

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

WASHINGTON UTILITIES AND)	DOCKET TG-120716
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
RABANCO, LTD., d/b/a)	
LYNNWOOD DISPOSAL AND)	
ALLIED WASTE SERVICES OF)	
LYNNWOOD, G-12,)	ALLOW TARIFF REVISIONS;
)	GRANTING PARTIAL
Respondent)	EXEMPTION FROM RULE
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BACKGROUND

- 1 On May 16, 2012, Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood (Lynnwood Disposal or Company), a business unit of Rabanco, LTD (Rabanco), filed with the Utilities and Transportation Commission (Commission) tariff revisions to its currently effective Tariff No. 4 designated as 23rd revised page No. 1, 16th revised page No. 21, 17th revised page No. 21a, 15th revised page No. 25, 6th revised page No. 25a, 6th revised page No. 25b, 6th revised page No. 30, 4th revised page No. 35, 4th revised page No. 36, 3rd revised page No. 37, 3rd revised page No. 38, 4th revised page No. 39, and 4th revised page No. 40. The purpose of the filing is to increase rates due to increases in labor, fuel, maintenance, healthcare, pension, and other general operating expenses. The stated effective date is July 1, 2012. On June 16, 2012, the Company filed to extend the effective date to August 1, 2012. On July 23, 2012, the Company filed substitute tariff pages to correct tariff language. Lynnwood Disposal’s last general rate increase became effective on August 15, 2010.
- 2 In this filing, Lynnwood Disposal proposes to increase charges and rates for service it provides by approximately \$482,000 (5.5 percent). Lynnwood Disposal provides regulated service to approximately 44,000 residential and 2,200 commercial customers in King and Snohomish Counties.
- 3 Staff has reviewed the Company’s supporting financial documents, books and records which show that the expenses are reasonable and required as part of the Company’s

operation, the Company's financial information supports the revenue requirement, and the proposed rates and charges are fair, just, reasonable and sufficient.

- 4 On May 17, 2012, Lynnwood Disposal filed a petition requesting an exemption from the work paper filing requirements set forth in WAC 480-07-520(4). The company filed a revised petition on July 19, 2012 containing technical corrections relating to the company's trade names.
- 5 WAC 480-07-520(4) requires Lynnwood Disposal 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 company-wide finances as a whole, not a limited subset of one or more business units.
- 6 Lynnwood Disposal 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)* – Petitioner here seeks exemption from the work paper detailed pro forma income statement requirement to the extent that it asks that subparts (i) and (ii) for restating “actual adjustments” and “pro forma adjustments” be limited to demonstration of the impact upon Lynnwood Disposal rather than Rabanco, Ltd. as a whole.
 - (b) *WAC 480-07-520(4)(b) (revenue impact calculation for proposed tariff revisions)* – No exemption requested.
 - (c) *WAC 480-07-520(4)(c) (income statement listing all revenue and expense accounts by month)* – No exemption requested.
 - (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)* – Petitioner here seeks application of the subpart 4(d) requirement of non-regulated revenue exceeding 10% of total company test period revenue in limiting the work paper computations and submissions to Lynnwood Disposal, as the tariff-filing entity, and further asks that the detailed separation of all revenue and

expenses requirement in subsection 4(d) apply to intracompany transactions between Lynnwood Disposal as the tariff-filing entity and Rabanco, Ltd. as the company as a whole, providing what would be analogously required for disclosure under the affiliated interest transaction rule of 480-70-079 but for the fact that Lynnwood Disposal is a part of Rabanco, Ltd.

- (e) *WAC 480-07-520(4)(e) (detailed list of all nonregulated operations, including the rates charged for the services rendered)* – Petitioner is requesting a partial exemption from the requirement of listing all unregulated operations of Rabanco, Ltd. to the extent that it asks that this requirement be limited to unregulated city contracts and businesses and any transactions or relationships between those Lynnwood Disposal-based business operations and other Rabanco, Ltd. business entities.
- (f) *WAC 480-07-520(4)(f) (detailed price-out information)* – Petitioner here seeks limitation of the detailed price-out information and reconciliation requirement of this subpart of the general rate case work paper rule to be again applied to Lynnwood Disposal, the tariff-filing entity, only.
- (g) *WAC 480-07-520(4)(g) (consolidated balance sheet)* – No exemption requested.
- (h) *WAC 480-07-520(4)(h) (detailed depreciation schedule)* – Petitioner hereby seeks an exemption to limit the detailed depreciation schedule applicable to the test period to the tariff-filing entity only, Lynnwood Disposal.
- (i) *WAC 480-07-520(4)(i) (computed average investment)* – Petitioner asks that the computed average investment calculation requirement be limited to applying only to the tariff-filing entity, Lynnwood Disposal, in presenting computed average investment information.
- (j) *WAC 480-07-520(4)(j) (information about every transaction with affiliated interests or subsidiaries)* – No exemption requested.

7 Staff reviewed Rabanco'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

- 8 (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.
- 9 (2) Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood 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.
- 10 (3) This matter came before the Commission at its regularly scheduled meeting on July 27, 2012.
- 11 (4) Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood are business units of Rabanco, LTD and collect solid waste under one of Rabanco LTD's five tariffs.
- 12 (5) Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood filed proposed tariff revisions on May 16, 2012, seeking to increase rates by approximately \$482,000 (5.5 percent). Staff's analysis showed that the expenses are reasonable and required as part of the Company's operation, the Company's financial information supports the revenue requirement, and the proposed rates and charges are fair, just, reasonable and sufficient.
- 13 (6) The revised tariff revisions are fair, just, reasonable and sufficient because Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood has demonstrated that it requires additional revenues.
- 14 (7) After review of the tariff revisions filed in Docket TG-120716 by Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood on May 16, 2012, and revised on July 23, 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 statues and should be granted.

ORDER

THE COMMISSION ORDERS:

- 15 (1) The tariff revisions Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood filed in this docket on May 16, 2012, extended on June 16, 2012, and revised on July 23, 2012, shall become effective on August 1, 2012, by operation of law.
- 16 (2) After the effective date of this Order, Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood's Petition for Exemption from WAC 480-07-520(4) is granted, in part, consistent with the terms of this Order.
- 17 (3) The exemption granted to Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood in this Order applies only to the general rate proceeding in Docket TG-120716.
- 18 (4) The Commission retains jurisdiction over the subject matter and Rabanco, LTD., d/b/a Lynnwood Disposal and Allied Waste Services of Lynnwood, to effectuate this Order.

DATED at Olympia, Washington, and effective July 27, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner