

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

In the Matter of the Petition of	)	DOCKET TG-101858
)	
RABANCO LTD, DBA EASTSIDE	)	ORDER 01
DISPOSAL, CONTAINER)	
HAULING, RABANCO)	
CONNECTIONS AND RABANCO)	
COMPANIES, G-12,)	
)	
Petitioner,)	
	)	ORDER AUTHORIZING
	)	REVENUE SHARING FOR
	)	RECYCLABLE COMMODITIES
	)	REVENUE; AND REQUIRING
	)	REVENUES NOT SPENT
Requesting Authority to Retain Fifty	)	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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies (Eastside or Company) filed with the Washington Utilities and Transportation Commission (Commission):
- Revisions to its currently effective Tariff No. 11, designated as Tariff pages 1, 21, 23, 27, 30, 31 and 32 with a stated effective date of January 1, 2011;
 - A request to retain 50 percent of the revenue Eastside 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 Eastside'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, Eastside filed a copy of the Company's 2010-2011 recycling and revenue sharing plan titled; "Allied Waste Services of Bellevue, Commodity Revenue

Sharing Enhancement Plan for King County, Calendar Year 2011" which also included the Company's detailed budget for how it would spend retained recyclable commodity revenues.

- 3 Eastside proposes to increase the amount it pays to single-family and 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 \$0.43 debit to a \$0.76 credit and for multi-family customers would increase from a \$0.10 per yard debit to a \$0.19 per yard credit 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 fifty 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.¹ The remaining revenue must be passed through to residential single-family and multi-family customers.
- 5 Eastside's recycling and revenue sharing plan sets forth specific actions that Eastside 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 \$174,182, which the Company will use to fund the following initiatives:
 - Data collection and evaluation – monthly report of tonnages, customer counts and commodity values. This includes data collection and evaluation of current garbage customers who increase service and the completion of a survey submitted to the County by October 15, 2011, summarizing the number of yard waste/food scrap subscriptions during the one-year period ending August 31, 2011, and a report on the number and size of recycling carts currently in use throughout Eastside's service area;

¹ 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.

- Outreach – Printing and distribution of outreach materials and participation at community events to promote and enhance recycling in all service areas; and
- Capital Investments – The addition of six vehicles fueled by compressed natural gas (CNG), bringing the total fleet operating on Eastside routes to 44 CNG-fueled vehicles by 2011 in an effort to reduce the Company’s carbon footprint. The installation of a new glass washing system at the Municipal Recycling Facility (MRF) at 3rd and Lander to create a new market for that commodity.²

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 Allied Waste [Eastside] 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 Allied Waste [Eastside] 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-091802, the Commission authorized Eastside 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 Eastside 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 Eastside’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 Eastside 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;

² According to the Company's 2010-2011 plan year budget, retained revenues do not pay for the CNG vehicle capital investment. The glass washing system is proposed to use \$20,000 in retained recyclable commodity revenue.

- 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 Eastside'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
- Require revenues that Eastside 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) Eastside 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 Eastside'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 Eastside 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 Eastside'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 Eastside'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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, on November 16, 2010, to go into effect January 1, 2011, by operation of law.
- 16 (2) Rabanco LTD, dba Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, will provide to King County, its draft 2011-2012 recycling and revenue sharing plan no later than October 15, 2011. Rabanco LTD, dba Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies' 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, that the revenue sharing is being reconsidered and Rabanco LTD, dba Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, should demonstrate why its percentage should not be reduced.
- 18 (4) Rabanco LTD, dba Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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 Eastside Disposal, Container Hauling, Rabanco Connections and Rabanco Companies, 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