

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of

BASIN DISPOSAL OF
YAKIMA, LLC,

Seeking Approval of Tariff
Revisions

DOCKET TG-230188

ORDER 01

ALLOWING TARIFF TO GO
INTO EFFECT, SUBJECT TO
CONDITIONS

BACKGROUND

- 1 On March 17, 2023, Basin Disposal of Yakima, LLC, (Basin Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff No. 6. that would generate approximately \$317,000 (29.63 percent) in additional annual revenue. On March 28, 2023, the Company requested an extension to allow more time to review the case with a new effective date of June 1, 2023. The Company filed replacement pages on May 18, 2023.
- 2 Commission staff (Staff) reviewed the filing and made adjustments to the proposed tariff, including adjusting the Company's fuel expense to the most recent 12-month fuel cost as required by Washington Administrative Code (WAC) 480-70-346. Staff also made minor adjustments to the employee costs and other miscellaneous accounts, removing unallowable expenses. Staff reviewed the new payroll increases and bonuses and made minor adjustments to each. Staff reviewed the prudence for newly obtained assets and declined to add three new trucks because the Company did not demonstrate that they are used and useful. Staff also adjusted the cost of debt, allowing a change in the interest rate from 4.45 percent to 6.98 percent because the interest rate is variable.
- 3 Staff also discussed with the Company that waiting 13 years between rate cases can create rate shock for their customers, and that the Commission recommends that the Company should file or come back every two to three years for rate review.
- 4 This matter came before the Commission at its regularly scheduled open meeting on May 25, 2023. Because of the lag in filing, Staff recommends that the Commission allow the tariff to take effect on June 1, 2023, but require that the Company provide a cost-of-service analysis with its next general rate case.

DISCUSSION

- 5 The Commission agrees with Staff that the tariff should be allowed to go into effect, subject to Staff's recommended condition. By waiting more than a decade to increase rates, the Company exposes its customers to rate shock by imposing a justifiable, but sudden, significant increase in rates. The Commission supports a more gradual, step-by-step approach to ratemaking that protects consumers from a sudden extreme rise in costs and protects the Company from overextension and an inability to maintain effective operations.
- 6 We do, however, find that the proposed rates are fair, reasonable, just, and sufficient and thus allow the tariff to go into effect, subject to the condition that the Company must provide a cost-of-service analysis with its next general rate case. We also encourage the Company to file a general rate case within two to three years.
- 7 With the condition described above, we find that the tariff revisions as revised on March 17, 2023, and revised on May 18, 2023, are fair, just, reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts and securities, transfers of property, and affiliated interests of public service companies, including solid waste companies.
- 9 (2) Basin Disposal is a solid waste company and a public service company subject to Commission jurisdiction.
- 10 (3) On March 17, 2023, Basin Disposal filed revised tariff pages, with a requested effective date of May 1, 2023. Basin Disposal requested an extension with a revised effective date of June 1, 2023. Basin Disposal filed replacement pages on May 18, 2023.
- 11 (4) This matter came before the Commission at its regularly scheduled meeting on May 25, 2023.
- 12 (5) The Commission finds that the proposed rates are fair, just, reasonable, and sufficient, and allows the tariff to go into effect on June 1, 2023, subject to the condition that the Company must file a cost-of-service analysis with its next general rate case.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff filed on March 17, 2023, and revised on May 18, 2023, by Basin Disposal of Yakima, LLC, is approved and will become effective by operation of law, subject to the condition described in paragraph 12 of this Order.
- 14 (2) The Commission authorizes the Commission Secretary to accept by letter a filing that complies with the requirements of this Order.
- 15 (3) The Commission retains jurisdiction over the subject matter and Basin Disposal of Yakima, LLC, to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective May 25, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner