

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT - NORTH SOUND and
WASTE MANAGEMENT -
MARYSVILLE
G-237

Respondent.

DOCKET TG-180923

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF
REVISIONS; ALLOWING
DISPOSAL FEE INCREASES TO
GO INTO EFFECT ON JANUARY
1, 2019

BACKGROUND

- 1 On November 13, 2018, Waste Management of Washington, Inc. d/b/a Waste Management - North Sound and Waste Management - Marysville (Waste Management or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed tariff revisions that would generate approximately \$317,000 in additional annual revenue. The Company provides service to 21,000 solid waste and recycling customers in King County and 99,700 customers in Snohomish County.¹
- 2 The proposed tariff revisions address two main issues: pass through disposal and hazardous waste fees, and revenue sharing related to the sale of recyclable commodities.
- 3 First, the proposed tariff revisions include a pass-through disposal fee increase set by the King County Council for county-owned transfer stations and landfills, which will increase disposal fees from \$134.59 to \$140.82 per ton. In addition, the King County Board of Health increased the local hazardous waste fees by 5.4 percent. The proposed

¹ Also on November 13, 2018, the Company filed a petition for exemption from Washington Administrative Code 480-70-351(2), which requires companies to use the most recent 12 months to project revenue from the sale of recyclable materials. Because the Commission suspends the proposed tariff revisions filed in this docket to allow parties and stakeholders additional time to determine the correct commodity adjustment, the Commission will not act on the Company's petition until a final calculation is brought before the Commission for approval on a permanent basis.

effective date for both tariff revisions is January 1, 2019.

- 4 Second, the Company requests to retain 42.5 percent and 50 percent of the revenue received from the sale of recyclable commodities for Snohomish and King Counties, respectively, as allowed by RCW 81.77.185, and in accordance with Revenue Sharing plans approved by those counties. The Company proposes retaining \$180,371 for Snohomish County, with a proposed commodity adjustment resulting in a \$0.93 per month charge to customers, including costs for a one-time customer notice; and retaining \$45,761 for King County, with a proposed commodity adjustment resulting in a \$1.16 per month charge to customers, including costs for a one-time customer notice.
- 5 Commission staff (Staff) reviewed the Company's financial books and records and agrees with the Company's calculation of the disposal and hazardous waste fee increase, but does not support the commodity adjustment as filed.
- 6 Staff relates that the parties have not had an opportunity to reach an agreement that resolves how the commodity adjustment should be calculated. King and Snohomish counties will likely wish to participate in those discussions because the calculation may impact the counties' Revenue Sharing plans. Accordingly, Staff recommends that the Commission allow the revised commodity adjustment to become effective on a temporary basis, subject to refund.

DISCUSSION

- 7 We agree with Staff that the pass-through disposal and hazardous waste fee increases should be allowed to go into effect by operation of law. We find, however, that the Company has not yet demonstrated that the commodity adjustment provisions are fair, just, reasonable and sufficient. Moreover, as Staff observes, the parties and stakeholders have not had an opportunity to reach an agreement that resolves how the commodity adjustment should be calculated. In light of these factors, we decline to adopt Staff's recommendation to allow the rates to become effective on a temporary basis, subject to refund. We are confident the parties can work cooperatively to resolve these issues and bring forward within the next month a proposal that results in rates that are fair, just, reasonable, and sufficient.
- 8 We suspend those portions of the tariff related to the commodity adjustment and revenue sharing, and allow those portions related to pass-through disposal and hazardous waste fees to become effective by operation of law.

FINDINGS AND CONCLUSIONS

- 9 (1) The 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.
- 10 (2) Waste Management is a solid waste company and a public service company subject to Commission jurisdiction.
- 11 (3) This matter came before the Commission at its regularly scheduled meeting on December 28, 2018.
- 12 (4) Waste Management has demonstrated that the pass-through disposal and hazardous waste fees are fair, just, reasonable, and sufficient.
- 13 (5) The pass-through disposal and hazardous waste fee increases should be allowed to go into effect by operation of law on January 1, 2019.
- 14 (6) Waste Management has not yet demonstrated that the remaining tariff revisions are fair, just, reasonable and sufficient.
- 15 (7) The Commission should suspend the remaining proposed tariff revisions to provide the parties and stakeholders an opportunity to resolve the remaining issues.
- 16 (8) As required by RCW 81.04.130, Waste Management bears the burden of proof to show that the proposed increases are just, reasonable and sufficient.
- 17 (9) Waste Management may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The disposal fee and hazardous waste increases filed on November 13, 2018, by Waste Management of Washington, Inc. d/b/a Waste Management - North Sound and Waste Management - Marysville will go into effect by operation of law on

January 1, 2019.

- 19 (2) The remaining tariff revisions filed on November 13, 2018, by Waste
Management of Washington, Inc. d/b/a Waste Management - North Sound and
Waste Management - Marysville are suspended.
- 20 (2) The Commission may hold hearings if needed at such times and places as
required.
- 21 (3) The Commission will institute an investigation of Waste Management of
Washington, Inc. d/b/a Waste Management - North Sound and Waste
Management - Marysville's books, accounts, practices, activities, property and
operations as necessary and as described above.
- 22 (4) Waste Management of Washington, Inc. d/b/a Waste Management - North Sound
and Waste Management - Marysville 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 28, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner