

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

BASIN DISPOSAL, INC., G-118

Respondent.

DOCKET TG-170189

ORDER 02

ORDER ALLOWING REVISED
RATES TO BECOME EFFECTIVE
SUBJECT TO CONDITIONS

BACKGROUND

- 1* On March 17, 2017, Basin Disposal, Inc. (BDI or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed tariff revisions that would generate approximately \$469,000 (10.2 percent) additional annual revenue. BDI bases its request on increased wages, benefits, medical insurance, newly-acquired assets, and other general operating expenses. BDI serves approximately 5,500 residential and commercial customers in Benton and Franklin counties. The Company's last general rate increase became effective on May 1, 2013.
- 2* Commission staff (Staff) reviewed the Company's filing and found that the proposed rates would result in excessive revenue. Staff and the Company agree on a revised revenue requirement of approximately \$412,600 (10 percent) additional annual revenue and agree to revised rates that are fair, just, reasonable, and sufficient. On May 26, 2017, BDI filed revised tariff pages with proposed rates at Staff recommended levels.
- 3* Staff notes in this filing that BDI requested to recover deferred costs associated with the Pasco Sanitary Landfill (PSL) Superfund site which names BDI as a potentially liable party (PLP).¹ These costs were incurred from January 1, 2001, through September 30, 2016, while BDI participated in the superfund process directed by Washington State Department of Ecology (DOE).

¹ See Agreed Order No. DE 92TC-E105, Washington Department of Ecology, 1992. See Also TG-170189 Memo 01 Attachment A.

4 Staff spoke with the DOE PSL Cleanup Site Manager, who informed Staff that a final cleanup plan will be completed in three to five years. Once a final cleanup plan is in place, final liability and any further monetary obligations for all PLPs will be determined. Staff recommends allowing the Company to defer its costs associated with any liability for the final cleanup plan for recovery in a future rate case. At that time, Staff would reduce the deferred cost by the amount the Company receives from third parties, including insurance.² If BDI is found to have zero or limited liability, Staff proposes creating a deferred liability to the extent that the Company has received funds from a third party to recover the amount deferred in this case.³

5 Because the costs allowed in this docket will only permit the Company to recover past expenses, Staff recommends implementing a tracker for the current and future annual costs associated with the PSL Superfund process, excluding costs associated with any final cleanup action. Accordingly, Staff recommends the Commission allow the revised tariff pages to become effective on June 1, 2017, subject to the following conditions:

1. BDI must implement a tracker for its annual PSL Superfund costs from October 1 through September 30 of each year; and
2. BDI must submit a 45-day filing with supporting documents and an effective date of January 1 each year, beginning January 1, 2018; and
3. BDI will divide its annual PSL Superfund costs by its total tonnage and allocate those costs between customer classes; and
4. BDI must maintain revenue collected through its tracker in a separate account; and
5. If BDI over or under collects for any year, the following year will be adjusted to true-up the difference.

6 On March 31, 2017, the Company notified customers by mail of the proposed rate increase. Staff received two comments from consumers, one of whom opposed the proposed rate increase. The customer's comment does not change Staff's opinion that the Company's financial information supports the revised revenue requirement, and that the

² See Order Authorizing Accounting Treatment, Docket UE-911476, Washington Utilities and Transportation Commission, 1992. See Also TG-170189 Memo 01 Attachment B.

³ The deferred asset will only allow recovery of costs from January 1, 2001, to September 30, 2016. The deferred asset is intended to allow the Company to recover the costs it sought to recover in the past that were denied. BDI maintained these costs in an account on its general ledger, and again requests recovery in this filing.

revised rates and charges are fair, just, reasonable, and sufficient. Staff's review shows that the expenses are reasonable and required as part of the Company's operations.

DISCUSSION

7 We agree with Staff's recommendation and allow BDI's revised rates, as filed on May 26, 2017, to go into effect on June 1, 2017, subject to the condition that the Company implement a tracker for its PSL Superfund costs as described in paragraph 5, above.

FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including solid waste companies.

9 (2) BDI 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 May 31, 2017.

11 (4) The tariff revision presently under consideration is fair, just, reasonable, and sufficient because the Company has demonstrated the need for additional annual revenue.

12 (5) After reviewing the revised tariff revision BDI filed in Docket TG-170189 and giving due consideration, the Commission finds it is consistent with the public interest to allow the revised rates and tariff revision filed on May 26, 2017, to become effective on June 1, 2017, subject to the conditions set out in paragraph 5, above.

ORDER

THE COMMISSION ORDERS:

(1) The tariff revisions filed by in this docket on March 31, 2017, as revised on May 26, 2017, shall become effective on June 1, 2017, subject to the following conditions:

1. Basin Disposal, Inc. must implement a tracker for its annual PSL Superfund costs from October 1 through September 30 of each year; and
 2. Basin Disposal, Inc. must submit a 45-day filing with supporting documents and an effective date of January 1 each year, beginning January 1, 2018; and
 3. Basin Disposal, Inc. will divide its annual PSL Superfund costs by its total tonnage and allocate those costs between customer classes; and
 4. Basin Disposal, Inc. must maintain revenue collected through its tracker in a separate account; and
 5. If Basin Disposal, Inc. over or under collects for any year, the following year will be adjusted to true-up the difference.
- (2) The Commission retains jurisdiction over the subject matter and the parties to this proceeding.

DATED at Olympia, Washington, and effective May 31, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner