

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

In the Matter of the Petition of	)	DOCKET TG-090737
	)	
FIORITO ENTERPRISES, INC.,	)	ORDER 01
AND RABANCO COMPANIES,	)	
DBA KENT-MERIDIAN DISPOSAL	)	
COMPANY, G-60,	)	
	)	
Petitioner,	)	
	)	ORDER APPROVING
Requesting Revisions to Commodity	)	COMMODITY CREDITS;
Credits To Become Effective July 1,	)	AUTHORIZING REVENUE
2009, and Requesting Authority to	)	SHARING; AND REQUIRING
Retain Thirty Percent of the Revenue	)	DEFERRED ACCOUNTING
Received From the Sale of Recyclable	)	TREATMENT FOR
Materials Collected in Residential	)	RECYCLABLE COMMODITIES
Recycling and Multi-Family Service	)	REVENUE
.....	)	

**BACKGROUND**

- 1     On May 13, 2009, Fiorito Enterprises Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company, (Kent-Meridian or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 27, designated as Tariff pages 1, 21, 25, 28, 29, 30 and 31.
- 2     The filing proposes to decrease the commodity credits that Kent-Meridian pays to residential and multi-family customers for the value of the recyclable materials that Kent-Meridian collects in its residential and multi-family recycling service. The stated effective date is July 1, 2009. The monthly commodity credits are proposed to decrease from \$1.40 to \$.54 for residential curbside recycling customers and from \$.16 to \$.05 for multi-family customers.
- 3     The Commission allowed Kent-Meridian’s first commodity adjustment to become effective April 24, 1996, by operation of law without an order authorizing deferred accounting treatment. Kent-Meridian has filed annual commodity adjustments using the same methodology the Commission established for other companies with authorized deferred accounting treatment. The commodity adjustment has two components: First, a projected credit (debit) that uses an average value (cost) of recycle commodities collected over a twelve-month measurement period. Second, a true-up component that compares

the total amount of commodity revenue (cost) earned (paid) by the company through the sale (cost) of the commodities compared with the amount paid (charged) to customers for the estimated value of the commodities over the twelve-month period the current credit was in effect.

- 4 Staff recommends that the Commission require Kent-Meridian to implement deferred accounting treatment for the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in the Company's residential and multi-family recycling service using the most recent twelve-month test period to true-up the estimated revenue to actual revenue, and to estimate revenue for the next twelve-month period. Staff also recommends that the Commission condition its approval on Kent-Meridian making its next commodity adjustment effective July 1, 2010, and each July 1 thereafter, and that Kent-Meridian make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.
- 5 On May 13, 2009, Kent-Meridian filed with the Commission a request to retain thirty percent of the revenue Kent-Meridian receives from the sale of recyclable materials that it collects from residential and multi-family customers.
- 6 RCW 81.77.185 states that the Commission shall allow solid waste collection companies collecting recyclable materials from residential and multi-family customers to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit 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 residential and multi-family customers.
- 7 On June 15, 2009, Kent-Meridian filed its King County recycling plan for fiscal year ending June 30, 2010. The plan sets forth specific actions that Kent-Meridian will take including: working with King County to develop and implement a Regional Recycling Campaign; collecting, evaluating and reporting data; promoting enhanced recycling and organics collection; providing promotional and educational materials; and, enhancing multi-family recycling. The plan also requires Kent-Meridian to file monthly reports with the King County Solid Waste Division and provide copies to the Commission.

8 Kent Meridian’s recycling and commodity revenue sharing plan, dated June 15, 2009, is signed by Kevin Kiernan, Solid Waste Division Director, King County, which states, in part, that “Kent Meridian and King County have come to an agreement on a recycling plan for the period beginning July 1, 2009, and ending June 30, 2010. We recommend the WUTC allow Kent Meridian to retain 30 percent of the revenues from the sale of commodities during this period.” “The plan submitted to you by Kent Meridian and King County is consistent with the King County Comprehensive Solid Waste Management Plan as required in RCW 81.77.185.” Staff recommends that the Commission grant Kent meridian’s request to retain thirty percent of the revenue it receives from the sale of recyclable materials that it collects in its recycling service and require the Company to report to the Commission the amount of revenue it retained, the amount of money it spent on the activities identified in Kent Meridian’s recycling and commodity revenue sharing plan and the effect the activities had on increasing recycling.

9 In summary, Staff recommends that the Commission approve the proposed commodity credits to become effective July 1, 2009, require Kent-Meridian to implement deferred accounting treatment for the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in Kent-Meridian’s residential and multi-family recycling service, and grant Kent-Meridian’s request to retain thirty percent of the revenues it receives from the sale of recyclable materials that it collects from its residential and multi-family customers.

### FINDINGS AND CONCLUSIONS

10 (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.*

11 (2) This matter came before the Commission at its regularly scheduled meeting on June 25, 2009.

12 (3) Kent-Meridian 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.

- 13 (4) RCW 81.77.185 states that the Commission shall allow solid waste collection companies collecting recyclable materials from residential and multi-family customers to retain up to thirty percent of the revenue paid to a 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 to through to residential and multi-family customers.
- 14 (5) King County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of King County's Solid Waste Division certified that Kent-Meridian's recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and the Commission accepts his recommendation to allow Kent-Meridian to retain thirty percent of the revenue the Company receives from the sale of recyclable material collected from residential and multi-family customers.
- 15 (6) After reviewing Kent-Meridian's request to allow the proposed commodity credits filed on May 13, 2009, to become effective July 1, 2009, and request to retain thirty percent of the revenue received from the sale of recyclable materials collected in its residential and multi-family recycling service, and giving due consideration, the Commission finds that Kent-Meridian's requests are reasonable and should be granted. The Commission also finds it is reasonable to require Kent-Meridian to implement deferred accounting treatment of the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected from residential and multi-family customers.

**ORDER**

**THE COMMISSION ORDERS:**

- 16 (1) The proposed tariff revisions Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company filed on May 13, 2009, will be effective on July 1, 2009.

- 17 (2) Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company is authorized to retain thirty percent of the revenue it receives from the sale of recyclable materials collected in its residential and multi-family recycling programs from July 1, 2009, to June 30, 2010. Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company will report to the Commission no later than August 1, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in Kent-Meridian's recycling plan and the effect the activities had on increasing recycling.
- 18 (3) Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential and multi-family recycling services. Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal Company shall make its next commodity adjustment effective July 1, 2010, and each July 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 19 (4) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required in this Order.
- 20 (5) The Commission retains jurisdiction over the subject matter and Fiorito Enterprises, Inc., and Rabanco Companies, d/b/a Kent-Meridian Disposal to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective June 25, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary