

- 4 Staff recommends that the Commission require Lynnwood to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in the Company's recycling service using the most recent twelve-month test period to true-up the estimated revenue (cost) to actual revenue (cost), and to estimate revenue (cost) for the next twelve-month period. Staff also recommends that the Commission condition its approval on Lynnwood making its next commodity adjustment effective September 1, 2010, and each September 1 thereafter, and that Lynnwood make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.
- 5 RCW 81.28.050 and WAC 480-70-266 require forty-five days' notice to the Commission prior to the effective date of the tariff. The tariff sheets bear an inserted effective date of September 18, 2009. This date recognizes statutory notice as required. Lynnwood requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on September 1, 2009. Lynnwood requests less than statutory notice treatment because the current commodity credits will expire on August 31, 2009. The Company is required to notify customers after final Commission action.
- 6 On August 13, 2009, Lynnwood filed with the Commission a request to retain thirty percent of the revenue Lynnwood receives from the sale of recyclable materials that it collects in its residential collection service.
- 7 RCW 81.77.185 provides: "The Commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit 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 residential customers."
- 8 On August 13, 2009, Lynnwood filed its recycling plan for calendar year 2009. The plan sets forth specific actions that Lynnwood will take including: working with Snohomish County (County) to collect, evaluate and report data; promote enhanced recycling and organics collection; provide multi-lingual promotional and educational materials; ensure high diversion of problematic and hazardous materials from the waste stream; and, enhance multi-family recycling through a Multi-Family Recycling Education Program. The plan also requires Lynnwood to file monthly reports with the County Solid Waste

Division and provide copies to the Commission. Lynnwood states that it will use retained revenue to:

- Increase the proportion of households subscribing to curbside collection services.
- Analyze the results of a Green Solutions recycling audit and share its conclusions with the County. The purpose of the audit was to identify ways Lynnwood can decrease residuals and contaminants arriving at the Company's recycling facilities.
- Harmonize with other area curbside recycling programs.
- Work with the County to develop and refine a system to identify roll-off loads with significant contaminants and/or a high degree of recyclable materials.
- Plan for possible future transition to every-other-week/weekly recycling, weekly organics and every-other-week garbage collection.

9 Snohomish County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Snohomish County Solid Waste Division Director certified that Lynnwood's recycling plan, dated July 30, 2009, is consistent with the County's Comprehensive Solid Waste Management Plan and the Commission accepts his recommendation to allow Lynnwood to retain thirty percent of the revenue the Company receives from the sale of recyclable materials.

10 In summary, Staff recommends that the Commission approve the proposed commodity credits to become effective September 1, 2009, on less than statutory notice, require Lynnwood to implement deferred accounting treatment for the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Lynnwood's recycling service, and grant Lynnwood's request to retain thirty percent of the revenues it receives from the sale of recyclable materials that it collects in its residential recycling service.

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 August 27, 2009.
- 13 (3) Lynnwood 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) Lynnwood is subject to RCW 81.28.050 and WAC 480-70-266, which require solid waste companies to file changes in any rate or charge with forty-five days' notice. Under WAC 480-70-276, the Commission may allow, for good cause shown, changes in rates or charges without requiring forty-five days' notice in an order specifying the changes to be made and the effective date.
- 15 (5) Lynnwood asks the Commission to allow the tariff revisions filed August 4, 2009, as revised on August 14, 2009, to become effective September 1, 2009, on less than statutory notice, because the current commodity credits will expire August 31, 2009.
- 16 (6) RCW 81.77.185 provides: "The Commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit 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 residential customers."
- 17 (7) Snohomish County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Snohomish County's Solid Waste Division certified that Lynnwood's recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and recommends that the Commission allow Lynnwood to retain thirty percent of the revenue the Company receives from the sale of recyclable material.
- 18 (8) After reviewing Lynnwood's request to allow the revised commodity credits filed on August 14, 2009, to become effective September 1, 2009, and request to retain thirty percent of the revenue received from the sale of recyclable materials

collected in its recycling service, and giving due consideration, the Commission finds that Lynnwood's requests are reasonable and should be granted. The Commission also finds it is reasonable to require Lynnwood to implement deferred accounting treatment of the revenue received from the sale or cost paid for the disposal of recyclable commodities collected in Lynnwood's recycling service.

ORDER

THE COMMISSION ORDERS:

- 19 (1) The revised tariff revisions Rabanco LTD, dba Lynnwood Disposal, Maltby Division filed on August 14, 2009, will be effective on September 1, 2009, on less than statutory notice.
- 20 (2) Rabanco LTD, dba Lynnwood Disposal, Maltby Division is authorized to retain thirty percent of the revenue it receives from the sale of recyclable materials collected in its residential recycling programs from September 1, 2009, to August 31, 2010. Rabanco LTD, dba Lynnwood Disposal, Maltby Division will report to the Commission no later than August 15, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in its recycling plan and the effect the activities had on increasing recycling.
- 21 (3) Rabanco LTD, dba Lynnwood Disposal, Maltby Division is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential recycling services. Rabanco LTD, dba Lynnwood Disposal, Maltby Division shall make its next commodity adjustment effective September 1, 2010, and each September 1 thereafter. Rabanco LTD, dba Lynnwood Disposal, Maltby Division shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 22 (4) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required in this Order.

- 23 (5) The Commission retains jurisdiction over the subject matter and Rabanco LTD, dba Lynnwood Disposal, Maltby Division to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Olympia, Washington, and effective August 27, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary