



Recycling & Waste Collection Services
Portable Toilet Rentals
Jobsite & Event Services
Mobile Data Shredding
Commercial • Residential

May 16, 2014

Steven King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

RE: Sanitary Service Company, Inc. G-14 – Disposal Fee Pass-through, Recycling Commodity Price Adjustment, and Item 30 Language revision

Dear Secretary King:

Enclosed are revised pages to Solid Waste Tariff No. 8 for Sanitary Service Co, Inc. These proposed revised tariff pages contain increases due to a rise in disposal fees for Item 230 pass-through fees and rates for WUTC residential, and commercial garbage collection services; annual adjustments to the recycling commodity price adjustment; and added language to Item 30 for missed service due to a labor disruption, which causes work stoppages that prevent or limit our ability to collect solid waste.

1. Disposal Fee Increases.

The requested garbage rate increases are necessary to recover increased disposal fees imposed upon SSC at the Recomp Transfer Station and the RDS Transfer Station. Notifications from the two facilities are included with this filing.

SSC is only requesting revisions to its tariff rates to recoup disposal fee component increases. This filing does not ask for any changes to the service component of customers' rates for the company's performance of solid waste collection services.

Residential and commercial customer revenue resulting from the tip fee increases at these two third-party disposal sites would increase by approximately \$284,000 and the proposed rates would go up between 0.98% and 3.17%. The impact to pass through disposal fee customers for the Item 230 pass through increase will be approximately \$253,000 and the pass through rates would go up between 0.45% and 25.94%. The effective date of these proposed tariff revisions is July 1, 2014. Work papers showing the calculation of the two disposal fee increases are enclosed.

For this submittal, we are also requesting an exemption from the requirement to file work papers required for a general rate proceeding under WAC 480-07-520(4), so that the tariff rates may be adjusted for the disposal fee increase only. We believe SSC qualifies for this exemption because it has been approximately 3 years since its most recent general rate request was

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approved in Docket No. TG-102022. In the past three years, there have been no significant increases to company expenses in its WUTC operations since the last general rate case. SSC has not been a party to any mergers or acquisitions, inflation has been low, and the company has not changed its collection methods.

The number of customers served has remained steady as well. We believe that granting this exemption from the filing requirements of WAC 480-70-520(4) is consistent with the public interest, as required by WAC 480-70-051 & WAC 480-07-110.

In accordance with WAC 480-70-271(2), to the extent the Commission approves the rates reflecting the disposal fee increases, affected customers will be notified of this rate increase on their next regularly scheduled billing.

2. Recycling Commodity Adjustment.

The recycling commodity price adjustment is required because it currently expires on June 30, 2014. Enclosed are work papers showing the calculation of the commodity price adjustment for the next twelve-month period, with an expiration date of June 30, 2015. The calculation is based on the most recent twelve-month historical period, in accordance with WAC 480-70-351(2). The impact of the tracker is an increase in the residential recycling commodity rate from a debit of \$0.12 to a debit of \$0.47 per customer, per month and an increase in the multi-family recycling commodity rate from a debit of \$0.15 to a debit of \$0.33 per yard per pickup.

This increase is a direct result of declining market values for recycling commodities over which SSC has no control nor does SSC derive any benefit from such tracker increases.

In accordance with WAC 480-70-271(2), to the extent the Commission approves the rates reflecting the recycling commodity price adjustment, affected customers will be notified of this rate increase on their next regularly scheduled billing.

3. Item 30 Work Stoppage Language.

Also with this filing is a request to add language to Item 30 of our tariff addressing how the company would handle service interruptions caused by work stoppages. Sanitary Service Company is unionized. The company has historically had a favorable relationship with our workers, and we have not had any interruptions to service from labor disruptions nor do we anticipate any in the future. Nonetheless, this proposal would enable our customers to be informed about how SSC would respond to a work stoppage if any were to ever occur.

The verbiage for Item 30 proposed with this filing is copied from language that was recently approved by the Commission in administrative litigation with other regulated companies who incurred work stoppages that prevented or limited them from collecting solid waste. The wording was the subject of extensive briefing by the involved parties, and the Commission fully considered various options. Our filing is based on the Commission's final decision. Therefore, this filing should not present controversy, because the Commission has already expressed its approval of this wording.

Please feel free to call me at (360) 527-9783 if you have any questions about this filing.

Sincerely,

A handwritten signature in purple ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Amber Jones
Chief Financial Officer

cc: Whatcom County Council
Bellingham Herald
Lisa Meucci

City of Bellingham
Pat Dunn
Polly McNeill

Debbie Bailey
Jeff Williamson
WUTC Consumer Affairs