

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of:

Petition for Exemption by Harold LeMay Enterprises, Inc. G-98 d/b/a Pacific Disposal and Butlers Cove Refuse Service

Case No. TG-121044

AMENDED PETITION FOR EXEMPTION FROM PORTIONS OF WAC 480-07-520(4)

1 COMES NOW Harold LeMay Enterprises, Incorporated, G-98, (“LeMay”), d/b/a Pacific Disposal and Butlers Cove Refuse Service (“Petitioners”), 2910 Hogum Bay Road NE, Olympia, Washington, 98516, by and through their counsel, Williams Kastner & Gibbs PLLC and David W. Wiley, 601 Union Street, Suite 4100, Seattle, Washington, 98101, and hereby files an amended petition with the Washington Utilities and Transportation Commission (“the Commission”), pursuant to WAC 480-70-051, WAC 480-07-110 and WAC 480-07-370(1)(b), seeking an exemption from certain requirements of the general rate proceeding workpaper filing requirements. The exemption is sought as applied to LeMay as the “Company,” in interpretation and application of the rule requirement in light of the revised Commission policy for stricter enforcement of the general rate case rule and in light of the Commission’s recent decision in Order No. 4, TG-091933, *Washington Utilities and Transportation Commission v. Waste Management of Washington, Inc. d/b/a Waste Management of Sno-King* and Order No. 3, TG-091945 in re the *Petition of Waste Management, Inc. d/b/a Waste Management of Sno-King* (March, 2010), (hereinafter the “*Sno-King Order*”).¹

I. PRELIMINARY STATEMENT

2 This filing seeks exemptions from portions of WAC 480-07-520(4) in asking that the Commission not require, as a part of the considerable workpapers being filed herewith, that

¹ Like Waste Management of Washington, Inc. (“WMW”), Harold LeMay Enterprises, Inc. is comparable to WMW in operating as a single corporate entity in regulated service with numerous separate operating divisions spanning multiple counties within multiple tariff filing areas.

under WAC 480-07-520, for example 4(a), a detailed pro forma income statement “separated among solid waste, single family residential recycling, multi-family and yard waste, with restating actual and pro forma adjustments, including all supporting calculations and documents for all adjustments” be required with respect to Harold LeMay Enterprises, Inc., as “the Company.” While Petitioners are in fact filing a consolidated income statement for the “Company” (LeMay) as a whole, the range of adjustments required by the subparts of the rule are not all being provided for the Company as opposed to the tariff filing entity, Pacific Disposal and Butlers Cove Refuse Service.

3 As noted, Petitioners are now filing such separated income statements on behalf of Pacific Disposal and Butlers Cove Refuse Service, the actual tariff proponent herein, and are providing income statements separating by county all of LeMay’s operations in the other counties of Pierce, Grays Harbor and Lewis. Requiring the type of detail under subsection 4(a) and the revenue impact of the proposed tariff under subsection 4(b) for LeMay as a whole would work a substantial hardship on the Company at present and, for instance, closely reviewed pro forma income statements for the whole Company separated by individual classes of service are not presently available. Moreover, the focal revenue impact of the proposed tariff revision in this general rate case will only directly affect the tariff filing subdivision, Pacific Disposal and Butlers Cove Refuse.

4 Petitioners are also here seeking exemption or relaxation of the portion of the rule requirement that all rates charged for the services rendered for the unregulated operations be provided. Again, Petitioners are supplying the separation for the Company’s operations and the list of all unregulated operations of Pacific Disposal and Butlers Cove Refuse Service and all pertinent rates performed for those services.

5 Finally, Petitioners are seeking exemption from the application of selected latter portions of
the general rate case workpaper rule (WAC 480-07-520(4)(f) and (j)) to the extent that they
are asking the rule be applied only to the tariff filing entity/subdivision, and not LeMay as a
whole. For instance, the price out information provided focuses on the proposed rates for
Pacific Disposal, which is the entity now seeking rate revision approval. For WAC 480-07-
520(4)(j), Petitioner is presenting information about every transaction with affiliated interests
pertaining to the Pacific Disposal/Butlers Cove Refuse Service Thurston County tariff entity
and its relationship to Waste Connections, Inc. for the purposes of RCW 81.16.030, with a
consolidated income and balance sheet also provided for the parent company Waste
Connections, Inc. and any other entity qualifying as an “affiliated entity” under the rule.

II. BASIS FOR REQUEST FOR EXEMPTION FROM WORKPAPER
REQUIREMENT ON DETAILED COMPANY-WIDE PRO FORMA INCOME
STATEMENT, REVENUE IMPACT AND INCOME STATEMENT BY MONTHLY
EXPENSE ACCOUNTS AND CALCULATION OF THE PROPOSED TARIFF REVENUE
IMPACT: WAC 480-07-520(4)(a) and 4(b)

6 As the Commission’s records reflect, LeMay was acquired by Waste Connections, Inc. in
November, 2008. The test period involved in this filing is April 1, 2011-March 31, 2012.
7 Despite the present inability to prepare a detailed pro forma income statement for separated
classes of service revenue impact and income statement by all accounts by month for all of
G-98 pursuant to subparts 4(a) and 4(b) of the rule, the Company *has* compiled a detailed
depreciation schedule under WAC 480-07-520(4)(h). It has prepared and is filing a lengthy
schedule listing all LeMay assets and pertinent asset purchase, depreciation salvage value
expenses, and test period information, etc., that will clearly identify all Company-wide assets
for audit and allocation purposes at this time so that the requirement identifying all such
depreciable LeMay assets has been satisfied on a Company-wide basis. It has also prepared a

monthly income statement listing all revenue and expenses by account by month for LeMay as a whole under WAC 480-07-520(4)(c).

III. REQUEST FOR EXEMPTION FROM COMPLETE RATE DISCLOSURE FOR ALL UNREGULATED OPERATIONS: WAC 480-07-520(4)(e)

8 As also noted above, Petitioners have provided, within this rate filing, both a detailed separation of regulated and non-regulated Company revenue and expenses and a detailed list of all non-regulated operations for Pacific Disposal and Butlers Cove Refuse Service. Furthermore, they have provided certain schedules of rates charged in various exempt or unregulated operations within other portions of the LeMay territory.

9 Again, Petitioners are providing all other information they believe is required by a broad reading of the general rate case workpaper rule, including as to the tariff filing entity separation of non-regulated revenue and expenses between regulated and unregulated operations of the tariff filing entity, and similarly, under WAC 480-07-520(4)(e), for Pacific Disposal and Butlers Cove Refuse Service (but not for the Company as a whole), and contend their filing represents a consistent, good faith attempt to comply with the broader substantive requirements of the rule and is fully consistent with the Commission's recent interpretation and application of the rule in the recent *Sno-King* Order and other exemption petition decisions.

IV. REQUEST FOR EXEMPTION FROM WAC 480-70-520(4)(f) and (4)(j) TO THE EXTENT THOSE PROVISIONS WOULD ONLY APPLY TO THE BUSINESS UNIT REGULATED UNDER THE SUBJECT TARIFF AT ISSUE.

10 Finally, as noted above, Petitioners respectfully request that the scope of the general rate filing workpaper rule be modified in this instance to apply the indicated price out detail and affiliated transaction requirements near the end of the featured rule only to the tariff-filing division of LeMay, not "the Company" as a whole. As described above, company-wide

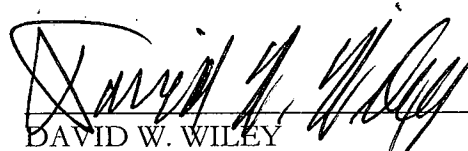
consolidated data have not historically been compiled by LeMay, rather it has internally reported based on separate independent districts and filed tariffs, and made computations relevant to those internally-separated districts. To mandate broad application of the rule now to LeMay as a whole would not result in presentation of correlated data that is any more accurate or more historically consistent and audit-tested than the separated results of the tariffed-divisions.

V. PRAYER FOR RELIEF

11 WHEREFORE, based on the foregoing outline of the issues raised by this Petition for Exemption from Rule, Petitioners Pacific Disposal and Butlers Cove Refuse Service, ask that the Commission permit exemptions of this filing applicable to WAC 480-07-520(4)(a), (b), (e), (f) and (j); finding that it is in the public interest and fully consistent with the purposes of evaluating general rate increases to grant Harold LeMay Enterprises, Inc. d/b/a Pacific Disposal and Butlers Cove Refuse Service an exemption to the workpapers requirements of WAC 480-07-520(4) for the limited purpose of considering the proposed general rate increase filing in this docket for the applicable tariff governing Pacific Disposal and Butlers Cove Refuse Service's operations.

Dated this 17th day of July, 2012.

Respectfully submitted,



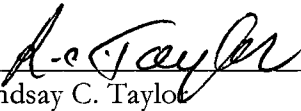
DAVID W. WILEY
Attorney for Harold LeMay Enterprises, Inc. d/b/a Pacific
Disposal and Butlers Cove Refuse Service

CERTIFICATE OF SERVICE

I hereby certify that on July 17, 2012, I caused to be served the original and three (3) copies of the foregoing document to the following address via first class mail, postage prepaid to:

David Danner, Executive Director
Policy and Legislative Issues
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

I certify I have also provided to the Washington Utilities and Transportation Commission's Secretary an official electronic file containing the foregoing document via email to: records@utc.wa.gov.


Lyndsay C. Taylor