

January 1, 2009. However, the revised pages filed December 16, 2008, decrease the amount of the commodity credit in LeMay's original filing, resulting in customers paying higher rates. LeMay requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions filed December 16, 2008, become effective on January 1, 2009. The Company requests less than statutory notice treatment because the current commodity credits will expire on December 31, 2008. The Company is required to notify customers after final Commission action.

- 5 On December 16, 2008, LeMay filed a petition requesting an exemption from WAC 480-70-351(2) and filed revised tariff pages that propose to extend LeMay's current commodity credits, scheduled to expire December 31, 2008, for an additional six months. WAC 480-70-351(2) requires companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers to use the most recent twelve-month historical period to estimate the revenue for the next twelve months.
- 6 The commodity adjustment has two components: a true-up component that, for the previous twelve-month test period, compares the estimated commodity value to actual commodity value, and an estimate of the revenue (cost) of the next twelve months using the average twelve-month test period revenue (cost).
- 7 LeMay's twelve-month test period ended in September 2008 and showed LeMay received \$152,530 from the sale of recyclable materials. Subsequently, the markets for recyclable materials collapsed in November. LeMay reports that its revenues fell from an average of \$12,711 during the test period to \$7,612 in October and \$1,072 in November. Staff's review of the commodities markets show that values for recyclable materials have fallen: newspaper (- 65.7 percent), mixed paper (- 95.5 percent), and aluminum (- 42.8 percent).
- 8 Residential customers currently receive a \$1.59 per month credit in Thurston County and a \$1.09 per month credit in Lewis County. The established commodity adjustment methodology would increase the credit to \$3.35 in Thurston County and \$2.42 in Lewis County effective January 1, 2009. LeMay projects that, if the markets stay low, customers may need to pay as much as \$1.57 per month in 2010. LeMay proposes to extend the current commodity credits for an additional six months to allow the markets time to adjust.

9 Staff recommends the Commission approve LeMay's request for exemption and allow the proposed revised tariff changes to become effective January 1, 2009, on less than statutory notice, because there is substantial uncertainty in the recycling commodities markets and LeMay's proposal may decrease the volatility of the commodity adjustments in the short run. Staff also recommends that the Commission condition its approval on LeMay making its next commodity adjustment effective July 1, 2009, and each July 1 thereafter, and that LeMay make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.

FINDINGS AND CONCLUSIONS

- 10 (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.*
- 11 (2) This matter came before the Commission at its regularly scheduled meeting on December 23, 2008.
- 12 (3) LeMay 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.
- 13 (4) LeMay is subject to Commission orders issued in Dockets TG-981088 and TG-981089 that require the Company to file annual commodity adjustments.
- 14 (5) LeMay 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. LeMay asks the Commission to allow the revised rates filed on December 16, 2008, to become effective January 1, 2009, on less than statutory notice, because the current commodity credits will expire December 31, 2008.

- 15 (6) WAC 480-70-351(2) requires companies that estimate the revenue from the sale of recyclable materials collected in residential and multi-family curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers to use the most recent twelve-month historical period to estimate the revenue for the next twelve months. LeMay requests an exemption of this rule to allow it to extend the effective date of the current commodity credits for an additional six months because of the dramatic fall in prices paid for recyclable materials in the commodity markets.
- 16 (7) After reviewing LeMay's tariff filing in this docket, and giving due consideration, the Commission finds that the tariff filing is acceptable and in compliance with the requirements of the orders issued in Dockets TG-981088 and TG-981089.
- 17 (8) After reviewing LeMay's requests for an exemption to WAC 480-70-351(2) to allow the revised tariff filed on December 16, 2008, which reflects the current commodity credits, to become effective January 1, 2009, and giving due consideration, the Commission finds that LeMay's requests are reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Harold LeMay Enterprises, Inc., dba City Sanitary, Joe's Refuse, and White Pass Garbage's tariff filings in this docket comply with the requirements set forth in the Commission's order issued in Dockets TG-981088 and TG-9801089.
- 19 (2) After the effective date of this Order, Harold LeMay Enterprises, Inc., dba City Sanitary, Joe's Refuse, and White Pass Garbage is granted an exemption from WAC 480-70-351(2) and is allowed to extend the current commodity credits for an additional six months.
- 20 (3) The revised tariff revisions Harold LeMay Enterprises, Inc., dba City Sanitary, Joe's Refuse, and White Pass Garbage filed on December 16, 2008, will be effective on January 1, 2009, on less than statutory notice.

- 21 (4) Harold LeMay Enterprises, Inc., dba City Sanitary, Joe's Refuse, and White Pass Garbage shall make its next commodity adjustment effective July 1, 2009, and each July 1 thereafter. LeMay shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 22 (5) The Commission delegates to the Executive Secretary the authority to approve by letter all compliance filings required by this Order.
- 23 (6) The Commission retains jurisdiction over the subject matter and Harold LeMay Enterprises, Inc., dba City Sanitary, Joe's Refuse, and White Pass Garbage to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective December 23, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Secretary