

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

In the Matter of the Petition of	)	DOCKET TG-101220
	)	
WASHINGTON UTILITIES AND	)	ORDER 02
TRANSPORTATION	)	
COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	
WASTE MANAGEMENT OF	)	COMPLAINT AND ORDER
WASHINGTON, INC., D/B/A	)	SUSPENDING TARIFF: AND
WASTE MANAGEMENT –	)	AUTHORIZING TEMPORARY
NORTHWEST,	)	REVENUE SHARING FOR
	)	RECYCLABLE COMMODITIES,
Respondent.	)	SUBJECT TO REFUND
.....	)	

**BACKGROUND**

- 1     On August 31, 2010, the Commission issued Order 01 that authorized Waste Management of Washington, Inc., d/b/a Waste Management – Northwest (WMW) to retain fifty percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs on an interim basis, from September 1, 2010, through December 1, 2010, subject to refund. Order 01 also directed WMW to work with the counties to develop and file additional information with Commission by November 1, 2010, and ordered that revenues retained by WMW not spent during the previous plan period are to be carried over into the next year, and revenues from this plan period that are not spent are to be carried over to the following year, unless some other treatment as may be ordered by the Commission.
- 2     On November 1, 2010, WMW filed the information required by Order 01, including a Petition to Allow Revenue Sharing, Lift Interim Status and Approve Revised Commodity Credits as filed on 7<sup>th</sup> Revised Page No. 2, 4<sup>th</sup> Revised Page No. 21 and 4<sup>th</sup> Revised Page No. 22 to WMW’s Tariff No. 17, scheduled to become effective December 1, 2010.
- 3     WMW’s Revenue Sharing Plan and requested treatment of unspent retained revenue for the 2009 – 2010 plan period propose that WMW keep eight percent of the retained revenue as profit. WMW’s proposed eight percent profit factor affects the percent of revenue that the Commission may allow WMW to retain for the 2010 - 2011 plan period,

as well as what the Commission may determine should happen with the unspent 2009 - 2010 retained revenue. The Commission set WMW's Petition to Allow Revenue Sharing, Lift Interim Status and Approve Revised Commodity Credits for hearing.

- 4 Because the revised recyclable commodity credits filed in the proposed tariff pages are based on WMW keeping eight percent of the retained revenue during WMW's 2009 – 2010 revenue sharing plan, which the Commission has not approved, the filing might injuriously affect the rights and interests of the public and WMW has not demonstrated that the filing would ultimately result in rates that are fair, just, reasonable, and sufficient, the Commission suspends the tariff filing.
- 5 Because the fifty percent revenue sharing authorized by Order 01 will expire December 1, 2010, the Commission extends the fifty percent revenue sharing on a temporary basis, subject to refund, and subject to the conditions established in Order 01.

#### FINDINGS AND CONCLUSIONS

- 6 (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.*
- 7 (2) This matter came before the Commission at its regularly scheduled meeting on November 24, 2010.
- 8 (3) 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.
- 9 (4) RCW 81.77.185 states that the Commission shall allow a solid waste collection company collecting recyclable materials from single family and multi-family customers to retain up to fifty percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste management plan and that demonstrates how the

revenues will be used to increase recycling. The remaining revenue shall be passed through to single-family and multi-family customers.

- 10 (5) The tariff revisions WMW filed on November 1, 2010, might injuriously affect the rights and interest of the public.
- 11 (6) WMW has not yet demonstrated that the tariff revisions would ultimately result in rates that are fair, just, reasonable and sufficient.
- 12 (7) In order to carry out the duties imposed upon the Commission by law, and as authorized in [RCW 81.04.130](#) and [RCW 81.04.220](#), the Commission believes it is necessary to investigate WMW's books, accounts, practices and activities, and to investigate and appraise various phases of WMW's operations.
- 13 (8) As required by [RCW 81.04.130](#), WMW bears the burden of proof to show that the proposed increases are just, reasonable and sufficient. Nothing in this Order is intended to limit the issues as to the fairness, justness, reasonableness and sufficiency of the proposed increases.
- 14 (9) 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.
- 15 (10) WMW may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with the provisions of [RCW 81.20](#).

## ORDER

### THE COMMISSION ORDERS:

- 16 (1) Waste Management of Washington, Inc. d/b/a Waste Management – Northwest, is authorized to retain fifty percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential

recycling programs on a temporary basis, subject to refund, and subject to the same conditions established in Order 01.

- 17 (2) The tariff revisions Waste Management of Washington, Inc., d/b/a Waste Management – Northwest filed on November 1, 2010, are suspended.
- 18 (3) The Commission will hold hearings at such times and places as may be required.
- 19 (4) Waste Management of Washington, Inc., d/b/a Waste Management – Northwest must not change or alter the tariffs filed in this Docket during the suspension period, unless authorized by the Commission.
- 20 (5) The Commission will institute an investigation of Waste Management of Washington, Inc., d/b/a Waste Management – Northwest’s books, accounts, practices, activities and operations as described above.
- 21 (6) Waste Management of Washington, Inc., d/b/a Waste Management – Northwest shall pay the expenses reasonably attributable and allocable to the Commission’s investigation consistent with RCW 81.20.
- 22 (7) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., d/b/a Waste Management – Northwest, to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective November 24, 2010.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**JEFFREY D. GOLTZ, Chairman**

**PATRICK J. OSHIE, Commissioner**