

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

WASHINGTON UTILITIES AND)	DOCKET TG-102022
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
SANITARY SERVICE COMPANY,)	ORDER ALLOWING TARIFF
INC. , G-14,)	REVISIONS ON LESS THAN
)	STATUTORY NOTICE;
)	GRANTING EXEMPTIONS FROM
Respondent)	RULES
.....)	

BACKGROUND

- 1 On December 16, 2010, Sanitary Service Company, Inc. (Sanitary Service or Company), filed with the Utilities and Transportation Commission (Commission) a new Tariff No. 7 replacing Tariff No. 3 for Blaine Bay Refuse (Blaine Bay), and Tariff No. 6 for Sanitary Service. The stated effective date was originally February 1, 2011. Due to ongoing labor negotiations, Staff could not recommend approval of any rates, proposed or revised, until the issue was settled. The Company agreed to extend the effective date on a month-to-month basis until the negotiations were completed. The labor contract was settled at the end of April and the Company is requesting a June 1, 2011, effective date.
- 2 This filing also addresses two recordkeeping issues that were identified in the Company’s last rate case, Docket TG-091148 effective September 1, 2009; consultant expense, and allocation of regulated drop box and nonregulated commercial recycling. The Company also committed to filing another rate case to address these issues. For consultant expense, the Company worked with Staff to improve its supporting documentation of work and time. For allocation of regulated drop box and nonregulated commercial recycling, the Company worked with Staff to identify appropriate data to collect on an ongoing basis and is maintaining more accurate data on the time assets are used to provide different services. Staff is satisfied that the Company has appropriately addressed these issues in the current rate case.
- 3 Sanitary Service proposes to bring parity to the rates in the Sanitary Service and Blaine Bay service areas. Sanitary Service proposes to decrease the rates in the Sanitary Service

service area and to increase the rates in the Blaine Bay service area. The effect of the original proposed rates is approximately a \$12,000 (.08 percent) overall increase in additional annual revenue.

- 4 Staff's analysis showed a higher revenue requirement than the original proposed amount. During the time period that the Company filed to extend the tariff's effective date, fuel expense increased and two disposal fee increases became effective. Both changes increased the Company's revenue requirement.
- 5 Staff and the Company agreed to a revised revenue requirement of approximately \$120,000 (.82 percent) in additional annual revenue and revised rates. On May 17, 2011, the Company filed revised rates at Staff recommended levels.
- 6 The Company requests an exemption from Washington Administrative Code (WAC) 480-70-266, Tariffs, to allow the higher revised rates to become effective on June 1, 2011, on less than statutory notice, and an exemption from WAC 480-70-271, Customer Notice, to allow the Company to notify customers affected by the increased revised rates in the next billing cycle.
- 7 RCW 81.28.050 and WAC 480-70-266 require forty-five days' notice to the Commission prior to the effective date of the tariff. The Company requests, however, less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on June 1, 2011. The Company must request less than statutory notice because the revised rates result in some increases compared to the rates the Company originally proposed.
- 8 WAC 480-70-271 requires solid waste companies to provide each affected customer a notice at least thirty days before the requested effective date of the proposed rate increase. For the same reason(s) listed in seeking less than statutory notice to the Commission, the Company seeks such an exemption from customer notice requirements. The Company originally notified customers of the proposed rates filed on January 1, 2011, and requests an exemption from the customer notice rule to allow the Company to notify customers by bill insert in the next billing cycle.
- 9 Staff has completed its audit and determined that the Company's financial information supports the revised rates for residential and commercial garbage collection and

residential recycling services. Staff recommended that the Commission allow the revised rates to become effective June 1, 2011, on a permanent basis, on less than statutory notice, and that the Commission grant the Company's request for an exemption from WAC 480-70-271, regarding notice to customers.

FINDINGS AND CONCLUSIONS

- 10 (1) The Washington Utilities and Transportation 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. RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.
- 11 (2) Sanitary Service Company, Inc., is engaged in the business of providing solid waste services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 12 (3) This matter came before the Commission at its regularly scheduled meeting on May 26, 2011.
- 13 (4) Sanitary Service Company, Inc., filed proposed tariff revisions on December 16, 2010, seeking to increase rates by approximately \$12,000 (.08 percent) additional annual revenue. Staff's analysis showed a higher revenue requirement than what the Company proposed. Staff and the Company agreed to a revised revenue requirement of approximately \$120,000 (.82 percent) in additional annual revenue and revised rates. On May 17, 2011, the Company filed revised rates at Staff recommended levels.
- 14 (6) The revised tariff revisions are fair, just, reasonable and sufficient because Sanitary Service Company, Inc., has demonstrated that it requires additional revenues and has filed revised rates at Staff's recommended levels.
- 15 (7) The Company requests an exemption from Washington Administrative Code (WAC) 480-70-266, Tariffs, to allow the revised rates to become effective on June 1, 2011, on less than statutory notice, and an exemption from WAC 480-70-

271, Customer Notice, to allow the Company to notify customers affected by the increased revised rates in the next billing cycle.

- 16 (8) RCW 81.28.050 and WAC 480-70-266 require forty-five days' notice to the Commission prior to the effective date of the tariff. The Company requests, however, less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions become effective on June 1, 2011. The Company requests less than statutory notice because the revised rates result in some increases compared to the rates the Company originally proposed and sent notice to customers.
- 17 (9) Under WAC 480-70-271, solid waste companies must provide each affected customer a notice at least thirty days before the requested effective date of the proposed rate increase. For the same reason(s) listed in seeking less than statutory notice to the Commission, the Company seeks such an exemption from customer notice requirements. The Company originally notified customers of the proposed rates filed on January 1, 2011, and requests an exemption of the customer notice rule to allow the Company to notify customers by bill insert in the next billing cycle.
- 18 (10) After review of the tariff revisions filed in Docket TG-102022 by Sanitary service Company, Inc., on May 17, 2011, and giving due consideration, the Commission finds that the exemptions are in the public interest and are consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 19 (1) The tariff revisions Sanitary Service Company, Inc., filed in this docket on May 17, 2011, shall become effective on June 1, 2011, on a permanent basis.
- 20 (2) After the effective date of this Order, Sanitary Service Company, Inc., is granted an exemption from WAC 480-70-266, to allow the revised rates to become effective June 1, 2011, on less than statutory notice.

- 21 (3) After the effective date of this Order, Sanitary Service Company, Inc., is granted an exemption from WAC 480-70-271, concerning customer notice requirements and shall notify customers on the next billing.

DATED at Olympia, Washington, and effective May 26, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner