

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

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-070525
)	
Complainant,)	ORDER 01
)	
v.)	
)	
WASTE MANAGEMENT OF WASHINGTON, INC., d/b/a WASTE MANAGEMENT OF GREATER WENATCHEE, G-237)	COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS; ALLOWING REVISED RATES TO BECOME EFFECTIVE MAY 1, 2007, ON A TEMPORARY BASIS, SUBJECT TO REFUND
Respondent)	
.....)	

BACKGROUND

- 1 On March 15, 2007, Waste Management of Washington, Inc., d/b/a Waste Management of Greater Wenatchee (Greater Wenatchee or Company) filed with the Washington Utilities and Transportation Commission (Commission) a new Tariff No. 12. The stated effective date is May 1, 2007. The filing would increase residential, commercial and drop box solid waste rates.
- 2 Greater Wenatchee’s proposed rates were designed to increase revenues by \$ 748,000 (15.4 percent) annually. Commission Staff’s review revealed that some proposed rates were excessive. Staff and the Company negotiated revised rates that would increase annual revenues by approximately \$ 725,500 (13.4 percent). On April 16, 2007, Greater Wenatchee filed lower revised rates on substitute tariff pages to reflect this reduced revenue level.
- 3 Twenty-one customers commented on this filing. Seventeen are opposed, saying the proposed increase is too drastic and rates are already too high. Several of these customers said they are seniors on fixed incomes, and the increase will be hard on them. One customer said she understands the need for an increase. Several customers commented on issues that the Commission does not regulate, such as landfill disposal fees.
- 4 The Commission received a letter from Mr. Ron Dragoo, Douglas County Solid Waste Program Administrator. Mr. Dragoo comments on the following issues:

- Yard Waste: Mr. Dragoo quotes The Douglas County minimum Service Level Ordinance (CE. 04-07) “each county residential solid waste generator who resides within the Unincorporated Area of Douglas County shall be afforded an opportunity to voluntarily subscribe to yard debris collection service provided by a Certified Solid Waste Hauler”.

Staff’s Response: The Douglas County Board of Commissioners passed Resolution C.E. 04-07 on January 21, 2004. Section 3.08(4) requires the Company to provide voluntary yard waste service. The Company’s proposed tariff does not include a rate for yard waste service. Mr. Dragoo informed Staff that the ordinance was inadvertently not codified. Neither Staff nor the Company were aware of this ordinance or the requirement that the Company provide voluntary yard waste service. The Company has committed to work with Mr. Dragoo to implement a yard waste program. Staff thinks the county and Company can quickly resolve this issue independent of the general rate case. This issue should not affect the Commission’s decision in this matter.

- Douglas County solid waste collection fee: Douglas County charges Greater Wenatchee an annual fee, effective April 1, based on an estimate of the number of yards that the Company will collect. Mr. Dragoo takes issue with the entry on several tariff pages that the fee expires on March 31, 2008.

Staff’s Response: The tariff pages publish the specific amount charged to each customer as a “pass through” fee. Since this fee changes annually on April 1, the Company correctly published the fee to expire March 31. The tariff pages effectively expire and the Company must file updated pages to reflect the new fee before March 31 each year.

- Disposal Fees: Mr. Dragoo refers to the Douglas County Solid Waste Disposal Host Agreement with the landfill, raising the issue of weight-measured solid waste.

Staff’s Response: The Commission has no jurisdiction over Waste Management’s landfill operations. The Host Agreement requires the

landfill (owned by a separate Waste Management operating company) to charge rates by weight. Mr. Dragoo states that the Company's tariff should therefore publish landfill disposal fees by weight. Staff disagrees. Item 230 publishes disposal fees that the Company charges to its customer as a "pass through." The Company must publish the rates it actually pays. If the landfill charges the Company by the yard, the Company must publish the rate by the yard. Staff understands that the county and the landfill company are working to implement rates on a per-ton basis. When the landfill changes its rates to a per-ton basis, Greater Wenatchee must change the rates in its tariff to a per-ton basis.

- Customer information: Mr. Dragoo refers to the requirement to provide consumer information, the Rights and Responsibilities of Solid Waste Customers, annually to each customer and initially to new customers.

Staff's Response: The Company states that it is not in strict compliance with either the Commission's rules or the county's requirements regarding consumer information it provides to customers and the Company will immediately supplement its existing information distribution practices to comply with both Commission rules and county requirements. Staff believes this issue should not impact the Commission's decision in this general rate case. However, Staff will work with the Company to provide technical assistance and ensure the Company meets its obligations.

- Annual Report: Mr. Dragoo mentions he can't find the specific costs associated with preparing the annual report to the Douglas County Board of Commissioners.

Staff's Response: The costs of preparing government reports are appropriate overhead costs to include in rates. All of these costs are very small and would never be published as a separate fee in a tariff.

- 5 To summarize, Staff thinks Mr. Dragoo raised two relevant issues. The county's ordinance, unknown to both Staff and the Company because it was not codified, requires the Company to provide voluntary yard waste service. The Company has not complied with Commission rules or county requirements regarding consumer information it provides to customers. The Company has committed to work with the county to

implement the required yard waste service and to fully comply with the Commission's rules and the county's requirements regarding consumer information provided to customers. Staff believes that, for the purpose of deciding the general rate case, the Company's commitment to resolve these issues is sufficient.

6 Customers deserve to know about, and comment on, proposed revised rates. The Commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to conduct an evidentiary hearing on the revised rates. Greater Wenatchee, therefore, has not yet demonstrated the revised rates are fair, just, reasonable and sufficient.

7 The proposed revised rates might injuriously affect the rights and interests of the public. The Commission therefore suspends the tariff filing. The Commission accepts the proposed revised rates as temporary rates and allows those revised rates to become effective on May 1, 2007, on a temporary basis, subject to refund. Public hearings may be held to determine whether the proposed changes are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

8 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, affiliated transactions, and transfers of public service companies, including solid waste companies. *RCW 80.01.040; RCW 81.01; RCW 81.04; RCW 81.28; RCW 81.16 and RCW 81.77.*

9 (2) Greater Wenatchee is a solid waste company and is a public service company subject to the jurisdiction of the Commission.

10 (3) This matter was brought before the Commission at its regularly scheduled meeting on April 27, 2007.

11 (4) The tariff revisions filed by Greater Wenatchee on March 15, 2007, and the substitute pages filed on April 16, 2007, increase solid waste rates.

- 12 (5) Greater Wenatchee has not yet demonstrated that the provisions for solid waste rates are fair, just, reasonable and sufficient. The Commission finds it reasonable to allow the revised rates filed on April 16, 2007, to become effective May 1, 2007, on a temporary basis subject to refund.
- 13 (6) Greater Wenatchee may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revision(s) filed by Waste Management of Washington, Inc., d/b/a Waste management of Greater Wenatchee (“Company”) on March 15, 2007, are suspended.
- 15 (2) The proposed revised rates the Company filed on April 16, 2007, that reflect Staff-recommended levels should be allowed to become effective May 1, 2007, on a temporary basis, subject to refund.
- 16 (3) The Commission may hold hearings if needed at such times and places as required.
- 17 (4) Waste Management of Washington, Inc., d/b/a Greater Wenatchee must not change or alter the tariff filed in this docket during the suspension period, unless authorized by the Commission in this docket.
- 18 (5) The Commission will institute an investigation of Waste Management of Washington, Inc., d/b/a Greater Wenatchee’s books, accounts, practices, activities, property and operations as necessary and as described above.
- 19 (6) Waste Management of Washington, Inc., d/b/a Greater Wenatchee shall pay the expenses reasonably attributable and allocable to the Commission’s investigation

to the extent the requirements for such payment are in accordance with the provisions of RCW 81.20.

- 20 (7) The proposed revised tariff pages filed on April 16, 2007, shall become effective on May 1, 2007, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.

DATED at Olympia, Washington, and effective April 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner