



Sunshine Disposal & Recycling

October 25, 2019

Received
Records Management

10/25/2019 10:28 AM

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-4720

WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Docket TG-131255

Dear Mr. Johnson:

Please accept and consider the following comments on behalf of our family of companies:

Torre Refuse & Recycling, LLC (G-260) d/b/a Sunshine Disposal & Recycling
Sunshine Disposal, Inc. (G-199) d/b/a Sunshine Disposal & Recycling
Ada-Lin Waste Systems, Inc. (G-104) d/b/a Sunshine Disposal & Recycling

As a member of the Washington Refuse and Recycling Association (WRRRA), I am in support of their comments in this docket. The WRRRA has gone to great lengths and expense to enlist extremely well-qualified experts from Berkeley Research Group to analyze and respond to the staff's proposed rate making methodology. Nothing in my comments here should be interpreted to be disparate from the WRRRA. Simply, my intention is to provide you some perspective on how staff's proposal will impact my companies.

As you are aware, there are a diverse blend of solid waste collection companies within the state of Washington. They range from very large publicly traded corporations to very small owner-operators. My companies fall somewhere in between. We serve mostly rural communities. Under the framework of the L-G model, we have successfully invested, and, continue to re-invest in our solid waste collection operations to improve employee safety, public convenience, public health, and environmental protection.

The L-G has been in place for approximately 30 years. It has been modified and/or adjusted over time. Its use and flexibility have proven to provide our companies and its ratepayers "just, fair, reasonable, and sufficient" rates. The Staff's proposed Dupont model will not provide my companies "just, fair, reasonable, and sufficient" rates. Frankly, the Staff's proposed Dupont model will not work for our companies.

Regardless of whether you are to choose to update the L-G model or move to a new model, I believe, any successful methodology should continue to provide the **flexibility to account for a company's capital structure, federal income tax, and interest**, just as the L-G does now.

The models that are being proposed by the WRRRA have been developed by the Berkeley Research Group. I have a high degree of confidence in the expertise that BRG and its staff possess.

In closing, I would like to commend both WUTC Staff and the WRRRA for their efforts in working together to find an economically sound rate-making approach that will hold up into the future. I am confident that an objective analysis of the economic data will result in a fair methodology for both the industry and our customers. I look forward to providing further comment as necessary.

Respectfully,

A handwritten signature in blue ink, appearing to read 'M. Torre', followed by a horizontal line.

Marc B. Torre, President
Sunshine Disposal & Recycling