

April 8, 2005

Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
P.O. Box 47250
Olympia WA 98504-7250

RE: City of Bellingham Utility Tax increase and the
addition of food waste to the yard waste program.

Dear Ms. Washburn:

Enclosed are revisions to our Solid Waste Tariff No. 6 for Permit G-14. These tariff pages have an issue date of April 8, 2005 with an effective date of June 1, 2005. This filing is required because the City of Bellingham is increasing the Utility Tax rate to 11.5% effective May 1, 2005 of our gross revenues and because we are adding food waste to our yard waste program. The City of Bellingham Utility Tax has an effective date of May 1, 2005 so we will need a LSN order to allow this tariff to become effective May 1, 2005.

The City of Bellingham has passed ordinance #2005-03-026 (copy enclosed) increasing the Utility Tax from 7% to 11.5% effective May 1, 2005. The utility tax is a gross revenue tax which includes all revenue that we receive from our commercial customers in the City of Bellingham excluding the state refuse collection tax and the Whatcom County Excise tax.

The tax is a gross revenue tax thus a customer would pay on the Utility Tax. Therefore, the effective rate of the 11.5% Utility Tax is 12.99%. If a customer were to have a bill for \$100.00 before the tax one would need to charge the customer \$12.99 of Utility Tax to arrive at an effective rate of 11.5%. That is, if you add the charge of \$100.00 to the Utility Tax of \$12.99 you would have a total gross revenue of \$112.99. The \$112.99 times 11.5% results in a Utility tax of \$12.99.

In Whatcom County we have a processing facility that will began to take food waste effective June 1, 2005. Currently, all of our yard waste goes to this facility. The customer will add the food waste to their yard waste toter. Further, at this time there will not be any increase in the yard waste rates.

If you have any questions relating to this filing please contact me at (360) 734-3490.

Sincerely,

Edward J. Nikula
Vice President

Attachments:

cc: Whatcom County Council	City of Bellingham
City of Ferndale	Bellingham Herald
Penni Lemperes	Jeff Williamson
Pat Dunn	Polly McNeill
Lisa Meucci	