

[Service Date October 19, 2010]

October 19, 2010

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By Friday, November 19, 2010)**

**NOTICE OF WORKSHOP
(Set for 9:00 a.m., Tuesday, December 7, 2010)**

RE: Fuel Surcharge Inquiry
Docket T-101661

TO INTERESTED PERSONS:

On October 15, 2010, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Pre-proposal Statement of Inquiry (CR-101) to initiate a rulemaking to consider whether to adopt, by rule, methods for determining the circumstances under which it will permit solid waste, auto transportation and ferry companies to impose a surcharge for fuel costs and the methods of calculating any such fuel surcharge in WAC 480-07, WAC 480-30, WAC 480-51 and WAC 480-70.

The CR-101, as filed with the Code Reviser, is available for inspection on the Commission's website at www.utc.wa.gov/101661. If you are unable to access the Commission's web page and would like a copy of the CR-101 mailed to you, please contact the Records Center at (360) 664-1234.

The inquiry was initiated on behalf of the Commissioners as part of their decision on September 30, 2010, to rescind Order 02 in Docket A-042090.¹ At the September 30, 2010, open meeting, commenters from the solid waste and auto transportation Industries indicated that rescinding Order 02 in favor of requiring companies to file either general rate cases or petitions seeking single item cost adjustments for fuel, will decrease the flexibility and efficiency enjoyed by both the Commission and companies under the current fuel surcharge methodology.

¹ See Order 03 in the same docket.

The Commission has opened this inquiry to fully consider alternate fuel surcharge and ratemaking proposals from stakeholders prior to the January 31, 2011, effective date for rescission of Order 02.

FUEL SURCHARGES

The Commission also invites comments on whether it should adopt, by rule, methods for determining the circumstances under which it will permit a company to impose a surcharge for fuel costs and the methods of calculating a fuel surcharge.

Comments addressing fuel surcharges should include, but are not limited to, the following:

- The specific methodology or mechanism the Commission should use to determine the fuel surcharge amount (illustrate and provide examples);
- Whether the Commission should adjust a company's base charge established in its last rate case based on certain operational or market conditions (list conditions and explain);
- Whether the Commission should consider the company's current level of revenues, profits or some other overall financial measure or threshold in considering any request for a fuel surcharge;
- How to calculate fuel expense changes;
- Whether the Commission or companies should use fuel expense indices, benchmarks or actual company costs to determine the need for a fuel surcharge;
- Whether the Commission should consider changes in a company's operations (*e.g.*, expenses; age, composition and efficiency of a company's fleet and increases or decreases in customer or passenger counts in determining a company's eligibility to claim a fuel surcharge);
- Whether a company should have had a general rate case within a specified time period to be eligible to file for fuel surcharges;
- Whether the Commission should require companies to meet an additional needs test or threshold to become eligible for a fuel surcharge (if so, identify and describe that test or threshold); and
- Any other issues or suggestions relating to fuel surcharges.

STAKEHOLDER WORKSHOP

We encourage your attendance and participation in the stakeholder workshop. The workshop will be held **Tuesday, December 7, 2010**, from 9:00 a.m. to 3:00 p.m., in Room 206, 2nd Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

WRITTEN COMMENTS

Written comments addressing fuel surcharges as listed above must be filed with the Commission no later than 5:00 pm, **Friday, November 19, 2010**. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal (www.utc.wa.gov/e-filing) or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket number of this proceeding (T-101661)
- The commenting party's name
- The title and date of the comment or comments

Written comments that relate to existing rules should be identified to those rules. Where you wish to suggest clear language, substantive changes to existing rules, or new rules, we will appreciate your suggestions for specific rule language.

An alternative method for submitting comments is by mailing or delivering an electronic copy to the Commission's Records Center on a 3-1/2 inch, IBM formatted, high-density disk, in .pdf Adobe Acrobat format or in .doc Word 97 or later format. Include all of the information requested above. The Commission will post on its web site all comments that are provided in electronic format. The web site is <http://www.utc.wa.gov/101661>.

If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document. Questions may be addressed to David Gomez at (360) 664-1240 or e-mail at dgomez@utc.wa.gov.

Your participation is welcomed via written comments. The Commission anticipates that there will be an opportunity for further comment. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the commission's web site as it becomes available. If you would like to receive further information on this rulemaking you may 1) call the Commission's Records Center at 360-664-1234, 2) e-mail the Commission at records@utc.wa.gov, or 3) mail written comments to the address

below. When contacting the Commission, please refer to Docket T-101661 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

NOTICE

Persons filing comments will be included on the distribution list for future information about this rulemaking. If you want to receive such information but do not want to comment now, you may notify the Executive Director and Secretary in one of the ways described above and ask to be included on the distribution list for Docket T-101661. If you do not file comments or request to be included on the distribution list, you might not receive further information about this rulemaking.

Sincerely,

DAVID W. DANNER
Executive Director and Secretary