

TG-130062

WILLIAMS KASTNER
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January 15, 2012

VIA EMAIL/ORIGINAL VIA FIRST CLASS MAIL

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
Attn.: Records Center
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

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REGISTRATION DIVISION
13 JAN 16 AM 9:32
STATE OF WASHINGTON
OFFICE OF THE ATTORNEY GENERAL
COMMUNICATIONS SECTION

Re: In re the Matter of: Petition for Exemption by Rabanco, Ltd. d/b/a Sea-Tac Disposal d/b/a Allied Waste Services of Kent, G-12, – Petition for Exemption From WAC 480-07-520(4)

Dear Mr. Danner:

Please find attached an original and three copies of a Petition for Exemption From WAC 480-07-520(4), for filing with Commission today on behalf of Rabanco, Ltd. d/b/a Sea-Tac Disposal d/b/a Allied Waste Services of Kent, G-12, pertinent to the general rate case being filed today.

Please feel free to contact the undersigned with any further questions on this matter.

Yours truly,

David W. Wiley
Attorney at Law
(206) 233-2895
dwiley@williamskastner.com

DAV:lct

Encls.

cc: Client

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BEFORE THE WASHINGTON STATE UTILITIES AND
TRANSPORTATION COMMISSION

In re the Matter of:

Petition for Exemption by Rabanco, Ltd. d/b/a
Sea-Tac Disposal d/b/a Allied Waste Services
of Kent

Case No. TG-

PETITION FOR EXEMPTION FROM
PORTIONS OF WAC 480-07-520(4)

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REGULATORY MANAGEMENT

1 COMES NOW Rabanco, Ltd. d/b/a Sea-Tac Disposal d/b/a Allied Waste Services of Kent (“Sea-Tac Disposal,” or “Petitioner”), Certificate G-12, 1600 127th Avenue NE, Bellevue, Washington, 98005, by and through its counsel, Williams Kastner & Gibbs PLLC and David W. Wiley, 601 Union Street, Suite 4100, Seattle, Washington, 98101, and hereby petitions the Washington Utilities and Transportation Commission (“the Commission”), pursuant to WAC 480-70-051, WAC 480-07-110 and WAC 480-07-370(1)(b), seeking an exemption from certain requirements of the general rate proceeding workpaper filing requirements. The request for exemption is sought as applied to Rabanco, Ltd. as the “Company,” in interpretation and application of the rule requirements in light of the revised Commission policy for stricter enforcement of the general rate case rule and consistent with the Commission’s recent decision in Order No. 4, TG-091933, *Washington Utilities and Transportation Commission v. Waste Management of Washington, Inc. d/b/a Waste Management of Sno-King* and Order No. 3, TG-091945 in re the *Petition of Waste*

Management, Inc. d/b/a Waste Management of Sno-King (March, 2010), (hereinafter the “*Sno-King Order*”).¹

I. PRELIMINARY STATEMENT

2 This request is filed simultaneously with supporting documentation and a general rate case for Sea-Tac Disposal on January 14, 2013. The filing seeks exemptions from specific portions of WAC 480-07-520(4) in asking that the Commission not require in this filing, in addition to the substantial workpapers being submitted, that under WAC 480-07-520, certain documents and computations be applied to Rabanco, Ltd., as opposed to Sea-Tac Disposal, as the tariff-filing entity.

II. SPECIFIC PORTIONS OF WAC 480-07-520(4) FROM WHICH PETITIONER NOW SEEKS EXEMPTION OR RELAXATION IN THE GENERAL RATE CASE WORKPAPERS FILING RULE

3 Request for Exemption from WAC 480-07-520(4)(a). Petitioner here seeks exemption from the workpaper detailed pro forma income statement requirement to the extent that it asks that subparts (i) and (ii) for restating “actual adjustments” and “pro forma adjustments” be limited to demonstration of the impact upon *Sea-Tac Disposal* rather than Rabanco, Ltd. as a whole.

4 WAC 480-07-520(b). No exemption requested.

5 WAC 480-07-520(c). No exemption requested.

6 WAC 480-07-520(d). Petitioner here seeks application of the subpart 4(d) requirement of non-regulated revenue exceeding 10% of total company test period revenue in limiting

¹ Rabanco, Ltd. is comparable to Waste Management of Washington, Inc. (“WMW”), in operating here as a single corporate entity in regulated service with numerous separate operating divisions spanning multiple counties within multiple tariff filing areas.

the workpaper computations and submissions to *Sea-Tac Disposal*, as the tariff-filing entity, and further asks that the detailed separation of all revenue and expenses requirement in subsection 4(d) apply to intracompany transactions between Sea-Tac Disposal as the tariff-filing entity and Rabanco, Ltd. as the company as a whole, providing what would be analogously required for disclosure under the affiliated interest transaction rule of 480-70-079 but for the fact that Sea-Tac Disposal is a part of Rabanco, Ltd.

7 WAC 480-07-520(e). Petitioner is requesting a partial exemption from the requirement of listing all unregulated operations and rates charged of Rabanco, Ltd. to the extent that it asks that this requirement be limited to unregulated transactions, relationships and rates among those Sea-Tac Disposal-based business operations, its customers and other Rabanco, Ltd. business entities.

8 WAC 480-07-520(f). Petitioner here seeks limitation of the detailed price-out information and reconciliation requirement of this subpart of the general rate case workpaper rule to be again applied to Sea-Tac Disposal, the tariff-filing entity, only.

9 WAC 480-07-520(g). No exemption requested.

10 WAC 480-07-520(h). Petitioner hereby seeks an exemption to limit the detailed depreciation schedule applicable to the test period to the tariff-filing entity only, Sea-Tac Disposal.

11 WAC 480-07-520(i). Petitioner asks that the computed average investment calculation requirement be limited to applying only to the tariff-filing entity, Sea-Tac Disposal, in presenting computed average investment information.

12 WAC 480-07-520(j). No exemption requested.

III. ARGUMENT IN SUPPORT OF REQUESTED EXEMPTIONS OF GENERAL WORKPAPER FILING RULE

13 G-12, like Waste Management of Washington, Inc.'s Certificate G-237, contains multiple counties, routes and tariff filing divisions comprising Rabanco, Ltd., of which Sea-Tac Disposal which, along with Lynnwood Disposal d/b/a Allied Waste of Lynnwood, Tri-County Disposal d/b/a/ Allied Waste of Klickitat County, Eastside Disposal d/b/a Allied Waste Services of Bellevue are all regulated operating divisions. Combined G-12 operations service approximately 37,000 regulated residential customers and 1,966 regulated commercial customers in Snohomish, King and Klickitat Counties. Many of the subparts of WAC 480-07-520, in application, implicate broad swaths of territory and disparate routes and operations in both regulated and unregulated services.

Historically, accounting data has been maintained based upon and oriented to those separate operating and tariff-filing divisions and it is thus exceedingly difficult to aggregate the various data in its current format to be correlated for "the Company," or G-12, as a whole, nor would that amalgamation of data be particularly pertinent to the rate review, here.

14 While Petitioner and Rabanco, Ltd. continue to make accounting adjustments to better conform those accounting data to the expectations and parameters of the general rate case workpaper rule in the past two years, Company-wide data (such as a depreciation schedule, WAC 480-07-520(4)(h)), tied to the annual report and reported results of operation for Rabanco, Ltd. cannot be fully reconciled and subject to accurate bifurcation

by any tariff-filing entity within G-12. In short, the reliability of the Company-wide calculations and correlations do not have the susceptibility to audit analysis that do data derived from and pertinent to the operations of the tariff-filing division, Sea-Tac Disposal.

15 Because of the greater detail and reconcilable qualities of the individual division's data reporting for a general rate case, Petitioner believes modification/relaxation of the general rate case workpaper rule for the filing by Sea-Tac Disposal is fully consistent with the public interest as required by WAC 480-07-110 and WAC 480-70-051, allowing exemption from any rule in WAC 480-70 if consistent with the public interest and with the purposes underlying regulation and applicable statutes, and that exemptions from the general rate workpaper rule should therefore be granted.

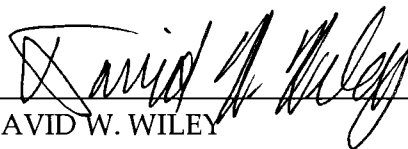
16 Indeed, all of the exemptions here requested under the particular subparts of the rule appear to be consistent with the 2010 *Sno-King* Order. As in *Sno-King*, the corporate structure of Rabanco, Ltd. has numerous distinct regulated and unregulated lines of business within a single corporation operating within numerous counties in western and eastern Washington. Granting the exemption would relieve a material administrative burden for both the Company and the Commission staff in processing another general rate filing in light of presently unattainable Company-wide data refinement that does not bear upon nor have a direct relationship to the results of operations of Sea-Tac Disposal and which would be counter-productive to the goal of regulatory efficiency and economy in addressing all pertinent financial impacts raised in this filing which, again, is limited to the regulated tariff and overall operations of Sea-Tac Disposal.

IV. PRAYER FOR RELIEF

17 For all the foregoing reasons, Rabanco, Ltd. d/b/a Sea-Tac Disposal and Allied Waste Services of Kent, respectfully asks that the Commission consider the specific requests for exemption from portions of WAC 480-07-520(4) noted above, and that after due consideration, issue an order granting the Petition in full and thereafter allowing conventional audit and review by the audit staff of the general rate case accompanying this filing.

Dated this 15th day of January, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David W. Wiley", is written over a horizontal line.

DAVID W. WILEY

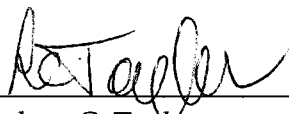
Attorney for Rabanco, Ltd. d/b/a Sea-Tac Disposal and Allied Waste Services of Kent

CERTIFICATE OF SERVICE

I hereby certify that on January 15, 2013, I caused to be served the original and three (3) copies of the foregoing document to the following address via first class mail, postage prepaid to:

David Danner, Executive Director and Secretary
Policy and Legislative Issues
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

I certify I have also provided to the Washington Utilities and Transportation Commission's Secretary an official electronic file containing the foregoing document via email to: records@utc.wa.gov.



Lyndsay C. Taylor