

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

ZIPPY DISPOSAL SERVICE, INC.,

Respondent.

DOCKET TG-180267

ORDER 01

ORDER ALLOWING TARIFF
REVISIONS TO BECOME
EFFECTIVE SUBJECT TO
CONDITIONS

BACKGROUND

- 1 On March 29, 2018, Zippy Disposal Service, Inc. (Zippy Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 17. The purpose of the filing is to add a new commingled recycling pick-up service as required by Chelan County's Solid Waste Management Plan. The stated effective date is May 1, 2018. The Company provides solid waste collection service to approximately 1,800 customers in Chelan County.
- 2 In this filing, Zippy Disposal proposes to implement a new subscription service for comingled recycling consistent with Chelan County's solid waste plan. Previously, the county provided drop-box sites for customers to drop off recycling materials. Zippy Disposal's filing assumes it will subscribe 500 customers in its first year of operation, which would increase revenues by approximately \$131,000, or 5 percent annually. The proposed start-up rate would be \$25 per customer, per month based on estimated costs, which include baling and transporting the material to Spokane for processing.
- 3 Commission staff (Staff) reviewed the filing and determined that the Company's financial information supports the revised revenue requirement, and that the proposed charges are fair, just, reasonable, and sufficient based on the estimated cost of the program. However, because this is a new program in Chelan County and the recommended revised rates are based on estimates rather than actual costs, Staff recommends the Commission require the Company to file tariff revisions with an

effective date no later than December 1, 2019, that include actual customer, cost, and revenue data for a consecutive 12 month test period, in addition to the following information:

- (a) The number of residential customers, by garbage service level.
- (b) The total tons of residential solid waste disposed of and the total tons of residential recycle commodities collected.
- (c) All route hours and payroll data for residential solid waste and residential recycling collection.
- (d) Any other information that may be needed to evaluate the effectiveness and cost of the residential recycling program.
- (e) An adjusted filing for both garbage and recycling based on the programs' actual costs.

The Company must make its filing no later than October 15, 2019, but may file sooner if actual costs and revenues vary significantly from its projections.

DISCUSSION

- 4 The Commission accepts the proposed rates filed on March 29, 2018, as revised on April 20, 2018, and allows those revised rates to become effective on May 1, 2018, by operation of law subject to the following conditions: 1) the Company must file revised tariff pages reflecting actual customer, cost, and revenue data, with a proposed effective date of December 1, 2019, along with the information described in paragraph 3, above, no later than October 15, 2019, and 2) the Company must include with its filing a proposed mechanism for issuing refunds to customers in the event actual costs are significantly lower than projected, resulting in over collection.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts and securities, transfers of property and affiliated interests of public service companies, including solid waste companies.

- 6 (2) Zippy Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 7 (3) This matter came before the Commission at its regularly scheduled meeting on April 26, 2018.
- 8 (4) The proposed increased tariff revisions are fair, just, reasonable, and sufficient based on the projected estimates provided by the Company.
- 9 (5) The Commission finds it reasonable to allow the rates to become effective on May 1, 2018, because the new recycling program was required by Chelan County's solid waste plan.
- 10 (6) As required by RCW 81.04.130, Zippy Disposal bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient. Nothing in this Order is intended to limit the issues as to the fairness, justness, reasonableness, and sufficiency of the proposed increases.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The tariff revisions Zippy Disposal Service, Inc. filed on March 29, 2018, and revised on April 20, 2018, are allowed to become effective by operation of law on May 1, 2018.
- 12 (2) Zippy Disposal Service, Inc., will file tariff revisions with an effective date no later than December 1, 2019, that includes actual customer, cost, and revenue data for a consecutive 12 month test period; the elements listed in paragraph 3, above; and a proposed mechanism for issuing refunds in the event the Company over collects during the test year.

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 May 1, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary