

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

WASHINGTON UTILITIES AND	)	DOCKET TG-120733
TRANSPORTATION COMMISSION,	)	
	)	ORDER 02
Complainant,	)	
	)	
v.	)	
	)	ORDER DISMISSING COMPLAINT
ZIPPY DISPOSAL SERVICE, INC.,	)	AND ORDER SUSPENDING TARIFF
G-121	)	REVISIONS; ALLOWING REVISED
Respondent.	)	TARIFF REVISIONS
.....	)	

**BACKGROUND**

- 1     On May 18, 2012, Zippy Disposal Service, Inc. (Zippy or Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 16. The stated effective date was July 3, 2012.
  
- 2     In this filing, Zippy proposes a general rate increase for residential and commercial garbage service, due, in part, to a July 1, 2012, increase in Chelan County disposal fees. The filing also proposes to increase rates for drop box hauling. Zippy proposed rates designed to increase revenues by approximately \$79,700 (5.7 percent) annually.
  
- 3     If the Commission suspends a tariff that includes rates to recover disposal fees, RCW 81.77.160 requires the Commission to allow the rates related to the disposal fees to become effective on the originally filed effective date on an interim basis, subject to refund, pending the Commission's final order.
  
- 4     On June 28, 2012, the Commission issued a Complaint and Order Suspending Tariff Revisions and allowed temporary rates for Item 230, Disposal Fees, subject to refund, to recover just the pass-through disposal portion of the proposed rates, pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
  
- 5     The company calculated that it needed \$110,000 (7.9 percent) additional annual revenue. Staff's audit showed the company demonstrated a need for \$104,700 (7.5 percent) additional annual revenue. The company filed proposed rates that would generate only \$79,700 (5.7 percent) additional annual revenue and the proposed rates did not increase

all rates. Staff's Cost of Service study showed that some of the company's existing and proposed rates are higher than the cost of service and some of the existing and proposed rates are less than the cost of service.

6 Staff and the company agreed to a revised rate design that would generate \$79,500 (5.7 percent) additional annual revenue and keep all rates equal to or less than the rates the company noticed to customers. This compromise partially implements cost of service rates. On August 22, 2012, Zippy filed revised rates at staff recommended levels.

7 Staff has completed its review of the Company's books and records. Staff's analysis shows that the proposed rates were not fair, just, reasonable, or sufficient. Staff and the Company agreed to a revised revenue requirement and rate structure. The Company has demonstrated the expenses are reasonable and required as part of the Company's operation, that the Company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable and sufficient. On August 22, 2012, Zippy filed revised rates at Staff recommended levels.

### **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) Zippy 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 August 30, 2012.

11 (4) The proposed tariff revisions presently under suspension would result in rates that are not fair, just, reasonable, or sufficient. Staff and the Company agreed to a revised revenue requirement and rate structure. On August 22, 2012, Zippy filed revised rates at Staff recommended levels. The Company has demonstrated that expenses are reasonable and required as part of the Company's operation, the

Company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable and sufficient.

- 12 (5) After reviewing the tariff revisions Zippy filed in Docket TG-120733 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket TG-120733, and allow the revised tariff revisions filed on August 22, 2012, to become effective on September 1, 2012.

**ORDER**

**THE COMMISSION ORDERS:**

- 13 (1) The Complaint and Order Suspending Tariff Revisions in Docket TG-120733, entered on June 28, 2012, is dismissed.
- 14 (2) The revised tariff revisions Zippy Disposal Service, Inc., filed in this docket on August 22, 2012, shall become effective on September 1, 2012.

DATED at Olympia, Washington, and effective August 30, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PHILIP B. JONES, Commissioner