

May 11, 2018

Mr. Mark Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket A-130355; Additional WRRRA Comments on Part III B and Part III C-E & IV

Dear Mr. Johnson:

Thank you for the opportunity to comment on the latest iteration of the Commission's Procedural Rules. These comments address both Part III B (general rate cases) and Part III C-E & IV. The **Washington Refuse and Recycling Association (WRRRA)** members have great appreciation for how the Commission and its staff carry out their roles and responsibilities with respect to the regulation of our industry. WRRRA has actively participated in this effort and will continue to do so. WRRRA's comments are offered on behalf of the association and member companies may submit additional comments as well.

We appreciate the Commission and staff work on the latest draft, particularly the changes pertaining to general rate case proceedings for solid waste collection companies. In most cases, the proposed changes accurately implement the law and address a number of longstanding issues. Taken as a whole, the proposed changes should make for more efficient and effective regulation of solid waste collection in Washington. WRRRA is eager to see these rules adopted following the hard work of the Commission, Staff, and the regulated industry on this rule.

WAC 480-07-505(3)(b): WRRRA welcomes new language which clarifies that filings to pass through "disposal, recycling, yard waste, or processing fees" will not initiate a general rate proceeding. For practical purposes in examining tip or processing fee impacts, there is no difference between solid waste disposal and recycling, processing or yard waste fees. Everything collected by a solid waste collection company requires an environmentally responsible final destination and disposition. Associated fees are a universal cost for every solid waste collection company.

Current Commission practice allows for pass through on disposal fees with affiliated entities if a company demonstrates the total cost of transfer, transport, and fees at the facility is equal to or lower than any other reasonable and currently available option. WRRRA recommends the Commission codify this practice for disposal, recycling, yard waste, and processing fees to provide better consistency and certainty across filings under the new rule.

This change is also timely given serious challenges posed to the solid waste industry by the import ban and new contaminant limits for recyclable materials established by China as part of the program generally referred to as “National Sword.” WRRRA has previously discussed the impacts of National Sword with the Commission and Staff and need not duplicate that information here. Suffice it to say, this is a time of great uncertainty for the recycling industry, and costs will likely change significantly and regularly as the system adjusts. WRRRA thanks the Commission for addressing this issue in the proposed changes.

WAC 480-07-505(3)(c): WRRRA applauds implementing RCW 81.77.170 in rule by clarifying that filings to recover costs to comply with government actions will not initiate a general rate case. The Association supports this section but suggests a minor change to allow the examples listed in the rule to better reflect the scope of the rule language. The language “changes to state or local fees, charges, or taxes ~~on~~ related to the collection or disposal of solid waste” appears more consistent with rule language, which allows a company to recover costs imposed by government action that directly impact the cost to provide regulated service, without initiating a general rate case.

WAC 480-07-520(1): This section requires changes to tariff sections that are tabular to be marked with tariff symbols “consistent with the requirements in WAC 480-80-105.” For solid waste collection companies the appropriate reference should be changed to WAC 480-70-286. WAC 480-80-105 references tariff symbols for Title 80 companies.

WAC 480-07-520(6) Interim Rates: Solid waste collection companies often face considerably more risk than other regulated industries due to the variable nature of their capital deployment and comparatively faster turnover of assets. The concept of interim rates subject to refund is a well-established regulatory tool to address these challenges and presents no risk to the customer. WRRRA appreciates inclusion of this issue by the Commission and Staff to better confront this reality.

WAC 480-07-610(2): The new section, 480-07-520(6), allows a solid waste collection company to request interim rates subject to refund following a brief adjudicative proceeding or limited hearing under specified conditions. WRRRA suggests that “a request for interim rates by a solid waste collection company” should be added as another codified “matter suitable for brief adjudication” to harmonize these sections.

Thank you again for the opportunity to submit further comments on these rules. From WRRRA’s perspective, the rule update addresses a number of longstanding issues and is nearly ready for adoption. WRRRA thus looks forward to the imminent adoption of these rules and requests the Commission formally approve at least the solid waste portions of the procedural rule changes as soon as possible. Please feel free to contact WRRRA with any questions or concerns.

Sincerely,

Brad Lovaas
Executive Director