

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET TG-143889
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	ORDER 01
)	
v.)	
)	COMPLAINT AND ORDER
WASTE MANAGEMENT OF)	SUSPENDING TARIFF
WASHINGTON, INC, dba WASTE)	REVISIONS
MANAGEMENT OF SPOKANE,)	
)	
Respondent.)	
)	
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BACKGROUND

- 1 On November 14, 2014, Waste Management of Washington, Inc., dba Waste Management of Spokane (WM Spokane or Company), filed tariff revisions with the Utilities and Transportation Commission (Commission) that would generate approximately \$1,160,000 (10 percent) additional annual revenue. The Company contends that the proposed increase was prompted by increases in labor and other operating and administrative costs and a reduced regulated customer base. WM Spokane currently serves approximately 26,500 residential, commercial, and drop box customers in Spokane County. The Company’s last general rate increase became effective May 1, 2013.
- 2 Approximately half of the Company’s regulated customers have changed to nonregulated service because of Company contracts with Spokane Valley and Liberty Lake. Other changes since the Company’s last rate case include a \$6 million (40 percent) increase in total investment expenses, operating leases for the contract cities’ property, increased labor cost of \$460,000 (3.7 percent) of total labor expenses, and decreased fuel costs of \$38,000 (3.2 percent) of total fuel expenses.
- 3 Staff has reviewed the Company’s filing and requires additional time to analyze the changes in allocation factors due to the change in regulated and nonregulated service and the increased costs since the last rate case. However, there is a disposal fee decrease of approximately \$100,000 (1.3 percent) included in this filing, which RCW 81.77.160 requires the Commission to allow to become effective as scheduled on January 1, 2015.
- 4 Staff recommends that the Commission issue a complaint and order suspending the Company’s proposed tariff revisions. Staff further recommends that the Commission

order the Company to file revised tariff pages reflecting the disposal fee and rates at Staff-recommended levels and allow the revised rates to become effective on January 1, 2015, on a temporary basis.

DISCUSSION

5 WM Spokane has not yet demonstrated that its proposed tariff revisions would ultimately result in rates that are fair, just, reasonable, and sufficient. The Company, however, has included a disposal fee adjustment with this filing. The Commission, therefore, suspends the tariff filing, requires the Company to file revised tariff pages to reflect only the disposal fee adjustment, and allows the revised disposal fee only rates to become effective on a temporary basis pending a determination of whether the proposed rates are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 6 (1) The 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.
- 7 (2) WM Spokane is a solid waste company and a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on December 30, 2014.
- 9 (4) WM Spokane has not yet demonstrated that the tariff revisions would ultimately result in rates that are fair, just, reasonable and sufficient.
- 10 (5) The Commission believes it is necessary to investigate the Company's books, accounts, practices, and activities and to investigate and appraise various phases of the Company's operations.
- 11 (6) WM Spokane is entitled and obligated to adjust its existing rates to reflect the disposal fee decrease of approximately \$100,000 included in the filing effective January 1, 2015.
- 12 (7) WM Spokane bears the burden of proof to show that the proposed increases are just, reasonable and sufficient.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff revisions Waste Management of Washington, Inc., dba Waste Management of Spokane filed on November 14, 2014, and revised December 19, 2014, are suspended.
- 14 (2) Waste Management of Washington, Inc., dba Waste Management of Spokane must file revised tariff pages to reflect only the disposal fee adjustment to existing rates included in the original filing in this docket to become effective on January 1, 2015, on a temporary basis.
- 15 (3) The Commission will institute an investigation of Waste Management of Washington, Inc., dba Waste Management of Spokane's books, accounts, practices, activities, and operations and will hold hearings at such times and places as may be required.
- 16 (4) Waste Management of Washington, Inc., dba Waste Management of Spokane must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.

DATED at Olympia, Washington, and effective December 30, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner