

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

In the Matter of the Petition of	)	DOCKET TG-101857
	)	
RABANCO LTD, DBA ALLIED	)	ORDER 01
WASTE SERVICES OF KENT,	)	
RABANCO COMPANIES AND	)	
SEA-TAC DISPOSAL, G-12,	)	
	)	
Petitioner,	)	
	)	ORDER AUTHORIZING
	)	REVENUE SHARING FOR
	)	RECYCLABLE COMMODITIES
	)	REVENUE; AND REQUIRING
	)	REVENUES NOT SPENT
Requesting Authority to Retain 50	)	DURING THE PRIOR PLAN
Percent of the Revenue Received From	)	PERIOD AND THE CURRENT
the Sale of Recyclable Materials	)	PLAN PERIOD BE CARRIED
Collected in Residential Recycling	)	FORWARD TO THE
Service	)	FOLLOWING PLAN PERIOD
.....	)	

**BACKGROUND**

- 1 On November 16, 2010, Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal (Sea-Tac or Company) filed with the Washington Utilities and Transportation Commission (Commission):
  - Revisions to its currently effective Tariff No. 26, designated as Tariff pages 1, 21, 25, 31, 34, 35, 36 and 37 with a stated effective date of January 1, 2011;
  - A request to retain 50 percent of the revenue Sea-Tac receives from the sale of recyclable materials that it collects in its residential single-family and multi-family recycling collection service; and
  - A letter dated November 16, 2010, signed by Alex Brenner, Sr. Market Analyst, Northwest Area, Allied Waste Services requesting additional time to complete SeaTac's recycling and revenue sharing plan in order to ensure sufficient budgetary detail and that mechanisms for tracking expenses are in place for the new plan year.
  
- 2 On December 9, 2010, Sea-Tac filed a copy of the Company's 2010-2011 recycling and revenue sharing plan titled; "Allied Waste – Rabanco LTD/Sea-Tac Disposal Commodity Revenue Sharing Enhancement Plan for King County, January 1, 2011 – December 31,

2011" which also included the Company's detailed budget for how it would spend retained recyclable commodity revenues.

- 3 Sea-Tac proposes to increase the amount it pays to single-family customers and decrease the amount it pays to multi-family customers for the value of the recyclable materials that the Company collects in its residential recycling collection service. The amount of the monthly adjustment for single-family customers would increase from a debit of \$0.42 to a credit of \$0.83 and for multi-family customers would decrease from a credit of \$1.89 per yard to a debit of \$0.35 per yard for each pickup.
- 4 RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from residential single-family and multi-family customers 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.<sup>1</sup> The remaining revenue must be passed through to residential single-family and multi-family customers.
- 5 Sea-Tac's recycling and revenue sharing plan sets forth specific actions that Sea-Tac will take to increase recycling using recyclable commodity revenues retained by the Company. The plan estimates that 50 percent of the retained recyclable commodity revenue will generate \$49,533, which the Company will use to fund the following initiatives:
  - Data collection and evaluation – monthly report of tonnages, customer counts and commodity values;
  - Conversion to 96-gallon Recycling Carts – Transition of about 500 regulated customers from 34-gallon to 96-gallon capacity recycling containers.
  - Outreach – Printing and distribution of outreach materials and participation at community events to promote recycling; and
  - Capital Investments – Addition of two vehicles that use compressed natural gas (CNG) fuel by 2011 to operate on Sea-Tac routes in an effort to reduce the

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<sup>1</sup> Engrossed Second Substitute House Bill 2539, Chapter 154, Laws of 2010 became effective June 10, 2010, increasing the amount that could be retained by solid waste collection companies from 30 percent to 50 percent.

company's carbon footprint and the installation of a new front end screen at the Municipal Recycling Facility (MRF) at 3<sup>rd</sup> and Lander to improve the recycling of aluminum cans.<sup>2</sup>

- 6 The plan, signed by Kevin Kiernan, Solid Waste Division Director, King County, states, in part, that "King County believes that implementation of this recycling plan will increase the amount of materials recycled by Rabanco SeaTac customers, and hereby certifies that the provisions of this plan are consistent with the King County Comprehensive Solid Waste Management Plan. Therefore, King County recommends to the WUTC that SeaTac Disposal be allowed to retain 50% of the actual commodity values received during the period of this agreement (January 1, 2011 – December 31, 2011)".
- 7 In its Order 01, Docket TG-091801, the Commission authorized Sea-Tac to retain 30 percent of the revenue it received from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on January 1, 2011. The order required Sea-Tac to report to the Commission no later than February 1, 2011, the amount of revenue it retained, the amount of money it spent on the activities identified in Sea-Tac's 2009-2010 recycling plan and the effect the activities had on increasing recycling.
- 8 Staff recommends that the Commission accept the County's recommendation that Sea-Tac retain 50 percent of the revenue it will receive from the sale of recyclable materials and require the Company to:
- Submit its draft 2011-2012 recycling and revenue sharing plan to the County by October 15, 2010, in order for the plan to be considered for certification by the County;
  - Report to the Commission no later than November 15, 2011, the amount of revenue it retained, the amount of money it spent on the activities identified in Sea-Tac's 2010-2011 recycling and revenue sharing plan and the effect the activities had on increasing recycling;
  - Meet the performance goals set forth in the 2010-2011 plan; and

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<sup>2</sup> According to the Company's 2010-2011 plan year budget, retained revenues do not pay for capital investments.

- Require revenues that Sea-Tac retained but did not spend during the previous plan period to be carried over into the next year, and revenues from this plan period that are not spent to be carried over to the following year, unless the Commission orders some other treatment.

### FINDINGS AND CONCLUSIONS

- 9 (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.*
- 10 (2) This matter came before the Commission at its regularly scheduled meeting on December 30, 2010.
- 11 (3) Sea-Tac 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.
- 12 (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 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 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.
- 13 (5) King County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Solid Waste Division Director for the County certified that Sea-Tac's 2010-2011 recycling and revenue sharing plan is consistent with the County's Comprehensive Solid Waste Management Plan. The Commission accepts his recommendation to allow Sea-Tac to retain up to 50 percent of the revenue the Company receives from the sale of recyclable materials, subject to further review by Commission Staff.

- 14 (6) After reviewing Sea-Tac's request to allow the proposed commodity credits filed on November 16, 2010, to become effective January 1, 2011, and request to retain 50 percent of the revenue received from the sale of recyclable materials, and giving due consideration, the Commission finds that Sea-Tac's requests are reasonable and should be granted, subject to conditions set forth above.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) The Commission takes no action allowing the recyclable commodity revenue adjustments filed by Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, on November 16, 2010, to go into effect January 1, 2011, by operation of law.
- 16 (2) Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, is authorized to retain up to 50 percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on January 1, 2012, subject to further review by Commission Staff. Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, will provide to King County, its draft 2011-2012 recycling and revenue sharing plan no later than October 15, 2011. Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, will report to the Commission no later than November 15, 2011, the amount of revenue it retained, the amount of money it spent on the activities identified in Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal's recycling and revenue sharing plan, and the effect the activities had on increasing recycling. The Company will also file with the Commission no later than November 15, 2011, its 2011-2012 recycling and revenue sharing plan, 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.
- 17 (3) Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, is required to meet the elements of its recycling and revenue sharing plan. The Commission requests that King County inform the Commission

if Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal fails to meet its plan goals. Upon receipt of such information, either from King County or from another source, the Commission, in consultation with the County, shall provide notice to Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, that the revenue sharing is being reconsidered and Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, should demonstrate why its percentage should not be reduced.

- 18 (4) Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, shall make its next commodity adjustment effective January 1, 2012, and each January 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 19 (5) Revenues retained by Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac Disposal, not spent during the previous plan period are to be carried over into the next year, and revenues from this plan period that are not spent are to be carried over to the following year, unless the Commission orders some other treatment.
- 20 (6) The Commission delegates to the Secretary the authority to approve by letter all compliance filings required by this Order.
- 21 (7) The Commission retains jurisdiction over the subject matter and Rabanco LTD, dba Allied Waste Services of Kent, Rabanco Companies and Sea-Tac 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 Olympia, Washington, and effective December 30, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary