

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of  
  
BAINBRIDGE DISPOSAL, INC.

Petitioner,

Seeking Exemption from the Provisions of  
WAC 480-70-351(2) Relating to  
Recycling Credits or Charges

DOCKET TG-180793

ORDER 01

ORDER GRANTING EXEMPTION  
FROM RULE; ALLOWING TARIFF  
REVISIONS TO BECOME  
EFFECTIVE BY OPERATION OF  
LAW

**BACKGROUND**

- 1 On September 17, 2018, Bainbridge Disposal, Inc. (Bainbridge 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). Because the proposed commodity adjustment will be a charge, 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 stated effective date for the commodity adjustment is November 1, 2018.
- 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 6-month, rather than 12-month, average to calculate its proposed recycling commodity adjustment. This same exemption was granted by Commission order in the Company's previous commodity adjustment filing in Docket TG-180049.

4 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 Bainbridge Disposal's request for exemption.

### **DISCUSSION**

5 We agree with Staff's recommendation and grant Bainbridge Disposal's Petition for exemption from WAC 480-70-351(2). Using the most recent 6-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.<sup>1</sup>

### **FINDINGS AND CONCLUSIONS**

- 6 (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.
- 7 (2) Bainbridge Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 8 (3) Bainbridge 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.
- 9 (4) 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.
- 10 (5) Staff recommends the Commission grant Bainbridge Disposal's request for exemption from WAC 480-70-051.

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<sup>1</sup> See WAC 480-70-051 and WAC 480-07-110.

- 11 (6) This matter came before the Commission at its regularly scheduled meeting on October 19, 2018.
- 12 (7) After reviewing Bainbridge Disposal's proposed tariff revisions filed on September 17, 2018, in this Docket and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested exemption is in the public interest, is consistent with the purposes underlying the regulation and applicable statutes, and should be granted, and that the proposed tariff revisions should become effective on November 1, 2018, by operation of law.

**ORDER**

**THE COMMISSION ORDERS:**

- 13 (1) The Commission grants Bainbridge Disposal, Inc.'s petition for an exemption from WAC 480-70-351(2). Bainbridge Disposal, Inc. may use the most recent six months of historical revenues to calculate its recycling commodity adjustment.
- 14 (2) The tariff revisions Bainbridge Disposal, Inc., filed on September 17, 2018, will become effective on November 1, 2018, 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 October 19, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary