

- 4 Staff recommends that the Commission require Eastside to implement deferred accounting treatment for the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in the Company's recycling service using the most recent twelve-month test period to true-up the estimated revenue to actual revenue, and to estimate revenue for the next twelve-month period. Staff also recommends that the Commission condition its approval on Eastside making its next commodity adjustment effective January 1, 2010, and each January 1 thereafter, and that Eastside make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.
- 5 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 tariff sheets bear an inserted effective date of January 5, 2009. This date recognizes statutory notice as required. Eastside requests less than statutory notice as permitted by WAC 480-70-276, so that the tariff revisions becomes effective on January 1, 2009. Eastside requests less than statutory notice treatment because the current commodity credits will expire on December 31, 2008. The Company is required to notify customers after final Commission action.
- 6 On December 12, 2008, Eastside filed with the Commission a request to retain thirty percent of the revenue Eastside receives from the sale of recyclable materials that it collects in its residential collection service.
- 7 RCW 81.77.185 states that the Commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.
- 8 On December 12, 2008, Eastside filed its recycling plan for calendar year 2009. The plan sets forth specific actions that Eastside will take including: working with King County to develop and implement a Regional Recycling Campaign; collecting, evaluating and reporting data; promoting enhanced recycling and organics collection; providing promotional and educational materials; and, enhancing multi-family recycling. The plan also requires Eastside to file monthly reports with the King County Solid Waste Division

and provide copies to the Commission. Eastside states that it will use retained revenue to:

- Aggressively partner with its affiliated company, Rabanco Recycling, to provide superior single stream processing of all recycled materials and, as a result, reducing residual waste to well below 10 percent.
- Partner with King County to develop educational materials and promote increased organics recycling.
- Enhance information on the Company's website in order to enable customers to access information on food waste recycling and provide sample bags.
- Encourage new customers to utilize 96-gallon carts for comingled recyclables.
- Improve the accuracy of recycling data in order to better assess educational effort needed to increase recycling and reduce contaminants.
- Convert all yard waste customers to every other week pick-up instead of monthly.
- Participate in regional meetings to discuss strategies for increasing multi-family recycling.

9 Eastside's recycling plan, dated December 12, 2008, is signed by Kevin Kiernan, Solid Waste Division Director, King County, which states, in part, that "King County believes that implementation of this recycling plan will increase the amount of materials recycled by Rabanco Eastside Disposal customers, and hereby certifies that the provisions of this plan are consistent with the King County Comprehensive Solid Waste Management Plan. Therefore, King County recommends to the WUTC that Rabanco Eastside Disposal be allowed to retaining 30% of the actual commodity values received during the period of this agreement (January 1, 2009 – December 31, 2009)." Staff recommends that the Commission grant Eastside's request to retain thirty percent of the revenue it receives from the sale of recyclable materials that it collects in its recycling service and require Eastside to report to the Commission the amount of revenue it retained, the amount of money it spent on the activities identified in Eastside's recycling plan and the effect the activities had on increasing recycling.

10 In summary, Staff recommends that the Commission approve the proposed commodity credits to become effective January 1, 2009, on less than statutory notice, require Eastside to implement deferred accounting treatment for the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in Eastside's recycling service,

and grant Eastside's request to retain thirty percent of the revenues it receives from the sale of recyclable materials that it collects in its residential recycling service.

FINDINGS AND CONCLUSIONS

- 11 (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.*
- 12 (2) This matter came before the Commission at its regularly scheduled meeting on December 23, 2008.
- 13 (3) Eastside 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.
- 14 (4) Eastside is subject to RCW 81.28.050 and WAC 480-70-266, which require solid waste companies to file changes in any rate or charge with forty-five days' notice. Under WAC 480-70-276, the Commission may allow, for good cause shown, changes in rates or charges without requiring forty-five days' notice in an order specifying the changes to be made and the effective date.
- 15 (5) Eastside asks the Commission to allow the tariff revisions filed November 21, 2008, as revised on December 2, 2008, become effective January 1, 2009, on less than statutory notice, because the current commodity credits will expire December 31, 2008.
- 16 (6) RCW 81.77.185 states that the Commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.

- 17 (7) King County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of King County's Solid Waste Division certified that Eastside's recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan and his recommendation that the Commission allow Eastside to retain thirty percent of the revenue the company receives from the sale of recyclable material is accepted.
- 18 (8) After reviewing Eastside's request to allow the revised commodity credits filed on November 21, 2008, to become effective January 1, 2009, and request to retain thirty percent of the revenue received from the sale of recyclable materials collected in its recycling service, all filed in Docket TG-082110, and giving due consideration, the Commission finds that Eastside's requests are reasonable and should be granted. The Commission also finds it is reasonable to require Eastside to implement deferred accounting treatment of the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in Eastside's recycling service.

O R D E R

THE COMMISSION ORDERS:

- 19 (1) The revised tariff revisions Rabanco LTD, dba Eastside Disposal filed on November 21, 2008, will be effective on January 1, 2009, on less than statutory notice.
- 20 (3) Rabanco LTD, dba Eastside Disposal is authorized to retain thirty percent of the revenue it receives from the sale of recyclable materials collected in its residential recycling programs from January 1, 2009 to December 31, 2009. Rabanco LTD, dba Eastside Disposal will report to the Commission no later than February 1, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in Eastside's recycling plan and the effect the activities had on increasing recycling.
- 21 (4) Rabanco LTD, dba Eastside Disposal is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential recycling services. Eastside shall make its next commodity adjustment effective

January 1, 2010, and each January 1 thereafter. Eastside shall make all future commodity adjustment filings forty-five days prior to the proposed effective date. Eastside will report to the Commission no later than February 1, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in Eastside's recycling plan and the effect the activities had on increasing recycling.

- 22 (5) The Commission delegates to the Executive Secretary the authority to approve by letter all compliance filings required in this Order.
- 23 (6) The Commission retains jurisdiction over the subject matter and Rabanco LTD, dba Eastside Disposal to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective December 23, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Secretary