

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

IN THE MATTER OF THE	)	DOCKET TG-131744
PETITION OF	)	
	)	ORDER 01
MASON COUNTY GARBAGE CO.,	)	
INC., DBA MASON COUNTY	)	
GARBAGE,	)	
	)	
Petitioner,	)	
	)	
	)	ORDER AUTHORIZING REVENUE
Requesting Authority to Retain Thirty	)	SHARING FOR RECYCLABLE
Percent of the Revenue Received From	)	COMMODITIES REVENUE AND
the Sale of Recyclable Materials	)	ALLOWING RECYCLABLE
Collected in Residential Recycling	)	COMMODITY CREDIT
Service	)	ADJUSTMENT
.....	)	

**BACKGROUND**

*1* On September 13, 2013, Mason County Garbage Co., Inc. dba Mason County Garbage (Mason or Company) filed the following documents with the Washington Utilities and Transportation Commission (Commission): (1) a report of its 2012-2013 recycling plan and revenue sharing; (2) revised 2013-2014 commodity credits that result in increased rates to all recycling customers; (3) the Company’s 2013-2014 recycling plan; and (4) a request that the Commission allow Mason to retain up to thirty percent of the revenue received from the sale of recyclable materials during the 2013-2014 recycling plan period. The Company serves approximately 10,100 regulated residential recycling customers in Mason County.

**REPORT ON 2012-2013 RECYCLING PLAN AND REVENUE SHARING**

*2* In Docket TG-121513, Order 03, the Commission required the Company to make a compliance filing consisting of the amount of recycling revenue it retained, the amount of money it spent on the activities identified in its 2012-2013 recycling plan, and the effect the activities had on increasing recycling. The Company made the compliance filing on September 13, 2013, and the results are summarized in the following table:

Task	Budget	Retained	Expensed
<b>Mason County Blue Box Recycling contract and glass hauls</b>	\$42,133		\$ 39,215
<b>Glass Hauling-included above</b>			
<b>30 yard glass drop box pick up-Shelton Transfer Station</b>	\$ 1,500		\$ 1,507
<b>20 yard newspaper drop box pick up-Safeway in Shelton</b>	\$ 2,314		\$ 3,490
<b>Recycling Cart decals and magnets</b>	\$ 13,750		\$ 8,803
<b>20 yard glass drop box hauling from Wilson Recycling for Mason County</b>	\$ 1,432		\$ 1,540
<b>Donated in-kind services to community events such as Old Timers Fair, Oysterfest, Celtic Festival, Community Club Crab Feed</b>	\$ 1,785		\$ 1,966
<b>Recycling promotion at Mason County Business Expo</b>	\$ 813		\$ 1,366
<b>Recycling advertising and radio program sponsorship</b>	\$ 3,299		\$ 2,600
<b>Container Purchases for Community Events</b>	\$ 1,688		\$ 0
<b>Total program costs for 2012-2013</b>	<b>\$ 68,714</b>		<b>\$ 60,487</b>
<b>Incentive-5%</b>	\$ 3,436		\$ -
<b>Total</b>	<b>\$ 72,150</b>	<b>\$ 60,487</b>	<b>\$ 60,487</b>
<b>Revenues Returned to customers</b>			<b>\$ 11,663</b>

In its compliance filing, the Company reported that it failed to meet the performance standard to retain the additional five percent of expenditures.

### PROPOSED 2013-2014 COMMODITY CREDITS

3 On October 15, 2013, the Company filed replacement tariff pages in which it proposes to increase recycling rates by \$2.13 (commodity credit decrease from \$3.32 to \$1.19) per month for residential customers for the period November 1, 2013, to October 31, 2014. The proposed commodity credits reflect the Commission-approved deferred accounting treatment and include the additional funds returned to customers in the table set forth above in paragraph two.

**PROPOSED 2013-2014 RECYCLING PLAN AND REVENUE SHARING**

- 4 RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials 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. The remaining revenue shall be passed to the residential customers.
- 5 Pursuant to RCW 81.77.185, on September 13, 2013, the Company filed with the Commission a Commodity Revenue Sharing Enhancement Plan for Mason County (Plan) for the period November 1, 2013, to October 31, 2014. The Company filed a revised plan on October 15, 2013. The Plan forecasts \$245,000 revenue from the sale of recyclable commodities collected and proposes to retain \$73,448 (30.0 percent).
- 6 The Plan identifies the following activities and budget amounts: Various glass hauling activities (\$43,050), Newsprint hauling (\$3,500), Promotion of Recycling through mailings, calendars, and magnets (\$9,500), Community event recycling (\$1,400), participation in the Mason County Business Expo (\$1,400), Environmental program sponsorship-radio (\$2,600) and partner with Mason County to provide and haul yard and green waste containers at transfer stations (\$8,500). The Plan's total budgeted expenditure for activities is \$69,950.
- 7 The 2013-2014 Revenue Share Plan includes \$3,498 (5.0 percent) as an incentive payment to the Company if recycled pounds per month per household increases by at least 0.31 pounds per month (1.0 percent) from the 2012-2013 base of 30.66 pounds per month to 30.97 pounds per month for the 2013-2014 plan period.<sup>1</sup>
- 8 Michelle Whittaker, Interim Solid Waste Manager for Mason County, signed the Plan and certified that it is consistent with Mason County's Comprehensive Solid Waste Management Plan. Mason County recommends that the Commission allow the Company to retain up to 30 percent of the actual value of recyclable commodity revenues received from November 1, 2013, through October 31, 2014, the period of the Plan.
- 9 Staff recommends that the Commission grant the Company's request to retain up to 30 percent of the recyclable commodity revenue collected during the period of the Plan, and

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<sup>1</sup> On May 30, 2012, the Commission issued its interpretive and policy statement (IPS) in Docket TG-112162 to address issues concerning implementation of recycling revenue sharing plans, including Incentives, Bonuses or Returns in paragraphs 26 through 32. The IPS articulates a policy that incentives should be conditioned upon or tied to achieving performance goals or objectives.

allow the revised recycling commodity credits filed by the Company on October 15, 2013, to go into effect November 1, 2013, by operation of law.

### 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) Mason 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 (3) This matter came before the Commission at its regularly scheduled meeting on October 30, 2013.
- 13 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials 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. RCW 81.77.185 states that the remaining revenue shall be passed to residential customers.
- 14 (5) Mason County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Interim Solid Waste Manager of King County certified that Mason's recycling plan is consistent with Mason County's Comprehensive Solid Waste Management Plan.
- 15 (6) The Plan includes a provision for an incentive payment of five percent of the Company's planned expenditure. The Plan conditions the award of the incentive on achieving a specific performance goal.
- 16 (7) Mason's request to retain up to 30 percent of the revenue it receives from the sale of recyclable materials collected in its single-family residential recycling programs from November 1, 2013, to October 31, 2014, is consistent with RCW 81.77.185, and the Commission finds that Mason's request should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 17 (1) If Mason County Garbage Co., Inc., dba Mason County Garbage complies with the Plan as set forth in this order, the Company may retain up to thirty percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from November 1, 2013, to October 31, 2014.
- 18 (2) Mason County Garbage Co., Inc., dba Mason County Garbage shall present its revenue sharing plan and commodity adjustments to the Commission requesting an effective date each November 1 hereafter, and shall make all future revenue sharing plans and commodity adjustment filings 45 days prior to the proposed effective date.
- 19 (3) Mason County Garbage Co., Inc., dba Mason County Garbage shall make a compliance filing with the Commission no later than September 16, 2014, in which the Company shall identify the amount of revenue it retained, the amount of money it spent on the activities identified in the Plan, and the effect the activities had on increasing recycling.
- 20 (4) The commodity credits filed by Mason County Garbage Co., Inc., dba Mason County Garbage on September 13, 2013, as revised on October 15, 2013, are allowed to go into effect by operation of law.
- 21 (5) The Commission delegates to the Secretary the authority to approve by letter all compliance filings required in this Order.
- 22 (6) The Commission retains jurisdiction over the subject matter and Mason County Garbage Co., Inc., dba Mason County Garbage, 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 October 30, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary