

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of

HAROLD LEMAY ENTERPRISES, INC.
d/b/a HARBOR DISPOSAL AND
EASTERN GRAYS HARBOR DISPOSAL

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to
Recycling Credits or Charges and Less
Than Statutory Notice in Connection with
Tariff Revisions

DOCKET TG-180971

ORDER 01

ORDER GRANTING EXEMPTION
FROM RULE AND GRANTING
LESS THAN STATUTORY NOTICE;
ALLOWING TARIFF REVISIONS TO
BECOME EFFECTIVE BY
OPERATION OF LAW

BACKGROUND

- 1 On November 20, 2018, Harold LeMay Enterprises, Inc. d/b/a Harbor Disposal and Eastern Grays Harbor Disposal (Harbor Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an exemption from WAC 480-70-351(2) Rates, recycling programs, credits, or charges (Petition). 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 as the notice was a requirement by the Commission. The Company also seeks less than statutory notice treatment to allow the commodity adjustment to take effect January 1, 2019.
- 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 Petition, 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 six-month, rather than 12-month, average to calculate its proposed recycling commodity adjustment.

4 RCW 81.28.050 and WAC 480-70-266 require 45 days' notice to the Commission prior to the effective date of the tariff. The tariff sheets bear an effective date of January 4, 2019. This date recognizes statutory notice as required. Harbor Disposal requests, however, less than statutory notice as permitted in WAC 480-70-276, and that the revisions become effective January 1, 2019.

5 Commission staff (Staff) reviewed the Petition and determined that the request for an exemption from the 12-month historical period requirement is reasonable. Staff recommends granting Harbor Disposal's request for exemption and less than statutory notice.

DISCUSSION

6 We agree with Staff's recommendation and grant Harbor Disposal's Petition for exemption from WAC 480-70-351(2). Using the most recent six-month historical period to estimate revenues is reasonable 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 underlying regulation, and applicable statutes.¹

7 The Commission also grants the Company's request for less than statutory notice. The Commission was aware of the Company's request prior to the filing date in this docket and the Company was asked to provide 30 days' advanced customer notice. As such, the Commission did not require 45 days' notice in this instance in order to make a fully informed and reasoned decision. Accordingly, we find that the Company demonstrated that its request is consistent with WAC 480-70-276.

FINDINGS AND CONCLUSIONS

8 (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.

9 (2) Harbor Disposal is a solid waste company and a public service company subject to Commission jurisdiction.

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

- 10 (3) Harbor Disposal 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 45 days' notice. For good cause shown, however, the Commission may allow changes without requiring 45 days' notice by order specifying the changes to be made and the time when it shall take effect.²
- 11 (4) Staff has reviewed Harbor Disposal's request in Docket TG-180971 and recommends the Commission grant the Company's request for less than statutory notice.
- 12 (5) Harbor Disposal 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.
- 13 (6) 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.³
- 14 (7) Staff recommends the Commission grant Harbor Disposal's request for exemption from WAC 480-70-051.
- 15 (8) This matter came before the Commission at its regularly scheduled meeting on December 28, 2018.
- 16 (9) After reviewing Harbor Disposal's proposed tariff revisions filed on November 20, 2018, and revised on November 26, 2018, in this Docket and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested exemptions are in the public interest, are 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.

² See also WAC 480-70-276.

³ See also WAC 480-07-110.

ORDER

THE COMMISSION ORDERS:

- 17 (1) The request of Harold LeMay Enterprises, Inc., d/b/a Harbor Disposal and Eastern Grays Harbor Disposal for less than statutory notice is granted, as authorized by WAC 480-70-276.
- 18 (2) The petition of Harold LeMay Enterprises, Inc., d/b/a Harbor Disposal and Eastern Grays Harbor Disposal for an exemption from WAC 480-70-351(2) is granted. Harold LeMay Enterprises, Inc., d/b/a Harbor Disposal and Eastern Grays Harbor Disposal may use the most recent six months of historical revenues to calculate its recycling commodity adjustment.
- 19 (3) The tariff revisions Harold LeMay Enterprises, Inc., d/b/a Harbor Disposal and Eastern Grays Harbor Disposal filed on November 20, 2018, and revised on November 26, 2018, will become effective on January 4, 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