

- 4 Skagit also proposes to increase charges and rates for solid waste, drop box, residential recycling, and yard waste by approximately \$574,000 (8.4 percent) to approximately 17,000 residential and commercial customers in Skagit County, Northern Snohomish County, and Camano Island (Island County). Skagit's last general rate increase became effective May 1, 2008.
- 5 Staff's analysis supports the company's overall revenue requirement and proposed rates for solid waste, drop box and yard waste. However, Staff's analysis showed an adjustment of residential recycling rates was required. One rate was too high and another too low. To achieve the allowed revenue requirement, the rate for voluntary recycling service should increase more than was noticed to customers, and the rate for mandatory recycling service should increase less than noticed to customers. On June, 22, 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 rate to become effective on July 7, 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 July 7, 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 on June 3, 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 proposed rates for residential and commercial garbage collection, drop box and yard waste services filed on April 29, 2011, and the revised rates for residential recycling filed on June 22, 2011. Staff recommended that the Commission allow the rates filed on April 29, 2011, as revised on June 22, 2011, to become effective July 7, 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) Skagit 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 June 30, 2011.
- 13 (4) Skagit filed proposed tariff revisions on April 29, 2011, seeking to increase rates by approximately \$574,000 (8.4 percent) in additional annual revenue. Staff's analysis showed an adjustment of rates for residential recycling service was required. One rate should increase more than was noticed to customers and another rate should increase less. On June 22, 2011, the Company filed revised rates at Staff recommended levels.
- 14 (6) The tariff revisions filed on April 29, 2011, as revised on June 22, 2011, are fair, just, reasonable and sufficient because Skagit has demonstrated that it requires additional revenues and has filed revised rates at Staff's recommended levels.

- 15 (7) The Commission also finds it is reasonable to require Skagit to implement deferred accounting treatment of the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in Skagit's recycling service.
- 16 (7) The Company requests an exemption from Washington Administrative Code (WAC) 480-70-266, Tariffs, to allow the revised rates to become effective on July 7, 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.
- 17 (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 July 7, 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.
- 18 (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 on June 3, 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.
- 19 (10) After review of the tariff revisions filed in Docket TG-110792 by Skagit on April 27, 2011, as revised on June 22, 2011, and giving due consideration, the Commission finds that the rates are fair, just reasonable and sufficient and should become effective July 7, 2011, and that the exemptions are in the public interest, are consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 20 (1) The tariff revisions Waste Management of Washington, Inc., d/b/a Waste Management of Skagit County filed in this docket on April 29, 2011, as revised on June 22, 2011, shall become effective on July 7, 2011, on a permanent basis.
- 21 (2) After the effective date of this Order, Waste Management of Washington, Inc., d/b/a Waste Management of Skagit County is granted an exemption from WAC 480-70-266, to allow the revised rates filed on June 22, 2011, to become effective July 7, 2011, on less than statutory notice.
- 22 (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.
- 23 (4) Waste Management of Washington, Inc., d/b/a Waste Management of Skagit County is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential recycling services. Waste Management of Washington, Inc., d/b/a Waste Management of Skagit County shall make its next commodity adjustment effective July 1, 2012, and each July 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.

DATED at Olympia, Washington, and effective June 30, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner