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5 BEFORE THE WASHINGTON UTILITIES
6 AND TRANSPORTATION COMMISSION

7 In the Matters of:

8 Waste Management of Washington, Inc. d/b/a
9 Waste Management – South Sound and Waste
10 Management of Seattle

11 And

12 Waste Management of Washington, Inc. d/b/a
13 Waste Management of SnoKing

14 Re WAC 480-07-520
15

CASE NO. TG-_____

And

CASE NO. TG-_____

PETITION FOR RULE MODIFICATION
FOR DISPOSAL FEE INCREASES

16 **I. INTRODUCTION**

17 1. COMES NOW Waste Management of Washington, Inc. (“WMW”) holder of Certificate of
18 Public Convenience and Necessity No. G-237, by and through its attorney, Polly L. McNeill
19 of Summit Law Group PLLC, and in accordance with WAC 480-07-370(1)(b) files this
20 *Petition for Rule Modification for Disposal Fee Increases* (“Petition”) respectfully requesting
21 the Commission’s approval to partially vary from the filing requirements for a general rate
22 request under WAC 480-07-520, for the purposes of revising tariff rates to reflect a disposal
23 fee increase at the King County Transfer Stations. The Petition instead requests permission
24 to file revised tariff pages, with accounting work papers and documentary support evidencing
25 the disposal fee increases and related revenue sensitive costs, and therefore seeks a
26 modification from the necessity of providing all of the filing documents and analysis required
under WAC 480-07-520.

II. PARTIES

1 2. Petitioner's name and address are as follows:

2 Waste Management of Washington, Inc.
3 720 4th Avenue, Suite 400
4 Kirkland, WA 98033-8136

5 3. Petitioner's attorney's name and address are as follows:

6 Polly L. McNeill
7 Summit Law Group PLLC
8 315 Fifth Avenue S.
9 Suite 1000
10 Seattle, WA 98104

III. PETITION FOR MODIFICATION

11 4. WMW is today submitting revised tariff pages containing increased rates for residential and
12 commercial garbage collection services for two different tariffs that apply to two distinct
13 operating divisions performing solid waste collection services in King County. One is a
14 filing to revise Tariff No. 22 for Waste Management – South Sound and Waste Management
15 of Seattle (“South Sound-Seattle”), and the other filing is to revise Tariff No. 15 for Waste
16 Management of Washington, Inc. d/b/a Waste Management of SnoKing (“SnoKing”).

17 5. The requested rate increases are necessary in order to recover increased disposal costs at the
18 King County Transfer Stations. The King County Council approved an increase in disposal
19 fees from \$95.00 to \$109.00 per ton. See King County Ordinance No.17184 (a copy of
20 which is included in the tariff filings). In addition, the King County Board of Health
21 increased the hazardous waste fees for residential and non-residential customers as reflected
22 in the King County Board of Health Code 2.08.090. The increased rates, if approved by the
23 commission, would approximately increase revenue for South Sound-Seattle by \$670,000,
24 and residential and commercial garbage rates by 6.2%, and for SnoKing by \$618,000, and
25 residential and garbage rates 6.5%.

26 6. The Commission audited and approved general rate requests for both South Sound-Seattle
and SnoKing within the past two years. See Waste Management – South Sound and Waste
Management of Seattle, Docket No. TG-101080 (approving rates with an effective date of

1 August 1, 2010). See also Waste Management of Washington, Inc. d/b/a Waste Management
2 of SnoKing, Docket No. TG-091933 (rates approved with an effective date of June 1, 2010).

3 The test period scrutinized by Commission auditors was less than three years ago.

4 7. Under the Commission's regulations, the standard for consideration of a request for a rule
5 exemption or modification is the public interest standard. WAC 480-07-110. Relevant
6 factors include hardship on the requesting person, and whether the effect of applying the rule
7 would be contrary to the underlying purposes of the rule.

8 8. The public interest standard would be satisfied if the modification were granted. Given that
9 WMW's rates have been audited and approved so recently, the public interest is served by
10 avoiding additional administrative expense and dedication of Commission resources to
11 undertake a full review.

12 9. Although WMW is fully capable of preparing a general rate request to effectuate this
13 disposal fee increase, nonetheless it is burdensome on its staff and resources to do so.
14 Avoiding the need for a full-blown rate filing will minimize expense to the Company and
15 thereby provide a cost-saving benefit to the ratepayers as well.

16 10. In the context of discussing other single-item filing matters, the Commission Staff has
17 suggested that three years from the most recent fully-audited rate case is an appropriate
18 period to use as a guideline. See Notice of Recommendation for Fuel Surcharges,
19 Opportunity to File Written Comments, and Open Meeting, Docket T-101661 (March 18,
20 2011) ("Notice"). Confidence that rates established during a rate case are fair, just,
21 reasonable and sufficient decreases as time passes. The concern is not particularly the length
22 of time, but rather whether there have been operational changes that might influence
23 expenses and revenues. Where a company operates in a stable market, with relatively
24 constant operating characteristics, changes are less likely. Notice, page 7 ("However, as the
25 length of time since the last rate case increases, changes are more likely, and the rate case
26 data and operations are less representative of current operations:...."). Arguably, a longer

1 period of time could be accepted if a company's operations are well-established. WMW's
2 King County operations are mature and stable, but even if that were not the case, allowing a
3 single-item filing for disposal fees in this instance is consistent with the public interest,
4 because WMW's most recent rate cases for tariffs in King County fall within the three-year
5 period.

6 11. In addition to avoiding unnecessary hardship and expense, because the two operating
7 divisions' tariff rates have been recently reviewed and audited, granting this request for a
8 modification is not contrary to the underlying purpose of WAC 480-07-520. The rule
9 requires solid waste collection companies seeking to increase their rates to file a number of
10 documents, including work papers accounting for a variety of data supporting the company's
11 request. The rule's purpose is to ensure that all information necessary to determine whether
12 existing or proposed rates are fair, just, reasonable and sufficient is available to the
13 Commission.

14 12. The abbreviated filings provide sufficient work paper information to meet the purpose of the
15 rule. The accounting papers filed and the documentation of the disposal fee increase
16 demonstrate the need for additional revenues by both divisions operating in King County.
17 The documentation gives staff adequate and sufficient information necessary to determine
18 whether the calculations are accurate and thereby evaluate whether existing or proposed rates
19 are fair, just, reasonable and sufficient. In light of the recent review of the base rates,
20 granting this Petition is not inconsistent with the underlying purposes of the general rate
21 filing rule stated in WAC 480-07-520.

22 13. The effective date of the proposed tariff revisions is January 1, 2012, and this filing provides
23 more than forty-five days' notice to the Commission, as required by WAC 480-70-266.
24 Upon approval by the Commission, affected customers will be notified of this rate increase
25 on their next regularly scheduled billing, in accordance with WAC 480-70-271(2)(a)(iii).
26 With this Petition, WMW asks for a modification only of the rule governing general rate

1 filing requirements. It does not ask for an exemption from regulatory obligations
2 Commission or customer notice.

3 **IV. CONCLUSION**

4 For the reasons stated above, WMW respectfully requests that the Commission grant a
5 modification of WAC 480-07-520 to WMW for today's South Sound-Seattle and SnoKing
6 filings to limit filing documentation required under WAC 480-07-520 in the manner stated
7 above.

8 DATED this 3rd day of November, 2011.

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