



WASHINGTON REFUSE & RECYCLING ASSOCIATION

January 19, 2011

Mr. Dave Danner
Executive Director and Secretary
Washington Utilities and
Transportation Commission
1300 S Evergreen Park Dr. SW
P. O. Box 47250
Olympia, WA 98504-7250

2011 JAN 19 PM 3:45

Re: Docket No. T-101661 (Fuel Surcharge Inquiry)

Dear Mr. Danner:

Please consider this the Washington Refuse & Recycling Association's (WRRA) response to the Commission's "Notice of Workshop" and reconvening of the January 13, 2011 Open Meeting, as stated in the January 10, 2011 notice.

As we have stated at the previous workshop and in correspondence, WRRA considers the current fuel surcharge process and methodology to be effective and urges the commission to continue to make it available to our industry. Both the process and methodology have proven to be a relatively simple manner for adjustments made necessary by fluctuations in fuel prices; as well as making the best use of staff and company resources.

WRRA is not necessarily opposed to rescission of the order delegating authority to the Executive Director, although it does serve to "streamline" the process. Our concern is that the fuel surcharge methodology remains in place, not necessarily whether the Executive Director or the Commission itself issues the final approval. In answer to point one of the fuel surcharge inquiry, **the WRRA believes the WUTC should adopt by rule the current fuel surcharge methodology for solid waste companies.**

If the WUTC believes a change in methodology is necessary we would suggest consideration of the following modifications which are specific to the solid waste industry. First, that fuel surcharges be allowable only for applicants which have had a general rate case within five years. Secondly, consideration of the role of disparate disposal fees, and a "cut off" period for measuring fuel prices could be factors in the methodology.

This is truly an area where "one size does not fit all," particularly in the case of rural haulers with greater distances between stops and where fuel is a disproportionate percentage of costs of service relative to other solid waste collection companies.

Other suggestions we have received from members which could be subject to consideration include:

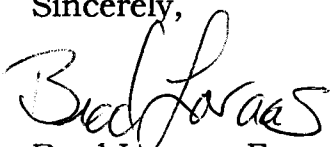
- Reduction of the 1% "threshold" to 1/2 % if costs are below a set threshold;
- Use of actual gallonage in calculations; i.e. include fuel invoices with current worksheet;
- The stipulation that it can only be used by those companies whose baseline fuel price has increased by more than a certain percentage;
- Exploration of filing periods which would reduce staff time, but would still allow for recovery of volatile fuel expenses;

With respect to point two of the inquiry, stakeholders were asked to comment on the SeaTac Shuttle, LLC proposal. **WRRRA believes that a separate methodology for solid waste industry would be more appropriate, rather than having one methodology to cover auto transportation and ferry companies as well.** The solid waste methodology, which might incorporate some or all of the suggestions above, would be more appropriate for our industry. The operational differences between the solid waste industry and the other transportation entities are at issue here.

Lastly, the inquiry asked for comment on "Fuel as separate component to rates, fares and charges." **WRRRA Members believe focusing on a fuel surcharge process best serves the goals of the WUTC and our industry.** This suggestion would be a major restructuring of ratemaking for our industry and would be cumbersome and expensive to implement.

Again, this issue is worthy of further exploration and discussion. WRRRA urges the Commission to retain the current process and methodology for a minimum of three months, allowing all involved to continue to work on a satisfactory resolution.

Sincerely,



Brad Lovaas, Executive Director
Washington Refuse and Recycling Association