

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET TG-121484
TRANSPORTATION COMMISSION,)	
	)	ORDER 03
)	
Complainant,)	
	)	DOCKET TG-121822
v.)	
	)	ORDER 02
)	
WASTE MANAGEMENT OF	)	ORDER DISMISSING
WASHINGTON, INC., DBA BREM-	)	COMPLAINT AND ORDER
AIR DISPOSAL,	)	SUSPENDING TARIFF
	)	REVISIONS; ALLOWING
Respondent.	)	REVISED TARIFF REVISIONS;
	)	AND GRANTING EXEMPTION
	)	FROM RULE
.....)	

BACKGROUND

- 1 On September 10, 2012, Waste Management of Washington, Inc. (WMW or Company), dba Brem-Air Disposal (Brem-Air), in Docket TG-121484, filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 20, designated as 10th Revised Page No. 2, 6th Revised Page No. 22, and 5th Revised Page No. 25. The stated effective date is November 1, 2012. Brem-Air serves approximately 52,000 residential customers in Kitsap County.
- 2 WMW proposed to decrease the amount Brem-Air pays to customers for the revenue Brem-Air receives from the sale of recyclable materials that Brem-Air collects in its residential recycling collection service. On October 25, 2012, the Commission suspended the tariff pages filed in docket TG-121484 but allowed a commodity credit of \$1.01 for single-family customers, and \$0.17 credit for multifamily customers to go into effect November 1, 2012, on a temporary basis, subject to refund. The Commission also ordered that WMW must not change or alter the tariffs filed during the suspension period, unless authorized by the Commission.
- 3 Staff’s review of Brem-Air’s financial information found that the temporary commodity credits are too low, and on January 23, 2013, WMW filed revised tariff pages at Staff recommended levels reflecting a \$3.82 commodity credit for single-family customers and

a \$0.61 credit for multifamily customers, to become effective February 1, 2013, and expire October 31, 2013.

- 4 On November 16, 2012, WMW, in Docket TG-121822, filed with the Commission additional revisions to its currently effective Tariff No. 20, designated as 12th Revised Page No. 2, 8th Revised Page No. 22, 3rd Revised Page No. 23, and 7th Revised Page No. 25. The proposed general rate case filing would generate approximately \$1,600,000 (10.8 percent) additional annual revenue for the collection of residential recycling and yard waste. On December 14, 2012, the Company filed a replacement page, 3rd Revised Page No. 23, to correct a clerical error. The last Brem-Air general rate increase became effective on November 1, 2007.
- 5 Pages 22 and 25 included in the WMW's filing in Docket TG-121822 sought to revise pages 22 and 25 that the Commission suspended in Docket TG-121484. The purpose of the filing is to increase rates for the collection of residential recycling and yard waste, and to revise the recycling commodity adjustment credit.
- 6 On December 27, 2012, the Commission issued combined Order 02 in Docket TG-121484 and Order 01 in Docket TG-121822 that consolidated the dockets, authorized WMW to file changes to pages 22 and 25 that were suspended in Docket TG-121484, and suspended the rates and tariffs filed in Docket TG-121822 and allowed revised rates to become effective on a temporary basis, subject to refund.
- 7 On November 16, 2012, WMW also filed a petition asking for an exemption from the following sections of WAC 480-07-520(4) to limit the filing requirements to Brem-Air, the business unit providing services under the tariff that WMW proposes to amend:
 - (a) Detailed pro forma income statement.
 - (b) Revenue impact calculation for proposed tariff revisions.
 - (c) Income Statement
 - (f) Detailed price-out information.
 - (h) Detailed depreciation schedule.
 - (i) Computed average investment.

WMW also requested an exemption from:

- (d) Detailed separation of revenue and expenses between regulated and nonregulated activities to limit the filing to a detailed separation of revenue and expenses between Brem-Air, the business unit providing services under the tariff that WMW proposes to amend and other business units within WMW with which Brem-Air has intra-company transaction or arrangements that, but for the fact that the business units are not separate corporations, would be affiliated interest transactions. The filing also includes a detailed separation of all revenues and expenses for each of the other WMW business units performing collection operations, with expenses allocated proportionately on the basis of regulated and unregulated revenues, and a combined statement of detailed revenues and expenses for all of WMW's unregulated, non-collection operations added together.

8 Staff agrees that because the data for which this exemption is sought is not relevant to the tariff filing, granting this exemption is not inconsistent with the underlying purposes of the general rate filing rule stated in WAC 480-07-520(4). WMW's request is consistent with previous filings in which the Commission has found the requested exemption to be in the public interest and consistent with the purposes underlying the regulation and applicable statutes. Staff recommends that the Commission grant the requested exemption.

9 Staff's review of costs related to Brem-Air and its affiliate JMK found that the proposed rates would result in excess revenue. Staff and WMW agreed to a revised revenue requirement of approximately \$1,369,000 (9.0 percent) additional annual revenue in Docket TG-121822 and on January 23, 2013, WMW filed revised tariff pages with revised rates at staff recommended levels.

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) Waste Management of Washington, Inc., is a solid waste company and a public service company subject to Commission jurisdiction.
- 12 (3) On September 10, 2012, Waste Management of Washington, Inc., in Docket TG-121484, filed tariffs to decrease the amount Brem-Air pays to customers for the revenue Brem-Air receives from the sale of recyclable materials that Brem-Air collects in its residential recycling collection service. On October 25, 2012, the Commission suspended the tariff pages but allowed a commodity credit of \$1.01 for single-family customers, and \$0.17 credit for multifamily customers to go into effect November 1, 2012, on a temporary basis, subject to refund. Staff's review of Brem-Air's financial information found that the temporary commodity credits are too low, and on January 23, 2013, the Waste Management of Washington, Inc., filed revised tariff pages at Staff recommended levels reflecting a \$3.82 commodity credit for single-family customers and a \$0.61 credit for multifamily customers, to become effective February 1, 2013, and expire October 31, 2013. The revised tariff revisions are fair, just, reasonable and sufficient.
- 13 (4) On November 16, 2012, Waste Management of Washington, Inc., in Docket TG-121822, filed additional revisions proposing a general rate case filing that would generate approximately \$1,600,000 (10. 8 percent) additional annual revenue for the collection of residential recycling and yard waste. On December 14, 2012, the company filed a replacement page, 3rd Revised Page No. 23, to correct a clerical error.
- 14 (5) On December 27, 2012, the Commission issued combined Order 02 in Docket TG-121484 and Order 01 in Docket TG-121822 that consolidated the dockets, authorized WMW to file changes to pages 22 and 25 that were suspended in Docket TG-121484, and suspended the rates and tariffs filed in Docket TG-121822.
- 15 (6) Staff's review of costs related to Brem-Air and its affiliate JMK found that the proposed rates would result in excess revenue. Staff and WMW agreed to a revised revenue requirement of approximately \$1,369,000 (9. 0 percent)

additional annual revenue in Docket TG-121822 and on January 23, 2013, WMW filed revised tariff pages with revised rates at staff recommended levels.

- 16 (7) On November 16, 2012, Waste Management of Washington, Inc., also filed a petition asking for an exemption from the following sections of WAC 480-07-520(4) to limit the filing requirements as set forth in paragraph seven. The data for which this exemption is sought is not relevant to the tariff filing for Brem-Air, and granting this exemption is not inconsistent with the underlying purposes of the general rate filing rule stated in WAC 480-07-520(4). Waste Management of Washington, Inc.'s request is consistent with previous filings in which the Commission has found the exemption to be in the public interest and consistent with the purposes underlying the regulation and applicable statutes.
- 17 (8) Waste Management of Washington, 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 Waste Management of Washington, Inc.'s finances as a whole, not a limited subset of one or more business units.
- 18 (9) Waste Management of Washington, Inc., dba Brem-Air is a business unit of Waste Management of Washington, Inc., and collects solid waste under one of Waste Management of Washington, Inc.'s ten tariffs.
- 19 (10) In support of its proposed tariff revisions, Waste Management of Washington, Inc., filed work papers containing financial information only for, dba Brem-Air business unit, but not for the entirety of Waste Management of Washington, Inc., operations.
- 20 (11) 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.

- 21 (12) This matter came before the Commission at its regularly scheduled meeting on January 31, 2013.
- 22 (13) After reviewing the tariff revisions Waste Management filed in Docket TG-121484, and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket TG-121484, dated December 27, 2012, and allow the revised commodity credits filed on January 23, 2013, to become effective on February 1, 2013.
- 23 (14) After review of the petition filed in Docket TG-121822 by Waste Management of Washington, Inc., dba Brem-Air on November 7, 2012, 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.
- 24 (15) After reviewing the tariff revisions Waste Management filed in Docket TG-121822 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket TG-121822, entered on December 27, 2012, and allow the revised tariff revisions filed on January 23, 2013, to become effective on February 1, 2013.

ORDER

THE COMMISSION ORDERS:

- 25 (1) The Complaint and Order Suspending Tariff Revisions in Docket TG-121484, entered on October 25, 2012, is dismissed, and the revised tariffs filed on January 23, 2013, shall become effective on February 1, 2013.
- 26 (2) The Complaint and Order Suspending Tariff Revisions in Docket TG-121822, entered on December 27, 2012, is dismissed, and the revised tariffs filed on January 23, 2013, shall become effective on February 1, 2013.

- 27 (3) After the effective date of this Order, Waste Management of Washington, Inc.'s petition for partial exemption from WAC 480-07-520(4) is granted, as set forth in paragraph seven.
- 28 (4) The exemption granted to Waste Management of Washington, Inc., in this Order applies only to the general rate proceeding in Docket TG-121822.
- 29 (5) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective January 31, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PHILIP B. JONES, Commissioner