

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

<p>In the Matter of the Petition of</p> <p>HAROLD LEMAY ENTERPRISES, INC., d/b/a PIERCE COUNTY REFUSE CO.</p> <p>For Deferred Accounting Treatment Authorizing Deferral of Rates and Revenues</p>	<p>DOCKET TG-200358</p> <p>ORDER 01</p> <p>DENYING ACCOUNTING PETITION</p>
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BACKGROUND

- 1 On January 17, 2020, Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse, (Pierce County Refuse or Company) filed revisions to its Tariff No. 10 with the Washington Utilities and Transportation Commission (Commission) in Docket TG-200044, which would generate approximately \$1.4 Million (4.1 percent) in additional annual revenue for the collection of garbage, recycling, and yard waste. The original proposed effective date was March 1, 2020. On February 13, 2020, the Company extended the effective date to April 1, 2020, to allow Commission staff (Staff) additional time to complete its review. On March 19, 2020, the Company again extended the effective date to June 1, 2020, due to the impact of the COVID-19 pandemic on the Company and the economic consequences for its customers. On April 17, 2020, the Company amended the effective date to May 1, 2020. On April 22, 2020, the Company filed revised tariff pages that would result in a garbage rate decrease for all customers.
- 2 On April 17, 2020, Pierce County Refuse filed with the Commission a Petition for Deferred Accounting Treatment Authorizing Deferral of Rates and Revenues (Petition). On April 22, 2020, the Company filed a revised Petition seeking Commission authorization to: (1) defer charging and billing recycling and yard waste customers the increased rates approved in Docket TG-200044 until August 31, 2020, and (2) defer the associated revenue increase as a regulatory asset.¹ The deferred rate increase charges will be tracked for each billing cycle as a deferred asset.

¹ Assuming the Commission approves the proposed tariff revisions filed in Docket TG-200044.

- 3 Concurrent with its proposal to begin billing its customers the increased recycling and yard waste rates requested in Docket TG-200044 on September 1, 2020, Pierce County Refuse seeks to implement a temporary surcharge to collect the accumulated balance of deferred revenues for the May 1, 2020, to August 31, 2020, period. The Company requests recovery of the deferred revenues over 12 months. Once the deferred revenues are fully recovered, the surcharge would expire. The revenue subject to deferral is estimated to be \$463,000, which will result in a monthly surcharge of approximately \$0.52 for the average residential customer.
- 4 Commission staff (Staff) reviewed the Petition and determined that the Company's request is reasonable and in the public interest due to the extraordinary circumstances created by the COVID-19 pandemic. Accordingly, Staff recommends granting Pierce County Refuse's Petition seeking to defer billing customers the recycling and yard waste rates proposed in Docket TG-200044 until August 31, 2020, to be recovered over a 12-month period beginning September 1, 2020.
- 5 On April 23, 2020, during discussions at the Commission's regularly scheduled open meeting, Company representatives discussed Pierce County Refuse's desire to work with the Commission to create a fair outcome for customers, and expressed a willingness to be flexible.

DISCUSSION AND DECISION

- 6 We acknowledge that the COVID-19 pandemic has created a unique emergency situation that increasingly requires us to decide between outcomes that are both less than ideal. In these circumstances, however, we find that granting the Company's Petition would create a less favorable outcome for the Company's customers, and thus deny the Company's Petition for the reasons discussed below.
- 7 We are sensitive to the fact that any rate increase will inevitably contribute to the financial hardship some customers are facing due to the economic uncertainties created by the COVID-19 pandemic. Nevertheless, the Company's Petition does not allay our concerns. First, we have no assurances that economic conditions will improve by September 1, the proposed rate implementation date. In fact, it is possible that conditions may continue to deteriorate. Second, allowing rates to become effective on May 1, 2020, will result in less rate shock to customers than would delaying the implementation until September 1, which would ultimately impose an even greater increase due to the additional surcharge.

8 Accordingly, we deny Pierce County Refuse's Petition to defer charging and billing
customers the increased recycling and yard waste rates proposed and approved in Docket
TG-200044.

FINDINGS AND CONCLUSIONS

- 9 (1) The 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.
- 10 (2) Pierce County Refuse 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.
- 11 (3) WAC 480-07-370(1)(b) allows companies to file accounting petitions, including
the Petition filed by Pierce County Refuse in this docket.
- 12 (4) This matter came before the Commission at its regularly scheduled open meeting
on April 23, 2020.
- 13 (5) Staff has reviewed Pierce County Refuse's Petition and recommends that it be
granted due to the emergency situation created by the COVID-19 pandemic,
which has created economic uncertainty for the Company's customers.
- 14 (6) The Company's Petition would result in greater rate shock to customers at a later
date, at which time economic conditions may remain unstable or have further
declined.
- 15 (7) After reviewing Pierce County Refuse's Petition filed in Docket TG-200358 on
April 17, 2020, as revised on April 22, 2020, and giving due consideration to all
relevant matters and for good cause shown, the Commission finds that the Petition
should be denied.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse's Petition seeking
authorization to: (1) defer the collection from customers of any increased rates
and charges for recycling and yard waste service approved in Docket TG-200044
from May 1, 2020, to August 31, 2020, and (2) collect those deferred revenues

through a temporary monthly surcharge over a 12-month period beginning September 1, 2020, is denied.

- 17 (2) The Commission retains jurisdiction over the subject matter and Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse Co., to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective April 23, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner