

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of	DOCKET TG-180948
SANITARY SERVICE COMPANY, INC.	ORDER 01
Petitioner,	ORDER GRANTING EXEMPTION FROM RULE; ALLOWING TARIFF REVISIONS TO BECOME EFFECTIVE BY OPERATION OF LAW
Seeking Exemption from the Provisions of WAC 480-70-351(2) Relating to Recycling Credits or Charges	

BACKGROUND

- 1 On November 15, 2018, Sanitary Service Company, Inc. (Sanitary Service or Company) filed with the Washington Utilities and Transportation Commission (Commission) revised tariff pages and requested an exemption from WAC 480-70-351(2), Rates, recycling programs, credits, or charges (Filing). The Company states that the proposed revised tariff pages also reflect increases in pass-through rates. The Company provided 30 days' advance notice to educate its customers on the current state of recycling markets and explain how customers are impacted. The cost of the notice to customers is included in the new commodity adjustment because the notice was required by the Commission. The Company filed revised tariff pages correcting administrative errors on December 14, 2018.
- 2 WAC 480-70-351(2) states that solid waste companies that estimate the revenue from the sales of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers must use the most recent 12-month historical period to estimate the revenue for the next 12 months.
- 3 In its Filing, the Company asserts that the recycling commodity markets have become more volatile, and a shorter projection period for calculating commodity adjustments would avoid large swings in the credit or debit to customers based on changing commodity values. Due to the decreased value of recyclable commodities, the Company seeks approval to use a 6-month, rather than 12-month, average to calculate its proposed recycling commodity adjustment.

4 Commission staff (Staff) reviewed the Filing and determined that the request for an exemption from the 12-month historical period requirement is reasonable. Staff recommends granting Sanitary Service's request for exemption.

DISCUSSION

5 We agree with Staff's recommendation and grant Sanitary Service's Filing requesting exemption from WAC 480-70-351(2). Using the most recent six-month historical period to estimate revenues is reasonable in this case because it reflects a more realistic estimate of recyclable commodity revenue. Accordingly, we find that granting the Company's request for an exemption is consistent with the public interest, the purposes of the underlying regulation, and applicable statutes.¹

FINDINGS AND CONCLUSIONS

- 6 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies, including solid waste companies.
- 7 (2) Sanitary Service is a solid waste company and a public service company subject to Commission jurisdiction.
- 8 (3) Sanitary Service is subject to WAC 480-70-351(2), which requires solid waste companies that estimate the revenue from the sales 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 12-month historical period to estimate the revenue for the next 12 months.
- 9 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if the exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes.²
- 10 (5) Staff recommends the Commission grant Sanitary Service's request for exemption from WAC 480-70-051.

¹ See WAC 480-70-051 and WAC 480-07-110.

² See also WAC 480-07-110.

- 11 (6) Staff recommends that the Commission allow Sanitary Service's proposed revised tariff sheets reflecting an increase in pass-through rates to become effective by operation of law.
- 12 (7) This matter came before the Commission at its regularly scheduled meeting on December 28, 2018.
- 13 (8) After reviewing Sanitary Service's proposed tariff revisions filed on November 15, 2018, and revised on December 14, 2018, in Docket TG-180948 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested exemption is in the public interest, is consistent with the purposes underlying the regulation and applicable statutes, and should be granted, and that the proposed tariff revisions should become effective January 1, 2019, by operation of law.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Sanitary Service Company, Inc.'s request for an exemption from WAC 480-70-351(2) is granted. Sanitary Service Company, Inc. may use the most recent six months of historical revenues to calculate its recycling commodity adjustment.
- 15 (2) The tariff revisions Sanitary Service Company, Inc., filed on November 15, 2018, and revised on December 14, 2018, will become effective on January 1, 2019, by operation of law.

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 December 28, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary