

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

HAROLD LEMAY ENTERPRISES,
INC. d/b/a PACIFIC DISPOSAL,
BUTLERS COVE REFUSE SERVICE,
RURAL GARBAGE SERVICE,

Certificate G-98,

Petitioner,

Seeking Approval of Cost Recovery
through Rates; Seeking Exemption from
WAC 480-07-520(4) Relating to
Submission of Workpapers

DOCKET TG-210436

ORDER 01

ALLOWING TARIFF REVISION;
GRANTING EXEMPTION FROM
WAC 480-07-520(4)

BACKGROUND

- 1 On June 9, 2021, Harold Lemay Enterprises, Inc., d/b/a Pacific Disposal, Butlers Cove Refuse Service, and Rural Garbage Service (Pacific Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed revisions to Pacific Disposal's Tariff No. 9 to recover costs of \$235,895, equivalent to 0.87 percent of annual revenue, related to the COVID-19 pandemic divided over a two-year period, beginning September 1, 2021, and ending August 31, 2023. In its cover letter, the Company also requested an exemption from WAC 480-07-520(4) (Petition). The result is \$119,433 (0.46 percent) of additional annual revenue. This request affects approximately 61,000 residential, 8,000 commercial, 1,500 roll-off garbage customers, and 58,00 residential recycling, 11,000 multi-family recycling, and 22,000 yard-waste customers in Thurston County served by the Company.
- 2 The Company is requesting an exemption from WAC 480-07-520(4), which requires companies to submit specified workpapers when filing for rate changes. The Company states in its filing that the recovery of these funds is being treated like a pass-through of known, incremental costs, similar to a disposal fee filing. Pacific Disposal's last general

rate increase took effect August 1, 2019, during which all the Company's expenses were reviewed.¹

3 The Company submits that it has adequately tracked costs incurred for safety supplies and equipment, COVID-related sick-leave, and bonus wages paid to ensure a safe working environment and adequate staffing in dedicated general ledger accounts. The Company supplied the ledger accounts as workpapers supporting its request and provided documentation showing how the tariff revision was calculated, along with tariff pages with an expiration date of August 31, 2023, for the increased rates and tariff pages to be implemented upon expiration of the recovery period.

4 Commission staff (Staff) recommends allowing the Company's proposed tariff revision to become effective and granting an exemption from the workpaper requirements in WAC 480-07-520(4). Staff requested regulated companies to submit COVID-19 cost recovery filings separately from general rate cases as these are significant but abnormal costs incurred during a state of emergency. If the Company were to seek recovery of these expenses through a general rate case these costs would normally be amortized over a similar period as proposed in this filing. Staff believes allowing the expenses to be recovered separately from a general rate case over a specified period will ensure the costs are recovered, but not over collected.

5 Staff has reviewed the resulting rates and finds them to be fair, just, reasonable, and sufficient.

DISCUSSION

6 We agree with Staff's recommendation and approve Pacific Disposal's Petition. Pursuant to WAC 480-07-110, the Commission may, in response to a request or on its own motion, grant an exemption from its own rules when "consistent with the public interest, the purposes underlying regulation, and applicable statutes."²

7 Staff recommends the Commission grant an exemption from the workpaper requirements of WAC 480-07-520(4). This exemption is consistent with the public interest because the

¹ The Company also requested an exemption from the 30-day customer notice requirements of WAC 480-70-271(a). However, this matter was rescheduled for the August 26, 2021, open meeting in order for the Company to comply with this customer notice requirement.

² *Accord* WAC 480-70-051 (allowing exemptions from rules for solid waste collection companies).

rate increase seeks to recover short-term expenses incurred during a government declared state of emergency necessary to maintain safe and reliable service. The Company recorded costs and expenses incurred in such a manner the records could be provided to Staff for review independent of a general rate case. Staff believes the records adequately support the rates and time frame requested by the Company.

8 We find that the Company's proposed tariff revisions to recover costs related to the COVID-19 pandemic are fair, just, reasonable, and sufficient. Accordingly, the Commission concludes that the proposed tariff revisions should become effective by operation of law on September 1, 2021.

FINDINGS AND CONCLUSIONS

- 9 (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.
- 10 (2) Pacific 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.
- 11 (3) Pacific Disposal is subject to WAC 480-70-520(4), which requires solid waste companies to submit specified workpapers when filing for rate changes.
- 12 (4) Under WAC 480-70-051, the Commission may grant an exemption from the provisions of any rule in WAC 480-70 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. *See also* WAC 480-07-110.
- 13 (5) This matter came before the Commission at its regularly scheduled meeting on August 26, 2021.
- 14 (6) After reviewing Pacific Disposal's Petition filed in Docket TG-210436 on June 9, 2021, and giving due consideration, the Commission finds that the proposed tariff revision is fair, just, reasonable, and sufficient, and should therefore become effective by operation of law on September 1, 2021.

- 15 (7) The Commission also finds Pacific Disposal's Petition for 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) Harold Lemay Enterprises, Inc. d/b/a Pacific Disposal, Butlers Cove Refuse Service, and Rural Garbage Service, is granted an exemption from WAC 480-70-520(4) for the purpose of the tariff revision filed in this docket on June 9, 2021.
- 17 (2) The tariff revision Harold Lemay Enterprises, Inc. d/b/a Pacific Disposal, Butlers Cove Refuse Service, and Rural Garbage Service filed on June 9, 2021, as revised on July 23, 2021, and August 17, 2021, will become effective by operation of law on September 1, 2021.
- 18 (3) The Commission retains jurisdiction over the subject matter and Harold Lemay Enterprises, Inc. d/b/a Pacific Disposal, Butlers Cove Refuse Service, and Rural Garbage Service to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective August 26, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner