

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

UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-060411
)	
Complainant,)	ORDER 01
)	
v.)	
)	
RABANCO LTD. AND RABANCO RECYCLING, INC., D/B/A EASTSIDE DISPOSAL CO., INC. G-12)	COMPLAINT AND ORDER SUSPENDING TARIFF AND ALLOWING RATES TO BECOME EFFECTIVE ON A TEMPORARY BASIS, SUBJECT TO REFUND.
Respondent.)	
.....)	

BACKGROUND

- 1 On March 16, 2006, Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc. (Eastside) filed with the Commission changes to its Tariff No. 11 on 5th Revised Page No. 1, 3rd Revised Page No. 21, 4th Revised Page No. 23, 3rd Revised Page No. 27, 3rd Revised Page No. 30, 3rd Revised Page No. 31, 3rd Revised Page No. 32, 1st Revised Page No. 40, 1st Revised Page No. 41, 1st Revised Page No. 42, 1st Revised Page No. 43, 1st Revised Page No. 44, 1st Revised Appendix B Page No. 1 of 2, and 1st Revised Appendix B Page No. 2 of 2. The stated effective dates are May 1, 2006.

- 2 The filing proposes to increase rates for solid waste, residential recycling, multi-family recycling and yard waste service. One of the major components of the filing is a new labor agreement for union drivers. The Company's March 16, 2006, filing reflects the Company's estimate of the new contract. Eastside and the union have negotiated a tentative labor contract agreement. Drivers will vote on the tentative labor contract agreement on April 29, 2006.

- 3 Staff has reviewed Eastside's total operations, the impact of the labor increases set forth in the tentative labor contract, the allocations between different lines of business and the allocations between contract and regulated areas. Based on Staff's conclusions, Eastside and Staff have agreed to revised rates that are lower than the originally proposed rates. On April 17, 2006, Eastside filed revised rates at the Staff recommended levels on Substitute 3rd Revised Page No. 21, Substitute 4th Revised Page No. 23, Substitute 3rd

Revised Page No. 27, Substitute 3rd Revised Page No. 30, Substitute 3rd Revised Page No. 31 and Substitute 3rd Revised Page No. 32.

- 4 The revised rates are lower than the original rates and Staff believes the revised rates accurately reflect the terms of the tentative labor contract. The drivers have not yet ratified the tentative labor contract. The revised rates might injuriously affect the rights and interests of the public if the drivers do not ratify the tentative labor contract. Eastside has not demonstrated that the revised rates would ultimately result in rates that are fair, just and reasonable. The Commission therefore suspends Eastside's tariff filings made March 16, 2006, and the substitute pages filed April 17, 2006, but allows the suspended tariffs to become effective on May 1, 2006, on a temporary basis, subject to refund, and will hold public hearings if necessary.

FINDINGS AND CONCLUSIONS

- 5 (1) The Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, affiliated transactions and transfers of public service companies, including solid waste companies. *RCW 80.01.040; Chapter 81.01 RCW; Chapter 81.04 RCW; Chapter 81.28 R.; Chapter 81.16 RCW; and Chapter 81.77 RCW.*
- 6 (2) Eastside is a solid waste company and is a public service company subject to the jurisdiction of the Commission.
- 7 (3) This matter was brought before the Commission at its regularly scheduled meeting on April 26, 2006.
- 8 (4) The tariff revisions filed by Eastside on March 16, 2006, would increase solid waste, residential recycling, multi-family recycling and yard waste rates and reflect estimated labor cost increases expected to result from a negotiated labor contract. Subsequently, Eastside and the union reached a tentative labor contract. The drivers will vote on the tentative labor contract on April 29, 2005. On April 17, 2006, Eastside filed revised rates on Substitute 3rd Revised Page No. 21, Substitute 4th Revised Page No. 23, Substitute 3rd Revised Page No. 27, Substitute

3rd Revised Page 30, Substitute 3rd Revised Page 31 and Substitute 3rd Revised Page No. 32. The revised rates are at Staff recommended levels and reflect the terms of the tentative labor contract. Because the drivers have not yet ratified the tentative labor contract, the labor rates are not known and measurable at this time. If the drivers do not ratify the tentative labor contract, the proposed rates, as revised, might injuriously affect the rights and interest of the public.

- 9 (5) Eastside has not yet demonstrated that the proposed tariff revisions, as revised, would ultimately result in rates that are fair, just and reasonable. The Commission therefore finds that it should suspend the proposed tariff filing, as revised, but allow the rates to become effective May 1, 2006, on a temporary basis, subject to refund, and hold public hearings if necessary.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 81.04.130, the Commission believes it is necessary to investigate Eastside's books and records to verify the valuation of Eastside's rates.
- 11 (7) As required by RCW 81.04.130, Eastside bears the burden of proof to show that the proposed rates are fair, just and reasonable.
- 12 (8) Eastside may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff revision(s) filed by Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc., on March 16, 2006, and revised by substitute pages filed April 17, 2006, are suspended.
- 14 (2) The revised rate increase sought by Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc., as filed in its tariff revisions on March 16, 2006,

and amended by substitute pages filed April 17, 2006, should be allowed to become effective on May 1, 2006, on a temporary basis, subject to refund

- 15 (3) The Commission will hold hearings at such times and places as may be required.
- 16 (4) Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 17 (5) The Commission will institute an investigation of Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc.'s books and records as necessary. Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc., will make its books and records available to the Commission or its representatives upon request.
- 18 (6) Rabanco LTD. and Rabanco Recycling, Inc., d/b/a Eastside Disposal Co., Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.

DATED at Olympia, Washington, and effective April 26, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner