



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Washington Utilities and Transportation Commission

Subject of possible rule making: The Washington Utilities and Transportation Commission (Commission) commences this inquiry to review current methods for setting rates for solid waste collection companies subject to Commission jurisdiction and for the possible development of substantive standards for determining such rates. In the event that the Commission determines that rules are not appropriate at this time, it may consider adopting a formal policy statement pursuant to RCW 34.05.230(1). This rulemaking has been assigned Docket TG-131255.

Statutes authorizing the agency to adopt rules on this subject: RCW 80.01.040; RCW 81.04.160

Reasons why rules on this subject may be needed and what they might accomplish:

The Commission supervises and regulates solid waste collection companies by "...fixing and altering its rates, charges, classifications, rules and regulations" as required by RCW 81.77.030(1). It is in the public interest for the Commission to undertake a review of the methodology the Commission currently uses to set rates and charges for solid waste companies under its jurisdiction, including the methodology used to determine a company's return on investment, the so-called Lurito-Gallagher Methodology, which was first implemented by the Commission in 1988, UTC Cause No. TG-2016 et al.

The review also will include both a broad examination of the Commission's use of the operating ratio approach to ratemaking for solid waste collection companies and evaluation of other possible rate-setting methods. Such methods may include those generally used to derive a fair, overall rate-of-return on investment with a specific focus into the determination of the return-on-equity-component.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) The Commission will ask for initial written comments, and will provide the opportunity for participation in public workshops, as well as opportunities for additional comments.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Interested persons may file comments with the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, Washington, 98504-7250; Telephone (360) 664-1174; Fax (360) 586-1150, email at records@utc.wa.gov, or through the Commission's Web portal at www.utc.wa.gov/e-filing by **5:00 p.m., Monday, August 19, 2013**. For specific information regarding opportunities for written comments and to ensure receipt of further information concerning this rulemaking, please see the attachment to this form.

DATE
July 17, 2013

NAME (TYPE OR PRINT)
Steven V. King

SIGNATURE

TITLE
Acting Executive Director and Secretary

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 17, 2013

TIME: 10:58 AM

WSR 13-15-081

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
CR-101 - ATTACHMENT**

DOCKET TG-131255

Interested persons may contact the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, Washington, 98504-7250, (360) 664-1174 or Fax: (360) 586-1150.

WRITTEN COMMENTS AND STAKEHOLDER WORKSHOP

The Commission has scheduled a stakeholder workshop in this rulemaking for **Monday, September 23, 2013, beginning at 9:30 a.m.** in the Commission's Hearing Room, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. Written comments may be submitted no later than **5:00 p.m. on Monday, August 19, 2013.**

Electronic copies. The Commission requests that comments be provided in electronic format to (a) enhance public access, (b) ease of providing comments, (c) reduce the need for paper copies, and (d) to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal at www.utc.wa.gov/e-filing or by e-mail to the Commission's Records Center at records@utc.wa.gov.

Please include:

- The docket number of this proceeding (TG-131255)
- The commenting party's name
- The title and date of the comment or comments

Written copies. Comments submitted in writing may be submitted to the Commission at the address given above.

An alternative method for submitting comments may be by mailing/delivering an electronic copy on a 3 ½ inch, IBM-formatted, high-density disk, in .pdf Adobe Acrobat format or in Word 97 or later, a flash drive, or CD including the filed document(s). Commenters should include all of the information requested above. The Commission will post on the Commission's Web site all comments that are provided in electronic format. The Web site is located at www.wutc.wa.gov/131255. If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document.

Opportunity for further comment is anticipated. 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 wish 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 above to the attention of Steve King, Acting Executive Director and Secretary.

When contacting the Commission, please refer to Docket TG-131255 to ensure that you are placed on the appropriate service list.

Questions may be addressed to Danny Kermode (360) 664-1253 or e-mail at dkermode@utc.wa.gov

NOTICE
TO CONTINUE RECEIVING NOTICES AND INFORMATION ABOUT THIS RULEMAKING

The Commission wants to ensure its mailings are sent to persons who are interested in the topic and want to receive that information. **ANY PERSON WHO COMMENTS** will continue to receive notices and information.

IF YOU DO NOT SUBMIT COMMENTS but wish to remain on the mailing list for this rulemaking, please advise the Records Center by any one of the following methods:

- (1) Send a note with your name, address (or a copy of your mailing label), and telephone and fax numbers referencing Docket TG-131255, and the words "Please keep me on the mailing list"; or
- (2) E-mail your name, address, telephone and fax numbers, referencing Docket TG-131255, and the words "*Please keep me on the mailing list*" to records@utc.wa.gov. Please note that all information in the mailings will be accessible through the Commission's Internet Web site at <http://www.utc.wa.gov/131255>.

THOSE INTERESTED PERSONS WHO DO NOT RESPOND MAY NOT RECEIVE FURTHER MAILINGS OR INFORMATION ON THE RULEMAKING.