

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

In the Matter of the Petition of	)	DOCKET TG-090899
	)	
MASON COUNTY GARBAGE CO.,	)	ORDER 02
INC., G-88,	)	
	)	
Petitioner,	)	
	)	
Requesting a Deferred Accounting	)	
Mechanism for the Sale of Recyclable	)	ORDER REQUIRING DEFERRED
Materials, and Requesting Authority to	)	ACCOUNTING TREATMENT
Retain Thirty Percent of the Revenue	)	FOR RECYCLABLE
Received From the Sale of Recyclable	)	COMMODITIES REVENUE; AND
Materials Collected in the Residential	)	AUTHORIZING REVENUE
Recycling Program	)	SHARING
.....	)	

**BACKGROUND**

- 1     On June 12, 2009, Mason County Garbage Co., Inc., (Mason County Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 13.
- 2     The filing proposes to implement a county-wide residential recycling program. Mason County passed a new minimum service level ordinance, Ordinance 147-08, which requires the Company to provide a mandatory-pay residential curbside recycling program. The Company proposed a residential recycle rate of \$8.56 per month. On July 23, 2009, the Company filed a revised recycling rate at the Staff recommended level of \$8.18 per month. Mason County Garbage also proposes to institute a deferred accounting mechanism for the sale of recyclable materials. The proposed \$1.15 per month commodity credit reflects the Company’s proposal to retain thirty percent of the revenue from the sale of recyclable material.
- 3     Staff recommends that the Commission require Mason County Garbage to implement deferred accounting treatment for the revenue received from the sale, or the cost paid for the disposal, of the recyclable commodities collected in the Company’s residential recycling service using the most recent twelve-month test period to true-up the estimated revenue to actual revenue, and to estimate revenue for the next twelve-month period. Staff also recommends that the Commission condition its approval on Mason County

Garbage making its next commodity adjustment effective November 1, 2010, and each November 1 thereafter, and that Mason County Garbage make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.

- 4 RCW 81.77.185 provides: “The commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.”
- 5 The Company submitted a revenue sharing plan along with its initial filing. The county solid waste manager certified that Mason County Garbage’s revenue sharing plan is consistent with the Mason County Comprehensive Solid Waste Management Plan. In its letter to the Commission, the County recommended that the Company retain thirty percent of the estimated commodity revenue. To retain thirty percent of the revenue, the Company must report to the County recycling and disposal tonnage, report service level changes, increase the recycling tonnage and decrease the disposal tonnage per household, and assist the County in providing and operating glass recycling boxes at county transfer stations.
- 6 Staff recommends that the Commission accept the County’s recommendation that Mason County Garbage retain thirty percent of the revenue it will receive from the sale of recyclable materials and require the Company to report to the Commission the amount of revenue it retained, the amount of money it spent on the activities identified in Mason County Garbage’s recycling and commodity revenue sharing plan and the effect the activities had on increasing recycling.

### 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)     This matter came before the Commission at its regularly scheduled meeting on August 13, 2009.
- 9       (3)     Mason County Garbage 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.
- 10      (4)     RCW 81.77.185 provides: “The commission shall allow solid waste collection companies collecting recyclable materials to retain up to thirty percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.”
- 11      (5)     Mason County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The solid waste manager of Mason County’s Utilities and Waste Management division certified that Mason County Garbage’s recycling plan is consistent with the County’s Comprehensive Solid Waste Management Plan and the Commission accepts his recommendation to allow Mason County Garbage to retain thirty percent of the revenue the Company receives from the sale of recyclable materials.
- 12      (6)     After reviewing Mason County Garbage’s request to allow the proposed commodity credits filed on June 12, 2009, and the substitute pages filed on July 23, 2009, to become effective August 13, 2009, and request to retain thirty percent of the revenue received from the sale of recyclable materials, and giving due consideration, the Commission finds that Mason County Garbage’s requests are reasonable and should be granted. The Commission also finds it reasonable to require Mason County Garbage to implement deferred accounting treatment of the revenue received from the sale, or the cost paid for the disposal of recyclable commodities.

**ORDER**

**THE COMMISSION ORDERS:**

- 13 (1) Mason County Garbage Co., Inc., is authorized to retain thirty percent of the revenue it receives from the sale of recyclable materials until its next deferred accounting commodity filing, which would become effective on November 1, 2010. Mason County Garbage Co., Inc., will report to the Commission no later than September 15, 2010, the amount of revenue it retained, the amount of money it spent on the activities identified in Mason County Garbage Co., Inc.'s recycling plan, and the effect the activities had on increasing recycling.
- 14 (2) Mason County Garbage Co., Inc., is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential recycling services. Mason County Garbage Co., Inc., shall make its next commodity adjustment effective November 1, 2010, and each November 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 15 (3) The Commission delegates to the Executive Director and Secretary the authority to approve by letter all compliance filings required by this Order.
- 16 (4) The Commission retains jurisdiction over the subject matter and Mason County Garbage Co., Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective August 13, 2009.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**JEFFREY D. GOLTZ, Chairman**

**PATRICK J. OSHIE, Commissioner**

**PHILIP B. JONES, Commissioner**