

- 6 The new Tariff No. 16 proposed a general rate increase, seeking \$656,506 in additional revenue. Under the proposed rate design, this would have resulted in a rate increase to most services of 7.9%. However, drop box rates were proposed to be redesigned with no net revenue effect. The range of proposed changes to drop box rates was from a 47% increase to some drop box rates and a proposed decrease of 33% to other drop box rates, with no net revenue effect. At the Open Public Meeting of June 13, 2001, the filing was suspended. Commission Staff had not yet completed its investigation of Brem-Air's filing and required additional time to determine whether the proposed tariff revisions would result in rates which would be fair, just, reasonable and sufficient.
- 7 Subsequently, Commission Staff completed its investigation into the rates and charges, and concluded that the requested revenue requirement exceeded the needs of Brem-Air. Commission Staff and Brem-Air worked together to determine the appropriate revenue requirement and rate design and they entered the settlement agreement attached as Appendix B. The overall revenue deficiency was reduced as a result of accounting adjustments, expense allocation revisions, and changes to allocations between regulated and nonregulated activities due to loss of a municipal contract after Tariff No. 16 was filed. A copy of a chart comparing certain of the now proposed tariff changes to current rates and the rates initially proposed is attached as Appendix C.
- 8 At the September 21, 2001 prehearing conference in this docket, the Commission Staff and Brem-Air presented their agreement proposing to settle the issues in this docket. They have reached agreement on the level of Brem-Air's revenue deficiency, and the resulting rate levels that Brem-Air should be allowed to charge, subject to Commission approval. Under letter dated September 10, 2001, Brem-Air presented substitute tariff pages to new Tariff No. 16 in accordance with the agreed-upon revenue requirement and rate design. If approved, this would result in a rate increase to most services of 4.9%. However, the drop box rates would be redesigned as originally proposed, with no net revenue effect. Brem-Air and Commission Staff each conclude that additional revenues of \$413,571, and the resulting rates that have been agreed to, produce an operating ratio within the range that the Commission has considered appropriate and produce rates that are fair, just, reasonable and sufficient.

FINDINGS

- 9 (1) Brem-Air is a solid waste collection company and is a public service company subject to the jurisdiction of the Washington Utilities and Transportation Commission.
- 10 (2) The Tariff No. 16 filed by Brem-Air, with the substitute tariff pages it filed under letter dated September 10, 2001, are in accordance with the Settlement

Agreement reached between Commission Staff and Brem-Air, and the tariff so described should become effective October 1, 2001 as filed.

- 11 (3) Consistent with the Settlement Agreement, the Commission Staff recommended that rate levels lower than those originally filed by Brem-Air should be allowed to become effective as permanent rates, with an effective date of October 1, 2001.
- 12 (4) Brem-Air has agreed to accept the rate levels recommended by Commission Staff and has filed substitute tariff pages expressing rates designed to produce revenues at those levels. The proposed rates are designed to produce a revenue increase of \$413,571 per year.
- 13 (5) Commission Staff recommended that Brem-Air be allowed to insert in the suspended Tariff No. 16 the substitute tariff pages it filed under letter dated September 10, 2001, that the suspension of June 13, 2001 be lifted, and that Tariff No. 16, with the substitute tariff pages, be allowed to go into effect on October 1, 2001. Exhibit No. 1, the settlement agreement, states the resulting level of rates, the pro forma results of operations assuming such rates, and the operating ratio effected by those rates.
- 14 (6) The rate revisions filed by Brem-Air in its Tariff No. 16, with substitute tariff pages, are fair, just, reasonable, and sufficient. The Complaint and Order Suspending Docket No. TG-010611 should be dismissed and permanent rates be allowed to become effective at levels recommended by Commission Staff and reflected in Tariff No. 16, including the substitute tariff pages authorized herein, to be effective October 1, 2001.

ORDER

- 15 (1) The Complaint and Order Suspending Tariff Revisions of June 13, 2001, is hereby dismissed.
- 16 (2) Brem-Air is authorized to file substitute tariff pages within its proposed Tariff No. 16. The resulting proposed Tariff No. 16 is attached to this order as Appendix A and by this reference made a part of this Order as though fully set forth herein. The proposed Tariff No. 16 will become effective as filed, and the rates, charges, terms and conditions shown are the rates, charges, terms and conditions to be applicable to service on and after October 1, 2001.
- 17 (3) The agreement approved by the Commission in resolution of this case, the adjustments allowed in this case, and the filing in this case do not constitute precedent for this company or any other company in terms of methodology or allowance of adjustments.

DATED at Olympia, Washington and effective this ____ day of November, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner