

AMENDATORY SECTION (Amending WSR 03-24-028, filed 11/24/03, effective 1/1/04)

WAC 480-07-500 General rate proceedings—Statement of policy.

(1) **Scope of this subpart.** This subpart explains the special requirements for certain ~~((rate increase))~~ filings to change rates charged by electric, natural gas, pipeline, telecommunications, and water companies, low-level radioactive waste sites, ~~((and))~~ solid waste collection companies, and commercial ferries.

(2) **Inconsistencies with subpart A requirements.** If there is any inconsistency between the requirements in subpart B of these rules and those in subpart A, the requirements in subpart B control.

(3) **Purpose of special rules.** The special requirements in subpart B are designed to standardize presentations, clarify issues, and speed and simplify processing of general rate proceedings.

(4) ~~((Summary rejection for))~~ **Failure to comply.** The commission, pursuant to WAC 480-07-141, may ~~((summarily))~~ reject, or require the company to revise, any filing ((for)) to initiate a general rate proceeding that does not conform to the requirements of subpart B of these rules. ((If)) The commission ((summarily rejects a filing for a general rate, it)) will provide a written statement of its reasons ((and will provide an opportunity for the case to be refiled in conformance with these rules)) if it rejects a filing. The company may revise or refile a filing that remedies the noncompliance the commission has identified and otherwise fully complies with the rules consistent with the requirements in WAC 480-07-141(2), which governs the date on which the commission considers a filing to have been made.

(5) **Less than statutory notice.** The commission may grant requests to alter tariffs on less than statutory notice for good cause shown, in accordance with RCW 80.28.060 ~~((and))~~ or 81.28.050. A company that seeks to implement general rate proceeding tariff changes on less than statutory notice must include with its filing a complete explanation of the reasons that support such treatment.

AMENDATORY SECTION (Amending WSR 03-24-028, filed 11/24/03, effective 1/1/04)

WAC 480-07-505 General rate proceedings—Definition—Tariff suspension.

(1) ~~((Rate))~~ **Filings that ((are considered)) initiate general rate proceedings.** ~~((A general rate proceeding filing is))~~ Except as otherwise provided in this rule or RCW 80.04.130 (2)(a) (governing rate decreases for telecommunications companies), the commission will initiate a general rate proceeding in response to a filing by any ((regulated)) public service company ((specified)) identified in WAC 480-07-500 ((for an increase in)) requesting to change its rates if that filing meets any of the following criteria:

(a) The ~~((amount requested))~~ rates a company requests would ~~((increase))~~ alter its gross annual revenue ~~((of the company))~~ from activities ~~((regulated by))~~ the commission regulates by three percent or more.

(b) Tariffs would be restructured such that the gross revenue provided by any customer class would increase by three percent or more.

(c) The company requests a change in its authorized rate of return on common equity or a change in its capital structure.

(d) The company is a solid waste collection company regulated under chapter 81.77 RCW (~~(, except for filings specified under subsection (3)(a) of this section)~~).

(2) **((Rate)) Filings under Title 80 RCW that ((are not considered)) will not initiate general rate proceedings.** The commission generally will not initiate general rate proceedings in response to the following ((proceedings are not considered general rate increases)) filings, even though the revenue ((requested may exceed)) the company requests may vary by three percent ((of)) or more from the company's current gross annual revenue from Washington regulated operations:

(a) Periodic rate adjustments the commission has generally authorized for electric and natural gas companies ((that may be authorized by the commission)) (e.g., power cost adjustments ((and)), purchased gas cost adjustments, or decoupling adjustments)~~((-))~~;

(b) Emergency or other ((short notice increases caused by disaster or weather related conditions)) rate increases a company requests on short notice as a result of disasters, adverse weather, or other causes beyond the company's control that unexpectedly and substantially ((increasing)) increase a public service company's expenses~~((-))~~; or

(c) Rate ((increases)) changes designed to recover ((government-imposed increases in)) only the costs a company incurs to comply with government actions that directly impact the company's costs ((of doing business such as)) to provide regulated service (e.g., changes ((in)) to tax laws or ((ordinances)) local fees) or to comply with federal or state rules concerning the level of rates for telecommunications companies.

~~((d) Other increases designed to recover increased expenses arising on short notice and beyond a public service company's control.)~~

(3) **((Rate)) Filings under chapter 81.77 RCW that ((are)) will not ((considered)) initiate general rate proceedings.** The ((following filings are not considered)) commission generally will not initiate general rate proceedings ((for)) in response to the following filings by solid waste collection companies regulated under chapter 81.77 RCW even though the request may meet one or more criteria identifying general rate proceedings:

(a) Filings by companies:

(i) That provide ((neither traditional residential or commercial solid waste operations. This category includes)) specialized ((carriers generally)) hauling services restricted to certain specific waste products ((for)) that are limited to specific customers ((and carriers providing)); or

(ii) That provide only on-call or nonscheduled service (i.e., ((-)) Class C ((-)) companies, as defined in WAC 480-70-041).

(b) ((Disposal fee pass through charges for drop box service, provided there are no affiliated interest relationships.

(c) Filings for collection of per customer pass through surcharges and taxes imposed by the jurisdictional local government based on the current year customer count either as a specified dollar amount or percentage fee amount.) Filings seeking only to pass through a change in fees unilaterally established and imposed by governmental or

unaffiliated private entities, including disposal, recycling, yard waste, or processing fees, or to pass through changes to fees charged by affiliated entities if the public service company demonstrates that the total cost of transfer, transport, and fees at the affiliate's facilities is equal to or lower than other reasonable and currently available alternatives;

(c) Filings for rate changes designed to recover only the costs a company incurs to comply with government actions that directly impact the company's costs to provide regulated service (e.g., changes to state or local fees, charges, or taxes directly related to the collection or disposal of solid waste);

(d) Filings ~~((by existing solid waste companies for the implementation of))~~ implementing new solid waste collection programs; or

(e) Filings for periodic rate adjustments through a cost adjustment mechanism the commission has generally authorized for solid waste collection companies (e.g., fuel or recycling commodity adjustments).

(4) **Commission discretion.** The commission retains discretion to determine whether to initiate a general rate proceeding in response to any filing described in this section or to convert any rate proceeding to a general rate proceeding, following notice and an opportunity to comment, if the commission finds that such action is consistent with the public interest. The commission may require that any filing or proposal by a ~~((regulated))~~ public service company to ~~((increase))~~ change rates for any customer class, or to restructure rates, ~~((is))~~ be subject to the procedures and protections ~~((of))~~ in subpart B of these rules.

(5) **Suspension of tariffs.** The commission may take action at a regularly scheduled open public meeting to suspend the tariff sheets included in any filing that seeks to change rates. A company may waive its right to commission consideration of the filing at an open meeting and request immediate suspension of the tariffs, either in the cover letter accompanying the filing or in a subsequent document. If commission staff confirms that the filing is complete and complies with the applicable rules in subpart B of these rules, the commission may enter a complaint and order suspending the tariffs without further process. The company and statutory parties may engage in discovery pursuant to WAC 480-07-400 through 480-07-415 after the commission issues a notice of prehearing conference prior to the commission entering a prehearing conference order.

AMENDATORY SECTION (Amending WSR 08-18-012, filed 8/22/08, effective 9/22/08)

WAC 480-07-510 General rate proceeding~~((s))~~ filings—Electric, natural gas, pipeline, and Class A telecommunications companies. General rate proceeding filings ~~((for))~~ by electric, natural gas, pipeline, and Class A telecommunications companies as defined in WAC 480-120-034 must include the information described in this section. ~~((The commission may reject a filing that fails to meet these minimum requirements, without prejudice to the company's right to refile its request in conformance with this section. For purposes of this rule, "file with the commission," means filed with the commission's executive secretary under WAC 480-07-140 at the time the company files its~~

general rate case; whereas "serve" or "provide" to commission staff or another party, means delivery to such persons, not filed with the commission.) The company and all parties to an adjudication in a general rate proceeding must file all required documents in electronic form consistent with the requirements in WAC 480-07-140 and by the next business day must file five paper copies of all testimony and exhibits unless the commission establishes a different number. If an exhibit is a database, spreadsheet, or model, the paper copy of that exhibit may simply reference or describe its contents if printing the entirety of the database, spreadsheet, or model would result in a document exceeding five pages and would render the data, spreadsheet cells, or model unusable. The party, however, must submit a complete electronic version of the database, spreadsheet, or model, with all information, formulae, and functionality intact, as part of the party's electronic filing.

(1) **Testimony and exhibits.** ~~The ((company must file with the commission nineteen paper copies of))~~ company's initial filing and any supplemental filings the commission authorizes must include all testimony and exhibits ((that)) the company intends to present as its direct case ((if the filing is suspended and a hearing held, unless the commission preapproves the filing of fewer copies. In addition, the company must provide one electronic copy of all filed material in the format identified in WAC 480-07-140(6). Material that the company has not produced under its direction and control and that is not reasonably available to it in electronic format, such as generally available copyrighted published material, need not be provided in electronic format)). The company must serve a copy of the ((materials filed under this section)) initial filing on the public counsel unit of the Washington state attorney general's office at the time ((of)) the company makes the filing with the commission ((in any)) if the proceeding is the type in which public counsel ((will appear)) generally appears or has appeared in the past. The ((utility)) filing must ((provide an exhibit that includes)) include a results-of-operations statement showing test year actual results and ((the)) any restating and pro forma adjustments in columnar format ((supporting its)) that support the company's general rate request. The ((utility must also show)) company must identify each restating and pro forma adjustment and ((its)) the effect of that adjustment on the ((results of)) company's operations and revenue requirement. The testimony must include a written description of each proposed restating and pro forma adjustment describing the reason, theory, and calculation of the adjustment.

(2) **Tariff sheets.** ~~The ((company must file with the commission and provide to public counsel a copy of))~~ company's initial filing must include the company's proposed new or revised tariff sheets in legislative format (i.e., with strike-through to indicate ((any)) the material to be deleted or replaced and underlining to indicate ((any)) the material to be inserted((, in paper and electronic format, unless already provided as an exhibit under subsection (1) of this section. The company must also file with the commission)) consistent with the requirements in WAC 480-80-105, as well as copies of any tariff sheets that are referenced ((by)) in the new or amended tariff sheets.

(3) ~~**Work papers and accounting adjustments.**~~

~~(a) At the time the company makes its general rate case filing, the company must provide one copy of all supporting work papers of each witness to public counsel and three copies to staff in a format as described in this subsection. Staff and each other party must provide work papers to all other parties within five days after the fil-~~

ing of each subsequent round of testimony filed (e.g., response, rebuttal). If the testimony, exhibits, or work papers refer to a document, including, but not limited to, a report, study, analysis, survey, article or decision, that document must be included as a work paper unless it is a reported court or agency decision, in which case the reporter citation must be provided in the testimony. If a referenced document is voluminous, it need not be provided, but the company must identify clearly the materials that are omitted and their content. Omitted materials must be provided or made available if requested. The following information is required for work papers:

(b) *Organization*. Work papers must be plainly identified and well organized, and must include an index and tabs. All work papers must be cross referenced and include a description of the cross referencing methodology.

(c) *Electronic documents*. Parties must provide all electronic files supporting their witnesses' work papers. The electronic files must be fully functional and include all formulas and linked spreadsheet files. Electronic files that support the exhibits and work papers must be provided using logical file paths, as necessary, by witness, and using identifying file names. A party may file a document with locked, hidden or password protected cells only if necessary to protect the confidentiality of the information within the cells or proprietary information in the document. The party shall designate that portion of the document as confidential under RCW 80.04.095, WAC 480-07-160, and/or a protective order, and the party shall provide it to any person requesting the password who has signed an appropriate confidentiality agreement.

(d)) **Detailed support for proposals.**

(a) *General*. The company must include in its initial testimony and exhibits, including those addressing accounting adjustments, sufficient detail, calculations, information, and descriptions necessary to meet its burden of proof. Any party responding to the company's proposal also must include in that party's testimony and exhibits sufficient detail, calculations, information, and descriptions necessary to support its filed case.

(b) *Capital structure and rate of return*. The company must include in testimony and exhibits a detailed ((~~portrayal~~)) description of the development of any capital structure and rate of return proposals ((and all supporting work papers in the format described in this subsection.

(e)). Any other party that files testimony or exhibits that propose revisions to the company's current capital structure or authorized rate of return also must provide similar detailed information in testimony and exhibits supporting its proposal.

(c) *Restating and pro forma adjustments*. ((Parties must provide work papers that contain)) Each party that proposes restating or pro forma adjustments must include in its testimony and exhibits a detailed portrayal of the restating ((~~actual~~)) and pro forma adjustments ((that the company)) the party uses to support its ((~~filing or that another party uses to support its litigation~~)) proposal or position((, specifying)). That portrayal must specify all relevant assumptions((, and including)) and include specific references to charts of accounts, financial reports, studies, and all similar records ((~~relied on by the company in preparing its filing, and by all parties in preparing their testimony and exhibits. All work papers~~)) on which the party relies. Testimony and exhibits must include support for, and calculations showing, the derivation of each input number used in the detailed por-

trayal ~~((and for each subsequent level of detail. The)), as well as the derivation of all interstate and multiservice allocation factors ((must be provided in the work papers)).~~

~~(i) ((Change in methodologies for adjustments. If a party proposes to calculate an adjustment in a manner different from the method that the commission most recently accepted or authorized for the company, it must also present a work paper demonstrating how the adjustment would be calculated under the methodology previously accepted by the commission, and a brief narrative describing the change. Commission approval of a settlement does not constitute commission acceptance of any underlying methodology unless so specified in the order approving the settlement.~~

~~(ii) ~~(A)~~ Restating ~~((actual))~~ adjustments ~~((~~u~~))~~ adjust the booked operating results for any defects or infirmities in actual recorded results of operations that can distort test period earnings. Restating ~~((actual))~~ adjustments are also used to adjust from an as-recorded basis to a basis that ~~((is acceptable for rate making))~~ the commission accepts for determining rates. Restating adjustments must be calculated based on the unadjusted test year operating results, not on another party's adjustments. The commission may refuse to consider any adjustment that is not calculated consistent with this requirement. Non-exclusive examples of restating ~~((actual))~~ adjustments are adjustments ~~((~~to~~))~~ that:~~

(A) Remove prior period amounts ~~((~~to~~))~~;

(B) Eliminate below-the-line items that were recorded as operating expenses in error ~~((~~to~~))~~;

(C) Adjust from book estimates to actual amounts ~~((~~and to~~))~~;

(D) Annualize ongoing costs that the company began to incur part way through the test year;

(E) Normalize weather or hydro conditions; or

(F) Eliminate or ~~((~~to~~))~~ normalize extraordinary items recorded during the test period.

~~((~~iii~~))~~ (ii) Pro forma adjustments ~~((~~u~~))~~ give effect for the test period to all known and measurable changes that are not offset by other factors. The ~~((work papers))~~ company and any other party filing testimony and exhibits proposing pro forma adjustments must identify dollar values and underlying reasons for each proposed pro forma adjustment. Pro forma adjustments must be calculated based on the restated operating results. Pro forma fixed and variable power costs, net of power sales, may be calculated directly based either on test year normalized demand and energy load, or on the future rate year demand and energy load factored back to test year loads.

(iii) If a party proposes to calculate an adjustment in a manner different than the method the commission most recently accepted or authorized for the company, the party must also include in testimony and exhibits the rationale for, and documents that demonstrate, how that adjustment would be calculated under the methodology previously accepted by the commission and must explain the reason for the proposed change. Commission approval of a settlement does not constitute commission acceptance of any underlying methodology unless the commission so states in the order approving the settlement.

~~((~~f~~))~~ (d) Revenue sources. The company must include in testimony and exhibits a detailed portrayal of revenue from regulated sources, by source, during the test year and ((a parallel portrayal, by source, of)) the changes ((in)) that would result in those revenues ((produced by the filing)) if the commission approves the company's

request, including an explanation of how the resulting changes were derived.

~~((g) If the public service))~~ (e) Achievement of rate of return. The company must demonstrate in testimony and exhibits why the company has not achieved its authorized rate of return~~((, an explanation of why it has not))~~ and what actions the company ~~((is doing))~~ has taken prior to and during the test year to improve its earnings in addition to its request for increased rates. If the company has not taken any such actions, the company must explain why it has not.

~~((h))~~ (f) Rate base and results of operations. The company's testimony and exhibits must include a representation of the company's actual rate base and results of operations ~~((of the company))~~ during the test period, calculated in the same manner ~~((used by))~~ the commission used to calculate the ~~((company's))~~ revenue requirement in the ~~((commission's))~~ final order in the company's most recent ~~((order granting the company a))~~ general rate ~~((increase))~~ proceeding.

~~((i) Supplementation of))~~ (g) Affiliate and subsidiary transactions. The company's testimony and exhibits must supplement, as necessary, the annual affiliate and subsidiary transaction reports ~~((as provided))~~ required in rules governing reporting ~~((requirements for each))~~ for the applicable industry ~~((, as necessary,))~~ to include all such transactions during the test period. The company ~~((is required to))~~ must identify all affiliate and subsidiary transactions that materially affect the proposed rates. The company must support the allocation method the company used to distribute common costs between regulated and nonregulated affiliated entities and the dollar amount of those costs.

(h) Electronic documents and confidentiality. Electronic files must be fully functional and include all formulas and linked spreadsheet files. Electronic files that support exhibits must use logical file paths, as necessary, by witness and must use identifying file names consistent with the naming requirements in WAC 480-07-140. A party may file a document with locked, hidden, or password protected cells only if such restricted access is necessary to protect the information within the cells that is not subject to public disclosure. The party must identify each locked, hidden, or password protected cell and must designate such cells, as well as any other information the party contends is confidential under RCW 80.04.095 or otherwise protected from public disclosure, in compliance with the requirements in WAC 480-07-160 and any applicable protective order. The party must make such information accessible to all persons who have signed the protective order or are otherwise entitled to access the information including, but not necessarily limited to, commission staff and public counsel. Redacted versions of models or spreadsheets that contain information that is designated as confidential or highly confidential or otherwise protected from public disclosure must be in .pdf format (using Adobe Acrobat or comparable software) and must mask the information protected from public disclosure as required in WAC 480-07-160.

(i) Referenced documents. If a party's testimony or exhibits refer to a document including, but not limited to, a report, study, analysis, survey, article, or court or agency decision, the party's testimony and exhibits must include that document except as provided below:

(i) A party may include an official citation or internet Uniform Resource Locator (URL) to a commission order or to a court opinion or other state or federal agency decision, rather than the document itself, if that decision is reported in a generally accepted publication

(e.g., Washington Reports Second (Wn.2d), Public Utility Reports (P.U.R.), etc.) or if the document is readily available on the web site of the agency that entered that decision;

(ii) A party may include only the relevant excerpts of a voluminous document if the party also provides a publicly accessible internet URL to the entire document or describes the omitted portions of the document and their content and makes those portions available to the other parties and the commission upon request; and

(iii) A party is not required to file or distribute materials subject to third-party copyright protection but must describe those materials and their content and make them available for inspection upon request by the parties and the commission.

(4) Work papers.

(a) General. Work papers are documents that support the technical aspects of a party's testimony and exhibits. Work papers may include, but are not limited to, calculations, data analysis and raw data. Work papers are not a part of a party's direct case. Within five business days after each party files and serves its testimony and exhibits, the party also must provide to all other parties the work papers on which each of its witnesses relied when preparing testimony and exhibits. All work papers must comply with the requirements of this subsection.

(b) Organization. Work papers must be plainly identified and well organized, with different documents or sections separated by or into tabs, and must include an index. All work papers must be cross-referenced and include a description of the cross-referencing methodology.

(c) Any work papers provided to other parties must comply with requirements governing electronic documents and confidentiality in subsection (3)(h) and referenced documents in subsection (3)(i) of this section.

(d) Filing designated work papers with the commission. If the commission determines that it needs information in addition to a party's testimony and exhibits, the commission may issue a bench request for designated portions of that party's work papers. The commission will receive into evidence the work papers a party provides in response to a bench request unless the commission rejects that response, either in response to an objection or on the commission's own motion, as provided in WAC 480-07-405 (7)(b). The commission will not rely on any other work papers as the basis for any finding of fact or conclusion of law in the proceeding unless the commission formally admits such work papers into the evidentiary record.

(5) Summary document.

(a) Contents. The company must ((file with the commission a summary)) ~~include in its initial filing a document that ((briefly states the following))~~ summarizes the information in this subsection (5)(a) on an annualized basis, if applicable((~~. In presenting the following information, the company~~)), and must itemize revenues from any temporary, interim, periodic, or other noncontinuing tariffs. The company must include in its rate change percentage and revenue change calculations any revenues from proposed general rate change tariffs that would supersede revenue from noncontinuing tariffs. The summary document must ((also)) include:

((a)) (i) The date and amount of the ((latest prior)) last general rate ((increase authorized by)) change the commission((~~7~~)) authorized for the company and the revenue the company realized from that ((authorized increase in)) change during the test period((~~7~~)) based on the company's test period units of ((revenue-

(b)) sale (e.g., kilowatt hours, therms, etc.);

(ii) Total revenues ((at)) the company is realizing at its present rates and the total revenues the company would realize at the requested rates((-

(e)));

(iii) Requested revenue change in percentage, in total((7)) and by major customer class((-

(d)));

(iv) Requested revenue change in dollars, in total((7)) and by major customer class((-

(e) Requested rate change in dollars, per average)));

(v) The representative effect of the request in dollars for the average monthly use per customer, by customer class((7)) or other similar meaningful representation, ((if necessary to depict representative effect of the request. The summary document must also state)) including, but not limited to, the effect of the proposed rate ((increase)) change in dollars per month on ((typical)) residential customers by usage categories((-

(f)));

(vi) Most current customer count, by major customer class((-

(g)));

(vii) Current authorized overall rate of return and authorized rate of return on common equity((-

(h)));

(viii) Actual rate of return and actual rate of return on common equity for the test period;

(ix) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate the requested rates of return ((on common equity.

(i)));

(x) Requested capital structure((-

(j)));

(xi) Requested net operating income((-

(k)));

(xii) Requested rate base and method of calculation, or equivalent((-

(l) Requested)); and

(xiii) Revenue effect of any requested attrition allowance((7 if any is requested)).

((+5)) (b) Required service ((of summary document)).

(i) Persons to receive service. The company must serve the summary document on ((public counsel and mail the summary document described in subsection (4) of this section to)) the persons designated below on the same date it files the summary document with the commission:

((+a)) (A) The public counsel unit of the Washington state attorney general's office;

(B) All intervenors on the commission's master service list for the company's most recent general rate proceeding;

((+b)) (C) All intervenors on the master service list for any other rate proceeding involving the company during the five years prior to the company's filing, if the company's rate change request may affect the rates established or considered in that prior proceeding ((may be affected in the company's proposed general rate filing)); and

((+c)) (D) All persons who have informed the company in writing that they wish to be provided with the summary document required under this section.

(ii) Cover letter. The company must enclose a cover letter with the summary document stating that the company's prefiled testimony and exhibits, and the accompanying work papers, ~~((diskettes, and publications specified in this rule))~~ are available from the company on request ~~((or stating that they have been provided))~~, subject to any restrictions on information that is protected from public disclosure, if the company is not serving them along with the summary document.

(iii) Limitation. This ~~((provision))~~ service requirement does not create a right to service or notice ~~((in))~~ of future filings in the proceeding to the persons named to receive the summary. Any person other than commission staff and public counsel who wishes to be served documents subsequently filed in the general rate proceeding must petition to intervene in that proceeding.

(6) **Cost studies.** ~~The ((company must file with the commission))~~ company's initial filing must: (a) Include any cost studies ~~((it))~~ the company performed or relied on to prepare its ~~((filing,))~~ proposals; (b) identify all cost studies conducted in the last five years for any of the company's services~~((,))~~; and (c) describe the methodology the company used in all such cost studies. If the cost studies are in the form of a model, the company must provide a copy of, or reasonable access to, the model that will enable the commission to verify and modify the model's inputs and assumptions.

(7) ~~((Other))~~ **Additional documents.** ~~The ((company must file with the commission its))~~ company's initial filing must include the following documents or an internet URL for each of these documents:

(a) The company's most recent annual report to shareholders, if any, and any subsequent quarterly reports to shareholders;

(b) The company's most recent FERC Form 1 and FERC Form 2~~((, if applicable))~~ for electric and natural gas companies; and

(c) The company's Form 10K's, Form 10Q's, any prospectuses for any issuances of securities, and quarterly reports to stockholders, if any, for the most recent two years prior to the ~~((filing date))~~ rate change request.

AMENDATORY SECTION (Amending WSR 06-16-053, filed 7/27/06, effective 8/27/06)

WAC 480-07-520 General rate proceeding~~((s))~~ filings—Solid waste collection companies and commercial ferries. General rate ~~((increase))~~ proceeding filings by ~~((class A and B haulers as defined in WAC 480-70-041))~~ solid waste collection companies or commercial ferries must include the information described in this rule. ~~((The commission may reject a filing that fails to meet these minimum requirements, without prejudice to the company's right to refile its request in conformance with this section.))~~ The company must file all required documents in electronic form consistent with the requirements in WAC 480-07-140. A solid waste collection company may file a document with locked, hidden, or password protected cells only if such restricted access is necessary to protect the information within the cells that is not subject to public disclosure. The solid waste collection company must identify each locked, hidden, or password protected cell and must designate such cells, as well as any other information the party contends is confidential under RCW 81.77.210 or otherwise protected

from disclosure, in compliance with the requirements in WAC 480-07-160 and any applicable protective order. The solid waste collection company must make such information accessible to all persons who have signed the protective order or are otherwise entitled to access the information including, but not necessarily limited to, commission staff. A commercial ferry company may not file a document with locked, hidden, or password protected cells.

(1) **Proposed tariff.** The company's initial filing must include the company's proposed tariff sheets ((may be filed in electronic form supplemented by one paper copy. The proposed tariff sheets should)). Sections that are narrative, e.g., that contain rules or notes, must be in legislative format, i.e., with strike-through to indicate any material to be deleted or replaced and underlining to indicate any material to be inserted. ((The electronic copy must be submitted in the format identified in WAC 480-07-140(6))) Changes to tariff sections that are tabular, e.g., charts containing rates and charges, must be marked with appropriate tariff symbols consistent with the requirements in WAC 480-70-286.

(2) **Local government ordinances and customer notices.** The company's initial filing must include a copy of every local government ordinance related to the request in compliance with WAC 480-70-326, and a copy of the customer notices issued in compliance with the provisions of WAC 480-70-271.

(3) **Transmittal letter.** The company's initial filing must include a transmittal letter ((prepared)) in compliance with ((the provisions of)) WAC 480-70-326.

(4) **Work papers.** ((One paper and one electronic copy of all supporting work papers for the test period, which is the most recent or most appropriate consecutive twelve month period for which financial data are available. The electronic copy must be submitted in the format identified in WAC 480-07-140(6).)) The company's initial filing must include all work papers that support the company's rate change request. Work papers must include the following:

(a) A detailed pro forma income statement separated ((among solid waste, single family residential recycling, multifamily recycling, and yard waste)) by customer class, with restating ((actual)) and pro forma adjustments, reflected in separate columns, including all supporting calculations and documentation for all adjustments.

(i) ((^u))Restating ((actual)) adjustments((^u)) adjust the booked operating results for any defects or infirmities in actual recorded results of operations that can distort test period earnings. Restating ((actual)) adjustments are also used to adjust from an as-recorded basis to a basis that ((is acceptable)) the commission accepts for determining rates ((making)). Examples of restating ((actual)) adjustments are adjustments to remove prior period amounts, to eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts, and to eliminate or to normalize extraordinary items recorded during the test period.

(ii) ((^u))Pro forma adjustments((^u)) give effect for the test period to all known and measurable changes that are not offset by other factors. The company's initial filing must identify dollar values and underlying reasons for each proposed pro forma adjustment.

(iii) Restating and pro forma adjustments must be calculated as the variance from the booked operating results.

(b) A calculation of the ((revenue impact of proposed tariff revisions)) total revenues the company is realizing at its present rates

and the total revenues the company would realize at the requested rates.

(c) An income statement listing all revenue and expense accounts by month or a supporting general ledger for the test period.

(d) If nonregulated revenue represents more than ten percent of total company test period revenue, a detailed separation of all revenue and expenses between regulated and nonregulated operations.

(e) A detailed list of all nonregulated operations (~~(, including the rates charged for the services rendered)~~). The company must provide copies of all contracts (~~(must be provided on)~~) upon request.

(f) A detailed (~~(price-out information that)~~) study that reconciles service pickups or passenger counts, as applicable, to the test year revenue by tariff item or service. The computed revenue must reconcile (~~(s)~~) within five percent (~~(, without adjustment, to the)~~) of test period (~~(booked)~~) revenue (~~(, including the test period customer count by tariff item)~~).

(g) A consolidated balance sheet (~~(, including the percentage of equity and the percentage)~~) for the company with supporting documentation including, but not limited to, detailed cost of debt (~~(,)~~) and (~~(the cost of that debt by component)~~) a list of all real property and vehicle leases to which the company is a party.

(h) A detailed calculation of net investment in plant and equipment and the net book value of used and useful assets at the end of the test period.

(i) A detailed depreciation schedule listing all used and useful assets (~~(held by)~~) the regulated entity that operates under the tariff for which the company files the rate request held during the test period, including the date of purchase, the cost at purchase, the depreciable life, the salvage value, depreciation expense, and accumulated depreciation expense at the end of the test period.

~~((i) Computed average investment. Average investment is the net book value of allowable assets at the beginning of the test period plus the net book value of allowable assets at the end of the test period, divided by two. Investor supplied working capital may be included, provided a work sheet is submitted detailing the calculations.))~~

(j) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates (~~(. This must include:)~~), including a full description of the relationship, the terms and amount of the transaction, the length of time the relationship has been ongoing, and an income statement and balance sheet for every affiliated entity.

(5) **Annual report.** The company's initial filing must include the company's most recent consolidated annual report to shareholders, if any.

(6) **Interim rates.** The commission may grant interim rates subject to refund when considering proposed changes to tariffs requested by solid waste collection companies under RCW 81.28.050. Interim rates subject to refund granted pursuant to this section shall be limited to those companies that demonstrate, after a brief adjudicative proceeding or limited hearing, an emergency, undue hardship, or inequity. If a solid waste collection company requests interim rate relief, the commission will consider the request on an expedited schedule.

WAC 480-07-530 General rate proceeding((s)) filings—Water companies and Class B telecommunications companies. General rate ((increase)) proceeding filings by water companies and Class B telecommunications companies as defined in WAC 480-120-034 must include the information described in this section. ((The commission may summarily reject a filing that fails to meet these minimum requirements, without prejudice to the company's right to refile its request in conformance with this section.)) The company must file all required documents in electronic form consistent with the requirements in WAC 480-07-140. A party may file a document with locked, hidden, or password protected cells only if such restricted access is necessary to protect the information within the cells from public disclosure. The party must identify each locked, hidden, or password protected cell and must designate such cells, as well as any other information the party contends is confidential under RCW 80.04.095 or otherwise protected from public disclosure, in compliance with the requirements in WAC 480-07-160 and any applicable protective order. The party must make such information accessible to all persons who have signed the protective order or are otherwise entitled to access the information including, but not necessarily limited to, commission staff. The filing must include the following:

- (1) **Cover letter.** The cover letter must:
 - (a) Provide a description of the filing((~~ing~~)) and the requested ((~~action~~)) rate change in understandable terms;
 - (i) Explain any technical terms ((are acceptable, but descriptions must)) and otherwise use common terms to describe the filing so the public can easily understand ((the)) its impact ((of the filing));
 - (ii) Define any acronyms((, if used, must be defined)) before they are used in the text of the letter;
 - (b) State why the ((~~filing is being made~~)) company is requesting a rate change (e.g., ((~~increased~~)) to recover higher costs for water testing);

- (c) Describe each service that ((~~is impacted~~)) the filing impacts and the dollar and percentage change for each service as well as the net impact of all changes on the company's total regulated revenue.

- (2) **Tariff.** ((~~The proposed tariff must include explanatory markings.~~)) The company's initial filing must include the company's proposed tariff sheets. Sections that are narrative, e.g., that contain rules or notes, must be in legislative format, i.e., with strike-through to indicate any material to be deleted or replaced and underlining to indicate any material to be inserted. Changes to tariff sections that are tabular, e.g., charts containing rates and charges, must be marked with appropriate tariff symbols consistent with the requirements in WAC 480-80-105.

- (3) **Customer notice.** A copy of the notice the company mailed to customers.

- (4) **Work papers.** ((~~The supporting~~)) Work papers ((for the test period including)) must support the company's rate change request and, at a minimum, must include the following:

- (a) A calculation of the ((~~revenue impact of proposed~~)) total revenues the company is realizing at its present rates and the total

revenues the company would realize at the requested rates by each class affected(†).

(b) A balance sheet and statement of revenues and expenses(†).

(c) A depreciation schedule(†).

(d) A schedule showing any adjustments proposed (~~including a schedule showing adjustments~~) to the statement of revenues and expenses, including any restating adjustments (~~and/or~~) or pro forma adjustments (~~including~~), and the effect of any adjustments on the proposed rates(†).

(e) (~~Work papers that explain both~~) An explanation of all restating adjustments and pro forma adjustments that the company proposes, specifying all relevant assumptions, and including specific references to charts of accounts, financial reports, studies, and all similar records on which the company relied (~~on by the company~~) in preparing its initial filing(~~, and its supporting testimony and exhibits~~).

(i) (~~Restating~~) Restating (~~actual~~) adjustments(~~Restating~~) adjust the booked operating results for any defects or infirmities in actual recorded results, which can distort test period earnings. Restating (~~actual~~) adjustments are also used to adjust from an as-recorded basis to a basis that (~~is acceptable for rate making~~) the commission accepts for determining rates. Examples of restating (~~actual~~) adjustments are adjustments to remove prior period amounts, to eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts, and to eliminate or to normalize extraordinary items recorded during the test period.

(ii) (~~Pro forma adjustments~~) Pro forma adjustments(~~Pro forma adjustments~~) give effect for the test period to all known and measurable changes that are not offset by other factors. The (~~filing~~) work papers must identify dollar values and underlying reasons for each proposed pro forma adjustment.

(iii) Restating and pro forma adjustments must be calculated as the variance from the booked operating results.

(f) Usage or other statistics verifying test year revenues and proposed revenues.

(g) For water companies, the public water system identification number (~~assigned by~~) the Washington department of health has assigned for each system that the new rates will affect.

(h) A schedule showing separation of revenues and expenses between regulated and nonregulated operations.

(i) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates(~~. This must include:~~), including a full description of the relationship, the terms and amount of the transaction, the length of time the relationship has been ongoing, and an income statement and balance sheet for every affiliated entity.

AMENDATORY SECTION (Amending WSR 03-24-028, filed 11/24/03, effective 1/1/04)

WAC 480-07-540 General rate proceedings—Burden of proof. Public service companies bear the burden of proof in the general rate proceedings (~~that propose changes that would increase any rate, charge, rental, or toll, as provided~~) described in RCW 80.04.130 or

81.04.130. The burden of proof includes the burden of going forward with evidence and the burden of persuasion. The commission will consider the company's (~~prefiled evidence~~) initial filing and any supplemental filings the commission authorized to be ((its)) the company's full direct case in support of its rate ((filing)) change request for purposes of deciding any prehearing motion to dismiss under WAC 480-07-380.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 480-07-550 General rate proceedings—Compliance filings and other resulting filings.