



TG-940411 <sup>12</sup>

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(206) 753-6423 • (SCAN) 234-6423 • TDD (206) 586-8203

September 15, 1994

Dear Interested Person:

Sometime ago you expressed interest in a rate filing by Eastside Disposal Company (Eastside) and/or a complaint filed by King County. This letter is to inform you of recent actions taken by the Utilities and Transportation Commission (Commission) concerning both issues.

The enclosed documents relate to the Commission's September 14 decision about a complaint filed by King County officials regarding approval of a rate increase by Eastside Disposal Company.

The enclosed documents are:

- 1) A summary of the Commission's decision regarding King County's complaint.
- 2) A fact sheet providing background information about King County's complaint. This fact sheet is a revised version of a handout provided at a July 19 public hearing on this case.

Thank you again for expressing interest in this issue. If you have complaints or inquiries about the Commission's decision, please call the Commission's Consumer Affairs Division at 1-800-562-6150.

Sincerely,

Terry Winfield Simmonds  
Regulatory Policy Specialist

Enclosures

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September 15, 1994

# SUMMARY OF COMMISSION ORDER

## King County vs. Eastside Disposal

Docket No. TG-940411

The following is a brief summary of the commission's order in Docket No. TG-940411.

### Results of Commission Decision

- The commission rejected King County's claim that the approved rates for Eastside Disposal Company (Eastside) would violate Washington law by discouraging recycling. Citing a lack of sufficient evidence provided by King County, the commission refused to overturn its earlier decision granting Eastside a garbage-rate increase. Under the company's currently approved rates, residential customers pay less to use mini-can (20 gallon container) and curbside recycling service than for one, two and three-can garbage disposal service. For example, residential mini-can customers pay \$9.65 per month for (weekly) garbage and (bi-monthly) recycling service; one-can residential customers pay \$10.90 per month while two-can customers pay \$12.75 per month and three-can customers pay \$15.80 per month for the same service.

The commission concluded that King County is ahead of schedule in meeting its solid waste disposal goals as established by the Solid Waste Management Act. The county has set a goal of recycling approximately 65 percent of its waste by 2000. The commission's role in establishing past and current garbage-disposal rates and curbside-recycling programs has made this success possible. Current rates encourage recycling by charging higher rates for higher service levels.

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- The commission dismissed King County's complaint provided two conditions are met by Eastside:

1) **Recalculating its current rates** - The commission found that the company had shifted more of its costs to customers using a lower level of garbage service, such as mini-can and one-can households, than appropriate. Because Eastside had assigned a larger proportion of its costs to the number of customers served rather than the amount of trash collected, the commission is concerned that Eastside's rates may not accurately reflect the company's costs of doing business. To ensure the current rate structure reflects the company's actual costs of doing business, the commission has ordered Eastside to recalculate its rates. The recalculation must be accomplished by October 4, with any new rate changes subject to commission approval.

2) **Reformatting its customer bills to more accurately reflect actual charges for solid waste disposal** - Based in part on public testimony, the commission ordered the company to reformat its bills to separately list the types of service included in a customer's bill. Types of service may include: garbage disposal, recycling fees and yard-waste collection charges. Currently, Eastside bills have one charge listed for both garbage and recycling services. By separating the garbage-disposal fee from the recycling fee on the billing statement, the commission hopes customers will better understand their rates. For example, many customers are not aware that \$4.44 of their current monthly bill is for twice-a-month collection of recyclables. Since customers only see one amount, they do not realize it is the garbage-disposal fee which most often increases, while their recycling charges typically remain the same. With the new format, consumers will be able to identify the portion of their total bill which can be affected by a reduction in solid waste disposal.

### What's Next?

- King County has 20 days to ask the commission to reconsider its decision or to appeal the commission's ruling to Superior Court.
- Eastside has 20 days to recalculate its rates and inform the commission of changes, if any, to current rates.
- Eastside must implement the new billing format change by January 1, 1995.

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# - FACT SHEET -

## King County vs. Eastside Disposal

September 1994  
Revised

This fact sheet will give you background information on the complaint of King County against the Washington Utilities and Transportation Commission (Docket Nos. TG-940411, TG-931585).

### Background on this Case

On December 28, 1993, Eastside Disposal asked the commission for permission to charge more for garbage service to recover higher operating costs in Docket TG-931585. The WUTC approved the commission staff's revised rates at its February 9 public meeting.

On February 18, King County asked the commission to reconsider its decision in the Eastside case. King County objected to the rates the commission had approved for garbage and recycling services. They had urged rates that they believed provided stronger financial incentives for consumers to recycle. In a March 10 letter, the commission denied King County's request. The letter further states that the approved rates encourage recycling while not imposing an undue financial burden on consumers.

On March 23, King County filed a formal complaint with the commission disputing its March 10 decision (TG-940411). It is this complaint that has resulted in this case. King County, the company and commission staff filed written technical and policy testimony in this case. The commission held hearings to allow cross examination of witnesses on July 14, 15, and 18. A hearing was held on July 19 to consider comments by interested members of the public. The commissioners will decide between the views of King County, the company and commission staff by the end of September.

### King County's Position

King County believes that the commission violated the Waste Not Washington Act, claiming the new rates remove financial incentives for recycling. Further, they believe that the rates approved for Eastside encourage waste disposal rather than waste reduction and recycling.

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## Commission Staff's Position

Commission staff believes that Eastside's current recycling program is successful and that it is contributing to the recycling goals set out in the Waste Not Washington Act. Further, it is currently commission policy that, to assure equity, rates should be based on the actual cost of providing the service. It is the staff's view the rates they proposed (and the commission approved) reflect the cost of providing garbage and recycling services.

## Eastside Disposal's Position

Eastside Disposal contends that the commission has sole authority to establish rates for haulers. Furthermore, Eastside believes that King County has no authority to order it to file rates that include specific rate levels, and it is illegal for the company to charge rates that differ from those approved by the commission.

## The Participants

**KING COUNTY:** King County's Department of Public Works, Solid Waste Division (King County) is responsible for administering the County's Comprehensive Solid Waste Management Plan. This plan establishes goals for recycling and reducing the amount of waste processed in King County. King County owns its landfill and controls the rates that garbage haulers pay for disposing of trash at this facility. King County asked the commission to reconsider its approval of Eastside's garbage-rate increase because the county maintains the company's new rates do not motivate customers to recycle.

**THE COMMISSION:** The Washington Utilities and Transportation Commission (commission) is a state agency charged with protecting consumers by keeping rates for garbage and recycling services affordable and encouraging consumers to produce less waste by participating in recycling programs. The commission regulates garbage rates for some cities and for all unincorporated areas of the state's 39 counties. The commissioners act as judges in cases brought before them. In those cases, they consider evidence presented by all parties before making their decision. The commissioners are appointed by the Governor for six-year terms.

**EASTSIDE:** The company referred to as Eastside Disposal is legally known as Rabanco Ltd., d/b/a Eastside Disposal and Container Hauling. Eastside serves 22,000 Shoreline, Juanita, and Northshore residential customers and other unincorporated areas of northeast King County, including the communities of Medina, Clyde Hill, Hunts Point, Yarrow Point, and Beaux Arts. The company also has solid-waste collection contracts with Bellevue, Redmond, Kirkland, and Mercer Island, but customers in those areas were not affected by the February 15 rate increase.

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**For Additional Information:**

For more information about the commission's public hearing process, you may receive a free copy of "Your Guide to a Rate Hearing" by calling the commission's public affairs office at (206) 586-1185 or the commission's toll free voice messaging system at 1-800-622-2967.

The commission has current records of Eastside's filing and King County's formal complaint available at its Olympia offices, at the address listed below.

If you have additional questions, you may contact the commission's Public Involvement Coordinator at the commission's toll-free voice message system, 1-800-622-2967, or you may write to the address below.

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