

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

WASHINGTON UTILITIES AND	)	DOCKET TG-080298
TRANSPORTATION COMMISSION,	)	
	)	ORDER 01
Complainant,	)	
	)	
v.	)	
	)	COMPLAINT AND ORDER
ISLAND DISPOSAL., INC.,	)	SUSPENDING TARIFF; ALLOWING
	)	RATES ON A TEMPORARY BASIS,
Respondent.	)	SUBJECT TO REFUND
.....	)	

**BACKGROUND**

- 1 On February 15, 2008, Island Disposal., Inc., (Island or Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff 8. The stated effective date is April 1, 2008.
  
- 2 In this filing, Island proposes to increase rates and charges for solid waste collection. Island’s proposed rates were designed to increase revenues by \$828,000 (18.8 percent) annually. Commission Staff’s review revealed that the proposed rates were excessive. Staff and Island negotiated revised rates that would increase annual revenues by approximately \$181,600 (4.12 percent) additional revenue per year. On March 18, 2008, Island filed substitute pages with the Commission.
  
- 3 Island originally proposed a fixed fee on all residential service to recover costs associated with running its material recycling facility (MRF), but subsequently removed that fee. The county can impose a mandatory pay residential recycling program on customers. The company can implement a voluntary residential recycling program. However, the Company cannot impose a mandatory pay residential recycling program on customers.
  
- 4 Island notified its customers of the proposed rate increase by mail on February 28, 2008. The Commission received forty one comments on this filing. Some customers may have commented on more than one issue. Thirty one customers commented that the Company is not providing a viable recycling program. Recyclables are put in the garbage for possible removal later, causing customers to subscribe for a larger service than would be needed with a separate program. They would appreciate a separate recycling program.

Having to pay for recycling and not receiving it is not fair or good business. Commission staff responded that Island County has the authority to establish minimum service levels, including residential recycling programs. Although Island has worked with Island County officials to establish a residential recycling program, Island County officials have decided to not adopt a residential recycling program

Sixteen customers commented that if the Company wants to offer different service levels, the rates should be proportionate, people who generate more garbage should get larger increases, we should encourage recycling and generating less waste, and not penalize those who generate less waste. The rate increase is too high, and the Company should offer senior discounts. Commission staff responded that it uses a cost of service analysis to recommend rates that will allow the Company to recover its reasonable operating expenses and provide the Company an opportunity to earn a reasonable return.

5 Customers deserve to know about, and comment on, the 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. Island, therefore, has not yet demonstrated the revised rates are fair, just, reasonable and sufficient.

6 Customers have not yet had the opportunity to comment on the proposed revised rates filed by Island on March 18, 2008.

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 April 1, 2008, on a temporary basis, subject to refund

### 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 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.*

- 9 (2) Island is a solid waste company and a public service company subject to Commission jurisdiction.
- 10 (3) This matter came before the Commission at its regularly scheduled meeting on March 27, 2008.
- 11 (4) The tariff revisions Island filed on February 15, 2008, and the substitute pages filed on March 18, 2008, would increase charges and rates for service Island provides and might injuriously affect the rights and interests of the public.
- 12 (5) Island has not yet demonstrated that the provisions for the rates are fair, just, reasonable and sufficient. The Commission finds it reasonable to allow the revised rates filed on March 18, 2008, to become effective April 1, 2008, on a temporary basis, subject to refund.
- 13 (6) In addition, the Commission invokes the rights, remedies and procedures contained in the reparations statute, RCW 81.04.220, to the extent the Commission finds that any rate subject to this investigation is excessive or exorbitant.
- 14 (7) Island may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 81.20.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) The tariff revisions Island Disposal, Inc., filed on February 15, 2008, are suspended.
- 16 (2) The proposed revised tariffs Island Disposal, Inc., filed on February 15, 2008, shall become effective on April 1, 2008, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.

- 17 (3) The Commission may hold hearings if needed at such times and places as  
required.
- 18 (4) Island Disposal, Inc., must not change or alter the tariff pages filed in this docket  
during the suspension period, unless the Commission authorizes the change in this  
docket.
- 19 (5) The Commission will institute an investigation of Island Disposal, Inc.'s books,  
accounts, practices, activities, property and operations as necessary and as  
described above.
- 20 (6) Island Disposal, Inc., shall pay the expenses reasonably attributable and allocable  
to the Commission's investigation, consistent with RCW 81.20.

DATED at Olympia, Washington, and effective March 27, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner