

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-081969
)	
Complainant,)	ORDER 01
)	
v.)	
)	
WASTE MANAGEMENT OF WASHINGTON, D/B/A VALLEY GARBAGE, G-237)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF; ALLOWING
Respondent.)	REVISED RATES ON A TEMPORARY
.....)	BASIS, SUBJECT TO REFUND

BACKGROUND

- 1 On October 30, 2008, Waste Management of Washington, d/b/a Valley Garbage (Valley) filed with the Washington Utilities and Transportation Commission (Commission) a new Tariff No. 16, replacing Tariff No. 15. The stated effective date is January 1, 2009.
- 2 In this filing, Valley proposes to increase and decrease rates for garbage service, increase rates for curbside recycling service, and decrease rates for yardwaste service. Valley’s proposed rates were designed to increase revenues by \$2,300,000 (9.8 percent) annually. Commission Staff’s review revealed that the proposed rates were excessive. Staff and Valley negotiated revised rates that would increase annual revenues by approximately \$2,140,000 (9.2 percent). On December 11, 2008, Valley filed revised, lower rates on substitute tariff pages to reflect the lower revenue requirement.
- 3 The Commission received comments from thirty-three customers concerning Valley’s original October 30, 2008, filing. The majority of the comments were concerned with the current drop in fuel costs and the effect it should have on any proposed rate increase and current fuel surcharge. Staff advised customers that the fuel cost used for ratemaking is a twelve-month average and not the current pump price. Customers were also advised that the fuel surcharge will end January 1, 2009, when the rate increase is proposed to become effective. Several customers thought that with the current economic downtrend that it was a bad time to be asking for a rate increase. Staff advised customers that although Staff understands the customers concerns, the Company is entitled to recover reasonable operating expenses and the opportunity to earn a reasonable return on investment. Staff’s

goal is to recommend the “right” rates that will allow the company to recover reasonable expenses and earn a reasonable return. The customers have not yet had the opportunity to comment on the proposed revised rates filed by Valley on December 11, 2008.

- 4 Customers deserve to know about, and comment on, the proposed revised rates. The Commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to conduct an evidentiary hearing on the revised rates. Valley, therefore, has not yet demonstrated the revised rates are fair, just, reasonable, and sufficient.
- 5 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 as temporary rates and allows those revised rates to become effective on January 1, 2009, on a temporary basis, subject to refund.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate 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.*
- 7 (2) Valley is a solid waste company and a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on December 23, 2008.
- 9 (4) The tariff revisions Valley filed on October 30, 2008, and the substitute pages filed on December 11, 2008, would increase and decrease rate for garbage collection, increase rates for recycling collection, and decrease rates for yardwaste collection.
- 10 (5) Valley has not yet demonstrated that the provisions for the rates are fair, just, reasonable and sufficient. The Commission finds it reasonable to allow the

revised rates filed on December 11, 2008, to become effective January 1, 2009, on a temporary basis, subject to refund.

- 11 (6) 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.
- 12 (7) Valley may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff revisions Waste Management of Washington, d/b/a Valley Garbage filed on October 30, 2008, are suspended.
- 14 (2) The proposed revised tariffs Waste Management of Washington, d/b/a Valley Garbage filed on December 11, 2008, shall become effective on January 1, 2009, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.
- 15 (3) The Commission may hold hearings if needed at such times and places as required.
- 16 (4) Waste Management of Washington, d/b/a Valley Garbage must not change or alter the tariff pages filed in this docket during the suspension period, unless the Commission authorizes the change in this docket.
- 17 (5) The Commission may institute an investigation of Waste Management of Washington, d/b/a Valley Garbage's books, accounts, practices, activities, property and operations as necessary and as described above.
- 18 (6) Waste Management of Washington, d/b/a Valley Garbage shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 81.20.

DATED at Olympia, Washington, and effective December 23, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner