

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET TG-132286
TRANSPORTATION COMMISSION,)	
)	ORDER 02
Complainant,)	
)	
v.)	
)	
PENINSULA SANITATION)	ORDER DISMISSING
SERVICE, INC.,)	COMPLAINT, LIFTING
)	SUSPENSION, AND ALLOWING
Respondent.)	REVISED TARIFF REVISIONS TO
)	BECOME EFFECTIVE
.....)	

BACKGROUND

- 1 Peninsula Sanitation Service, Inc. (Peninsula or Company) provides solid waste collection service to approximately 5,000 customers in Pacific and Wahkiakum Counties. The Washington Utilities and Transportation Commission (Commission) last approved a general rate increase for the Company effective July 1, 2012. As part of approving that increase, the Commission required Peninsula to revise its accounting procedures, conduct a cost of service study, and file a general rate case with an effective date no later than February 1, 2014.¹
- 2 On December 16, 2013, Peninsula filed with the Commission Revised Tariff No. 16. The filing proposed to increase the Company's rates by approximately 7.9 percent and generate \$230,600 in additional annual revenue. The Company explained that the increase was necessary due to increased costs for employee wages and benefits, fuel, and other general operating expenses. The Company included a cost of service study with its filing, but it was not sufficiently thorough or detailed. The stated effective date of the tariff was February 1, 2014.
- 3 Commission Staff disagreed with the Company's stated revenue requirement and proposed rate design structure. Commission Staff also questioned the Company's cost allocation methodologies and proposed accounting treatment of certain expenses.
- 4 On January 30, 2014, the Commission entered Order 01, Complaint and Order Suspending Tariff Revisions (Order 01), suspending the Company's original tariff filing and allowing Commission Staff to continue its review of the Company's supporting financial documents, books, and records.

¹ See Docket TG-120283, Order 02 (June 28, 2012).

- 5 Commission Staff has worked with the Company to further develop its cost of service study, revise its rate structure, and make substantial adjustments to the originally proposed revenue requirement. Commission Staff believes the recommended rate structure will be an improvement over Peninsula's existing rate methodology.
- 6 The Company has agreed to a revised revenue requirement of \$73,900, which would result in an approximately 2.6 percent increase in current rates.

DISCUSSION

- 7 The Commission agrees with Staff that Peninsula has demonstrated that its revised expenses are reasonable and required as part of its operations and that the revised rates and charges would generate the revised revenue requirement. Although additional detail would allow the Commission to better determine the true cost of service for all categories of Peninsula's customers, the Company's financial information generally supports the revised revenue requirement.
- 8 Peninsula has demonstrated the revised rates are fair, just, reasonable, and sufficient and should be allowed to become effective.

FINDINGS AND CONCLUSIONS

- 9 (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.
- 10 (2) Peninsula Sanitation Service, Inc., is a solid waste company and a public service company subject to Commission jurisdiction.
- 11 (3) On March 20, 2014, Peninsula Sanitation Service, Inc., filed revised rates and a revised tariff replacing the filing the Company made on December 16, 2013.
- 12 (4) This matter came before the Commission at its regularly scheduled meeting on March 27, 2014.
- 13 (5) Peninsula Sanitation Service, Inc., has demonstrated that its expenses are reasonable and required as part of the Company's operations, and that the revised rates and charges would generate the Company's revenue requirement.

O R D E R

THE COMMISSION ORDERS:

- 14* (1) The complaint is dismissed and the suspension in Order 01 is lifted.
- 15* (2) The revised tariff revisions Peninsula Sanitation Service, Inc., filed in this docket on March 20, 2014, shall become effective on April 1, 2014.

DATED at Olympia, Washington, and effective March 27, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner