

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

HAROLD LEMAY ENTERPRISES,
INC., d/b/a PIERCE COUNTY REFUSE,

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to
Recycling Credits or Charges

DOCKET TG-200045

ORDER 01

GRANTING EXEMPTION FROM
RULE; ALLOWING TARIFF
REVISIONS TO BECOME
EFFECTIVE BY OPERATION OF
LAW

BACKGROUND

- 1 On January 14, 2020, Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse (Pierce County Refuse or Company) filed a recycling commodity adjustment with the Washington Utilities and Transportation Commission (Commission) requesting to establish a 12-month proposed adjustment using a six-month historical period. Commission staff (Staff) recommends that the Commission, on its own motion, grant the Company an exemption from WAC 480-70-351(2).
- 2 WAC 480-70-351(2) requires solid waste companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs, as part of a deferred accounting program to return recycling revenues or charges to customers, to use the most recent 12-month historical period to estimate the revenue for the next 12 months. Pierce County Refuse was previously granted an exemption from WAC 480-70-351(2) due to instability in the recycling market.
- 3 In its filing, Pierce County Refuse asserts that the recycling commodity markets are becoming more stable, and a shorter projection period for calculating commodity adjustments is no longer necessary to avoid large swings in the credit or debit to customers based on changing commodity values. Nevertheless, for this adjustment, the Company seeks to use a six-month historical period because the recycling commodity markets have only recently stabilized, but they are likely to remain stable for the foreseeable future. The Company will return to using 12-months cost for the calculation in their next commodity adjustment filing in 2021.

4 Staff agrees with the Company that the most recent six months of historical data will produce a more accurate estimate of annual revenues and thus recommends that the Commission, on its own motion, grant Pierce County Refuse an exemption from WAC 480-70-351(2).

DISCUSSION

5 The Commission agrees with Staff's recommendation and grants Pierce County Refuse an exemption from WAC 480-70-351(2) on its own motion. Using the most recent six-month historical period to estimate revenues is reasonable because it reflects a more realistic estimate of current recyclable commodity revenue on a going-forward basis. Accordingly, we find that granting the Company's request for an exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes.¹

FINDINGS AND CONCLUSIONS

- 6 (1) The 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.
- 7 (2) Pierce County Refuse 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.
- 8 (3) Pierce County Refuse is subject to WAC 480-70-351(2), which requires solid waste companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers to use the most recent 12-month historical period to estimate the revenue for the next 12 months.
- 9 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. See also WAC 480-07-110.
- 10 (5) Staff recommends the Commission grant Pierce County Refuse an exemption from WAC 480-70-351(2) on its own motion.

¹ See WAC 480-70-051 and WAC 480-07-110.

- 11 (6) This matter came before the Commission at its regularly scheduled meeting on February 20, 2020.
- 12 (7) After review of the petition filed in Docket TG-200045 by Pierce County Refuse on January 14, 2019, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 13 (1) After the effective date of this Order, Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse, is granted an exemption from WAC 480-70-351(2). Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse, may use the most current six months of historical revenues to calculate its recycling commodity adjustment.
- 14 (2) The tariff Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse, filed on January 14, 2020, will become effective on March 1, 2020, by operation of law.
- 15 (3) The Commission retains jurisdiction over the subject matter and Harold Lemay Enterprises, Inc., d/b/a Pierce County Refuse, 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 Lacey, Washington, and effective February 20, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary