

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

In the Matter of the Petition of)	DOCKET TG-101157
)	
RABANCO, LTD.,)	ORDER 01
)	
Petitioner,)	
)	
Seeking Partial Exemption from the)	
Provisions of WAC 480-07-520(4))	ORDER GRANTING PARTIAL
Relating to Supporting Work Papers)	EXEMPTION FROM RULE
.....)	

BACKGROUND

1. Docket TG-101157 involves a proposed tariff revision filed with the Washington Utilities and Transportation Commission (Commission) by Rabanco, Ltd. d/b/a Lynnwood Disposal, Maltby Division (Lynnwood Disposal), business units of Rabanco, Ltd. (Rabanco or the Company) on July 1, 2010.
2. On July 1, 2010, Rabanco filed a petition requesting an exemption from the work paper filing requirements set out in WAC 480-07-520(4).
3. WAC 480-07-520(4) requires Rabanco to file work papers that contain detailed financial data for the Company, its affiliated interests, and its business units. The plain language of the rule requires work papers to address Company-wide finances as a whole, not a limited subset of one or more business units.
4. Rabanco claims that preparing some components of the work paper requirements for Rabanco, as a whole, would impose a significant hardship on the Company because each business unit maintains its own general ledger, and the analysis would require manually consolidating data into one master ledger, a time-consuming and unproductive process without any commensurate benefit to the ratepayers.
5. Rabanco requested the Commission to grant an exemption from WAC 480-07-520(4) consistent with the following:

- (a) *WAC 480-07-520(4)(a) (detailed pro forma income statement)* – The required income statement is limited to Lynnwood Disposal, the business unit providing services under the tariff that Rabanco is seeking to amend.
- (b) *WAC 480-07-520(4)(b) (revenue impact calculation for proposed tariff revisions)* – Rabanco sought no exemption for this filing requirement.
- (c) *WAC 480-07-520(4)(c) (income statement listing all revenue and expense accounts by month)* – Rabanco sought no exemption for this filing requirement.
- (d) *WAC 480-07-520(4)(d) (detailed separation of all revenue and expenses between regulated/nonregulated operations if nonregulated revenue exceeds ten percent of total company test period revenue)* – The filing provides a detailed separation of all revenue and expenses between (1) Lynnwood Disposal, the business units providing services under the tariff that Rabanco is seeking to amend, and (2) other business units within Rabanco with which Lynnwood Disposal has intra-company transactions or arrangements that, but for the fact that the business units are not separate corporations, would be affiliated interest transactions. The filing also includes a detailed separation of all revenues and expenses for each of the other Rabanco business units performing collection operations, with expenses allocated proportionately on the basis of regulated and unregulated revenues, and a combined statement of detailed revenues and expenses for all of Rabanco's unregulated, non-collection operations added together.
- (d) *WAC 480-07-520(4)(e) (detailed list of all nonregulated operations, including the rates charged for the services rendered)* – The filing includes a list of all regulated and nonregulated operations within Rabanco, including the rates charged. No exemption is sought for this filing requirement, but due to the extensive number of municipal contracts under which Rabanco operates; information related to those unregulated operations will be provided upon Staff's request.

- (f) *WAC 480-07-520(4)(f) (detailed price-out information)* – The revenue reported is limited to services provided by Lynnwood Disposal, the business unit providing service under the tariff that Rabanco is seeking to amend.
 - (g) *WAC 480-07-520(4)(g) (consolidated balance sheet)* – Rabanco sought no exemption for this filing requirement.
 - (h) *WAC 480-07-520(4)(h) (detailed depreciation schedule)* – The assets for which a depreciation schedule is provided is limited to those utilized by Lynnwood Disposal, the business unit providing service under the tariff that Rabanco is seeking to amend.
 - (i) *WAC 480-07-520(4)(i) (computed average investment)* – The assets for which the average investment is computed is limited to those utilized by Lynnwood Disposal, the business unit providing service under the tariff that Rabanco is seeking to amend.
 - (j) *WAC 480-07-520(4)(j) (information about every transaction with affiliated interests or subsidiaries)* – Rabanco sought no exemption for this filing requirement.
6. Staff reviewed Rabanco’s request for an exemption from certain provisions of WAC 480-07-520(4) and recommends that the Commission grant that request, as set forth above.

FINDINGS AND CONCLUSIONS

- 7. (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.*
- 8. (2) Rabanco, Ltd. 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.

9. (3) Rabanco, Ltd. is subject to WAC 480-07-520(4), which requires the Company to file work papers that contain detailed financial data for the Company, its affiliated interests, and its business units. The plain language of the rule requires these work papers to address Company-wide finances as a whole, not a limited subset of one or more business units.
10. (4) Rabanco, Ltd. d/b/a Lynnwood Disposal, Maltby Division is a business unit of Rabanco, Ltd. and collects solid waste under one of Rabanco Ltd.'s six tariffs.
11. (5) Rabanco Ltd. d/b/a Lynnwood Disposal, Maltby Division filed a proposed tariff revision on July 1, 2010, seeking to increase Rabanco's rates in its Lynnwood Disposal, Maltby Division business units by approximately \$356,782 or 4.2 percent.
12. (6) In support of its proposed tariff revisions, Rabanco filed work papers containing financial information for Rabanco, Ltd. d/b/a Lynnwood Disposal, Maltby Division and for all of the business units for Rabanco, Ltd's statewide operations.
13. (7) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also WAC 480-07-110.*
14. (8) This matter came before the Commission at its regularly scheduled meeting on July 29, 2010.
15. (9) After review of the petition filed in Docket TG-101157 by Rabanco, Ltd. d/b/a Lynnwood Disposal, Maltby Division on July 1, 2010, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

16. (1) After the effective date of this Order, Rabanco, Ltd's Petition for Exemption from WAC 480-07-520(4) is granted consistent with the terms of this Order.
17. (2) The exemption granted to Rabanco, Ltd. in this Order applies only to the general rate proceeding in Docket TG-101157.
18. (3) The Commission retains jurisdiction over the subject matter and Rabanco, Ltd. to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective July 29, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary