# BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DOCKET TG-091302	
ORDER 01	
ORDER APPROVING	
	COMMODITY CREDITS ON LESS THAN STATUTORY
NOTICE AND REQUIRING	
DEFERRED ACCOUNTING	
TREATMENT FOR RECYCLABLE COMMODITIES REVENUE	

### **BACKGROUND**

- On August 17, 2009, Blaine-Bay Refuse Company, Inc. (Blaine-Bay or Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 3, designated as tariff pages 2, 24, and 27.
- The filing proposes to increase the commodity debits that Blaine-Bay receives from its residential and multi-family customers for the net value of the recyclable materials that Blaine-Bay collects in its recycling service. The stated effective date is October 15, 2009. Blaine-Bay filed revised tariff on August 31, 2009. The Company has requested that the tariff revisions filed August 17, 2009, and as partially revised on August 31, 2009, become effective October 1, 2009, on less than statutory notice.
- 3 The Commission allowed Blaine-Bay's first commodity adjustment to become effective October 18, 2003, without an order requiring deferred accounting treatment. Blaine-Bay has filed annual commodity adjustments using the same methodology the Commission established for other companies with required deferred accounting treatment. The commodity adjustment has two components: a true-up component that, for the previous twelve-month test period, compares the estimated commodity value to actual commodity value, and an estimate of the revenue (cost) of the next twelve months using the average twelve-month test period revenue (cost).
- 4 Staff recommends that the Commission require Blaine-Bay to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal

of recyclable commodities collected in the Company's recycling service using the most recent twelve-month test period to true-up the estimated revenue (cost) to actual revenue (cost), and to estimate revenue (cost) for the next twelve-month period. Staff also recommends that the Commission condition its approval on Blaine-Bay making its next commodity adjustment effective October 1, 2010, and each October 1 thereafter, and that Blaine-Bay make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.

- 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 tariff sheets bear an inserted effective date of October 15, 2009. This date recognizes statutory notice as required. Blaine-Bay requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on October 1, 2009. Blaine-Bay requests less than statutory notice treatment because the current commodity debits will expire on September 30, 2009. The Company is required to notify customers after final Commission action.
- In summary, Staff recommends that the Commission approve the proposed commodity debits to become effective October 1, 2009, on less than statutory notice and require Blaine-Bay to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Blaine-Bay's recycling service.

## FINDINGS AND CONCLUSIONS

- 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. *RCW* 80.01.040, *RCW* 81.01, *RCW* 81.04, *RCW* 81.16, *RCW* 81.28 and *RCW* 81.77.
- 8 (2) This matter came before the Commission at its regularly scheduled meeting on September 24, 2009.
- 9 (3) Blaine-Bay 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.

- 10 (4) Blaine-Bay is subject to RCW 81.28.050 and WAC 480-70-266, which require solid waste companies to file changes in any rate or charge with forty-five days' notice. Under WAC 480-70-276, the Commission may allow, for good cause shown, changes in rates or charges without requiring forty-five days' notice in an order specifying the changes to be made and the effective date.
- 11 (5) Blaine-Bay asks the Commission to allow the tariff revisions filed August 17, 2009, and as partially revised on August 31, 2009, to become effective October 1, 2009, on less than statutory notice, because the current commodity credits will expire on September 30, 2009.
- 12 (6) After reviewing Blaine-Bay's request to allow the revised commodity debits filed on August 17, 2009, and partially revised on August 31, 2009, to become effective October 1, 2009, and giving due consideration, the Commission finds that Blaine-Bay's requests is reasonable and should be granted. The Commission also finds it is reasonable to require Blaine-Bay to implement deferred accounting treatment of the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Blaine-Bay's recycling service.

## ORDER

## THE COMMISSION ORDERS:

- 13 (1) The revised tariff revisions Blaine-Bay Refuse Company, Inc., filed on August 17, 2009, and partially revised on August 31, 2009, will be effective on October 1, 2009, on less than statutory notice.
- 14 (2) Blaine-Bay Refuse Company, Inc., is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential and multi-family recycling services. Blaine-Bay Refuse Company, Inc., shall make its next commodity adjustment effective October 1, 2010, and each October 1 thereafter. Blaine-Bay Refuse Company, Inc., shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 15 (3) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required in this Order.

16 (4) The Commission retains jurisdiction over the subject matter and Blaine-Bay Refuse Company, 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 September 24, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary