



WASHINGTON REFUSE & RECYCLING ASSOCIATION

August 1, 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; WRRA Comments on Parts IIIB

Dear Mr. Johnson:

Thank you for the opportunity to comment on the final proposal of the Commission's updated rate filing rules. The Washington Refuse and Recycling Association (WRRA) and its members have actively participated in this substantial effort over a number of years. WRRA supports the proposed rule language as a whole, and appreciates the work by the Commission, staff, and industry in developing the rule proposal. The Association supports the timely adoption of these rules in August of 2018.

Many of the comments offered below are intended as a discussion to memorialize the benefit and necessity of the changes put forth by the Commission in the latest draft. WRRA also references and incorporates previously submitted comments on this rule. In many cases the discussions contained therein remain relevant and meaningful, particularly on issues not addressed by the final proposed rule.

WAC 480-07-505(3): This section contains a number of positive changes and better clarifies which filings will not initiate a general rate case. New language regarding pass-through for "disposal, recycling, yard waste, or processing fees" and costs to comply with government actions without initiating a general rate case are particularly timely and will serve both the industry and Commission well for years to come. 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.

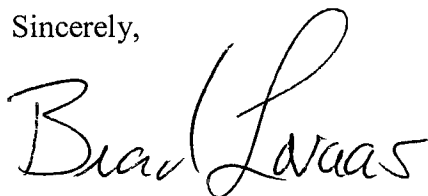
The solid waste industry is experiencing unprecedented challenges following the import ban and new contaminant limits for recyclable materials established by China as part of the program generally referred to as "National Sword." WRRA has previously discussed the impacts

of China's policies with the Commission and Staff and will 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.

WAC 480-07-520(6) Interim Rates: Solid waste collection companies often face considerably more risk than other regulated industries. This is largely due to the variable nature of their capital deployment and comparatively faster turnover of assets compared to other regulated industries. Temporary or interim rates subject to refund is a well-established regulatory tool to address these challenges and presents no risk to the customer. Without temporary rate relief subject to refund, any solid waste collection company is subject to potential attrition in their allowable revenue requirements while further review, analysis or challenges occur to a portion of the proposed revenue requirement increases. The final rule proposal recognizes these distinctions between solid waste and other regulated industries and will result in more effective regulation going forward.

Regulatory Roadmap: The consistent theme throughout all of WRRRA's comments submitted in this multiyear long process has been the request for a better "regulatory roadmap" for the solid waste companies regulated by the Commission. The current proposal makes a number of improvements on this issue. WRRRA looks forward to the adoption of this rule proposal and for future opportunities to work with the Commission on remaining issues raised throughout the rulemaking process, but not addressed in the current proposal.

Sincerely,

A handwritten signature in black ink that reads "Brad Lovaas". The signature is written in a cursive, flowing style with a large initial "B".

Brad Lovaas
Executive Director