

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

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| In the Matter of the Petition of |) | DOCKET TG-071509 |
| |) | |
| TORRE REFUSE AND RECYCLING, LLC, |) | ORDER 01 |
| |) | |
| Petitioner, |) | |
| |) | |
| For Authority to Mortgage Certificate of Public Convenience and Necessity No. G-260 |) | ORDER GRANTING PETITION |
| |) | |

BACKGROUND

- 1 On July 16, 2007, Torre Refuse and Recycling, LLC, (Torre), filed with the Washington Utilities and Transportation Commission (Commission) a petition under *RCW 81.77.040* for authority to mortgage Certificate of Public Convenience and Necessity No. G-260 for operation of its solid waste collection company. The matter was assigned Docket TG-071509 on July 16, 2007.
- 2 Together with other non-regulated companies under common ownership and control, Torre requests this authority to secure the sum of \$3,770,000 from Intermountain Community Bank to purchase a portion of certificate G-237 from Waste Management and to purchase trucks and equipment.
- 3 The bank obligation will be evidenced by two promissory notes secured by accounts, equipment and motor vehicles described in a Commercial Security Agreement and its certificate of public necessity (G-260) described in a Commercial Pledge Agreement both dated April 27, 2007. One note in the amount of \$3,270,000 is payable in monthly installments of \$40,163.91 becoming fully amortized May 1, 2017. The second note in the amount of \$500,000 is payable in one installment due May 1, 2008. Both notes carry an initial interest rate of 8.25 percent. The interest rate is based on the Wall Street Journal Prime Rate index and is subject to change as the index changes.
- 4 The combined internally generated funds of all the companies as set forth in the petition are more than sufficient to meet the companies' share of the principal and interest

obligations. Under these circumstances, Torre does not appear to be adversely affected by the mortgaging of its rights to do business as a public service company.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interest transactions of public service companies, including solid waste collection companies. *RCW 80.01.040, RCW 81.01, RCW 81.04, and RCW 81.77.*
- 6 (2) Torre is a public service company subject to Commission jurisdiction under the provisions of *RCW 81.77.*
- 7 (3) The petition Torre filed in this docket satisfies the requirements of *RCW 81.77.04.*
- 8 (4) This matter came before the Commission at its regularly scheduled meeting on May 15, 2008.
- 9 (5) Staff reviewed the petition in Docket TG-071509 and recommended it be granted because the mortgage is necessary for the ongoing viability of the Company.
- 10 (6) In the event Torre's proposed indebtedness is not repaid, and in a foreclosure action, the bank acquires the assets of Torre and Certificate of Public Convenience and Necessity No. G-260, the authority granted by this Order may not be construed as waiving the requirements of either *RCW 81.77* or *WAC 480-70* as they relate to the transfer of certificates.
- 11 (7) Any proposed transfer, assignment or sale of Certificate of Public Convenience and Necessity No. G-260 to any other party is not a matter under consideration in this Order. It must be the subject of another application filed in accordance with Commission rules and the applicable statutes.

- 12 (7) The proposed mortgage of Certificate of Public Convenience and Necessity No. G-260 is consistent with the public interest and should be approved subject to the conditions of this Order.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Together with other non-regulated entities, after the effective date of this Order and subject to the conditions set forth below, Torre Refuse and Recycling, LLC, is authorized to mortgage Certificate of Public Convenience and Necessity No. G-260 to Intermountain Community Bank as partial security payable to the bank in the combined principal amount of \$3,770,000 due ten years from the date of issue, all in accordance with the terms of the petition and attached exhibits filed in this docket.
- 14 (2) Within 30 days after discharging the \$3,770,000 payable amount, Torre Refuse and Recycling, LLC, shall notify the Commission of this fact and file the original Certificate of Public Convenience and Necessity No. G-260 with the Commission in order to record the release of the mortgage lien.
- 15 (3) The authority granted by this Order shall not be construed as authorizing the transfer, assignment or sale of Certificate of Public Convenience and Necessity No. G-260 for any reason.
- 16 (4) This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it. Nothing in this Order shall be construed as an agreement to any estimate or determination of cost or any valuation of property claimed or asserted.
- 17 The Commissioners, having determined this matter to be consistent with the public interest, directed the Executive Secretary to enter this Order.

DATED at Olympia, Washington, and effective May 15, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary