

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PULLMAN DISPOSAL SERVICE, INC.,

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to the use of
the previous 12 months for calculation of
future cost

DOCKET TG-200100

ORDER 01

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

BACKGROUND

- 1 On February 13, 2020, Pullman Disposal Service, Inc., (Pullman or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions proposing an initial commodity adjustment that would implement an additional charge of \$2.19 (an increase of \$0.34) per month for residential customers, and an additional per-pickup charge of \$1.38 (previously, multi-family recycling customers were charged \$2.76-\$16.01 depending on their solid waste service) for multi-family recycling customers, and a petition requesting an exemption from WAC 480-70-351(2) – Rates, recycling programs, credits, or charges (Petition). This tariff revision also adds new rates for special pickups to Items 100 and 105, which is a new service.
- 2 Under WAC 480-70-351(2), solid waste companies that estimate the revenue from the sale 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, Pullman asserts that 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. Commission staff (Staff) supports the Petition given the change (from a monthly debit depending on solid waste service for multi-family

recycling, to a per-tote, per-pickup debit) required in the calculation for multi-family recycling.

- 4 Staff reviewed the request and recommends granting Pullman’s Petition subject to the conditions that: 1) Pullman must file for a commodity adjustment within six months of the date of this Order, and 2) the commodity adjustment will expire six months from the effective date of the credit.

DISCUSSION

- 5 We agree with Staff’s recommendation and grant Pullman’s Petition for exemption from WAC 480-70-351(2) subject to the conditions that Staff recommends. Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. 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 subject to Staff’s proposed conditions is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

- 6 We also allow the proposed tariff revisions to become effective by operation of law. RCW 81.77.185(1) requires the Commission to authorize solid waste collection companies collecting recyclable materials to retain up to 50 percent of the revenue paid to the companies for the material and to pass back remaining revenue to residential customers. Here, the Company is not proposing to retain any revenue. Rather, the Company would pass back to customers any revenues received for recyclable commodities utilizing a deferred accounting program. We note that the Commission has allowed other regulated solid waste companies to implement similar annual commodity adjustments that allow them to pass on the revenues or costs for processing recyclable material.

FINDINGS AND CONCLUSIONS

- 7 (1) The 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.

- 8 (2) Pullman is a solid waste company and a public service company subject to Commission jurisdiction.
- 9 (3) Pullman 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.
- 10 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if doing so is consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also* WAC 480-070-110.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on March 26, 2020.
- 12 (6) After reviewing the Petition filed in Docket TG-200100 by Pullman on February 13, 2019, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes. The Commission concludes that the exemption should be granted and that the proposed tariff revisions should become effective April 1, 2020, by operation of law.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The Commission grants Pullman Disposal Service, Inc.'s Petition for an exemption from WAC 480-70-351(2), subject to the following conditions:
- (a) Pullman Disposal Service, Inc., must file for a commodity adjustment within six months from the date of this Order.
 - (b) The commodity adjustment will expire six months from the effective date of the credit.
- 14 (2) The tariff revisions Pullman Disposal Service, Inc., filed on February 13, 2020, will become effective on April 1, 2020, by operation of law.

- 15 (3) The Commission retains jurisdiction over the subject matter and Pullman Disposal Service, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective March 26, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Mark L. Johnson

MARK L. JOHNSON
Executive Director and Secretary