

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

In the Matter of the Petition of)	DOCKET TG-111498
)	
FIORITO ENTERPRISES, INC., &)	ORDER 01
RABANCO COMPANIES, DBA)	
KENT-MERIDIAN DISPOSAL)	
COMPANY, G-60,)	
)	
Petitioner,)	
)	
Requesting Authority to Retain Fifty)	
Percent of the Revenue Received From)	ORDER AUTHORIZING
the Sale of Recyclable Materials)	REVENUE SHARING FOR
Collected in Residential Recycling)	RECYCLABLE COMMODITIES
Service)	REVENUE
.....)	

BACKGROUND

1 On July 28, 2011, the Washington Utilities and Transportation Commission (Commission) issued Order 02 in Docket TG-101075 that requires Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company (Kent-Meridian or Company), to:

- Make its next recyclable commodity revenue adjustment effective October 1, 2011, and each August 1 thereafter;
- Make all of its future commodity adjustment filings forty-five days prior to the proposed effective date; and
- Report to the Commission no later than August 17, 2011, the amount of revenue it retained, the amount of money it spent on the activities identified in Kent-Meridian’s 2010-2011 recycling plan and the effect the activities had on increasing recycling.

Order 02 in Docket TG-101075 also approved Kent-Meridian’s request to extend revenue sharing and the recyclable commodity revenue adjustments approved in Order 01 from August 1, 2011, to September 30, 2011.

2 In compliance with the requirements specified in Order 02 above, the Company filed with the Commission on August 16, 2011, revisions to its Tariff No. 27, pages 1, 21, 25, 28, 29, 30 and 31. The revised pages contain changes to the monthly recyclable commodity revenue adjustment for residential customers. The current credit of \$0.15 will increase to a credit of \$1.05 and, for multi-family customers, the per yard credit of \$0.12 (\$0.42

compacted) will increase to a credit of \$0.37 (\$1.28 compacted). The Company is also requesting the Commission allow it to retain fifty percent of the revenue received from the sale of recyclable materials from October 1, 2011, to July 31, 2011; the 2011-2012 plan period. The Company serves approximately 32,000 residential and 49 multi-family regulated recycling customers in King County (County).

- 3 The Company's filing of August 16, 2011, also included the following:
- A summary report detailing the amount of revenue Kent-Meridian retained, the amount of money it spent on the activities identified in its 2010-2011 recycling plan and the effect the activities had on increasing recycling;¹
 - A Commodity Revenue Sharing Enhancement Plan between the Company and the County for the 2011-2012 plan period outlining specific deliverables associated with the use of retained revenues; and
 - A Revenue Share Agreement Budget for the 2011- 2012 plan period containing forecasted revenues and planned expenditures.
- 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 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.
- 5 Staff examined Kent-Meridian's summary report for the 2010-2011 plan period. The Company reported retaining from August 1, 2010, to July 31, 2011; \$242,975. During the same period, Kent-Meridian spent \$211,571 on activities designed to increase recycling. In his letter to the Commission dated August 16, 2011, Kevin Kiernan, Division Director, King County Solid Waste Division, stated that, although some tasks from the 2010-2011 Recycling and Revenue Sharing Plan were not completed, the County believes that the Company has satisfactorily fulfilled most of the terms of the agreement and would therefore not request the Commission require Kent-Meridian to

¹ Compliance item from TG-101075, Order 02, Ordering Paragraph 2.

return to its customers any of the revenues retained during the 2010-2011 plan period.² Data provided by the Company in its summary report shows that the total diversion rate between July 2008 and July 2011 has remained essentially flat.³

- 6 On August 16, 2011, the Company filed with the Commission a proposed Commodity Revenue Sharing Enhancement Plan (Plan) for the ten-month period, from October 1, 2011, to July 31, 2012. The Plan was submitted by the Company to meet the requirements for revenue sharing specified in RCW 81.77.185. Along with the Plan, Kent-Meridian submitted to the Commission a Revenue Sharing Agreement Budget (Budget) for the 2011-2012 plan period. Along with a forecasted \$213,854 of retained revenue, the Company is requesting in the Budget that \$31,404 left over from the 2010-2011 plan period be carried over into the 2011-2012 plan period.
- 7 The Plan calls for the following tasks to be performed by the Company in order to retain an estimated \$245,250:
- Conversion to 96-Gallon Recycling Carts – Convert 7,000 customers from 34-gallon to 96-gallon recycling containers. The amount budgeted for this activity is **\$151,250**.
 - Community Outreach - The Company will conduct community outreach and recycling plan evaluation. The amount budgeted for this activity is **\$29,500**.
 - Annual SWAC Presentation – Presentation to the County and other members of the Solid Waste Advisory Committee of the Company’s efforts and results relating to recycling and waste reduction. The amount budgeted for this activity is **\$600**.
 - Recycling Measurement Protocol – Kent-Meridian will participate in a protocol under development by the County for periodic sampling of recyclables. The amount budgeted for this activity is **\$45,000**.
 - Administration, Coordination, Data Collection and Evaluation of Recycling Operations - The Company will continue data collection and evaluation of its

² The 2010-2011 Recycling and Revenue Sharing Plan was approved in Order 01, TG-101075 dtd July 29, 2010.

³ The diversion rate equals the sum of the total tonnage of Municipal Solid Waste, Yard Waste and Recycling divided by the sum of the total tonnage of Recycling and Yard Waste; essentially the percentage of waste that is diverted from landfills. The data encompasses three years of revenue sharing where the Company retained over \$780,000 of recyclable commodity revenue.

recycling operations in the County. The amount budgeted for this activity is **\$18,900.**

8 On August 16, 2011, the County filed with the Commission a letter which includes a certification of the Plan submitted by the Company for the 2011-2012 plan period. The certification is signed by Kevin Kiernan, Solid Waste Division Director, King County, which states, in part, that the County certifies that the Company's Plan is consistent with the County's Comprehensive Solid Waste Management Plan. Therefore, the County is recommending to the Commission that Kent-Meridian be allowed to retain fifty percent of the actual value of recyclable commodity revenues received during the period of this agreement (October 1, 2011, through July 31, 2012).

9 Staff recommends that the Commission grant Kent-Meridian's request to retain fifty percent of the recyclable commodity revenue collected during the period of the plan, October 1, 2011, to July 31, 2012, and approve the tariff revisions filed by the Company on August 16, 2011, to its currently effective Tariff No. 27, designated as Tariff Pages 1, 21, 25, 28, 29, 30 and 31.

10 In summary, Staff recommends that the Commission allow the revised tariff pages filed on August 16, 2011, revising Kent-Meridian's Tariff No. 27 to become effective October 1, 2011, and grant Kent-Meridian's request to retain fifty percent of recyclable commodity revenue collected from October 1, 2011 to July 31, 2012.

FINDINGS AND CONCLUSIONS

11 (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.*

12 (2) This matter came before the Commission at its regularly scheduled meeting on September 28, 2011.

13 (3) Kent-Meridian 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.

- 14 (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.
- 15 (5) King County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of King County's Solid Waste Division certified that Kent-Meridian's recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and the Commission accepts his recommendation to allow Kent-Meridian to retain fifty percent of the revenue the Company receives from the sale of recyclable material collected from single family and multi-family customers.
- 16 (6) After reviewing Kent-Meridian's request to revise Tariff No. 27 and allow the Company to retain fifty percent of the revenue it receives from the sale of recyclable materials collected in its single family and multi-family residential recycling programs from October 1, 2011, through July 31, 2012, and giving due consideration, the Commission finds that Kent-Meridian's requests are reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 17 (1) The tariff revisions Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, filed on August 16, 2011, will be effective on October 1, 2011.
- 18 (2) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, is authorized to retain fifty percent of the revenue it receives from the sale of recyclable materials collected in its single family and multi-family residential recycling programs from October 1, 2011, through July 31, 2012.

- 19 (3) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, will report to the Commission no later than June 17, 2012, the amount of revenue it retained, the amount of money it spent on the activities identified in Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company's recycling plan and the effect the activities had on increasing recycling.
- 20 (4) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, shall make its next commodity adjustment effective August 1, 2012, and each August 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 21 (5) The Commission delegates to the Secretary the authority to approve by letter all compliance filings required in this Order.
- 22 (6) The Commission retains jurisdiction over the subject matter and Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective September 28, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary