BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

| WASHINGTON UTILITIES AND |) | DOCKETS TG-120840, TG-120842 and |
|------------------------------|---|----------------------------------|
| TRANSPORTATION COMMISSION, |) | TG-120843 |
| |) | |
| Complainant, |) | ORDER 01 |
| • |) | |
| v. |) | |
| |) | |
| WASTE MANAGEMENT OF |) | |
| WASHINGTON, INC. D/B/A WASTE |) | |
| MANAGEMENT OF THE |) | |
| NORTHWEST, WASTE |) | |
| MANAGEMENT OF SEATTLE AND |) | |
| SOUTH SOUND, AND WASTE |) | |
| MANAGEMENT OF |) | |
| SNO-KING, G-237, |) | |
| |) | COMPLAINT AND ORDER |
| Respondent. |) | SUSPENDING TARIFFS |
| <u>.</u> |) | |
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BACKGROUND

- On June 16, 2012, Waste Management of Washington, Inc., d/b/a Waste Management of the Northwest, Waste Management of Seattle and South Sound, and Waste Management of Sno-King, G-237, filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that proposed to add language regarding missed pickups due to a labor dispute to Item 30 in its three tariffs. The stated effective date is September 1, 2012.
- Waste Management of Northwest provides regulated solid waste collection service to approximately 85,000 customers in Snohomish County. Waste Management of Seattle and South Sound provides solid waste collection services to approximately 20,000 customers in King County. Waste Management of Sno-King provides regulated solid waste collection service to approximately 22, 000 customers in King County.
- WAC 480-70-281 requires all solid waste collection companies to file proposed tariffs on forms available from the Commission or on comparable forms approved by the Commission. The Commission adopted the current tariff template in 2001 in Docket TG-010374, which does not include Waste Management's proposed language for labor disputes in Item 30, Limitations of Service.

- On May 18, the Commission sent a letter to Waste Management reminding the Company that its tariff does not address labor disputes. Waste Management worked with Commission Staff to craft proposed tariff language and filed proposed tariffs on June 6, all scheduled to become effective August 1. On July 12, Waste Management, at Commission Staff's request, postponed the effective date of the three tariffs to September 1. Staff asked the Company to postpone those tariffs so that we could continue working with the Company and the broader industry to bring an industry-wide proposal to the Commission instead of company-specific proposals.
- On July 25, Waste Management employees went on strike. That same day, the Company filed a request that the Commission consider and approve its pending tariff revisions at the July 27 open meeting. The Commission discussed the pending tariffs at the July 27 open meeting, but took no action on the Company's request.
- On August 9, the Commission held a special open meeting in Woodinville to discuss the Company's response to the strike and to hear from the public how the strike impacted customers.
- On August 21, 2012, the Company asked the Commission to "...approve, on a temporary basis, the Company's proposed methodology for handling missed collections, while at the same time refraining from an approval about the tariff language itself."
- The recent labor dispute has raised many operational questions that still need to be answered before Staff can finish its analysis of the proposed tariffs. Therefore, the Company had not demonstrated the proposed tariffs are fair, just, reasonable or sufficient.

FINDINGS AND CONCLUSIONS

- The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, 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.
- Waste Management, Inc., is a solid waste company and a public service company subject to Commission jurisdiction.

- 11 (3) This matter came before the Commission at its regularly scheduled meeting on August 30, 2012.
- Waste Management, Inc., has not yet demonstrated that the tariff revisions are fair, just, reasonable and sufficient.
- In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 81.04.130 and RCW 81.04.220, the Commission believes it is necessary to investigate Waste Management, Inc.'s books, accounts, practices and activities, and to investigate and appraise various phases of Waste Management, Inc.'s operations.
- 14 (6) As required by RCW 81.04.130, Waste Management, Inc., bears the burden of proof to show that the proposed tariffs are just, fair, reasonable and sufficient. Nothing in this Order is intended to limit the issues as to the fairness, justness, reasonableness and sufficiency of the proposed tariffs.
- Waste Management, Inc., may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with the provisions of RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The tariff revisions filed on June 6, 2012, by Waste Management of Washington, Inc., d/b/a's Waste Management of the Northwest, Waste Management of Seattle and South Sound, and Waste Management of Sno-King are suspended.
- 17 (2) The Commission may hold hearings if needed at such times and places as required.
- Waste Management of Washington, Inc., d/b/a's Waste Management of the Northwest, Waste Management of Seattle and South Sound, and Waste Management of Sno-King must not change or alter the tariff pages filed in these dockets during the suspension period, unless authorized by the Commission.

- 19 (4) The Commission will institute an investigation of Waste Management of Washington, Inc., d/b/a's Waste Management of the Northwest, Waste Management of Seattle and South Sound, and Waste Management of Sno-King books, accounts, practices, activities and operations as described above.
- 20 (5) Waste Management of Washington, Inc., d/b/a's Waste Management of the Northwest, Waste Management of Seattle and South Sound, and Waste Management of Sno-King shall pay the expenses reasonably attributable and allocable to the Commission's investigation consistent with investigation consistent with the provisions of RCW 81.20.

DATED at Olympia, Washington, and effective August 30, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PHILIP B. JONES, Commissioner