



WASHINGTON REFUSE & RECYCLING ASSOCIATION

April 1, 2011

Sent by e-mail and USPS Mail

Mr. Dave Danner
Executive Director and Secretary
Washington Utilities and
Transportation Commission
1300 S Evergreen Park Dr. SW
P. O. Box 47250
Olympia, WA 98504-7250

Re: No. T-101661

Dear Mr. Danner:

As per staff request for comments regarding the "Notice" issued by the Commission March 18, 2011, please consider the following as WRRA's response to same:

1) We remain of the belief that the current fuel surcharge mechanism is working well for the vast majority of solid waste companies. We cannot disagree with staff that the filing of 55 monthly fuel charge supplements in 64 months is inappropriate.¹ However, the actions of non-compliant companies (those who cannot fill out the surcharge form correctly) should not be the basis for an industry-wide change of policy.

Rather, we suggest that the current methodology remain in place, through the remainder of 2011. During that time, it may well be useful for staff to explore a permanent surcharge methodology based upon the time that has elapsed since the last general rate filings by a particular company. For example, a company would not be eligible for a fuel surcharge unless it has had a general rate filing within the previous five years.

Another qualifier could be the permanent ability of "Class B" companies to seek surcharges at reasonable intervals. The smaller, mostly rural companies, are most affected by the cost of fuel, and perhaps should not be treated the same as the larger companies.

¹ Please note this was done by a company which is not a WRRA member.

2) There is always discretion within the regulatory system and it seems to us that judicious use of discretion by the commission against the non-compliant companies, and those whom the commission has concerns regarding would go a long way toward reaching a permanent solution here.

3) WRRRA is concerned with opportunity to work with the commission on a reasonable solution to this issue. The "Notice" was published late on a Friday afternoon, with less than two weeks for comments; followed by discussion at an Open Meeting just two weeks later. There are two problems here. First is the lack of time for the industry to prepare a useful response. Secondly, and perhaps even more importantly, this issue is simply too complex and diverse to be given full consideration at an Open Meeting. This is particularly true in view of the fact that, apparently, Auto Transportation, Ferries and Solid Waste will all be considered simultaneously. If nothing else, the sheer number of owners, managers, and representatives who can be expected to testify will result in the matter not being fully explored.

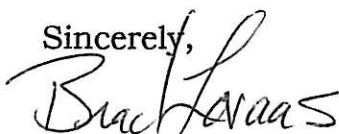
We strongly suggest that this be set as a separate hearing devoted to this issue alone, and not be a portion of an Open Meeting. WRRRA believes a separate hearing for the solid waste industry would be more productive for all concerned given the distinctions between the affected industries.

4) We believe that deferred accounting for fuel is the wrong direction as either a temporary or permanent solution for fuel. To summarize our concerns on this staff recommendation succinctly, we believe that deferred accounting for fuel would be costly in terms of dollars and staff resources for both the commission and the industry members.

5) Finally, we note several references to the "LG" rate making methodology in staff's Memorandum/Recommendations that we are of the belief are not, nor should be, a subject of this inquiry.

In summary, WRRRA firmly believes that whatever problems may exist with fuel surcharge methodology can be solved without revoking the entire concept. The inappropriate actions of non-compliant companies should not be a basis for denial of the benefits of the problem to the Commission, companies and consumers. This issue can and will be resolved, but not without the opportunity for the involved industries and the Commission to fully explore and discuss all options.

Sincerely,



BRAD LOVAAS

Executive Director