

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

In the Matter of the Petition of	)	DOCKET TG-111688
	)	
HAROLD LEMAY ENTERPRISES,	)	ORDER 01
INC. d/b/a PIERCE COUNTY	)	
REFUSE CO., G-98,	)	
	)	
Petitioner,	)	
	)	
Seeking Partial Exemption from the	)	
Provisions of WAC 480-07-520(4)	)	ORDER GRANTING PARTIAL
Relating to Supporting Work Papers	)	EXEMPTION FROM RULE
.....	)	

**BACKGROUND**

- 1 Docket TG-111688 involves a proposed tariff revision filed with the Washington Utilities and Transportation Commission (Commission) by Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse Co. (Pierce County), a business unit of Harold LeMay Enterprises, Inc. (LeMay or Company), on September 16, 2011.
- 2 On September 16, 2011, LeMay filed a petition requesting an exemption from the work paper filing requirements set out in WAC 480-07-520(4). LeMay filed an amendment to its petition on October 10, 2011.
- 3 WAC 480-07-520(4) requires LeMay to file work papers that contain detailed financial data for LeMay, its affiliated interests, and its business units. The plain language of the rule requires these work papers to address LeMay finances as a whole, not a limited subset of one or more business units.
- 4 LeMay stated that WAC 480-07-520(4) would require LeMay to submit into the public record certain proprietary and confidential business records unrelated to the substantive audit of the tariffs filed on behalf of Pierce County. In addition, LeMay claims that preparing some components of the work paper requirements for LeMay, as a whole, would impose a significant hardship on LeMay because each business unit maintains its own general ledger, and the analysis would require manually consolidating data into one master ledger, a time-consuming and unproductive process without any commensurate benefit to the ratepayers.

5 LeMay requested the Commission to grant an exemption from WAC 480-07-520(4) consistent with the following:

- (a) *WAC 480-07-520(4)(a) (detailed pro forma income statement)* – The required income statement is limited to the business units providing services under the tariff that LeMay is seeking to amend.
- (b) *WAC 480-07-520(4)(b) (revenue impact calculation for proposed tariff revisions)* – The revenue impact calculation may be limited to services provided under the tariff that the Company is seeking to amend.
- (c) *WAC 480-07-520(4)(c) (income statement listing all revenue and expense accounts by month)* – The required income statement may be limited to the business unit that provides services under the tariff that the Company is seeking to amend.
- (d) *WAC 480-07-520(4)(d) (detailed separation of all revenue and expenses between regulated/nonregulated operations if nonregulated revenue exceeds ten percent of total company test period revenue)* – No exemption requested.
- (e) *WAC 480-07-520(4)(e) (detailed list of all nonregulated operations, including the rates charged for the services rendered)* – For the portion of the rule requiring rates charged for the services rendered for the unregulated operations, LeMay may provide all pertinent rates for unregulated services for the business unit providing services under the tariff that LeMay is seeking to amend , as well as certain representative rates for unregulated services in other parts of the LeMay operations.
- (f) *WAC 480-07-520(4)(f) (detailed price-out information )* – The revenue to be reported may be limited to services provided under the tariff that the Company is seeking to amend.
- (g) *WAC 480-07-520(4)(g) (consolidated balance sheet)* – No exemption requested.

- (h) *WAC 480-07-520(4)(h) (detailed depreciation schedule)* – No exemption requested.
- (i) *WAC 480-07-520(4)(i) (computed average investment)* – No exemption requested.
- (j) *WAC 480-07-520(4)(j) (information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates.* - No exemption requested.

6 Staff reviewed LeMay’s request for an exemption from WAC 480-07-520(4) and recommends that the Commission grant that request, as set forth above.

#### FINDINGS AND CONCLUSIONS

- 7 (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.*
- 8 (2) Harold LeMay Enterprises, 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.
- 9 (3) Harold LeMay Enterprises, Inc., is subject to WAC 480-07-520(4), which requires the Company to file work papers that contain detailed financial data for the Company, its affiliated interests, and its business units. The plain language of the rule requires these work papers to address Harold LeMay Enterprises, Inc.’s finances as a whole, not a limited subset of one or more business units.
- 10 (4) Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse Co. is a business unit of Harold LeMay Enterprises, Inc., and collects solid waste under one of its six tariffs.

- 11 (5) Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse Co. filed proposed tariff revisions on September 16, 2011, seeking to increase rates in its Pierce County Refuse Co. business unit by approximately \$1,968,000 (8.3 percent).
- 12 (6) In support of its proposed tariff revisions, Harold LeMay Enterprises, Inc., filed work papers containing financial information only for Harold LeMay Enterprises, Inc., d/b/a Pierce County Refuse Co. and some of the Company's other business units, but not for the entirety of Harold LeMay Enterprises, Inc.'s statewide operations.
- 13 (7) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also WAC 480-07-110.*
- 14 (8) This matter came before the Commission at its regularly scheduled meeting on October 13, 2011.
- 15 (9) After review of the petition filed in Docket TG-111688 by Harold LeMay Enterprises, Inc., on September 16, 2011, as amended on October 10, 2011, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 16 (1) After the effective date of this Order, Harold LeMay Enterprises, Inc.'s Petition for Exemption from WAC 480-07-520(4) is granted, in part, consistent with the terms of this Order.
- 17 (2) The exemption granted to Harold LeMay Enterprises, Inc., in this Order applies only to the general rate proceeding in Docket TG-111688.
- 18 (3) The Commission retains jurisdiction over the subject matter and Harold LeMay Enterprises, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective October 13, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary