

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-080105
)	
Complainant,)	ORDER 01
)	
v.)	
)	
HAROLD LEMAY ENTERPRISES, INC, D/B/A PIERCE COUNTY DISPOSAL, G-98)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF; ALLOWING
Respondent.)	RATES ON A TEMPORARY BASIS,
.....)	SUBJECT TO REFUND

BACKGROUND

- 1 On January 16, 2008, Harold LeMay Enterprises, Inc., d/b/a Pierce County Disposal (Pierce County Disposal), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff 8.6. The stated effective date is March 1, 2008.
- 2 In this filing, Pierce County Disposal proposes to increase charges and rates for solid waste collection, curbside recycling, and update the recycling commodity credit. Pierce County Disposal’s proposed rates were designed to increase revenues by \$1,560,000 (7.56 percent) annually. Commission Staff’s review revealed that the proposed rates were excessive. Staff and Pierce County Disposal negotiated revised rates that would increase annual revenues by approximately \$1,500,000 (7.25 percent). Pierce County Disposal filed revised, lower rates on substitute tariff pages to reflect this reduced revenue level.
- 3 Pierce County Disposal notified its customers of the proposed rate increase by mail on January 31, 2008. The Commission has received twenty comments on this filing. Many of the customers are opposed to the requested rate increase, claiming that the rate increase is: (1) excessive and unjust, given area wages and inflation, (2) unjust when one considers that the customers’ incomes will not increase proportionally, (3) excessive and unjust because the Company owns and profits from the landfill, (4) unfair to senior citizens living on fixed incomes, (5) unfair because customers will be required to pay for Company employee benefits that customers themselves cannot afford, (6) unfair unless

customers are given the option of selecting a different can size and pickup date, and (7) unfair unless the Company offers senior discounts.

- 4 Although Staff understands the customers' concerns regarding the amount of the increase, Staff does not explicitly consider the amount of the increase in preparing recommendations. Staff's goal is to recommend the "right" rates that will allow the Company to recover reasonable operating expenses and provide an opportunity to earn a reasonable return on investment. The Commission sets rates for the Company's solid waste collection business; Pierce County regulates the Company's landfill and sets those disposal rates. It appears that the Company's employee benefit costs are usual and customary for the industry. Finally, the Company is required to charge the tariffed rates for the services it offers.
- 5 The customers have not yet had the opportunity to comment on the proposed revised rates filed by Pierce County Disposal on February 19, 2008.
- 6 Customers deserve to know about, and comment on, the proposed revised rates. The Commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to conduct an evidentiary hearing on the revised rates. Pierce County Disposal, therefore, has not yet demonstrated the revised rates are fair, just, reasonable and sufficient.
- 7 The proposed revised rates might injuriously affect the rights and interests of the public. The Commission therefore suspends the tariff filing. The Commission accepts the proposed revised rates as temporary rates and allows those revised rates to become effective on March 1, 2008, on a temporary basis, subject to refund.

FINDINGS AND CONCLUSIONS

- 8 (1) 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.*

- 9 (2) Pierce County Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 10 (3) This matter came before the Commission at its regularly scheduled meeting on February 28, 2008.
- 11 (4) The tariff revisions Pierce County Disposal filed on January 16, 2008, and the substitute pages filed on February 19, 2008, would increase charges and rates for service Pierce County Disposal provides, and might injuriously affect the rights and interests of the public.
- 12 (5) Pierce County Disposal has not yet demonstrated that the provisions for the rates are fair, just, reasonable and sufficient. The Commission finds it reasonable to allow the revised rates filed on February 19, 2008, to become effective March 1, 2008, on a temporary basis, subject to refund.
- 13 (6) In addition, the Commission invokes the rights, remedies and procedures contained in the reparations statute, RCW 81.04.220, to the extent the Commission finds that any rate subject to this investigation is excessive or exorbitant.
- 14 (7) Pierce County Disposal may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 15 (1) The tariff revisions Harold LeMay Enterprises Inc., d/b/a Pierce County Disposal filed on January 16, 2008, are suspended.
- 16 (2) The proposed revised tariff revisions Harold LeMay Enterprises Inc., d/b/a Pierce County Disposal filed on February 19, 2008, shall become effective on March 1, 2008, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.

- 17 (3) The Commission may hold hearings if needed at such times and places as required.
- 18 (4) Harold LeMay Enterprises Inc., d/b/a Pierce County Disposal must not change or alter the tariff pages filed in this docket during the suspension period, unless the Commission authorizes the change in this docket.
- 19 (5) The Commission will institute an investigation of Harold LeMay Enterprises Inc., d/b/a Pierce County Disposal's books, accounts, practices, activities, property and operations as necessary and as described above.
- 20 (6) Harold LeMay Enterprises Inc., d/b/a Pierce County Disposal shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 81.20.

DATED at Olympia, Washington, and effective February 28, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner