

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

In the Matter of the Petition of)	DOCKET TG-110663
)	
MURREY’S DISPOSAL COMPANY,)	ORDER 01
INC., d/b/a OLYMPIC DISPOSAL)	
DISPOSAL, G-9,)	
)	
Petitioner,)	
)	
Seeking Exemption from the)	
Provisions of WAC 480-07-520(4))	ORDER GRANTING
Relating to Supporting Work Papers)	EXEMPTION FROM RULE
.....)	

BACKGROUND

- 1 Docket TG-110663 involves a proposed tariff revision filed with the Washington Utilities and Transportation Commission (Commission) on April 14, 2011, by Murrey’s Disposal Company, Inc. (Murrey’s Disposal or Company), d/b/a Olympic Disposal (Olympic Disposal). Olympic Disposal is a business unit of Murrey’s Disposal and operates in Clallam and Jefferson counties. The filing would generate approximately \$303,000, (5.4 percent) in additional annual revenue for Olympic Disposal.

- 2 On April 14, 2011, Murrey’s Disposal filed a petition requesting an exemption from the work paper filing requirements set out in WAC 480-07-520(4). Murrey’s Disposal filed amended petition pages on May 2, 2011.

- 3 WAC 480-07-520(4) requires Murrey’s Disposal to file work papers that contain detailed financial data for Murrey’s Disposal, its affiliated interests, and its business units. The plain language of the rule requires these work papers to address Murrey’s Disposal’s finances as a whole, not a limited subset of one or more business units.

- 4 The Company stated that WAC 480-07-520(4) would impose a burden on Murrey’s Disposal because each business unit maintains its own general ledger, and the analysis would require manually consolidating data into one master ledger, a time-consuming and unproductive process without any commensurate benefit to the ratepayers.

- 5 Murrey's Disposal requested the Commission to grant an exemption from WAC 480-07-520(4) consistent with the following:
- (a) *WAC 480-07-520(4)(a) (detailed pro forma income statement)* – Murrey's Disposal asks for a partial exemption for the purposes of this proceeding only for (a) and its subparts (detailed pro forma income statement restating and pro forma adjustments), allowing the supporting work papers to provide the following: a detailed income statement showing revenues and expenses for each district in Murrey's Disposal's operations and the total of all columns reflected equaling Murrey's Disposal's revenue and expenses as reported in Murrey's Disposal's 2010 Annual Report to the Commission; and, in applying WAC 480-07-520(4)(a)(i) and (ii), here for Olympic Disposal, the tariff filing entity, providing a proforma income statement separated into solid waste and residential recycling, with restating and pro forma adjustments limited to the Olympic Disposal operations.
 - (b) *WAC 480-07-520(4)(b) (revenue impact calculation for proposed tariff revisions)* – Murrey's Disposal asks that the calculation of the revenue impact for proposed tariff provisions be limited to Olympic Disposal, the tariff filing entity, instead of Murrey's Disposal.
 - (c) *WAC 480-07-520(4)(c) (income statement listing all revenue and expense accounts by month)* – No exemption requested.
 - (d) *WAC 480-07-520(4)(d) (detailed separation of all revenue and expenses between regulated/nonregulated operations if nonregulated revenue exceeds ten percent of total company test period revenue)* – For the purposes of this filing only, Murrey's Disposal asks that non-regulated revenue and expense separation under this subparagraph be limited to Olympic Disposal, the tariff filing entity, instead of Murrey's Disposal.
 - (e) *WAC 480-07-520(4)(e) (detailed list of all nonregulated operations, including the rates charged for the services rendered)* – For this filing only, Murrey's Disposal requests that it provide the list of all non-regulated operations including rates charged as applied to Olympic Disposal, the tariff filing entity, instead of Murrey's Disposal.

- (f) *WAC 480-07-520(4)(f) (detailed price-out information)* – For the purposes of this filing, Murrey’s Disposal asks that the reconciled price-out information pertain to Olympic Disposal, the tariff filing entity, instead of Murrey’s Disposal.
- (g) *WAC 480-07-520(4)(g) (consolidated balance sheet)* – No exemption requested.
- (h) *WAC 480-07-520(4)(h) (detailed depreciation schedule)* – Murrey’s Disposal requests that the detailed depreciation schedule work paper requirement be limited to Olympic Disposal, the tariff filing entity, instead of Murrey’s Disposal.
- (i) *WAC 480-07-520(4)(i) (computed average investment)* – Murrey’s Disposal asks that the computed average investment be applied to Olympic Disposal, the tariff filing entity, instead of Murrey’s Disposal.
- (j) *WAC 480-07-520(4)(j) (information about every transaction with affiliated interests or subsidiaries)* – Murrey’s Disposal requests that this final subpart of the general rate case work paper rule be applied to Olympic Disposal, and that in so applying, Olympic Disposal disclose all internal transactions and arrangements with other Murrey’s Disposal operations which, but for the fact that those entities operate within the single corporate entity, would be subject to the affiliated interest transaction rule under WAC 480-70-079. In addition, Olympic Disposal will provide schedules and terms which detail corporate overhead charges with Waste Connections, Inc., which relate to the proposed rates.

6 Staff reviewed Murrey’s Disposal’s request for an exemption from WAC 480-07-520(4) and recommends that the Commission grant that request, as set forth above.

FINDINGS AND CONCLUSIONS

- 7 (1) The Washington Utilities and Transportation 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. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.*
- 8 (2) Murrey's 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.
- 9 (3) Murrey's Disposal is subject to WAC 480-07-520(4), which requires the Company to file work papers that contain detailed financial data for the Company, its affiliated interests, and its business units. The plain language of the rule requires these work papers to address Murrey's Disposal's finances as a whole, not a limited subset of one or more business units.
- 10 (4) Olympic Disposal is a business unit of Murrey's Disposal and collects solid waste under one of Murrey's Disposal's two tariffs.
- 11 (5) Murrey's Disposal filed proposed tariff revisions on April 14, 2011, seeking to increase rates in its Olympic Disposal business unit by approximately \$303,000 or 5.4 percent.
- 12 (6) In support of its proposed tariff revisions, Murrey's Disposal filed work papers containing financial information only for Olympic Disposal, a business unit, but not for the entirety of Murrey's Disposal's operations.
- 13 (7) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70, if consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also WAC 480-07-110.*
- 14 (8) This matter came before the Commission at its regularly scheduled meeting on May 12, 2011.

- 15 (9) After review of the petition filed in Docket TG-110663 by Murrey's Disposal on April 14, 2011, and the amended pages filed on May 2, 2011, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 16 (1) After the effective date of this Order, Murrey's Disposal Co., Inc., d/b/a Olympic Disposal's Petition for Exemption from WAC 480-07-520(4) is granted, in part, consistent with the terms of this Order.
- 17 (2) The exemption granted to Murrey's Disposal Co., Inc., d/b/a Olympic Disposal in this Order applies only to the general rate proceeding in Docket TG-110663.
- 18 (3) The Commission retains jurisdiction over the subject matter and Murrey's Disposal Co., Inc., d/b/a Olympic Disposal 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 Olympia, Washington, and effective May 12, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary