

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of  
  
ZIPPY DISPOSAL SERVICE, INC.,  
  
Petitioner,  
  
Seeking Extension to the Due Date of  
Compliance Filing

DOCKET TG-180267  
  
ORDER 03  
  
GRANTING PETITION TO  
EXTEND DUE DATE FOR  
COMPLIANCE FILING

**BACKGROUND**

- 1 On March 29, 2018, Zippy Disposal Service, Inc., (Zippy Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 17. The filing proposed to add a new commingled recycling pick-up service as required by Chelan County's Solid Waste Management Plan. Zippy Disposal projected that it would subscribe 500 customers in its first year of operation, which would increase revenues by approximately \$131,000, or 5 percent annually. The proposed start-up rate would be \$25 per customer, per month, based on estimated costs that include baling and transporting the material to Spokane for processing.
- 2 This matter came before the Commission at its regularly scheduled open meeting on April 26, 2018. Commission staff (Staff) recommended the Commission allow the new recycling rates based on estimates rather than actual costs, and recommended the Commission require the Company to file tariff revisions with an effective date no later than December 1, 2019, to include actual customer, cost, and revenue data for a consecutive 12 month test period. On April 26, 2018, the Commission entered Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions (Order 01). Order 01 required the Company to file with the Commission tariff revisions based on actual customer count, costs, and revenue, no later than October 15, 2019, to become effective on December 1, 2019.
- 3 On October 3, 2019, the Company filed a letter requesting an extension to make its compliance filing, and on October 10, 2019, the Commission entered Order 02, which granted the Company's request for a 30-day extension and required the Company to file tariff revisions no later than November 15, 2019.

4 On November 15, 2019, the Company filed a petition requesting a one year extension to file its revised tariff pages (Petition). In its Petition, the Company explained that it has not collected enough recycling material to transport to Spokane for processing. As a result, it does not have any actual processing cost data, and therefore cannot determine whether the rates as-filed are adequate to cover those costs. The Company further states it shipped its first load of material to Spokane in mid-November. As such, any evaluation of the recycling program would be based solely on actual cost data for a single shipment. To ensure it has adequate customer, cost, and revenue data to set rates accurately, the Company proposes to maintain existing rates for an additional 12 months and file proposed tariff revisions by November 15, 2020. Staff supports the Company's request because the purpose of requiring the Company to file actual data was to set more accurate rates. Absent the requisite data, Staff's objective cannot be achieved.

### **DISCUSSION**

5 The Commission agrees with Staff that granting the Petition is reasonable. Allowing Zippy Disposal to collect data for an additional 12 months will ultimately enable the Company to make a more complete filing using actual, rather than projected, costs. Rates were set based on an estimated customer subscription level of 500 participants; to date, the Company has averaged only 225 recycling customers, not quite half of the projected amount. Adjusting rates now would mean spreading the same costs over fewer customers, resulting in higher rates per customer. In light of these circumstances, we find that granting the Company's request to extend its filing deadline until November 15, 2020, is consistent with the public interest.

### **FINDINGS AND CONCLUSIONS**

- 6 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts and securities, transfers of property, and affiliated interests of public service companies, including solid waste companies.
- 7 (2) Zippy Disposal is a solid waste company and a public service company subject to Commission jurisdiction.

- 8 (3) On April 26, 2018, the Commission entered Order 01 in this docket, which required Zippy Disposal to file revised tariff pages no later than October 15, 2019, for rates effective December 1, 2019, based on actual customer, cost, and revenue data.
- 9 (4) On November 15, 2019, Zippy Disposal filed a Petition requesting an extension until November 15, 2020, to file revised tariff pages. In its Petition, Zippy Disposal explained that it has been unable to obtain adequate customer, cost, and revenue data for the past 12 months.
- 10 (5) This matter came before the Commission at its regularly scheduled meeting on November 22, 2019.
- 11 (6) Based on the evidence in the record, and for good cause shown, the Commission finds that granting the Company's Petition is consistent with the public interest.
- 12 (7) Zippy Disposal is required to file revised tariff pages consistent with the requirements set out in paragraph 3 of Order 01 in this docket by November 15, 2020.

### **ORDER**

#### **THE COMMISSION ORDERS:**

- 13 (1) Zippy Disposal Service, Inc.'s, Petition for an extension to file tariff revisions is granted.
- 14 (2) Zippy Disposal Service, Inc., must file tariff revisions with an effective date no later than January 1, 2021, that includes: (1) actual customer, cost, and revenue data for a consecutive 12-month test period; (2) each of the requirements listed in paragraph 3 of Order 01 in this docket; and (3) a proposed mechanism for issuing refunds in the event the Company over-collects during the test year.
- 15 (3) Zippy Disposal Service, Inc., will not alter its recycling rates before January 1, 2021, without providing the required data identified in paragraph 3 in Order 01 of this docket.

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 November 22, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON  
Executive Director and Secretary