

would increase from \$0.14 to \$1.31 and the monthly credit for multi-family customers would increase from \$0.24 per yard to \$0.67 per yard for each pickup.

3 RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from residential single-family and multi-family customers 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.¹ The remaining revenue must be passed through to residential single-family and multi-family customers.

4 American recycling and revenue sharing plan sets forth specific actions that American will take to increase recycling using recyclable commodity revenues retained by the Company. The plan calls for fifty percent of the retained recyclable commodity revenue to be awarded to the Company on the basis of:

- Ongoing implementation of the single-stream recycling program – up to 5 percent awarded;
- Meeting or exceeding data monitoring and reporting requirements – up to 4 percent awarded;
- Achieving and demonstrating a recycling increase of twenty-five percent per household pounds per month compared to a 2004 baseline, as well as year-over-year improvement compared to a 2009 baseline – up to 21 percent awarded; and
- Achieving additional goals as agreed upon by the County and the Company in 2010 – up to 20 percent awarded.

5 The letter signed by Stephen C. Wambach states that the Company's performance in the past year had achieved the goals and objectives identified in Pierce County's solid waste management plan and ordinance and American is therefore entitled to retain thirty percent of recyclable commodity revenues it withheld from customers. Additionally, the county's letter certifies the plan submitted by the Company for the upcoming year (2010

¹ Engrossed Second Substitute House Bill 2539, Chapter 154, Laws of 2010 became effective June 10, 2010, increasing the amount that could be retained by solid waste collection companies from thirty percent to fifty percent.

to 2011) is consistent with the local government solid waste management plan and that the new plan demonstrates how the revenues will be used to increase recycling.

- 6 In its Order 01, Docket TG-091467, the Commission authorized American to retain thirty percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on November 1, 2010. The Company was ordered to make its commodity adjustment effective November 1, 2010 and report to the Commission no later than September 15, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in the Company's recycling plan, and the effect the activities had on increasing recycling.
- 7 Staff provided technical assistance by sending the Company a reminder of the requirements specified in Order 01, TG-091467, including an example report provided by another company in a recent filing with the Commission. The reminder, with an example report, was sent to the Company on July 19, 2010. The amount of revenue that the Company ultimately will be allowed to retain for the 2009 plan period may change; the Commission has not completed its review of the 2009 plan expenses.
- 8 Staff again provided technical assistance to the Company and the County to assist them in complying with the filing requirements set forth in the recycling statute and commission order. On October 22, 2010, the Company provided Staff with a list of expenditures related to the previous year's plan.
- 9 Staff recommends that the Commission accept the County's recommendation that American retain fifty percent of the revenue it will receive from the sale of recyclable materials and require the Company to report to the Commission the amount of revenue it retained, the amount of money it spent on the activities identified in American recycling and revenue sharing plan and the effect the activities had on increasing recycling. Staff also recommends that the Commission require the Company to meet the performance requirements set forth in the plan, and consider whether to reduce the revenue share the Company retained if the Company fails to meet those performance requirements. Finally, Staff recommends that the Commission require revenues that Murrey's retained but did not spend during the previous plan period to be carried over into the next year, and revenues from this plan period that are not spent to be carried over to the following year, unless the Commission orders some other treatment.

DISCUSSION

10 The Commission has reviewed the Company's filing and related documentation and agrees with Staff's recommendations. Specifically, the Commission finds it reasonable to accept the County's recommendation that American retain up to fifty percent of the revenue it will receive from the sale of recyclable materials, subject to further review by Commission Staff, and to require the Company to report to the Commission the amount of revenue the Company retained, the amount of money it spent on the activities identified in American recycling and revenue sharing plan and the effect the activities had on increasing recycling. The Commission also finds it reasonable to require the Company to meet the performance requirements set forth in the plan, and the Commission, in consultation with the County, will consider whether to reduce the revenue share the Company retained if the Company fails to meet those performance requirements. Finally, the Commission will require revenues that Murrey's retained but did not spend during the previous plan period to be carried over into the next year, and will require revenues from this plan period that are not spent to be carried over to the following year, unless the Commission orders some other treatment.

FINDINGS AND CONCLUSIONS

- 11 (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.*
- 12 (2) This matter came before the Commission at its regularly scheduled meeting on October 28, 2010.
- 13 (3) American 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.
- 14 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from single-family and multi-family customers 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 management plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed through to single-family and multi-family customers.

- 15 (5) Pierce County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Solid Waste Administrator, Pierce County Department of Public Works and Utilities certified that American recycling and revenue sharing plan is consistent with the County's Comprehensive Solid Waste Management Plan. The Commission amends his "fifty percent" recommendation to allow American to retain up to fifty percent of the revenue the Company receives from the sale of recyclable materials, subject to further review by Commission Staff.
- 16 (6) After reviewing American request to allow the proposed commodity credits filed on September 15, 2010, to become effective November 1, 2010, and request to retain fifty percent of the revenue received from the sale of recyclable materials, and giving due consideration, the Commission finds that, as amended, American requests are reasonable and should be granted, subject to conditions set forth above .

ORDER

THE COMMISSION ORDERS:

- 17 (1) The Commission takes no action allowing the commodity credits filed by American Disposal Company, Inc., on September 15, 2010, to go into effect November 1, 2010, by operation of law.
- 18 (2) American Disposal Company, Inc., is authorized to retain up to fifty percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on November 1, 2011, subject to further review by Commission Staff. American Disposal Company, Inc., will report to the Commission no later than September 16, 2011, the amount of revenue it retained, the amount of money it spent on the activities

identified in American Disposal Company, Inc.'s recycling and revenue sharing plan, and the effect the activities had on increasing recycling.

- 19 (3) American Disposal Company, Inc., is required to meet the elements of its recycling and revenue sharing plan. The Commission requests that Pierce County inform the Commission if American Disposal Company, Inc., fails to meet its reporting requirements. Upon receipt of such information, either from Pierce County or from another source, the Commission, in consultation with the County, shall provide notice to American Disposal Company, Inc., that the revenue sharing is being reconsidered and the American Disposal Company, Inc., should demonstrate why its percentage should not be reduced.
- 20 (4) Revenues retained by American Disposal Company, Inc., not spent during the previous plan period are to be carried over into the next year, and revenues from this plan period that are not spent are to be carried over to the following year, unless the Commission orders some other treatment.
- 21 (5) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required by this Order.
- 22 (6) The Commission retains jurisdiction over the subject matter and American Disposal Company, Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective October 28, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



JEFFREY D. GOLTZ, Chairman



PATRICK J. OSHIE, Commissioner