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June 11, 2010

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *WUTC v. Harold LeMay Enterprises, Inc., d/b/a Rural Garbage Service*
Docket TG-091774

Dear Mr. Danner:

Enclosed for filing in the above-referenced docket are the original and two copies of the Settlement Stipulation for Partial Exemption to Workpaper Requirements of WAC 480-07-520(4), and Certificate of Service.

Sincerely,

ROBERT D. CEDARBAUM
Assistant Attorney General

RDC:klg
Enclosures
cc: Parties

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-091774
)	
Complainant,)	
)	
v.)	SETTLEMENT STIPULATION FOR
)	PARTIAL EXEMPTION TO
HAROLD LEMAY ENTERPRISES, INC., d/b/a RURAL GARBAGE SERVICE,)	WORKPAPER REQUIREMENTS OF
)	WAC 480-07-520(4)
)	
Respondent.)	
)	
.....)	

1 This Settlement Stipulation is entered June 11, 2010 by and between Harold LeMay Enterprises, Inc., d/b/a Rural Garbage Service, and the Staff of the Washington Utilities and Transportation Commission (Staff) (collectively, the Parties) to resolve all issues in this docket regarding the Petition for Exemption from Portions of WAC 480-07-520(4), filed by Harold LeMay Enterprises, Inc. (Company) on May 12, 2010. The Parties submit this Settlement Stipulation to the Commission for its approval at the prehearing conference scheduled for June 14, 2010, or as soon thereafter as is convenient for the Commission.

I. TERMS OF SETTLEMENT STIPULATION

2 The Parties' Settlement Stipulation is set forth below for each applicable subsection of WAC 480-07-520(4). The Parties agree that the Company has already complied fully

with the workpaper requirements of any subsection of WAC 480-07-520(4) not addressed below.¹

3 References in this Settlement Stipulation to county and district operations of the Company, for both regulated and unregulated services, come from the Attachment to this Settlement Stipulation. The Company's operations for Rural Garbage Service are shown in Thurston County, District 2183 for regulated services and District 2184 for unregulated services.

A. WAC 480-07-520(4)(a) (detailed proforma income statement)

4 The Parties agree to a partial exemption, for purposes of this case only, that: (1) the detailed proforma income statement will show revenues and expenses for each district in Pierce, Grays Harbor, Thurston and Lewis Counties, as shown on the Attachment, and the total of all columns will equal total Company revenues and expenses, as reported in the Company's 2009 Annual Report to the Commission; and (2) for Rural Garbage Service, the income statement, separated into solid waste, residential recycling, multi-family recycling, and yard waste, showing restating and pro forma adjustments, will be limited to Thurston County operations, Districts 2183 and 2184.

B. WAC 480-07-520(4)(c) (income statement listing all revenue and expense accounts by month)

5 The Parties agree to a partial exemption, for purposes of this case only, that the monthly income statement will be provided for the combined total of Rural Garbage Service

¹ The workpaper requirements already fulfilled by the Company are: WAC 480-07-520(4)(b) (revenue impact calculation of the proposed tariff revisions); WAC 480-07-520(4)(f) (detailed price-out information); WAC 480-07-520(4) (g) (consolidated balance sheet, including the percentage of equity and the percentage of debt, and the cost of that debt by component); WAC 480-07-520(4)(h) (detailed depreciation schedule); WAC 480-07-520(4)(i) (computed average investment); and WAC 480-07-520(4) (j) (information about every transaction with affiliated interests or subsidiaries).

Districts 2183 and 2184. To date, the Company has submitted the monthly income statement for District 2183 only.

- C. **WAC 480-07-520(4)(d) (detailed separation of all revenue and expenses between regulated and non-regulated operations, if non-regulated revenue represents more than ten percent of total Company test period revenue)**

6 The Parties agree to a partial exemption, for purposes of this case only, that the Company will provide the detailed calculation of any allocation used to separate revenue and expenses:

- (1) Between District 2183 for Rural Garbage Service regulated operations in Thurston County and District 2184 for Rural Garbage Service unregulated operations in Thurston County; and
- (2) Between District 2183 for Rural Garbage Service regulated operations in Thurston County and any other district with which District 2183 has intra-Company transactions or arrangements that, but for the fact that that district or districts are not separate corporations, would constitute affiliated interest transactions.

- D. **WAC 480-07-520(4)(e) (detailed list of all non-regulated operations, including the rates charged for the services rendered)**

7 The Parties agree to a partial exemption, for purposes of this case only, that the Company will file the rates for Rural Garbage Service Districts 2183 and 2184, except that the Company will not be required to file rates for its long-haul trucking operations.

II. APPLICABLE LEGAL STANDARD

8 WAC 480-07-110 provides that the Commission may grant an exemption from or modify the application of its rules in individual cases if consistent with the public interest and the purposes of the underlying regulation:

The standard for consideration is the public interest standard. Factors the commission may consider include whether application of the rule would impose undue hardship on the requesting person, of a degree or a kind different from

hardships imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the underlying purposes of the rule.

9 The Parties agree that the Settlement Stipulation is consistent with the public interest to ease the administrative burden of the Company, but in a manner that still provides Staff and the Commission the necessary information to assess the reasonableness of the Company's proposed allocation of common costs between internal business districts and any affiliates. The Settlement Stipulation, therefore, meets the requirements of WAC 480-07-110 and should be approved by the Commission in its entirety.

III. MISCELLANEOUS PROVISIONS

10 **A. Binding on Parties.** Each Party agrees to support the terms of this Settlement Stipulation. The Parties understand that that this Settlement Stipulation is subject to Commission approval.

11 **B. Procedure.** The Parties shall cooperate in submitting this Settlement Stipulation to the Commission for approval at the scheduled prehearing conference on June 14, 2010. The Parties also agree to cooperate in good faith in the development of any other information or presentation of witnesses, as may be necessary to support and explain the basis for the Settlement Stipulation, and to supplement the record accordingly.

12 If the Commission rejects all or any material portion of this Settlement Stipulation, or adds additional material conditions, each Party reserves the right within five (5) business days of the Commission's Order, to withdraw from the Settlement Stipulation. If either Party exercises its right of withdrawal, the Settlement Stipulation shall be void and of no effect, and the Parties will support a joint motion to establish an expedited procedural schedule to litigate the Company's Petition for Exemption from Portions of WAC 480-07-

520(4). For purposes of this paragraph, each Party shall determine materiality and shall do so in good faith.

13 C. **No Precedent.** By executing this Settlement Stipulation, neither Party shall be deemed to have agreed that the Settlement Stipulation is appropriate for resolving any issues in any other proceeding.

DATED this 11 day of June, 2010

**HAROLD LeMAY ENTERPRISES, INC.,
d/b/a JOE'S REFUSE SERVICE**

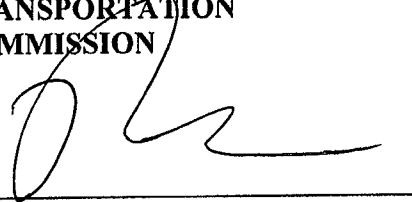
**WASHINGTON UTILITIES AND
TRANSPORTATION
COMMISSION**

By



DAVID W. WILEY
Attorney for Harold LeMay Enterprises,
Inc., d/b/a Rural Garbage Service

By



ROBERT D. CEDARBAUM
Assistant Attorney General

ATTACHMENT

G-98 Harold LeMay Enterprises, Incorporated Operations by County/District/Regulated & Unregulated Services

Pierce County

2180 - Regulated

HAULING:
Commercial Garbage
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

2181 – UnRegulated/City Contracts

HAULING:
Commercial Garbage
Commercial Recycling (All)
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

CONTRACTS:
Schnitzer Steel
Ft. Lewis/McChord
DuPont
Eatonville
Lakewood
Roy
Steilacoom
University Place
Mt. Rainier National Park

Thurston County

2183 - Regulated

HAULING:
Commercial Garbage
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off
Rainier
Yelm

2184 – UnRegulated/City Contracts/
Exempt

HAULING:
Commercial Garbage
Commercial Recycling (All)
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

OTHER OPS:
Transfer Station
Composting
MRF

CONTRACTS:
Thurston County (Compost Ops)
Regional Disposal (Trx Station & Disp)
Thurston County (Recycling Agreement)

Grays Harbor County

2186 - Regulated

HAULING:
Commercial Garbage
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

2187 - UnRegulated/City Contracts/
Exempt

HAULING:
Commercial Garbage
Commercial Recycling (All)
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

OTHER OPS:
Transfer Station

CONTRACTS:
Aberdeen
Cosmopolis
Elma
McCleary
Montesano
Oakville
Ocean Shores
Westport

Lewis County

2188 - Regulated

HAULING:
Commercial Garbage
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

2189 - UnRegulated/City Contracts/
Exempt

HAULING:
Commercial Garbage
Commercial Recycling (All)
Residential Garbage
Residential Recycling
Residential Yard Waste
Roll Off

OTHER OPS:
Long Haul

CONTRACTS:
Bucoda
Centralia
Chehalis
Morton
Napavine
Tenino

LeMay Transportation - Unregulated (2182)

Transfer Station for Lakewood and LRI
Long Haul Operations
Drop Box Hauling (Recyclables)
Container Repair Facility

LeMay Transportation Shredding - Unregulated (2185)

Mobile Shredding in Washington and Oregon
Headquartered in Thurston County