

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

In the Matter of the Petition of)	DOCKET TG-121058
)	
FIORITO ENTERPRISES, INC., &)	ORDER 02
RABANCO COMPANIES, DBA)	
KENT-MERIDIAN DISPOSAL)	
COMPANY, G-60,)	
)	
Petitioner,)	
)	
Requesting Authority to Retain Thirty)	
Percent of the Revenue Received From)	ORDER AUTHORIZING
the Sale of Recyclable Materials)	REVENUE SHARING FOR
Collected in Residential Recycling)	RECYCLABLE COMMODITIES
Service)	REVENUE
.....)	

BACKGROUND

- 1 On June 19, 2012, Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company (Kent-Meridian or Company), filed a request that the Washington Utilities and Transportation Commission (Commission) allow it to retain up to thirty percent of the revenue received from the sale of recyclable materials during the 2012-13 recycling plan period. The Company serves approximately 25,500 residential and 500 multi-family regulated recycling customers in King County (County).
- 2 The Company’s 2012-13 budget included an incentive payment of \$8,360, five percent of planned expenditures. The proposed incentive was not conditioned upon or tied to achieving any performance goals or objectives. At its July 27, 2012, open meeting, the Commission disallowed the financial incentive but allowed revenue sharing to proceed on a temporary basis subject to revision.¹ The Company was required to make a compliance filing by August 17, 2012, specifying performance criteria and conditions to be met by the Company, at the end of the plan period, in order to be eligible for award of the incentive included in its Commodity Revenue Share Enhancement Plan (Plan) with the County.

¹ Order 01, TG-121058

3 On August 17, 2012, the Company filed with the Commission an addendum to its Plan with the County, specifying performance criteria and conditions to be met by the Company at the end of the plan period, in order to be eligible for award of the incentive.

4 At the end of the Plan period, to be eligible for four percent of the planned expenditures as an incentive, the Company will have to demonstrate to the County that diversion rates have increased from the previous plan year's measures. The Company would be eligible for the remaining one percent if the Company increases the number of subscriptions for food and yard waste collection from the previous plan year's totals for this service. Additionally, eligibility for award of an incentive will be determined by Commission and County satisfaction that expenditures of revenue sharing funds by the Company are consistent with the Plan activities and budgets.

5 The Addendum to the Plan is signed by Kevin Kiernan, Solid Waste Division Director, who also certified that the Company's Plan is consistent with the County's Comprehensive Solid Waste Management Plan. The County recommends that the commission allow Kent-Meridian to retain up to thirty percent of the actual value of recyclable commodity revenues received from August 1, 2012, through July 31, 2013, the period of the agreement.

6 Staff recommends that the Commission grant Kent-Meridian's request to retain up to thirty percent of the recyclable commodity revenue collected during the period of the plan, August 1, 2012, to July 31, 2013, on a permanent basis.

FINDINGS AND CONCLUSIONS

7 (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.

8 (2) This matter came before the Commission at its regularly scheduled open meeting on August 30, 2012.

- 9 (3) Kent-Meridian 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 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to fifty percent of the revenue paid to the company for the material if the company submits 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.
- 11 (5) 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 Kent-Meridian's recycling plan is consistent with the County's Comprehensive Solid Waste Management Plan.
- 12 (6) Included as part of Kent-Meridian's Plan with the County is a provision for an incentive payment of five percent, or \$8,360, of planned expenditures of \$167,208. Addendum 1 of the Plan, filed on August 17, 2012, in compliance with Order 01, conditions the award of the incentive on achieving specific performance goals.
- 13 (7) After reviewing Kent-Meridian's request to retain up to thirty percent of the revenue it receives from the sale of recyclable materials collected in its single family and multi-family residential recycling programs from August 1, 2012, to July 31, 2013, and giving due consideration, the Commission finds Kent-Meridian's request should be granted on a permanent basis.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company is authorized to retain up to thirty percent of the revenue it receives from the sale of recyclable materials collected in its single family and multi-

family residential recycling programs from August 1, 2012, to July 31, 2013, on a permanent basis.

- 15 (2) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, will report to the Commission no later than June 17, 2013, the amount of revenue it retained, the amount of money it spent on the activities identified in Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company's recycling plan and the effect the activities had on increasing recycling.
- 16 (3) Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, shall make its next revenue sharing plan and commodity adjustment effective August 1, 2013, and each August 1 thereafter, and shall make all future revenue sharing plans and commodity adjustment filings forty-five days prior to the proposed effective date.
- 17 (4) The Commission delegates to the Secretary the authority to approve by letter all compliance filings required in this Order.
- 18 (5) The Commission retains jurisdiction over the subject matter and Fiorito Enterprises, Inc., & Rabanco Companies, d/b/a Kent-Meridian Disposal Company, to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective August 30, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary