

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Tariff Revisions to Increase  
Rates Due to a General Rate Case Filed by

ISLAND DISPOSAL, INC.

Certificate G-154

DOCKET TG-190421

ORDER 01

ORDER GRANTING EXEMPTION  
FROM RULE; REQUIRING  
COMPLIANCE FILING

**BACKGROUND**

- 1 On May 23, 2019, Island Disposal, Inc., (Island or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariff 8 reflecting the addition of new rates for automated garbage collection. The Company serves approximately 10,000 residential and commercial customers in Island County. The Company's last general rate increase became effective on July 1, 2012.
- 2 The Company will be converting its service from customer-provided cans to Company-provided automated carts on a route-by-route basis. The Company expects all of its customers will be converted to automated carts over the next one to two years. The proposed rates for cart service are based on the existing equivalent can rates with the addition of recovery of principal on the recently purchased automated carts.
- 3 As initially filed, the Company's proposed rates would have generated approximately \$68,000 (2.8 percent) additional annual revenue. Commission staff (Staff) and the Company agreed to a modified rate design, which would generate approximately \$62,000 (2.6 percent) additional annual revenue. The Company filed revised tariff pages at Staff recommended levels on July 18, 2019.
- 4 This filing falls within the definition of a general rate increase pursuant to WAC 480-07-505 because the transition to automated service will result in a rate increase. WAC 480-07-520 lists the minimum required information the Company must provide in a general rate case filing. The Company provided information pertinent to the new automated cart rates but did not provide the remainder of the information required by the rule and requested an exemption from the work paper filing requirements of WAC 480-07-520(4). Because this filing only addresses the addition of a new service level, and does not alter the Company's revenue requirement outside of recovery of principal

on its new carts, Staff had adequate information necessary to process the request. The Company has stated it intends to file a full general rate case by the end of 2020 in order to recover the cost of the new automated garbage trucks and to address potential cost savings on its labor costs due to automation. Pursuant to this, Staff recommends the Commission order the Company to file a general rate case no later than December 31, 2020, in order to adjust rates based on the actual results of the change to automated garbage service.

5 This item was originally scheduled to be heard at the June 27, 2019, open meeting and had a proposed effective date of July 1, 2019. During review, Staff discovered that the Company's customer notice did not meet the requirements outlined in WAC 480-70-271. The Company extended the effective date to August 1, 2019, and sent its revised customer notice on July 1, 2019. Pursuant to this, the originally requested less-than-statutory notice handling is no longer required.

6 WAC 480-07-110 allows the Commission to grant an exemption from or modify the application of its rules if consistent with the public interest, the purposes underlying regulation, and applicable statutes.<sup>1</sup>

7 Staff reviewed the proposed tariff revisions and recommends the Commission grant the Company's requested exemption from WAC 480-07-520(4), work paper filing requirements, for the following reasons:

- (a) The Company's financial information supports the proposed revenue requirement and the proposed rates.
- (b) Staff concluded the proposed rate increase, which reflects recovery of principal on its new automated carts, is fair, just, and reasonable.

### **DISCUSSION**

8 The Commission concurs with Staff's recommendation. The purpose of the work paper filing requirements in WAC 480-07-520(4) is to provide the Commission with information to determine whether a proposed rate increase is fair, just, reasonable, and sufficient. Here, the Company has provided sufficient information to enable the Commission to make that determination, and providing the additional information the

---

<sup>1</sup>See also WAC 480-70-051.

rule requires would be unnecessary and unduly burdensome. Accordingly, an exemption from this requirement for the purposes of the filing made in this docket is consistent with the public interest and the purposes underlying the rule, and it should be granted. The Commission also concurs with Staff's recommendation to require the Company to file a full general rate case no later than December 31, 2020.

9 Since the proposed tariff revision appears to be fair, just, reasonable, and sufficient, it is appropriate that the Commission grant the Company's request with an effective date of August 1, 2019.

### **FINDINGS AND CONCLUSIONS**

- 10 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including solid waste companies.
- 11 (2) Island Disposal 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.
- 12 (3) Island Disposal is subject to the filing requirements of WAC 480-07-520, for general rate increase proposals. The Company requested an exemption from WAC 480-07-520(4) and did not file the work papers required by WAC 480-07-520(4).
- 13 (4) This matter came before the Commission at its regularly scheduled meeting on July 26, 2019.
- 14 (5) An exemption from the general rate increase filing requirements set forth in WAC 480-07-520(4) for the filing in this docket is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.
- 15 (6) It is in the public interest to allow the revisions to Tariff 8 filed on May 23, 2019, and revised on July 18, 2019, to become effective on August 1, 2019.

**ORDER**

**THE COMMISSION ORDERS:**

- 16 (1) The Commission grants Island Disposal, Inc.'s request for exemption from WAC 480-07-520(4) for purposes of the tariff revisions filed in Docket TG-190421 on May 23, 2019.
- 17 (2) The Commission also orders Island Disposal, Inc. to file a general rate case no later than December 31, 2020.
- 18 (3) The tariff revisions Island Disposal, Inc., filed on May 23, 2019, and revised on July 18, 2019, will become effective on August 1, 2019.

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

DATED at Lacey, Washington, and effective July 26, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary