

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT OF ELLENSBURG,

Petitioner,

Seeking Implementation of a Deferred
Accounting Adjustment related to Revenues
and Charges to Customers for Recyclable
Commodities, in Connection to a Tariff
Revision on Less than Statutory Notice

DOCKET TG-240719

ORDER 01

AUTHORIZING USE OF DEFERRED
ACCOUNTING MECHANISM TO
ESTABLISH ANNUAL COMMODITY
ADJUSTMENT; ALLOWING TARIFF
REVISIONS TO BECOME EFFECTIVE
BY OPERATION OF LAW

BACKGROUND

- 1 On September 17, 2024, Waste Management of Washington, Inc. d/b/a Waste Management Ellensburg (Waste Management or Company), filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that would generate approximately \$88,000 (5.6 percent) additional annual revenue to recover the increased cost of disposal fees set by Kittitas County. The tariff revisions will also add recycling services for residential customers and the addition of recycling service will establish a commodity adjustment filing every 12 months to adjust the recycling rate for the value of recycling commodities. Waste Management requests the Commission approve the revisions on less than statutory notice, pursuant to WAC 480-70-271(2)(a).
- 2 The Company serves approximately 4,500 customers in Kittitas County. The Company’s last general rate case took effect October 1, 2014.
- 3 On October 3, 2024, the Company filed replacement workpapers and on October 17, 2024, the Company filed replacement tariff pages.
- 4 The Company explains in its filing that the increase in disposal fees is due to Kittitas County passing Resolution No. 2024-148, which raises disposal fees from \$143 to \$158, to become effective November 1, 2024. The Company also states that Kittitas County adopted Ordinance No. 2023-008, requiring recycling service for customers receiving curbside garbage collection service.

5 In response to the adoption of Ordinance No. 2023-008, this filing establishes an annual commodity adjustment whereby the revenues received from the sale of recyclable commodities will be returned to customers as a monthly bill credit.

6 Commission staff (Staff) reviewed the filing and recommends granting Waste Management's request to establish a commodity credit and approve the tariff revisions for disposal fee increases on less than statutory notice, subject to the following conditions: (a) Waste Management must file, for each year after the effective date of this Order, a commodity adjustment utilizing an approved deferred accounting mechanism; and (b) Waste Management must track actual numbers of customers, material collected, and any value or cost of processing the material for use in future commodity adjustment filings.

7 Staff recommends granting Waste Management's request for tariff revisions on less than statutory notice, pursuant to WAC 480-70-271(2)(a) because the revisions include disposal fee increases and the establishment of commodity credits and charges, which are contemplated in and consistent with the intent of the rule allowing notice on or with the first bill after the final Commission decision.

DISCUSSION

8 We grant Waste Management's request for an annual commodity adjustment subject to the conditions Staff recommends and allow the proposed tariff revisions to become effective by operation of law.

9 RCW 81.77.190 allows the Commission to authorize a surcharge or reduced rate incentive based on participation in a company's curbside recycling program. The Company has not entered into a revenue sharing agreement with Kittitas County, and all commodity revenue will pass back to customers from all sales of recyclable commodities utilizing a deferred accounting mechanism. The Commission has allowed other regulated solid waste companies to implement similar annual commodity adjustments that allow them to pass on to customers the revenues or cost for processing recyclable material. An annual adjustment will allow the Company to pass on any revenues or charges for processing without incurring the time and cost of filing a complete rate case, saving customers costs.

10 We also agree with Staff's recommendation that the tariff revisions related to disposal fees should be allowed become effective by operation of law and that the entire filing should be approved pursuant to WAC 480-70-271(2)(a). The Company has provided adequate information to make that determination as it relates to this filing and approving the revisions on less than statutory notice is consistent with the public interest and Commission rules.

FINDINGS AND CONCLUSIONS

- 11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, and affiliated interests of public service companies, including solid waste companies.
- 12 (2) Waste Management 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.
- 13 (3) Waste Management is subject to WAC 480-70-351(2), which provides that solid waste companies that estimate the revenue from the sale of recyclable materials collected in residential curbside programs as part of a deferred accounting mechanism to return recycling revenues or charges to customers must use the most recent 12 month historical period to estimate the revenue for the next 12 months.
- 14 (4) Under WAC 480-70-271(2)(a), the Commission may allow notice on or with the first bill after final Commission action for increases involving disposal fees and commodity credits and charges.
- 15 (5) This matter came before the Commission at its regularly scheduled open meeting on October 24, 2024.
- 16 (6) After reviewing the tariff revisions and request to establish a commodity adjustment to pass back revenues and charges for recyclable commodities to customers filed in Docket TG-240719 by Waste Management on September 17, 2024, as revised on October 17, 2024, and giving due consideration, the Commission finds that the request is in the public interest and should be granted, subject to the conditions contained in paragraph 6 of this Order.

ORDER

THE COMMISSION ORDERS:

- 17 (1) The Commission grants Waste Management of Washington, Inc. d/b/a Waste Management Ellensburg's Petition to establish a commodity adjustment to pass back revenues and charges for recyclable commodity customers, filed September 17, 2024, as revised on October 17, 2024.
- 18 (2) The tariff revisions filed by Waste Management of Washington, Inc. d/b/a Waste Management Ellensburg, as revised on October 17, 2024, shall become effective on November 1, 2024, subject to the conditions contained in paragraph 6 of this Order.
- 19 (3) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc. d/b/a Waste Management Ellensburg to effectuate the provisions of this Order.

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 October 24, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary