

**Exh. SS-1T**  
**Docket TG-181023**  
**Witness: Scott Sevall**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**In re Application of**  
  
**SUPERIOR WASTE & RECYCLE LLC**  
  
**For Authority to Operate as a Solid Waste  
Collection Company in Washington**

**DOCKET TG-181023**

**TESTIMONY OF**

**SCOTT SEVALL**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Direct Testimony*

**May 15, 2019**

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- Exh. SS-4 Staff Notes from Meeting with Daniel Stein

1 I. INTRODUCTION

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**Q. Please state your name and business address.**

A. My name is Scott Sevall. My business address is the Richard Hemstad Building, 1300 South Evergreen Park Drive SW, P.O. Box 47250, Olympia, Washington 98504.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Regulatory Analyst. Among other duties, I am responsible for conducting tariff and financial reviews for application filings and making recommendations pertaining to those filings to the Commission.

**Q. How long have you been employed by the Commission?**

A. I have been employed by the Commission since August 2014.

**Q. Would you please state your educational and professional background?**

A. I hold a Bachelor’s Degree in Business Administration focused in Accounting from Washington State University. After graduating I worked for the Washington Department of Ecology performing multiple accounting duties. Previous to attending Washington State University, I was in the United States Navy from 2001 to 2007. I have also attended the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School in 2015.

1 **Q. Have you previously testified before the Commission?**

2 A. Yes.

3

4 **Q. What topics will you be discussing in your testimony?**

5 A. I will discuss the financial fitness of the applicant to receive a certificate of  
6 convenience and necessity (certificate) under Washington statute and Commission  
7 rules.

8

9 **Q. Have you reviewed the application by Superior Waste & Recycle LLC for solid  
10 waste collection?**

11 A. Yes.

12

13 **Q. Have you prepared exhibits in this docket?**

14 A. Yes. I have prepared three exhibits.

- 15
- 16 • Exhibit No. SS-2 Staff Financial Review Worksheets
  - 17 • Exhibit No. SS-3 Staff Financial Review Memorandum
  - 18 • Exhibit No. SS-4 Staff Notes from Meeting with Daniel Stein

1 **II. APPLICATION – REVIEW OF FITNESS**

2

3 **Q. Does state statute require a financial review for applications to provide solid**  
4 **waste collection?**

5 A. No. However, it is required by statute for other industries and Commission staff finds  
6 it a best practice, especially when the applicant does not currently hold a certificate  
7 of public convenience and necessity for providing solid waste collection service.

8

9 **Q. What was your conclusion regarding the applicant’s ability to provide service?**

10 A. I concluded that the applicant has the financial resources to operate the proposed  
11 service for at least 12 months.

12

13 **Q. Please describe how you arrived at your conclusion.**

14 A. I first considered the assets of the applicant. The company balance sheet filed with its  
15 application reflects assets of \$46,671, \$8,000 of which is cash. The remaining assets  
16 are a vehicle and equipment equaling \$38,671<sup>1</sup>.

17 Based on my review, it is my opinion that the company has the assets and  
18 current working capital required to provide the service level proposed.

19

20 **Q. Did you perform a review of customers and revenue forecast?**

21 A. Yes. I reviewed the company’s estimate of \$24,864 in annual revenue, and found it  
22 a reasonable estimate of expected annual revenue for a company of this size and

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<sup>1</sup> See Exhibit No. SS-2.

1 nature<sup>2</sup>. I further reviewed the company's projected \$21,944 in annual expenses and  
2 concluded the expenses listed by the company seem appropriate for the level of  
3 service and the type of business<sup>3</sup>.

4

5 **Q. In your opinion, does the company have the financial ability to provide the**  
6 **proposed service for at least 12 months?**

7 A. Yes. With the current cash balance of \$8,000, and with the company's estimated  
8 earnings before taxes and interest of \$2,920, the company has the working capital  
9 and liquidity to maintain service for the 12-month period<sup>4</sup>.

10

11

### III. CONCLUSION

12

13 **Q. Is Staff ready to make a recommendation to the Commission?**

14 A. No, the only conclusion I have made is that I believe the applicant has the finances to  
15 provide the applied for service for at least 12 months.

16

17 **Q. Does this conclude your testimony?**

18 A. Yes.

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<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id.