

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of amending)	DOCKET NO. TG-920486
WAC 480-09-300 and 310, and)	
adopting WAC 480-09-335,)	GENERAL ORDER NO. R-380
relating to Solid Waste)	
Rate Increases)	ORDER AMENDING AND ADOPTING
)	RULES PERMANENTLY
)	
.....)	

The Washington Utilities and Transportation Commission takes this action under Notice WSR 92-19-087, filed with the Code Reviser on September 16, 1992. The Commission brings this proceeding pursuant to RCW 80.01.040.

This proceeding complies with the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.05 RCW), the State Register Act (chapter 34.08 RCW), the State Environmental Policy Act of 1971 (chapter 43.21C RCW), and the Regulatory Fairness Act (chapter 19.85 RCW).

The Commission scheduled this matter for oral comment and adoption under the Notice WSR 92-19-087, for 9:00 a.m., Wednesday November 4, 1992, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Notice provided interested persons the opportunity to submit written comments to the Commission until October 16, 1992.

Written comments were received from Jim Dickey on behalf of Yergen and Meyer, Edward Nikula on behalf of Sanitary Service Company, Mr. Michael Weinstein on behalf of Waste Management of North America, Inc., Mr. Rodney G. Hansen on behalf of the King County Solid Waste Division, Mr. Ralph M. Devin on behalf of Rabanco, and Ms. Polly Lord McNeill on behalf of Resource Recovery Corporation.

The Commission, pursuant to the Notice, considered the rule change proposal for adoption at its regularly scheduled open public meeting on November 4, 1992, before Chairman Sharon L. Nelson, Commissioner Richard D. Casad and Commissioner A. J. Pardini.

Teresa Osinski made oral comments at the open public meeting on behalf of Commission Staff in favor of adopting the proposal as noticed, with certain changes. In addition to editorial changes for ease in reading and understanding and in addition to correcting clerical errors, Commission Staff recommended the following changes:

Section 310(3) is revised to add the terms "pass-through", "taxes", and "collection" to clearly identify certain filings

CODE REVISER'S OFFICE
STATE OF WASHINGTON
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WSR 92-24-058

that are not subject to pre-filing provisions, and to add increases resulting from implementing new service levels as increases not constituting general rate increases.

Section 310(3) is revised to exempt increases for industrial waste collection services, including hazardous and chemical waste, sludge wastes, other industrial wastes, and biohazardous wastes from the filing requirements. This exemption is intended to apply to all rates of the sort specified, filed by any company, and will not apply to non-listed rates of companies conducting these as well as other services. The Commission may still request the information after filing, but the company is not required to submit the information at the time of filing for rate increases for the listed services.

Section 335 is rearranged for clarity, without changing its meaning, by rearranging and separating some provisions. References in the following paragraphs are to the subsections in the revised rule that the Commission adopted.

Section 335(2)(f) is revised to allow the reconciliation of unadjusted booked revenue to the test period within a five per cent tolerance. Doing so recognizes that the information needed to make an exact reconciliation may not be available, and the provision will reduce the cost of producing needed information.

Section 335(2)(i) is revised by adding a sentence allowing submissions to include investor-supplied working capital as an element of rate base if supported with a detailed worksheet, to specifically allow the presentation of such information. This revision is added in response to carrier requests and provides an optional approach for companies that wish to use it.

Section 335(4) is revised by adding provisions deleting the carrier's obligation to file a cost of service study when a study was filed less than two years before the current filing and whenever the increase is for recycling or curbside yard waste collection, in response to comments and in order to eliminate unnecessary requirements.

The Commission adopted the recommended changes, for the reasons stated above, and adopted the proposal as revised.

The rule change affects no economic values.

In reviewing the entire record, the Commission determines that WAC 480-09-300 and WAC 480-09-310 should be amended, and that

WAC 480-09-335 should be adopted, to read as set forth in Appendix A, attached to this order and included in it by this reference.

O R D E R

THE COMMISSION ORDERS That WAC 480-09-300 and 310 are amended, and WAC 480-09-335 is adopted, to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.080(2).

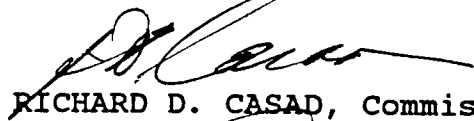
THE COMMISSION FURTHER ORDERS That this order and the attached rule, after being recorded in the order register of the Washington Utilities and Transportation Commission, shall be forwarded to the Code Reviser for filing pursuant to chapter 34.05 RCW and Chapter 1-21 WAC.

Dated at Olympia, Washington this 25th day of November, 1992.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. J. PARDINI, Commissioner

A P P E N D I X A

AMENDATORY SECTION (Amending Order R-310, Docket No. U-89-2966-R, filed 10/12/89, effective 11/12/89)

WAC 480-09-300 Filing requirements--Statement of policy. Statement of policy. The commission establishes the requirements of WAC 480-09-300 through ~~((480-09-330))~~ 480-09-335 for filings relating to general rate increases by electric, natural gas, ~~((and))~~ telecommunications, and solid waste collection companies subject to its jurisdiction. Requirements as to the form and content of filings will standardize presentations, clarify issues, and speed and simplify the processing of rate filings.

AMENDATORY SECTION (Amending Order R-310, Docket No. U-89-2966-R, filed 10/12/89, effective 11/12/89)

WAC 480-09-310 Filing requirements--Definition. (1) For the purposes of WAC 480-09-300 through ~~((480-09-330))~~ 480-09-335 only, a general rate increase filing is the request by any company regulated by the commission under Title 80 and chapter 81.77 RCW for an increase in rates which meets one or more of the following criteria:

(a) The amount requested would increase gross annual revenue of the company from activities regulated by the commission by three percent or more.

(b) Tariffs are restructured such that the gross revenue provided by any customer class would increase by three percent or more.

(c) The company requests a change in its authorized rate of return on common equity or capital structure.

(d) The company is regulated under chapter 81.77 RCW, except those companies that provide specific kinds of industrial waste collection services, including but not limited to hazardous and chemical waste, sludge wastes, and other industrial waste.

(2) The following proceedings shall not be considered general rate increases for companies regulated under Title 80 RCW even though the revenue requested may exceed three percent of the company's gross annual revenue from Washington regulated operations: ~~((Energy cost adjustment proceedings;))~~ Periodic rate adjustments for electric utilities as may be authorized by the commission; natural gas tracking increases; emergency or other short-notice increases caused by disaster or weather-related conditions unexpectedly increasing a public service expense; rate increases designed to recover governmentally-imposed increases in costs of doing business such as changes in tax laws or ordinances; or other increases designed to recover increased expenses arising on short notice and beyond the public service company's control.

(3) The following proceedings shall not be considered general rate increases for companies regulated under chapter 81.77 RCW even

though the request may increase the company's gross annual revenue from Washington regulated operations: Tariff item 230 - disposal fee pass through for drop-box service only provided there are no affiliated interest relationships; filings for collection of per-customer pass-through surcharges and taxes imposed by the jurisdictional local government based on current year customer count either as a specified dollar amount or percentage fee amount; and, for the implementation of new collection programs.

NEW SECTION

WAC 480-09-335 Filing requirements--General rate increases solid waste collection companies. General rate increase filings by class A and B haulers as defined in WAC 480-70-350 shall include at the time of the filing, at least the following information:

(1) Two copies of the proposed tariff, a copy of every local government ordinance related to the request, and a copy of the customer notices issued in compliance with the provisions of WAC 480-149-120 and a transmittal letter prepared in compliance with the provisions of WAC 480-149-120 and 480-70-240.

(2) All supporting work papers for the test period, which is the most recent, or most appropriate, consecutive twelve-month period, for which financial data is available. Work papers are to include:

(a) A detailed pro forma income statement separated between solid waste, single family residential recycling, multifamily recycling, and yard waste with restating actual and pro forma adjustments, as defined in WAC 480-09-330(2), including all supporting calculations and documentation for all adjustments.

(b) A calculation of the revenue impact of proposed tariff revisions.

(c) An income statement listing all revenue and expense accounts by month.

(d) If nonregulated revenue represents more than ten percent of total company test period revenue, a detailed separation of all revenue and expenses between regulated and nonregulated operations.

(e) A detailed list of all nonregulated operations, including the rates charged for the services rendered. Copies of all contracts shall be provided upon request.

(f) Detailed price-out information which reconciles within five percent, without adjustment, to the test period booked revenue including the test period customer count by tariff item.

(g) A consolidated balance sheet, including the percentage of equity and the percentage of debt and the cost of that debt by component.

(h) A detailed depreciation schedule listing all used and useful assets held by the company during the test period, including the date of purchase, the cost at purchase, the depreciable life, the salvage value, depreciation expense, and accumulated depreciation expense at the end of the test period.

(i) Computed average investment. Average investment is the net book value of allowable assets at the beginning of the test period plus the net book value of allowable assets at the end of

the test period, divided by two. Investor supplied working capital may be included, provided a work sheet is submitted detailing the calculations.

(j) Information about every affiliated interest transaction directly or indirectly affecting the proposed rates. This shall include: A full description of the relationship; terms and amount of the transaction; the length of time the relationship has been ongoing; and, an income statement and balance sheet for every affiliated entity.

(3) The most recent consolidated annual report to shareholders, if any.

(4) All class A haulers shall submit a completed cost of service study, using a format prescribed by commission staff, with the first general rate increase request following the effective date of this rule. If additional rate increase requests are filed in the two years following a filing in which a cost of service study was provided, then a new study will not be required. When the general rate increase filing is for a curbside yard waste or recycling program, a cost of service study will not be required.