

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

BAINBRIDGE DISPOSAL, INC,

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to
Recycling Credits or Charges

DOCKET TG-200093

ORDER 01

GRANTING EXEMPTION FROM
RULE; ALLOWING TARIFF
REVISIONS TO BECOME
EFFECTIVE BY OPERATION OF
LAW

BACKGROUND

- 1 On February 4, 2020, Bainbridge Disposal, Inc., (Bainbridge Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions proposing an increase in the residential commodity debit of \$1.40, from a debit of \$4.82 per customer to a debit of \$6.22 per customer; and an increase in the multi-family recycling commodity debit of \$1.61, from a debit of \$0.94 per customer to a debit of \$2.55 per customer. Bainbridge also requests an exemption from WAC 480-70-351(2).
- 2 WAC 480-70-351(2) requires that solid waste companies that estimate the revenue from the sales of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers must use the most recent 12-month historical period to estimate the revenue for the next 12 months.
- 3 Bainbridge Disposal asserts the recycling commodity markets remain volatile and seeks approval to continue using a six-month period, rather than 12-month to calculate its proposed recycling commodity adjustment.
- 4 Commission staff (Staff) reviewed the request and data submitted by the Company and determined the request is reasonable because the first part of the test year showed volatility that decreased in later months. Staff recommends granting Bainbridge Disposal's request for exemption.
- 5 Staff informed the Company that as the markets appear to be stabilizing the Company is expected to consider returning to 12-month intervals.

6 Staff also recommends allowing the tariff revisions for the commodity adjustment to become effective by operation of law. Based on the Company's information, these rates are fair, just, reasonable, and sufficient. The commodity adjustment is a mechanism for periodically adjusting the cost or profit sharing linked to the recyclable commodity market. It allows customers to benefit when recyclables generate additional profit and prevents the Company from suffering losses when it costs more than expected to dispose of recycling materials.

DISCUSSION

7 We agree with Staff's recommendation and grant Bainbridge Disposal an exemption from WAC 480-70-351(2). Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. Using the most recent six-month historical period to estimate revenues is reasonable because it reflects a more realistic estimate of current cost of recyclable commodity disposal. Accordingly, we find that granting the Company's request for an exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

8 We agree with Staff's recommendation to allow the proposed tariff revisions to become effective by operation of law. The Commission has allowed other regulated solid waste companies to implement similar commodity adjustments allowing them to quickly pass changes in revenues or costs for recycling materials to customers.

FINDINGS AND CONCLUSIONS

- 9 (1) The 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.
- 10 (2) Bainbridge Disposal 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.
- 11 (3) Bainbridge Disposal is subject to WAC 480-70-351(2), which requires solid waste companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs as part of a deferred accounting

program to return recycling revenues or charges to customers must use the most recent 12-month historical period to estimate the revenue for the next 12 months.

- 12 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also* WAC 480-07-110.
- 13 (5) Staff recommends the Commission grant Bainbridge Disposal's request for exemption from WAC 480-70-351(2).
- 14 (6) This matter came before the Commission at its regularly scheduled meeting on March 26, 2020.
- 15 (7) After reviewing the petition filed in Docket TG-200093 by Bainbridge Disposal on February 4, 2020, and giving due consideration, the Commission finds that granting the requested exemption is in the public interest, consistent with the purposes underlying the regulation and applicable statutes, and should be granted.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Bainbridge Disposal, Inc.'s request for an exemption from WAC 480-70-351(2) is granted. Bainbridge Disposal, Inc., may use the most current six month of historical revenues to calculate its recycling commodity adjustment.
- 17 (2) The tariff Bainbridge Disposal, Inc., filed on February 4, 2020, will become effective on March 1, 2020, by operation of law.
- 18 (3) The Commission retains jurisdiction over the subject matter and Bainbridge Disposal, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective March 26, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Mark L. Johnson

MARK L. JOHNSON
Executive Director and Secretary