

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

In the matter of the Petition of)	DOCKET TL-070848
)	
US ECOLOGY, INC.,)	ORDER 01
)	
Petitioner,)	
)	ORDER ACCEPTING
)	SETTLEMENT AGREEMENT
To Approve Proposed Settlement)	AND APPROVING RATES TO
Agreement and Approve Proposed Rates)	BECOME EFFECTIVE
to Become Effective January 1, 2008)	JANUARY 1, 2008
.....)	

BACKGROUND

- 1 On April 30, 2007, US Ecology, Inc., (US Ecology) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Tariff 1 in Docket UR-070848. The revised pages are: (1) the Sixth Revision of Sheet 1, which cancels the Fifth Revision of Sheet 1, (2) the Sixth Revision of Sheet 2, which cancels the Fifth Revision of Sheet 2, (3) the Sixth Revision of Sheet 3, which cancels the Fifth Revision of Sheet 3 and (4) the Sixth Revision of Sheet 4, which cancels the Fifth Revision of Sheet 4. The stated effective date is January 1, 2008.
- 2 On June 20, 2007, US Ecology filed a petition asking the Commission to approve a settlement agreement between the US Ecology and its shippers that defines the rate setting process for a six-year period, 2008 through 2013.
- 3 US Ecology’s last general rate filing was accepted in 2001 in Docket UR-010623. The current filing is the second general rate filing by US Ecology since the original settlement agreement was accepted in 1995 in Docket UR-950619. The rate adjustment allowed in Docket TL-070626, effective May 1, 2007, was the last of the rate adjustments under the 2001 agreement.
- 4 Staff completed its review of the Company’s books and records for the test period ended December 31, 2006, to determine the base revenue requirement for 2008, the first year of the proposed six-year Settlement Agreement. The proposed revenue requirement for 2008 is \$5.2 million. This is a reduction of approximately \$482,000 (9.27 percent) from US Ecology’s 2007 revenue requirement (Attachment A). Commission Staff reviewed the proposed rates and concludes that US Ecology complies with the terms of the

Settlement Agreement and are reasonable.

- 5 The Commission first accepted a settlement agreement to set rates in 1995. That settlement agreement lasted for six years and established rates for 1996 through 2001. The Commission accepted a second settlement agreement in 2001, with the same terms as the first, for setting rates in 2002 through 2007. US Ecology now asks the Commission to approve a third settlement agreement to set rates for 2008 through 2013.

The Settlement Agreement:

- Requires the shippers to sign the Settlement Agreement and the Commission to approve the Settlement Agreement.
- Requires US Ecology to file a general rate case to establish rates for the first year of the Settlement Agreement.
- Prohibits, except under specified circumstances, US Ecology from filing a general rate case during the Settlement Agreement period.
- Defines the rate setting methodology, revenue requirement, rate design, rate adjustment mechanism (including deferrals, annual adjustment using an index, and annual true ups) and how to treat NORM/NARM¹ revenue.

- 6 US Ecology presented the proposed Settlement Agreement to the generators for their approval. The following shows the different types of generators and the positions that individual generators took concerning the Settlement Agreement.

Major generators that ship direct:

- Energy Northwest and Pacific EcoSolutions signed the Settlement Agreement.
- Puget Sound Naval Shipyard and the Pearl Harbor Naval Shipyard both state that as part of the federal government, they take the position that they will not sign, but will abide by and not oppose, a Settlement Agreement.
- Areva NP, Inc., requested additional information, which US Ecology provided, but has not taken a position on the proposed Settlement Agreement.

Broker that ships the waste of smaller generators

¹ “NORM” means naturally occurring radioactive material, while “NARM” means naturally occurring and accelerator produced radioactive material. *See* Appendix B, Revised Settlement Agreement, at 7, n. 1.

Environmental Management & Controls, Inc., signed the Settlement Agreement.

State Universities

The University of Washington and Washington State University both state that as state universities, they take the position that they will not sign, but will abide by and not oppose, a Settlement Agreement.

7 Commission Staff reviewed the proposed Settlement Agreement. It contains the same provisions as the first and second settlement agreements. Staff concluded that the proposed Settlement Agreement and the rates filed in compliance with it are reasonable.

FINDINGS AND CONCLUSIONS

8 (1) US Ecology is a low-level radioactive waste disposal company and as such is a public service company subject to the jurisdiction of the Commission.
RCW 81.04, RCW 81.108.

9 (2) The tariff revisions filed by US Ecology on April 30, 2007, decrease rates for low level radioactive waste.

10 (3) US Ecology proposed a six-year Settlement Agreement. No generators have opposed the proposed Settlement Agreement. The conditions set forth in the proposed Settlement Agreement are the same as two previous settlement agreements.

11 (4) This matter was brought before the Commission at its regularly scheduled meeting on June 27, 2007.

12 (5) Commission Staff reviewed the proposed Settlement Agreement and the proposed rates, and concluded they are reasonable.

ORDER

13 (1) The Settlement Agreement filed on April 30, 2007, which is attached to this Order

as Appendix A and incorporated by reference as if set forth in full in the body of this Order, is accepted.

- 14 (2) The proposed tariff revisions are approved to become effective January 1, 2008.

DATED at Olympia, Washington, and effective June 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B JONES, Commissioner