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July 28, 1997

BY FAX (1-360-586-5522) AND FIRST CLASS MAIL

Mary M. Tennyson, Esq.
Attorney General
Office of Utilities and Transportation Commission
P.O. Box 40128
Olympia, WA 98504-0128

RE: In the Matter of Recycling and Disposal Services, Inc. (Petition For
Declaratory Order Dated July 18, 1997)

Dear Ms. Tennyson:

I am writing to you on behalf of Recomp of Washington, Inc. ("Recomp") concerning the petition for a declaratory order which Recycling and Disposal Services, Inc. ("RDS") has filed with the Washington Utility and Transportation Commission.

Recomp for many years has furnished the City of Bellingham (the "City") with processing and disposal service applicable to both residential and commercial solid waste generated within the City.

Recomp's services have been furnished under a series of agreements dating back at least as far back as 1974. The original agreement was one under the original owner of Recomp, together with Sanitary Service Company ("SSC"), jointly agreed to provide collection and disposal service for all residential waste generated within the City, and also to provide disposal service with respect to all commercial waste collected within the City. Later,

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the City began contracting with each entity separately for these services, i.e., with SSC for residential collection service, and with Recomp for residential and commercial waste disposition.

The current agreement between the City and Recomp was entered into in 1982 and was most recently amended in late 1993, well before RDS came into existence. It runs through April 30, 2006.

Among other things, the agreement between Recomp and the City specifies the tipping fee which Recomp may charge SSC for City solid waste delivered to Recomp's facility. The services covered by Recomp's tipping fee include more than just the disposition of the waste to which the fee is applied--those services also include (1) the final disposal of on-site ash resulting from the incineration of City commercial and residential waste at a time when there existed no regional landfill to which that ash could be long-hauled, and (2) the processing of "Clean Green" yard wastes which the City accepts without charge from both businesses and homeowners at its Lakeway yard waste facility.

Quite apart from assuring the City of desired disposal services, the agreement as amended, we submit, was decidedly in the public interest. Had it not been for that agreement, there would have been no limit on the amount which Recomp--which as of late 1993 was the only available disposal facility--could have charged for City residential and commercial waste delivered to its facility.

Under its agreement with the City, Recomp is required to accept and to incinerate, otherwise process and/or landfill all solid waste generated within the City, both residential and commercial. Correspondingly, the agreement requires the City "continuously throughout the term of this Agreement . . . [to] required by ordinance, contract or other effective means" that all solid waste generated within the City be delivered exclusively to Recomp's facility.

The City has attempted to satisfy that obligation by requiring, as part of the now-separate agreement it has with SSC for collection of residential waste, that SSC deliver to Recomp's facility all waste which SSC collects within the City (SSC collects both residential and commercial solid waste generated within the City).

RDS's petition seeks a declaratory order not as to the applicability of any rule, order or statute to RDS or any of its own activities, but instead solely as to rights and obligations of others. The declaratory order which RDS requests is designed to force SSC to breach its contractual obligation to deliver to Recomp all solid waste which SSC collects within the City.

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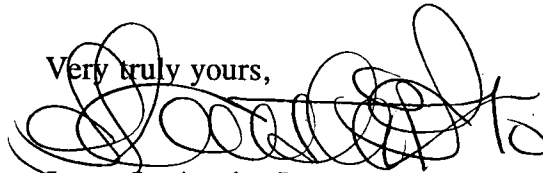
The proceeding which RDS has initiated is one affecting Recomp's own rights and interests. Indeed, we submit that Recomp is a "necessary party" to the proceeding, as that term is used in RCW 34.05.240(7).

We therefore request that Recomp be included among the persons receiving notice of RDS's petition under WAC 480-09-230. Notices from the WUTC to Recomp in connection with this proceeding may be directed to:

Recomp of Washington, Inc.
c/o James L. Austin, Jr.
Karr Tuttle Campbell
Washington Mutual Tower, Suite 2900
1201 Third Avenue
Seattle, WA 98101-3028

By making this request, Recomp is *not* consenting to a determination of the matter by a declaratory order proceeding, and is not waiving any claim or defense. We are merely requesting that Recomp be given notice of the proceeding, as provided for by WAC 480-09-230, so that it may take such further steps as may be necessary or appropriate to protect its rights and interests.

Very truly yours,



James L. Austin, Jr.

cc: Recomp of Washington, Inc.
Robert Rowland, Esq.
Richard Little, Esq.
Polly McNeil, Esq.