BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET TG-121353
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
V.)	
)	COMPLAINT AND ORDER
SAN JUAN SANITATION, CO., G-144)	SUSPENDING TARIFF;
)	ALLOWING RATES ON A
)	TEMPORARY BASIS, SUBJECT TO
Respondent.)	REFUND, REQUIRING RECYCLING
)	PROGRAM REPORTING AND
)	PERMANENT RATE FILING
)	

BACKGROUND

- On August 14, 2012, San Juan Sanitation, Co., (San Juan or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 7, designated as 8th revised Page No. 2, 8th revised Page No. 22, and 8th Revised Page No. 23. The filing is to add a new commingled recycling program as required by San Juan County. The stated effective date was September 1, 2012, however, San Juan has requested that these revisions become effective September 1, 2012, on less than statutory notice (LSN). The Company filed revised tariff pages on August 31, 2012, which extended the effective date of the filing to October 1, 2012.
- In this filing San Juan proposes to implement San Juan County Ordinances 2-2012 and 9-2012 which require the Company to offer a new commingled recycling service. San Juan's filing increases revenues by approximately \$98,000 or 5.1 percent annually. Because those increases might injuriously affect the rights and interests of the public and San Juan has not demonstrated that the increases would ultimately result in rates that are fair, just, reasonable, and sufficient, the Commission accepts the proposed revised rates filed on August 14, 2012, as revised on August 31, 2012, and allows the rates to become effective on October 1, 2012, on a temporary basis, subject to refund, and will hold public hearings if necessary.
- 3 San Juan notified customers on July 9, 2012, about the program using a mailer that did not include all statutory information such as Commission contact information. San Juan

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mistakenly believed that a rate filing for the new recycling program would be filed as a seven-day filing that did not require customer notice and so the Company's customer notice did not comply with the requirements of WAC 480-70-271. Staff proposes that the Company should notify customers by mail regarding a permanent rate filing to be made no later than February 15, 2013. The customers were mailed a second notice on August 30, 2012, that complied with the requirements of WAC 480-70-271.

- 4 The Commission received comments from two customers concerning San Juan's original August 14, 2012, filing. Both commenters oppose the increase because they believe the recycling rate is too high.
- 5 The Company's financial information supports the revised revenue requirement and charges are fair, just, reasonable and sufficient based on the estimated cost of the program. However, because this is a new program in San Juan County and the recommended revised rates are based on estimates, not actual costs, Staff recommends the Commission suspend the filing and allow temporary rates, subject to refund.
- In order for Commission Staff to determine the actual program costs, it is necessary that San Juan Sanitation, Co. provide data and information on its recycling and solid waste programs. San Juan Sanitation, Co., is therefore required to submit the following information no later than February 15, 2013, for the first four months of operations:
- 7 (1) The number of residential customers, by garbage service level, and the average monthly weight of a can or cart for each garbage service level.
- 8 (2) The total tons of residential solid waste disposed of and the total tons of residential recycle commodities collected.
- 9 (3) All route hours and payroll data for residential solid waste and residential recycling collection.
- 10 (4) Any other information that may be needed to evaluate the effectiveness and cost of the residential recycling program.
- 11 (5) A permanent rate filing based on the program's actual costs as reported in paragraphs seven through ten above.

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12 The proposed revised rates might injuriously affect the rights and interests of the public. The Commission therefore suspends the tariff filing. The Commission accepts the proposed revised rates filed on August 14, 2012, as revised on August 31, 2012, as temporary rates and allows those revised rates to become effective on October 1, 2012, on a temporary basis, subject to refund.

FINDINGS AND CONCLUSIONS

- (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, regulations, practices, accounts and affiliated interests of public service companies, including solid waste companies. RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.
- 14 (2) San Juan is a solid waste company and a public service company subject to Commission jurisdiction.
- 15 (3) This matter came before the Commission at its regularly scheduled meeting on September 27, 2012.
- (4) San Juan 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 forty-five days' notice. Under WAC 480-70-276, the Commission may allow, for good cause shown, changes in rates or charges without requiring forty-five days' notice in an order specifying the changes to be made and the effective date.
- 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. See also WAC 480-07-110.
- (6) The tariff revisions San Juan filed on August 14, 2012, as revised on August 31, 2012, would increase charges and rates for service provided by San Juan, and might injuriously affect the rights and interest of the public.
- 19 (7) The Commission finds it reasonable to allow the rates to become effective on October 1, 2012, on a temporary basis subject to refund because the beginning of

operations for the new recycling program was required by San Juan County no later than September 1, 2012.

- 20 (8) San Juan has not yet demonstrated that the tariff revisions would ultimately result in rates that are fair, just, reasonable and sufficient.
- (9) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 81.04.130 and RCW 81.04.220, the Commission believes it is necessary to investigate San Juan's books, accounts, practices and activities, and to investigate and appraise various phases of San Juan's operations.
- 22 (10) As required by RCW 81.04.130, San Juan bears the burden of proof to show that the proposed increases are just, reasonable and sufficient. Nothing in this Order is intended to limit the issues as to the fairness, justness, reasonableness and sufficiency of the proposed increases.
- (11) In addition, the Commission invokes the rights, remedies and procedures contained in the reparations statute, RCW 81.04.220, to the extent the Commission finds that any rate subject to this investigation is excessive or exorbitant.
- 24 (12) San Juan may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with the provisions of RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 25 (1) The tariff revisions San Juan Sanitation, Co. filed on August 14, 2012, and August 31, 2012, are suspended.
- (2) The proposed revised tariffs San Juan Sanitation, Co. filed on August 14, 2012, as revised on August 31, 2012, shall become effective on October 1, 2012, on a temporary basis, subject to refund, if the Commission determines that different rates will be fair, just, reasonable and sufficient.

- 27 (3) The Commission may hold hearings if needed at such times and places as required.
- (4) The San Juan Sanitation, Co. shall file with the Commission all data and information required to evaluate the effectiveness and cost of the residential recycling program. The reports are due to the Commission no later than February 15, 2013.
- 29 (5) San Juan Sanitation, Co. must not change or alter the tariffs filed in this Docket during the suspension period, unless authorized by the Commission.
- 30 (6) The Commission will institute an investigation of San Juan Sanitation, Co.'s books, accounts, practices, activities and operations as described above.
- 31 (7) San Juan Sanitation, Co. shall pay the expenses reasonably attributable and allocable to the Commission's investigation consistent with RCW 81.20.

DATED at Olympia, Washington, and effective September 27, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner