retains jurisdiction over the subject matter and Mason County Garbage Co., 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 Olympia, Washington, and effective October 30, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary