

Agenda Date: February 28, 2019  
Item Numbers: B4, B5, B6, B7

**Dockets: TG-181017**

Company Names: Fiorito Enterprises, Inc. and Rabanco Companies d/b/a Kent Meridian Disposal Company, Allied Waste Services of Kent and Republic Services of Kent

**TG-181018**

Rabanco Ltd d/b/a Republic Services of Lynnwood and Lynnwood Disposal

**TG-181019**

Rabanco Ltd d/b/a Rabanco Companies and Sea Tac Disposal

**TG-181020**

Rabanco Ltd d/b/a Rabanco Companies, Eastside Disposal and Rabanco Connections

Staff: Tiffany Van Meter, Regulatory Analyst, Water and Transportation  
John Cupp, Consumer Protection Staff

**Recommendation:**

Issue an order granting waivers from WAC 480-70-352(2), allowing the companies to use the most recent six months to project revenue from the sale of recyclable material and dismissing the Complaints and Orders suspending the tariff pages filed on December 4, 2018, as revised January 25, 2019, by Fiorito Enterprises, Inc. and Rabanco Companies d/b/a Kent Meridian Disposal Company, Allied Waste Services of Kent and Republic Services of Kent, Rabanco Ltd d/b/a Republic Services of Lynnwood and Lynnwood Disposal, Rabanco Ltd d/b/a Rabanco Companies and Sea Tac Disposal, Rabanco Ltd d/b/a Rabanco Companies, Eastside Disposal and Rabanco Connections, which were entered by the commission on January 31, 2019, and allow tariff pages revised on February 22, 2019 to go into effect March 1, 2019.

**Discussion**

On December 4, 2018, Fiorito Enterprises, Inc. and Rabanco Companies d/b/a Kent Meridian Disposal Company, Allied Waste Services of Kent and Republic Services of Kent, Rabanco Ltd d/b/a Republic Services of Lynnwood and Lynnwood Disposal, Rabanco Ltd d/b/a Rabanco Companies and Sea Tac Disposal, Rabanco Ltd d/b/a Rabanco Companies, Eastside Disposal and Rabanco Connections (collectively Rabanco or company) filed tariff revisions and petitions for waivers of WAC 480-70-351(2), which requires companies to use the most recent 12 months to project revenue from the sale of recyclable materials. Rabanco provides service to recycling customers in King and Snohomish Counties.

On January 31, 2019, the commission entered Orders suspending the tariff pages file on December 4, 2018, and revised January 22, 2019.

In its initial review of the calculation for the commodity adjustment commission staff (staff) proposed a different methodology for the calculation from what the company filed. Staff's calculation did not include the allowance of revenue retention for the companies' approved revenue share plans for the projection piece of the commodity adjustment calculation. Staff believed customers of the companies were being treated differently because the company uses an affiliated Materials Recovery Facility (MRF) in comparison to customers served by a hauler using a third party MRF. Staff agrees that the issue of how customers are treated based on the arrangement between the company and the MRF is a policy decision that should not be changed during the course of a revenue sharing agreement and that these decisions should be addressed outside of this current filing.

The companies filed revised tariff pages on February 25, 2019, reflecting the commodity adjustments being calculated using the methodology as originally filed.

### **Customer Comments**

The companies notified their customers by mail of the proposed tariff revision. Staff received 11 consumer comments regarding the proposed rate increase; 7 opposed to the tariff revision in TG-181018, and four opposed in TG-181020.

### **General Comments**

Customers believe they should not have to pay more to compensate for the company's reduced recycling profits. Many commented that increasing rates makes people less likely to recycle.

### **Staff Response**

State law requires rates to be fair, just, reasonable, and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Commission staff performs a thorough review of rate filings to ensure that all rates and fees are appropriate.

### **Conclusion**

Commission staff has completed its review of the company's calculation and agrees with the commodity adjustment as originally filed in all four dockets.

**Recommendations:**

Issue an order:

1. granting waivers from WAC 480-70-352(2), allowing the companies to use the most recent six months to project revenue from the sale of recyclable material;
2. dismissing the Complaints and Orders suspending the tariff pages filed on December 4, 2018, as revised January 25, 2019, by Fiorito Enterprises, Inc. and Rabanco Companies d/b/a Kent Meridian Disposal Company, Allied Waste Services of Kent and Republic Services of Kent, Rabanco Ltd d/b/a Republic Services of Lynnwood and Lynnwood Disposal, Rabanco Ltd d/b/a Rabanco Companies and Sea Tac Disposal, Rabanco Ltd d/b/a Rabanco Companies, Eastside Disposal and Rabanco Connections, which were entered by the commission on January 31, 2019, and allow tariff pages revised on February 22, 2019 to go into effect March 1, 2019.