

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

In the Matter of the Petition of	)	DOCKET TG-101542
)	
MASON COUNTY GARBAGE CO.,	)	ORDER 01
INC. D/B/A MASON COUNTY)	
GARBAGE, G-88,)	
)	
Petitioner,	)	ORDER AUTHORIZING
	)	REVENUE SHARING FOR
	)	RECYCLABLE COMMODITIES
	)	REVENUE; REQUIRING
Requesting Authority to Retain Thirty	)	REVENUES NOT SPENT
Percent of the Revenue Received From	)	DURING PRIOR PLAN PERIOD
the Sale of Recyclable Materials	)	AND CURRENT PLAN PERIOD
Collected in Residential Recycling	)	BE CARRIED FORWARD TO
Service	)	FOLLOWING PLAN PERIOD
.....)	

BACKGROUND

- 1 On September 15, 2010, Mason County Garbage Co., Inc. d/b/a Mason County Garbage (Mason County Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission):
- Revisions to its currently effective Tariff No. 13, designated as Tariff pages 1, 21 and 21A with a stated effective date is November 1, 2010;
 - A request to retain thirty percent of the revenue Mason County Garbage receives from the sale of recyclable materials that it collects in its residential recycling collection service;
 - A copy of the Company's 2010-2011 recycling and revenue sharing plan titled; "Company Recycling Plan: Single-Stream Recycling Program"; and
 - A letter dated September 14, 2010, signed by David Baker, Solid Waste Manager, Mason County Utilities and Waste Management.
- 2 Mason County Garbage proposes to increase the amount that it pays to single-family customers for the value of the recyclable materials that Mason County Garbage collects in its residential recycling collection service. The monthly credit for single-family customers is proposed to increase from \$1.15 to \$1.75.

3 RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from single-family customers to retain “up to fifty percent of the revenue paid” to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling.¹ The remaining revenue must be passed through to single-family customers.

4 Mason County Garbage's 2010-2011 recycling and revenue sharing plan titled; "Company Recycling Plan: Single-Stream Recycling Program" sets forth specific actions that Mason County Garbage will take to increase recycling using recyclable commodity revenues retained by the Company. The 2010-2011 plan is identical to the one submitted by the Company in Commission Docket TG-090899.² The plan submitted in TG-090899, represents the initial agreement between the Company and Mason County (County) when single stream recycling was introduced through Mason County's Ordinance #147-08, which is adopted in the County Code as chapter 13.30.90. The 2010-2011 plan calls for thirty percent of the retained recyclable commodity revenue to be awarded to the Company on the basis of:

- Meeting or exceeding data monitoring and reporting requirements - 10 percent award;
- Achieving and demonstrating an increase in recycling per household per month, year-over-year - 10 percent award; and
- Assisting the County in providing and operating a glass recycling box at County transfer stations – 10 percent award.

5 The letter, signed by David Baker, Solid Waste Manager, Mason County Utilities and Waste Management stated that the Company's performance from 2009 to 2010 had achieved the goals and objectives identified in the County's Solid Waste Management

¹ Engrossed Second Substitute House Bill 2539, Chapter 154, Laws of 2010 became effective June 10, 2010, increasing the amount that could be retained by solid waste collection companies from thirty percent to 50 percent.

² Order 02, TG-090899 (effective August 13, 2009) authorized Mason County Garbage to retain thirty percent of recyclable commodity revenues and deferred accounting to annually adjust recyclable commodity revenues.

Plan and ordinance, and Mason County Garbage is therefore entitled to retain thirty percent of recyclable commodity revenues it withheld from customers.

6 In its Order 02, Docket TG-090899, the Commission authorized Mason County Garbage to retain thirty percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on November 1, 2010. The Company was ordered to make its commodity adjustment effective November 1, 2010, and report to the Commission no later than September 15, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in the Company's recycling plan, and the effect the activities had on increasing recycling.

7 Staff provided technical assistance to the Company and the County to assist them in complying with the filing requirements set forth in the recycling statute and commission order. On October 22, 2010, the Company provided Staff with a list of expenditures related to the previous year's plan and a letter from the County certifying the newly titled plan; "2010 – 2011 Company Recycling Plan: Single-Stream Recycling Program, Updated October 2010" as being consistent with their Solid Waste Management Plan.³ The amount of revenue that the Company ultimately will be allowed to retain for the 2009 plan period may change; the Commission has not completed its review of the 2009 plan expenses.

8 Staff recommends that the Commission accept the County's recommendation that Mason County Garbage retain thirty percent of the revenue it will receive from the sale of recyclable materials and require the Company to report to the Commission the amount of revenue it retained, the amount of money it spent on the activities identified in Mason County Garbage's recycling and revenue sharing plan and the effect the activities had on increasing recycling. Staff also recommends that the Commission require the Company to meet the performance requirements set forth in the plan, and consider whether to reduce the revenue share the Company retained if the Company fails to meet those performance requirements. Finally, Staff recommends that the Commission require revenues from the prior plan period and this plan period that are not spent to be carried over to the following year, unless the Commission orders some other treatment.

³ On October 22, 2010, the Company filed a revision to the plan's title to; "2010 – 2011 Company Recycling Plan: Single-Stream Recycling Program, Updated October 2010," while the title changed, the content did not from the version filed on September 15, 2010.

DISCUSSION

9 The Commission has reviewed the Company's filing and supporting documentation and agrees with Staff's recommendations. Specifically, the Commission finds it reasonable to accept the County's recommendation that Mason County Garbage retain up to thirty percent of the revenue it will receive from the sale of recyclable materials, subject to further review by Commission Staff, and to require the Company to report to the Commission the amount of revenue the Company retained, the amount of money it spent on the activities identified in Mason County Garbage's recycling and revenue sharing plan and the effect the activities had on increasing recycling. The Commission also finds it reasonable to require the Company to meet the performance requirements set forth in the plan, and the Commission, in consultation with the County, will consider whether to reduce the revenue share the Company retained if the Company fails to meet those performance requirements. Finally, the Commission will require revenues from the prior plan period and this plan period that are not spent to be carried over to the following year, unless the Commission orders some other treatment.

FINDINGS AND CONCLUSIONS

- 10 (1) 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.*
- 11 (2) This matter came before the Commission at its regularly scheduled meeting on October 28, 2010.
- 12 (3) Mason County Garbage 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.
- 13 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from single-family and multi-family customers to retain up to fifty percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the

appropriate local government authority as being consistent with the local government solid waste management plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed through to single-family and multi-family customers.

- 14 (5) Mason County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The solid waste manager of Mason County's Utilities and Waste Management division certified that Mason County Garbage's 2010-2011 recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan. The Commission amends his "thirty percent" recommendation to allow Mason County Garbage to retain up to thirty percent of the revenue the Company receives from the sale of recyclable materials, subject to further review by Commission Staff.
- 15 (6) After reviewing Mason County Garbage's request to allow the proposed commodity credits filed on September 15, 2010, to become effective November 1, 2010, and request to retain thirty percent of the revenue received from the sale of recyclable materials, and giving due consideration, the Commission finds that, as amended, Mason County Garbage's requests are reasonable and should be granted, subject to conditions set forth above.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The Commission takes no action allowing the commodity credits filed by Mason County Garbage Company, Inc. d/b/a Mason County Garbage on September 15, 2010, to go into effect November 1, 2010, by operation of law.
- 17 (2) Mason County Garbage Co., Inc. d/b/a Mason County Garbage is authorized to retain up to thirty percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on November 1, 2011, subject to further review by Commission Staff. Mason County Garbage Co., Inc. d/b/a Mason County Garbage will report to the Commission no later than September 16, 2011, the amount of revenue it retained, the amount of money it spent on the activities identified in Mason

County Garbage Co., Inc.'s recycling plan, and the effect the activities had on increasing recycling.

- 18 (3) Mason County Garbage Company, Inc. d/b/a Mason County Garbage is required to meet the elements of its recycling plan. The Commission requests that Mason County inform the Commission if the Company fails to meet its reporting requirements. Upon receipt of such information, either from Mason County or from another source, the Commission, in consultation with the County, shall provide notice to the Company that the revenue sharing is being reconsidered and the Company should demonstrate why its percentage should not be reduced.
- 19 (4) Revenues retained by Mason County Disposal Company, Inc., not spent during the previous plan period are to be carried over into the next year, and revenues from this plan period that are not spent are to be carried over to the following year, unless the Commission orders some other treatment.
- 20 (5) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required by this Order.
- 21 (6) The Commission retains jurisdiction over the subject matter and Mason County Garbage Co., Inc. d/b/a Mason County Garbage, to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective October 28, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



JEFFREY D. GOLTZ, Chairman



PATRICK J. OSHIE, Commissioner