

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the matter of the Petition of:

RABANCO LTD, d/b/a LYNNWOOD
DISPOSAL,

Certificate G-12

Requesting Authority to Retain 50 Percent
of the Revenue Received from the Sale of
Recyclable Materials Collected in
Residential Recycling Service

DOCKET TG-210445

ORDER 01

AUTHORIZING REVENUE
SHARING FOR RECYCLABLE
COMMODITIES REVENUE;
ALLOWING RECYCLABLE
COMMODITY CREDIT
ADJUSTMENT

BACKGROUND

- 1 On June 14, 2021, Rabanco LTD, d/b/a Lynnwood Disposal, (Rabanco or Company) filed with the Washington Utilities and Transportation Commission (Commission) the following documents: (1) revised 2021-2022 commodity credits resulting in decreased rates to residential recycling customers and multifamily customers; (2) the 2021-2023 Snohomish County recycling plan; and (3) a request that the Commission allow Rabanco to retain up to 50 percent of the revenue received from the sale of recyclable materials during the 2019- 2021 recycling plan period. The Company serves single family and multi-family residential recycling customers in Snohomish County.

END OF 2019-2021 RECYCLING PLAN AND REVENUE SHARING

- 2 For the 2020-2021 reporting period, the Company reported the following spending:
- \$37,273 for Project Management (Task 1)
 - \$0 for Data Reporting (Task 2)
 - \$39,500 for School Outreach (Task 3)
 - \$0 for Contingencies (Task 4)

Total spending for the second year of the agreement is \$76,773, and the total spent over

the two-year plan is \$154,000.

- 3 The proposed budget for the plan called for expenditures of \$154,000. However, the total commodity value was \$185,274. The Company is only allowed to retain up to 50 percent of the commodity value, which is \$92,637. The Company underspent by \$15,864, which will be credited back to customers in the commodity adjustment calculation.

PROPOSED 2021-2022 COMMODITY CREDITS

- 4 The Company proposing a commodity credit increase as outlined in the table below. The proposed credit will decrease customer recycling rates for the period August 1, 2021, to July 31, 2022.

Single Family			
d/b/a	Current Credit	Proposed Credit	Difference
Lynnwood	\$0.09	\$0.57	\$0.48
Multifamily			
Lynnwood	\$0.03	\$0.22	\$0.19

PROPOSED 2021-2023 RECYCLING PLAN AND REVENUE SHARING

- 5 Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 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 to the residential customers.
- 6 Pursuant to that statute, on July 14, 2021, the Company filed with the Commission a Commodity Revenue Sharing Enhancement Plan for Snohomish County (Plan) for the period from August 1, 2021, to July 31, 2023. The Company forecasts \$188,000 in revenue from the sale of recyclable commodities and proposes to retain \$94,000 (50 percent) to spend on Plan activities.
- 7 Under the Plan, the Company will be limited to retaining up to 50 percent of the actual revenue received from the sale of recyclable commodities for the period from August 1, 2021, to July 31, 2023. Excess revenue will be returned to customers in the current recycling commodity adjustment. The maximum amount the Company can retain in any

year is 50 percent of commodity values. The Company will work with the county to make any relevant budget and plan adjustments and will include those changes in its 2022 commodity credit filing.

8 The County and the Company have submitted the Plan budget in this docket for review. The Plan budget is highlighted below.

Project	Description	Two-year	Proposed 2021-2022
Task 1	Administration	\$64,000	\$32,000
Task 2	Data Reporting	\$0	\$0
Task 3	Single Family Outreach	\$15,000	\$7,500
Task 4	Multifamily Outreach	\$12,000	\$6,000
Task 5	School Recycling Education	\$3,000	\$1,500
Total		\$94,000	\$47,000

9 The Plan's 2021-2023 budget includes an incentive payment, which is 5 percent of planned expenditures.¹ The Plan states, in part:

Elements of the review for eligibility for the incentive may include but are not limited to:

- Monthly reporting of curbside customers in the form currently being used or, if changes in reporting are needed, a form mutually agreed upon between Republic and Snohomish County
- Twice yearly report on task 3, task 4, task 5 and how many schools are provided outreach and how that outreach was conducted.

¹ On May 30, 2012, the Commission issued its interpretive and policy statement in Docket TG-112162 to address issues concerning implementation of recycling revenue sharing plans, including Incentives, Bonuses, or Returns in paragraphs 26 through 32. The policy statement articulates that incentives should be conditioned upon or tied to achieving performance goals or objectives.

- 10 Additionally, as set forth in the Plan, eligibility for the incentive will be determined by Snohomish County based on its satisfaction that the Company's expenditures of revenue sharing funds are consistent with the Plan's activities and budgets and are subject to review by the Commission. Eligibility for the incentive will be determined on an annual basis.
- 11 Kevin Kelly, Snohomish County Solid Waste Division Director, signed the Plan and certified that it is consistent with Snohomish County's Comprehensive Solid Waste Management Plan. Snohomish County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2021, to July 31, 2023
- 12 Commission staff (Staff) recommends that the Commission grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan and allow the recycling commodity credits filed by Rabanco on June 14, 2021, to go into effect August 1, 2021.

DISCUSSION

- 13 We agree with Staff's recommendation and (1) grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan and (2) allow the recycling credits filed by the Company to go into effect by operation of law on August 1, 2021. We address each of the Company's requests in turn.
- 14 First, the Company has met the requirements of RCW 81.77.185. Rabanco submitted a plan to the Commission that was certified by the appropriate local government authority as consistent with the local government's solid waste plan, which demonstrates how the revenues will be used to increase recycling. Snohomish County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2021, to July 31, 2023. Therefore, we grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan.
- 15 Finally, we find that the Company's proposed commodity credits, which reflect both the effect of the Commission-approved deferred accounting mechanism and the commodity revenues for the 2021-2022 plan period, are consistent with the public interest.

FINDINGS AND CONCLUSIONS

- 16 (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 affiliated interests of public service companies, including solid waste companies.
- 17 (2) Rabanco 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.
- 18 (3) This matter came before the Commission at its regularly scheduled meeting on July 29, 2021.
- 19 (4) Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 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. RCW 81.77.185 states that the remaining revenue shall be passed to residential customers.
- 20 (5) Snohomish County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Snohomish County's Solid Waste Division certified that Rabanco's recycling plan is consistent with Snohomish County's Comprehensive Solid Waste Management Plan.
- 21 (6) Rabanco's request to retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2021, to July 31, 2021, is consistent with RCW 81.77.185 and should be granted.
- 22 (7) It is in the public interest to allow the revisions to Tariff No. 4 filed on June 14, 2021, to become effective on August 1, 2021.

ORDER

THE COMMISSION ORDERS:

- 23 (1) Provided Rabanco LTD., d/b/a Lynnwood Disposal, complies with the Plan as set forth in this Order, the Company may retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2021, to July 31, 2023.
- 24 (2) Rabanco LTD., d/b/a Lynnwood Disposal, shall present its revenue sharing plan and commodity adjustments to the Commission requesting an effective date each August 1 hereafter, and shall make all future revenue sharing plans and commodity adjustment filings 45 days prior to the proposed effective date.
- 25 (3) Rabanco LTD., d/b/a Lynnwood Disposal, shall make a compliance filing with the Commission no later than June 15, 2022, in which the Company shall identify the amount of revenue it retained, the amount of money it spent on the activities identified in the Plan, and the effect the activities had on increasing recycling.
- 26 (5) The commodity credits filed by Rabanco LTD., d/b/a Lynnwood Disposal, on June 14, 2021, are allowed to go into effect by operation of law.
- 27 (6) The Commission delegates the Secretary the authority to approve by letter all compliance filings required in this Order.
- 28 (7) The Commission retains jurisdiction over the subject matter and Rabanco LTD., d/b/a Lynnwood Disposal, 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 July 29, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary