



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Washington Utilities and Transportation Commission

Subject of possible rule making: The Washington Utilities and Transportation Commission (Commission) is initiating this inquiry to examine whether the Commission should consider adopting rules to address methods for determining the circumstances under which it will permit solid waste, auto transportation and ferry companies to impose a surcharge for fuel costs and the methods of calculating any such fuel surcharge. This proceeding is in Docket No. T-101661.

Statutes authorizing the agency to adopt rules on this subject:

RCW 80.01.040; RCW 81.04.160; RCW 81.68.030, RCW 81.77.030 and RCW 81.70.270

Reasons why rules on this subject may be needed and what they might accomplish:

The current fuel surcharge methodologies for solid waste, auto transportation and ferry companies expire on January 31, 2011. In the absence of these methodologies, solid waste, auto transportation and ferry companies that want to increase rates due to fuel cost changes must show that the proposed rates are fair, just, reasonable, and sufficient, as required by RCW 81.28.010, either in a general rate case or through a petition for a single item adjustment to rates and fares.

This inquiry will focus on the need for rules to provide simplified methods for companies to offset temporary spikes in fuel costs given certain conditions and parameters.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

The Commission will ask for initial written comments (see attachment below for specific questions), and will provide the opportunity for participation at one or more workshops as well as opportunities for additional comments.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Interested persons may file comments with the Executive Director and Secretary, Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, S.W., P.O. Box 47250, Olympia, Washington, 98504-7250; Telephone (360) 664-1174; Fax (360) 586-1150, by 5:00 pm, Friday, November 19, 2010. An initial workshop is scheduled for Tuesday, December 7, 2010, 9:00 a.m. to 3:00 p.m., in Room 206 at the Commission's headquarters.

For specific information regarding opportunities for written comments, participation in workshops, and to ensure receipt of further information concerning this rulemaking, please see the attachment to this form.

DATE
October 15, 2010

NAME (TYPE OR PRINT)
David W. Danner

SIGNATURE

TITLE
Executive Director and Secretary

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: October 15, 2010
TIME: 10:56 AM

WSR 10-21-061

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
CR-101 - ATTACHMENT
DOCKET T-101661

Interested persons may contact the Executive Director and Secretary, Washington Utilities and Transportation Commission, P. O. Box 47250, Olympia, Washington, 98504-7250, 360-664-1174 (Fax: 360-586-1150).

WRITTEN COMMENTS AND STAKEHOLDER WORKSHOP

Written comments may be submitted to the Commission at the address given above and should be filed with the Commission no later than **November, 19, 2010**, for consideration at the **December 7, 2010**, stakeholder workshop. The Commission also invites comments on whether it should adopt, by rule, methods for determining the circumstances under which it will permit a company to impose a surcharge for fuel costs and the methods of calculating a fuel surcharge.

Comments addressing fuel surcharges should include, but are not limited to, the following:

- The specific methodology or mechanism the Commission should use to determine the fuel surcharge amount (illustrate and provide examples);
- Whether the Commission should adjust a company's base charge established in its last rate case based on certain operational or market conditions (list conditions and explain);
- Whether the Commission should consider the company's current level of revenues, profits or some other overall financial measure or threshold in considering any request for a fuel surcharge;
- How to calculate fuel expense changes;
- Whether the Commission or companies should use fuel expense indices, benchmarks or actual company costs to determine the need for a fuel surcharge;
- Whether the Commission should consider changes in a company's operations (*e.g.*, expenses; age, composition and efficiency of a company's fleet; and increases or decreases in customer or passenger counts) in determining a company's eligibility to claim a fuel surcharge;
- Whether a company should have had a general rate case within a specified time period to be eligible to file for fuel surcharges;
- Whether the Commission should require companies to meet an additional needs test or threshold to become eligible for a fuel surcharge (if so, identify and describe that test or threshold); and
- Any other issues or suggestions relating to fuel surcharges.

Electronic copies. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket number of this proceeding (T-101661)
- The commenting party's name
- The title and date of the comment or comments

An alternative method for submitting comments is by mailing/delivering an electronic copy on a 3 ½ inch, IBM-formatted, high-density disk, in .pdf Adobe Acrobat format or in Word 97 or later. Include all of the information requested above. The Commission will post on the Commission's web site all comments that are provided in electronic format. The web site is located at <http://www.utc.wa.gov/101661>. If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document.

The Commission anticipates that there will be an opportunity for further comment. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's web site as it becomes available. If you would like to receive further information on this rulemaking you may (1) call the Commission's Records Center at 360-664-1234, (2) e-mail the Commission at <records@utc.wa.gov>, or (3) mail written comments to the address above to the attention of David W. Danner, Executive Director and Secretary. When contacting the Commission, please refer to Docket T-101661 to ensure that you are placed on the appropriate service list. Questions may be addressed to David Gomez (360) 664-1240 or e-mail at dgomez@utc.wa.gov.

NOTICE

TO CONTINUE RECEIVING NOTICES AND INFORMATION ABOUT THIS RULEMAKING -- The Commission wants to ensure its mailings are sent to persons who are interested in the topic and want to receive that information. **ANY PERSON WHO COMMENTS** will continue to receive notices and information. If you do not submit comments but want to remain on the mailing list for this rulemaking, please advise the Records Center by any one of the following methods: (1) send a note with your name, address (or a copy of your mailing label), and telephone and fax numbers referencing Docket T-101661, and the words "Please keep me on the mailing list"; or (2) E-mail your name, address, telephone and fax numbers, referencing Docket T-101661, and the words "Please keep me on the mailing list" to <records@utc.wa.gov>. Please note that all information in the mailings will be accessible through the Commission's Internet web site at <<http://www.utc.wa.gov/101661>>. **PERSONS WHO DO NOT RESPOND MAY NOT RECEIVE FURTHER MAILINGS OR INFORMATION ON THE RULEMAKING.**