

BEFORE THE WASHINGTON STATE UTILITIES AND  
TRANSPORTATION COMMISSION

In re the Matter of:

Petition for Exemption by Rabanco, Ltd. d/b/a  
Lynnwood Disposal

Case No. TG-

PETITION FOR EXEMPTION FROM  
PORTIONS OF WAC 480-07-520(4)

1 COMES NOW Rabanco, Ltd. d/b/a Lynnwood Disposal (“Lynnwood Disposal,” or “Petitioner”), 1600 127th Avenue NE, Bellevue, Washington, 98005, by and through their counsel Williams Kastner & Gibbs PLLC and David W. Wiley, 601 Union Street, Suite 4100, Seattle, Washington, 98101, and hereby petitions the Washington Utilities and Transportation Commission (“the Commission”), pursuant to WAC 480-70-051, WAC 480-07-110 and WAC 480-07-370(1)(b), seeking an exemption from certain requirements of the general rate proceeding workpaper filing requirements. The request for exemption is sought as applied to Rabanco, Ltd. as the “Company,” in interpretation and application of the rule requirement in light of the revised Commission policy for stricter enforcement of the general rate case rule and consistent with the Commission’s recent decision in Order No. 4, TG-091933, *Washington Utilities and Transportation Commission v. Waste Management of Washington, Inc. d/b/a Waste Management of Sno-King* and Order No. 3, TG-091945 in re the *Petition of Waste Management, Inc. d/b/a Waste Management of Sno-King* (March, 2010), (hereinafter the “Sno-King Order”).<sup>1</sup>

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<sup>1</sup> Rabanco, Ltd. is comparable to Waste Management of Washington, Inc. (“WMW”), in operating here as a single corporate entity in regulated service with numerous separate operating divisions spanning multiple counties within multiple tariff filing areas.

## I. PRELIMINARY STATEMENT

2 This request is filed simultaneously with supporting documentation and a general rate  
case for Lynnwood Disposal. The filing seeks exemptions from specific portions of  
WAC 480-07-520(4) in asking that the Commission not require in this filing, in addition  
to the substantial workpapers just submitted, that under WAC 480-07-520, certain  
documents and computations be applied to Rabanco, Ltd., as opposed to Lynnwood  
Disposal, as the tariff-filing entity.

## II. SPECIFIC PORTIONS OF WAC 480-07-520(4) WHICH PETITIONER NOW SEEKS EXEMPTION OR RELAXATION FROM THE GENERAL RATE CASE WORKPAPERS FILING RULE

3 Request for Exemption from WAC 480-07-520(4)(a). Petitioner here seeks exemption  
from the workpaper detailed pro forma income statement requirement to the extent that  
it asks that subparts (i) and (ii) for restating “actual adjustments” and “pro forma  
adjustments” be limited to demonstration of the impact upon Lynnwood Disposal rather  
than Rabanco, Ltd. as a whole.

4 WAC 480-07-520(b). No exemption requested.

5 WAC 480-07-520(c). No exemption requested.

6 WAC 480-07-520(d). Petitioner here seeks application of the subpart 4(d) requirement of  
non-regulated revenue exceeding 10% of total company test period revenue in limiting  
the workpaper computations and submissions to *Lynnwood Disposal*, as the tariff-filing  
entity, and further asks that the detailed separation of all revenue and expenses  
requirement in subsection 4(d) apply to intracompany transactions between Lynnwood  
Disposal as the tariff-filing entity and Rabanco, Ltd. as the company as a whole,

providing what would be analogously required for disclosure under the affiliated interest transaction rule of 480-70-079 but for the fact that Lynnwood Disposal is a part of Rabanco, Ltd.

7 WAC 480-07-520(e). Petitioner is requesting a partial exemption from the requirement of listing all unregulated operations of Rabanco, Ltd. to the extent that it asks that this requirement be limited to unregulated city contracts and businesses and any transactions or relationships between those Lynnwood Disposal-based business operations and other Rabanco, Ltd. business entities.

8 WAC 480-07-520(f). Petitioner here seeks limitation of the detailed price-out information and reconciliation requirement of this subpart of the general rate case workpaper rule to be again applied to Lynnwood Disposal, the tariff-filing entity, only.

9 WAC 480-07-520(g). No exemption requested.

10 WAC 480-07-520(h). Petitioner hereby seeks an exemption to limit the detailed depreciation schedule applicable to the test period to the tariff-filing entity only, Lynnwood Disposal.

11 WAC 480-07-520(i). Petitioner asks that the computed average investment calculation requirement be limited to applying only to the tariff-filing entity, Lynnwood Disposal, in presenting computed average investment information.

12 WAC 480-07-520(j). No exemption requested.

### III. ARGUMENT IN SUPPORT OF REQUESTED EXEMPTIONS OF GENERAL WORKPAPER FILING RULE

13 G-12, like Waste Management of Washington, Inc.'s Certificate G-237, contains multiple counties, routes and tariff filing divisions comprising Rabanco, Ltd., of which Lynnwood Disposal which, along with Eastside Disposal, Allied Waste of Klickitat County, Allied Waste of Kent d/b/a Sea-Tac Disposal and Rabanco Recycling Companies are all regulated operating divisions. Combined G-12 operations service approximately 37,000 regulated residential customers and 1,966 regulated commercial customers in Snohomish, King and Klickitat Counties. Many of the subparts of WAC 480-07-520 in application implicate broad swaths of territory and disparate routes and operations in both regulated and unregulated services. Historically, accounting data has been maintained based upon and oriented to those separate operating and tariff-filing divisions and it is thus very difficult to aggregate the various data in its current format to be correlated for "the Company," or G-12, as a whole.

14 While Petitioner and Rabanco, Ltd. have been making accounting adjustments to better conform those accounting data to the expectations and parameters of the general rate case workpaper rule in the past two years, Company-wide data (such as a depreciation schedule, WAC 480-07-520(4)(h)), tied to the annual report and reported results of operation for Rabanco, Ltd. cannot be fully reconciled and subject to accurate bifurcation by any tariff-filing entity within G-12. In short, the reliability of the Company-wide calculations and correlations do not have the susceptibility to audit analysis that does

data derived from and pertinent to the operations of the tariff-filing division, Lynnwood Disposal.

15 Because of the greater detail and reconcilable qualities of the individual division's data reporting for a general rate case, Petitioner believes modification/relaxation of the general rate case workpaper rule for the filing by Lynnwood Disposal is fully consistent with the public interest as required by WAC 480-07-110 and WAC 480-70-051, allowing exemption from any rule in WAC 480-70 if consistent with the public interest and the purposes underlying regulation and applicable statutes, and that exemptions from the general rate workpaper rule should therefore again be granted.

16 Indeed, all of the exemptions here requested under the particular subparts of the rule appear to be consistent with the 2010 *Sno-King* Order. As in *Sno-King*, the corporate structure of Rabanco, Ltd. has numerous distinct regulated and unregulated lines of business within a single corporation operating within numerous counties. Granting the exemption would relieve a material administrative burden for both the Company and the Commission in processing another successive rate filing in light of presently unattainable Company-wide data refinement that does not bear upon or have a direct relationship to the results of operations of Lynnwood Disposal and would be counter-productive to the goal of regulatory efficiency and economy in addressing all pertinent financial impacts raised in this filing which, again, is limited to the regulated tariff and overall operations of Lynnwood Disposal.

#### IV. PRAYER FOR RELIEF

17 For all the foregoing reasons, Rabanco, Ltd. d/b/a Lynnwood Disposal, respectfully asks that the Commission consider the specific requests for exemption from portions of WAC 480-07-520(4) noted above, and that after due consideration, it issue an order granting the Petition in full and thereafter allowing conventional audit and review by the audit staff of the general rate case accompanying this filing.

Dated this 17<sup>th</sup> day of May, 2012.

Respectfully submitted,

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DAVID W. WILEY  
Attorney for Rabanco, Ltd. d/b/a Lynnwood Disposal

CERTIFICATE OF SERVICE

I hereby certify that on May 17, 2012, I caused to be served the original and 3 copies of the foregoing document to the following address via first class mail, postage prepaid to:

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

I certify I have also provided to the Washington Utilities and Transportation Commission's Secretary an official electronic file containing the foregoing document via email to: records@utc.wa.gov.

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Lyndsay C. Taylor