

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

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| WASHINGTON UTILITIES AND |) | DOCKET TG-060408 |
| TRANSPORTATION |) | |
| COMMISSION, |) | ORDER 01 |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | |
| |) | |
| Waste Management of Washington, |) | COMPLAINT AND ORDER |
| in Seattle & South Sound, Inc., G-237 |) | SUSPENDING TARIFF; |
| |) | ALLOWING RATES ON A |
| |) | TEMPORARY BASIS SUBJECT TO |
| Respondent. |) | REFUND |
| |) | |

BACKGROUND

- 1 On March 15, 2006, Waste Management of Washington, in Seattle & South Sound, Inc., (WM-SS or Company) filed with the Washington Utilities and Transportation Commission a new Tariff No. 21. The purpose of filing is to combine the operations of Waste Management – Rainier [Tariff No. 20] and Waste Management Raffo/RST [Tariff No. 6], and increase rates for garbage, residential recycling, multi-family recycling and yard waste collection service. The stated effective date is May 1, 2006.

- 2 Among other things, the filing is based on a new labor agreement for union drivers. The Company’s March 15, 2006, filing reflects the Company’s estimate of the new contract. WM-SS and the union have negotiated a tentative labor contract. Drivers will vote on the tentative labor contract on April 29, 2006.

- 3 Staff has reviewed WM-SS’s total operations, the impact of the labor increases set forth in the tentative labor contract, the allocations between different lines of business and the allocations between contract and regulated areas. Based on Staff’s conclusions, WM-SS and Staff have agreed to revised rates that are lower than the originally proposed rates. On April 24, 2006, WM-SS filed revised rates at the Staff recommended levels on Substitute Original Page Nos. 21, 24, 34 and 36.

- 4 The revised rates are lower than the original rates and Staff believes the revised rates accurately reflect the terms of the tentative labor contract. The drivers have not yet ratified the tentative labor contract. The revised rates might injuriously affect the rights

and interests of the public if the drivers do not ratify the tentative labor contract. WM-SS has not demonstrated that the revised rates would ultimately result in rates that are fair, just and reasonable. The Commission therefore suspends Tariff No. 21, as amended by Substitute Original Page Nos. 21, 24, 34 and 36 filed on April 24, 2006, but allows the suspended tariff to become effective on May 1, 2006, on a temporary basis, subject to refund, and will hold public hearings if necessary.

FINDINGS AND CONCLUSIONS

- 5 (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, securities and transfers of property of public service companies, including solid waste companies. *RCW 80.01.040; Chapter 81.01 RCW; Chapter 81.04 RCW; Chapter 81.28 RCW and Chapter 81.77 RCW.*
- 6 (2) WM-SS is a solid waste company and is a public service company subject to the jurisdiction of the Commission.
- 7 (3) This matter was brought before the Commission at its regularly scheduled meeting on April 26, 2006.
- 8 (4) The tariff revisions filed by WM-SS on March 15, 2006, would increase charges and rates for services provided by WM-SS and reflect estimated labor cost increases expected to result from a negotiated labor contract. Subsequently, WM-SS and the union reached a tentative labor contract. The drivers will vote on the tentative labor contract on April 29, 2006. On April 24, 2006, WM-SS filed revised rates on Substitute Page Nos. 21, 24, 34 and 36. The revised rates are at Staff recommended levels and reflect the terms of the tentative labor contract. Because the drivers have not yet ratified the tentative labor contract, the labor rates are not known and measurable at this time. If the drivers do not ratify the tentative labor contract, the revised rates might injuriously affect the rights and interest of the public.
- 9 (5) WM-SS has not yet demonstrated that the revised tariff revisions would ultimately result in rates that are fair, just and reasonable. The Commission therefore finds that it should suspend the revised tariff filing but allow the revised

rates to become effective May 1, 2006, on a temporary basis, subject to refund, and hold public hearings if necessary.

- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130 and RCW 80.04.220, the Commission believes it may be necessary to investigate this tariff filing further. This could involve an investigation of WM-SS's books, accounts, practices and activities, and to investigate and appraise various phases of WM-SS's operations.
- 11 (7) As required by RCW 80.04.130 (4), WM-SS bears the burden of proof to show that the proposed increases are fair, just and reasonable.
- 12 (8) WM-SS may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Tariff No. 21, filed March 15, 2006, amended by Substitute Page Nos. 21, 24, 34 and 36, filed on April 24, 2006, is suspended.
- 14 (2) The revised rate increase sought by Waste Management of Washington in Seattle and South Sound, as filed in Tariff No. 21 on March 15, 2006, and amended by Substitute Page Nos. 21, 24, 34 and 36, filed on April 24, 2006, should be allowed to become effective on May 1, 2006, on a temporary basis, subject to refund.
- 15 (3) The Commission will hold hearings at such times and places as may be required.
- 16 (4) Waste Management of Washington in Seattle and South Sound must not change or alter the tariffs filed in this Docket during the suspension period, unless authorized by the Commission.

- 17 (5) The Commission may institute an investigation of Waste Management of Washington in Seattle and South Sound's books, accounts, practices, activities and operations as described above.
- 18 (6) Waste Management of Washington in Seattle and South Sound shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.

DATED at Olympia, Washington, and effective April 26, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner