

WUTC v. Murrey's Disposal Company, Inc. dba Olympic Disposal

Docket No. TG-230778 - Vol. II

July 18, 2024



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Page 10

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
vs.)	DOCKET NO. TG-230778
)	
MURREY'S DISPOSAL COMPANY, INC.)	
d/b/a OLYMPIC DISPOSAL,)	
)	
Respondent.)	
)	PAGES 10 - 91

BRIEF ADJUDICATORY PROCEEDING - VOL II

July 18, 2024

BEFORE ADMINISTRATIVE LAW JUDGE

AMY BONFRISCO

VIA ZOOM

Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98504

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4 JUDGE BONFRISCO: Okay. Good afternoon.
5 We're on record today. And today is Thursday, July 18,
6 2024, and the time is 1:32 p.m.

7 This is Docket Number TG-23778. This case
8 is captioned Washington Utilities and Transportation
9 Commission versus Murrey's Disposal, doing business as
10 Olympic Disposal. And the issue before us today is
11 whether or not the standards are met for interim rate
12 relief.

13 The commission is recording this matter
14 for later transcription, and if you remain on the virtual
15 hearing, we're deeming consent to this recording.

16 My name is Amy Bonfrisco, and I'm an
17 administrative law judge presiding over today's brief
18 adjudicatory hearing.

19 So let's just take appearances from both
20 parties, and then we'll talk about how we're going to
21 proceed today. So with that, I'd like to start with
22 commission staff.

23 ATTORNEY ROBERSON: Good afternoon, Judge
24 Bonfrisco. My name is Jeff Roberson. I'm an AAG
25 appearing on behalf of staff. With me at counsel table

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1 is my colleague, Colin O'Brien.

2 JUDGE BONFRISCO: Nice to meet you.

3 And for the company?

4 ATTORNEY WILEY: Yes, your Honor. David
5 Wiley, appearing today on behalf of Murrey's Disposal,
6 d/b/a Olympic Disposal, and with me at the conference
7 table is Christopher Luhrs of my office.

8 JUDGE BONFRISCO: Okay. Wonderful. And I
9 believe we have your contact information on record with
10 your address, telephone number, and e-mail address, and
11 that's all up to date, correct?

12 ATTORNEY WILEY: Yes, it is, your Honor.

13 JUDGE BONFRISCO: Okay. So as you know,
14 we're going to be conducting this hearing virtually
15 through Zoom today. I'm going to ask that the parties be
16 aware of any background noise and that you mute your
17 microphone when you're speaking. If you need to object
18 or raise an issue, please identify yourself when you're
19 speaking. And we should just make an effort not to talk
20 over one another today so the court reporter can make a
21 clear record of our hearing.

22 However, before we start, as a preliminary
23 matter, I would like to note for the record that in
24 accordance with WAC 480-07-375 (b), Murrey's Disposal's
25 motion for leave to file a reply brief in support of a

1 petition for interim rate relief, which was dated on June
2 5, was deemed denied by the former presiding
3 administrative law judge, Bijan Hughes. And I just
4 wanted to make sure before we jumped in today that there
5 weren't any questions about that.

6 ATTORNEY WILEY: I was unaware of that,
7 your Honor. So I'm glad to know that. That certainly
8 then raises concerns about bringing you up to speed on
9 the legal issues in addition to the legal arguments that
10 will probably be made today.

11 JUDGE BONFRISCO: Yes. And basically, the
12 way that provision words it, is if there's no response
13 within that five-day window, it's deemed denied.

14 But, you know, we can definitely address
15 that today throughout the proceeding with regards to any
16 other concerns that you feel would be pertinent to ensure
17 that I'm up to speed, now that I've been substituted in.

18 So basically, as you're both aware,
19 because this hearing was initiated following Murrey's
20 petition for interim rate relief, I'm actually going to
21 ask that Murrey's legal counsel present their case first.

22 And then I'm going to have staff
23 cross-examine the witness, and then I'll allow commission
24 staff to present their case, have their witnesses
25 testify, and then provide the opportunity for cross and

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1 redirect.

2 Then we'll end the hearing by allowing
3 each party a chance to give a closing statement, which is
4 simply a chance to explain what you're asking the
5 commission to do today and why.

6 I have received Murrey's exhibit list, an
7 exhibit marked JW-30, as well as staff's exhibit list
8 with exhibits marked B-12, B-13, and BS-11(c), that last
9 one which is marked as confidential.

10 So I'm not aware of any prior stipulation
11 to the admission of these pre-filed exhibits. So I just
12 want to ask at this point, are the parties willing to
13 stipulate to the admission of these exhibits?

14 ATTORNEY WILEY: The company is, your
15 Honor.

16 ATTORNEY ROBERSON: As is staff.

17 JUDGE BONFRISCO: I'm sorry. Say that
18 again?

19 ATTORNEY ROBERSON: As is staff.

20 JUDGE BONFRISCO: Okay. Perfect. And
21 Murrey's counsel?

22 ATTORNEY WILEY: Yes, we are willing to
23 stipulate.

24

25 (Company Exhibit JW-30 admitted.)

1 (Staff Exhibits BS-12, BS-13, and
2 BS-11C admitted.)

3 ATTORNEY WILEY: I did want to make a
4 couple comments procedurally at the start that
5 Mr. Roberson is aware of for your information.

6 JUDGE BONFRISCO: Mm-hm.

7 ATTORNEY WILEY: When you're ready for
8 that.

9 JUDGE BONFRISCO: You can proceed now.

10 ATTORNEY WILEY: Okay. Your Honor, Joe
11 Wonderlick, who is our witness as you see in the
12 designated exhibits, was unfortunately hospitalized on
13 Tuesday evening, and I spoke with him -- or early
14 Wednesday morning. And I spoke with him this morning.
15 And he is still in the hospital under observation.

16 So he is unable to testify, but his
17 colleague, Brian Vandenburg, who's been involved in this
18 case from the start, is available.

19 I've spoken with Mr. Roberson about that
20 substitution, and my understanding is that he didn't have
21 an objection to that.

22 I hope Mr. Roberson -- I mean
23 Mr. Vandenburg is on the phone. I've sent him the link.
24 And if there's any -- if he needs to be contacted, if you
25 don't see him in the waiting room, we'll do that.

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1 JUDGE BONFRISCO: Let me see if
2 Mr. Vandenburg is actually present.

3 MR. VANDENBURG: I am, your Honor.

4 JUDGE BONFRISCO: Okay. Perfect. And
5 staff counsel, is Murrey's counsel recap accurate of how
6 we're going to proceed today with substituting
7 Mr. Vandenburg?

8 ATTORNEY ROBERSON: Yes, Judge Bonfrisco.
9 Staff has no objection to substituting Mr. Vandenburg for
10 Mr. Wonderlick.

11 JUDGE BONFRISCO: Okay. Perfect. Then,
12 you know, we'll proceed with that. Oh, go ahead.

13 ATTORNEY ROBERSON: I do have one other
14 procedural matter.

15 JUDGE BONFRISCO: Yes.

16 ATTORNEY ROBERSON: Which is in lieu of a
17 closing statement, staff would prefer to brief the issues
18 for you. Just given the nature of the issues, it's
19 probably better to write them out.

20 I don't anticipate it will take staff a
21 long time to write the brief. I understand this is
22 supposed to be an expedited proceeding. So we would just
23 need maybe a week if you're willing to entertain that
24 idea.

25 JUDGE BONFRISCO: I have no problem with

1 that.

2 ATTORNEY WILEY: Your Honor, from our
3 standpoint, particularly in light of the revelation that
4 the reply was denied, which was I was unaware of, we
5 would like the opportunity to reply seven days after the
6 staff's brief is submitted.

7 JUDGE BONFRISCO: And in response to their
8 written brief, correct?

9 ATTORNEY WILEY: Yes, your Honor.

10 JUDGE BONFRISCO: Yes. And I don't see
11 any problem with that.

12 ATTORNEY WILEY: Thank you.

13 JUDGE BONFRISCO: Okay. Wonderful.

14 And the only other thing I would note,
15 just because, you know, Staff's Exhibit BS-11 is marked
16 confidential, if for any reason we need to go off record
17 or go into a breakout room, just please let me know so
18 that we can have records staff work with us on that
19 accordingly.

20 ATTORNEY ROBERSON: And I don't anticipate
21 asking Mr. Sharbono questions that will divulge
22 confidential information. It's mostly just to have the
23 exhibit for you if you want to look into it.

24 JUDGE BONFRISCO: Okay. Perfect. And I
25 know that's already part of the record, so thank you for

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1 clarifying that.

2 So I guess with that, are there any other
3 additional questions before we proceed?

4 ATTORNEY WILEY: One question, your Honor,
5 and that is whether you would prefer to have the stage
6 set for the demonstrative exhibits, which are
7 quantitative, by the legal -- by opening legal arguments
8 to give context, or do you prefer just not to have any of
9 that, because we are prepared to provide that context.

10 JUDGE BONFRISCO: I was actually going to
11 provide each party the opportunity, you know, to provide
12 a general opening statement, and then to move on to
13 having you present your witness. And at that stage, once
14 your ready to present the witness, then I would swear the
15 witness in.

16 So, you know, if you would like to proceed
17 with an opening statement, you may actually do so now
18 unless -- staff counsel, provided you don't have any
19 additional questions before we transition to that
20 stage?

21 ATTORNEY ROBERSON: No.

22 JUDGE BONFRISCO: No. Okay. Okay. So
23 Mr. Wiley --

24 ATTORNEY WILEY: -- Luhrs -- sorry for
25 talking over you. I'm going to hand this to Mr. Luhrs.

1 JUDGE BONFRISCO: My apologies.

2 ATTORNEY WILEY: No, mine.

3 JUDGE BONFRISCO: The floor is yours,
4 Mr. Luhrs.

5 ATTORNEY LUHRS: Thank you very much, your
6 Honor, and I appreciate the opportunity to present
7 argument today. Just as a threshold matter, I just
8 wanted to confirm whether there's a particular window of
9 time you'd like me to limit my argument to?

10 JUDGE BONFRISCO: We are scheduled today
11 -- you know, I guess it depends how much time we think
12 we're going to need for cross and rebuttal. I guess
13 could you give me an idea how much time you think you
14 might need to present initially?

15 ATTORNEY LUHRS: Certainly, your Honor. I
16 think 10 to 15 minutes would suffice.

17 JUDGE BONFRISCO: Okay. I don't see that
18 as a problem at this juncture.

19 ATTORNEY LUHRS: Thank you, your Honor.

20 JUDGE BONFRISCO: Okay.

21

22 OPENING ARGUMENT BY THE COMPANY

23 ATTORNEY LUHRS: Again, your Honor, thank
24 you very much for the opportunity to present argument
25 today.

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1 As you know, we are gathered on Olympic's
2 petition, which requests that your Honor grant its
3 petition requesting the adoption of interim rates until
4 the end of its general rate case.

5 And we think it is important, your Honor,
6 as you consider this request, to recognize the fact that
7 this request is subject to a full refund, which is to say
8 that there is no risk on the shoulders of the ratepayers
9 at issue that will be impacted by such a decision. If it
10 is the case that the general -- that the petition is
11 granted today, and that thereafter, there's some sort of
12 a divergence at the general rate case stage, the
13 ratepayers would have an opportunity to get a full refund
14 of whatever rates were issued here today.

15 Conversely, there is no such remedy for
16 Olympic. So in other words, if it is the case that the
17 petition is not granted today, and thereafter the general
18 rate case proves to be successful, there's no mechanism
19 by which Olympic could recoup the otherwise lost funds.

20 And this concept is in fact required under
21 the relevant statute or rule, WAC 480-07-520 (6).

22 And again, ratepayers' right to refund is
23 a requirement. And I think it's well stated, your Honor,
24 in the case of General Telephone Company of Northwest,
25 which stated that the interim rate increase is not

1 ratemaking, but the creation of a pool of funds during
2 the appeal period. Those funds will be returned to
3 consumers with interest if the appeal fails. If General
4 Telephone is successful on the merits, it is entitled to
5 those funds, but would be unable to recoup them
6 retroactively.

7 Again, the fact that there is this right
8 to refund is, I think, important to emphasize at the
9 outset of my remarks because of the fact that there
10 simply is no risk facing the ratepayers as to this issue.

11 A theme of staff's response to our
12 petition is that Olympic is not on the verge of
13 bankruptcy; that it's not at the doorstep of financial
14 ruin.

15 Of course, Olympic has not held itself out
16 as facing bankruptcy. We are not making the assertion
17 that Olympic is facing financial calamity.

18 But in fact, that is not the standard here
19 today. We do not need to demonstrate that Olympic is
20 facing bankruptcy in order for our request for relief to
21 be granted.

22 Similarly, we're not aiming to overcollect
23 against the ratepayers.

24 We are instead requesting that an interim
25 rate be established which fairly represents the fiscal

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1 climate that Olympic is operating in and the finances of
2 Olympic itself.

3 So with that, I'll note that it has been
4 more than 13 years since Olympic has had its most recent
5 rate case. And that passage of time alone should
6 certainly not by itself serve as a basis against standing
7 alone to grant the relief that we are requesting.

8 However, the reality is that that is a
9 long time. It's been more than 13 years since its
10 general rate case. And the practical reality is that
11 over that span of time, it's been more expensive to
12 operate the business. Wages have increased, fuel costs
13 have increased.

14 And of course this is detailed in our
15 pleadings, but I just want to make sure that that
16 background is provided for your Honor.

17 JUDGE BONFRISCO: Thank you.

18 ATTORNEY LUHRS: Certainly. And so
19 turning to the standard at issue, which is a litigated
20 dispute, historically the seminal case in this area of
21 law has been the UTC versus Pacific Northwest Bell
22 Telephone Company.

23 Now this was a utility case, a telephone
24 utility case from 1972, which is more than 50 years ago.
25 And in that case, the PNB case, as I'll refer to it, six

1 standards or six factors were established. And in
2 essence, when a company sought interim relief, it was
3 necessary to satisfy or meet those six factors. And of
4 course, each party has argued and briefed those six
5 factors.

6 About 30 years after PNB was decided,
7 480-07-520 was promulgated. And while the promulgation
8 of a rule after a case does not override a case as
9 precedent, the WAC does serve as authority and requires
10 compliance therewith.

11 In its opposition, staff has argued via
12 citation to Verizon Northwest, which is a case, and staff
13 asserts that it stands for the proposition that if a
14 petitioner cites only PNB as its authority, that it
15 should be relegated to the analysis of those six factors.

16 But in fact, Verizon Northwest didn't say
17 that. It includes the experts that the commission has
18 broad powers to award interim relief; that the PNB
19 factors are neither a formula for interim relief, nor are
20 they the only factors that the commission may properly
21 consider in its decision.

22 And finally, that the commission should
23 remain open to consider unique circumstances for
24 evolution in the factors.

25 And so with that backdrop in mind, it's

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1 important to then take a look at what exactly the WAC
2 says. Again, 480-07-520 (6) states that companies
3 requesting this type of relief must demonstrate, after a
4 brief proceeding, an emergency, an undue hardship, or
5 inequity.

6 Now, those are disjunctive factors. In
7 other words, a company need only satisfy one of them:
8 Either an Emergency, undue hardship, or inequity.

9 And it's our position that Olympic does in
10 fact meet those standards, particularly undue hardship
11 and inequity. As the record indicates, shareholders for
12 Olympic are losing about \$100,000 in revenue each month.

13 Again, it's been more 13 years since
14 Olympic's last general rate case, and the denial of our
15 petition would eliminate Olympic's opportunity to recoup
16 such rates.

17 Again, I'm harkening back to the Waste
18 Management of Spokane case that I cited earlier for your
19 Honor, whereas interim rates are subject to a full refund
20 as it concerns ratepayers.

21 And so even if it is the case that there's
22 a determination that Olympic needs to satisfy the six
23 factors espoused in PNB, it certainly does so.

24 And I'd like to highlight a couple of
25 those factors for your Honor.

1 First, as to Factor Number 2, this speaks
2 exactly to that which is stated in the WAC provision. It
3 speaks to an emergency existing, a gross hardship, or a
4 gross inequity. And to this point, we know that there's
5 a lack of -- excuse me; there's the loss of a city
6 contract that has adversely impacted Olympic's operation.

7 There's been protracted administrative and
8 judicial litigation that that has occurred over the past
9 13 years; and of course just the general inflationary
10 realities that have prevailed over that period of time.

11 Now staff in response has argued that
12 Olympic merely suffers from regulatory lag, and that a
13 granting of Olympic's petition today may lead to a slew
14 of other companies seeking relief in the form of interim
15 rates.

16 Well, that's not the case. Just as the
17 case with Olympic, any entity that wants to come forward
18 and request interim rate relief must satisfy the
19 standards under 480-07-520 (6).

20 Another of staff's general arguments --
21 and specifically they address it, staff did, as Factor
22 Number 3 analysis. Staff argued that Olympic is
23 financially healthy and but one subdivision of a larger
24 operation, Murrey's.

25 And to apply this argument would be

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1 unfair. It simply would not make sense because
2 effectively, what it would mean is that it would preclude
3 any company that has a large parent company from being
4 awarded interim rate relief via a petition.

5 And that certainly is not espoused in the
6 WAC itself. It was not espoused in the PNB case. And it
7 would simply be not fair. Again, to satisfy or meet the
8 burden for the granting of interim rate relief, the
9 petitioner must satisfy the requirements as spelled out
10 in 480-07-520.

11 And in fact, the case that we cited in our
12 materials, Waste Management of Spokane, was a case
13 decided in 2015, and involved of course, as the litigant
14 therein would indicate, Waste Management. Now this case
15 was one where interim rates were granted. And the entity
16 in question had a very large parent company in the form
17 of Waste Management.

18 So we have an example of the commission
19 granting interim rate relief, even though the petitioner
20 had a very large parent company.

21 Similarly, Olympic has a large parent
22 company, as was highlighted by staff in its opposition to
23 our petition.

24 But again, the Waste Management of Spokane
25 case from 2015 indicates that the mere reality that a

1 petitioner has a large parent company should not preclude
2 relief under this WAC.

3 The Spokane case was also quite similar to
4 the facts at issue in this case. Here, Olympic filed its
5 request for rate relief more than 12 years -- actually
6 more than 13 years after its last general rate case. And
7 in the Waste Management of Spokane case, it was a period
8 of about two years.

9 As with Waste Management of Spokane,
10 Olympic faced increasing costs due to rerouting of
11 regulated and nonregulated services and labor shortages,
12 including those for frontline workers. Olympic faced
13 increasing operating expenses and costs associated with
14 insurance claims, metric-based compensation,
15 travel-related expenses, and company specific severance
16 pay and safety training.

17 And while the request that's being lodged
18 by Olympic here today is admittedly larger than the
19 request at issue in the Waste Management of Spokane case,
20 I surmise that it's understandable, given that the period
21 of time since the last generated case, more than 13
22 years, is far greater than that which was at issue in the
23 Waste Management of Spokane case.

24 So your Honor, I'd like to just again --
25 I'm sorry, your Honor. Were you saying something? I

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1 don't want to cut you off, certainly.

2 JUDGE BONFRISCO: No, go ahead.

3 ATTORNEY LUHRS: Thank you, your Honor.

4 I'm just wrapping up here. In essence, staff argues that
5 Olympic is merely earning less than it would like. But
6 that's not the case.

7 As demonstrated by the record which is
8 before the commission, and as will be highlighted during
9 the testimony today, Olympic seeks only to earn a rate of
10 return that is reflective of the current financial
11 climate and its own financial health. There would be no
12 adverse impact to ratepayers, particularly because the
13 form of relief that we are requesting is subject to full
14 refund.

15 So thank you, your Honor, for the
16 opportunity to make argument before you, and I'd be happy
17 to answer any questions you might have.

18 JUDGE BONFRISCO: I do have some follow-up
19 questions, but I will reserve those until after cross.

20 And at this point, I'd like to turn it
21 over to staff counsel to provide their opening statement.

22

23 OPENING ARGUMENT BY COMMISSION STAFF

24 ATTORNEY ROBERSON: Good afternoon, Judge

25 Bonfrisco, again, I guess. As you noted, we're here on

1 Murrey's petition for interim rate relief.

2 Under WAC 480-07-526, the commission will
3 grant interim rate relief to a solid waste collection
4 company that shows emergency, undue hardship, or
5 inequity.

6 Those are the exact same factors
7 identified in the second factor for the Pacific Northwest
8 Bell analysis. So to the extent that those are
9 incorporated into the rule, it seems pretty clear that
10 the commission is trying to incorporate the Pacific
11 Northwest Bell line of cases into its rules.

12 That's kind of further shown by the fact
13 that the commission does not define what constitutes an
14 emergency, a hardship, or an inequity. That's all
15 defined by administrative precedent.

16 An emergency is an existing or looming
17 threat to a utility such that it would no longer be able
18 to provide regulated service in Washington.

19 A hardship is an occurrence or an event
20 that causes harm to the utilities' owners. That same
21 precedent makes clear that simply the loss of revenue
22 does not constitute a hardship because literally every
23 carrier or utility that files for a rate increase is
24 losing revenue.

25 And finally, that precedent defines an

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1 inequity as the treatment of similarly situated entities
2 differently.

3 As the commission noted in the notice
4 setting this hearing, interim rate relief is an
5 extraordinary form of relief. That is because it
6 involves potentially increasing costs to ratepayers
7 without the commission making a decision after a full
8 adjudication. It's something that traditionally, the
9 commission has sparingly granted.

10 Now to the extent that Murrey's is arguing
11 the fact that the rates are subject to refund, that
12 changes the analysis, the commission rejected that in its
13 Verizon order in 2004. It's Order 11 in Docket 040788.

14 In that case, the commission said that
15 interim rates subject to refund are not a neutral remedy,
16 and that is because ratepayers are subject to an increase
17 in cost which may or may not be justified, and the
18 ratepayers may not receive that money returned, right?
19 They may move, they may stop service, whatever. They
20 would be unjustifiably paying increased costs. It
21 remains an extraordinary form of relief.

22 Given that fact, staff will present
23 testimony from Benjamin Sharbono, who is the witness on
24 staff who was assigned to review Murrey's rate filing.

25 Mr. Sharbono will testify that Murrey's

1 faces no emergency. As a company, it has shown healthy
2 revenue growth over the last five or six years. Its
3 Olympic division, the division at issue here, shows net
4 revenue. There's no evidence that it's going to shut
5 down service.

6 And in fact, when asked by staff whether
7 it was avoiding incurring expenses or making investments
8 or whether it planned to avoid incurring expenses or
9 making investments, the company said no, which suggests
10 that it's carrying on in the business of performing its
11 public service duties.

12 Mr. Sharbono will also present evidence
13 that Murrey's is not facing a hardship. We will present
14 evidence that the company is not at risk of a credit
15 downgrade. It's not at risk of insolvency or bankruptcy
16 which would wipe out the owners' stake in the company.
17 It's not taking any actions that suggest that it believes
18 it's facing hardship.

19 And the events that Murrey's is claiming
20 underlie its claims of hardship, the loss of the city
21 contract and the mill hauls litigation resulted in
22 compensation to the company for the loss of the contract,
23 and an increase in ratepayers and an increase in revenues
24 for the mill hauls litigation. So it's difficult to say
25 that this is a company suffering from that kind of

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1 hardship.

2 Finally, Mr. Sharbono will present
3 evidence that factually distinguishes the Murrey's case
4 from the Waste Management case, which it's unclear to me,
5 but I believe that Murrey's is arguing that there's an
6 inequity there if Waste Management of Spokane receives
7 interim rates and it doesn't; the most obvious of which
8 is that Waste Management experienced kind of a rapid
9 deterioration in its tariff, like the income derived from
10 its tariff, whether that was sufficient.

11 There was a much shorter period of time
12 between when it came in for rate cases. Murrey's delayed
13 some 13 years; could have filed it at any time, which
14 suggests that it's not showing a burning desire for a
15 rate increase, I guess.

16 Staff will also argue on brief that the
17 two cases are legally distinguishable. The Waste
18 Management of Spokane case went through the open meeting.
19 The commission issued Order 13 in Docket 040788, and
20 quite explicitly said that the grant of temporary rates
21 at an open meeting does not serve as precedent for a
22 litigated interim rate relief proceeding, which is what
23 we have here. So the Waste Management case is factually
24 and legally distinguishable.

25 With all that said, I'm finished.

1 JUDGE BONFRISCO: I did have one
2 clarifying question that I got your citation correctly.
3 The Verizon case you cross referenced, that's 07488,
4 correct?

5 ATTORNEY ROBERSON: I believe it is
6 040788.

7 JUDGE BONFRISCO: 047 -- sorry.

8 ATTORNEY ROBERSON: 040.

9 JUDGE BONFRISCO: 040. Okay.

10 ATTORNEY ROBERSON: 788.

11 And the relevant orders there are Order
12 11, which kind of defines the three factors: Emergency,
13 hardship, and inequity; and then Order 13, which
14 corrected Order 11 to add a paragraph for the thing that
15 I just talked about, which is whether or not interim
16 rates granted at an open meeting are precedential for a
17 litigated proceeding.

18 JUDGE BONFRISCO: Okay. And with regard
19 to the Washington versus Spokane case that you said was
20 distinguishable that I know Murrey's counsel is relying
21 upon, I think you provided a citation to that. Could you
22 reiterate that for me?

23 ATTORNEY ROBERSON: I did not, but I have
24 it written down if you give me a second.

25 JUDGE BONFRISCO: Okay.

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1 ATTORNEY WILEY: I have it here, your
2 Honor.

3 JUDGE BONFRISCO: Yes, if you could
4 provide that, that would be great.

5 ATTORNEY WILEY: It's Docket TG-143889,
6 Order 02, Westlaw 2015 WL-863028.

7 JUDGE BONFRISCO: I'm just going to read
8 that back. Docket TG-143189-02, Westlaw 863028; is that
9 correct?

10 ATTORNEY WILEY: Except the docket number
11 is TG-143889.

12 JUDGE BONFRISCO: Thank you.

13 ATTORNEY WILEY: Yes.

14 JUDGE BONFRISCO: Appreciate that.

15 ATTORNEY ROBERSON: If I may, your Honor,
16 if you pull up on the commission's website, I have it as
17 143089. So it's going to be one of those two.

18 ATTORNEY WILEY: I'm reading from Westlaw.

19 ATTORNEY ROBERSON: I may have been
20 reading that wrong.

21 (Overlapping speech.)

22 ATTORNEY WILEY: It's one or the other.

23 JUDGE BONFRISCO: I appreciate that. I
24 just want to make sure I can cross reference later. So
25 thank you.

1 And I guess with that, I would like to
2 turn back, you know, to Murrey's counsel to basically,
3 you know, proceed with presenting their first witness.

4 But before we do that, I can go ahead and
5 swear in your first witness. And you said that was
6 Mr. Brian --

7 THE WITNESS: Vandenburg.

8 JUDGE BONFRISCO: Brian Vandenburg,
9 correct?

10 THE WITNESS: Yes. And I've had the name
11 for 37 years and have trouble pronouncing it at times.

12 JUDGE BONFRISCO: I just want to make sure
13 I'm pronouncing it correctly. Thank you, Mr. Vandenburg.

14 THE WITNESS: I'll still know who you're
15 referring to, so we're good.

16 JUDGE BONFRISCO: If you would like to
17 raise your right hand, I'll swear you in.

18 Do you swear or affirm that the testimony
19 you're going to give today will be the truth, the whole
20 truth, and nothing but the truth?

21 THE WITNESS: I do.

22 JUDGE BONFRISCO: Okay. Perfect. The
23 witness is yours.

24 ATTORNEY WILEY: Thank you, your Honor.

25

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1 BRIAN VANDENBURG, witness herein, having been duly
2 sworn on oath, testified as
3 follows:

4

5 DIRECT EXAMINATION

6 BY ATTORNEY WILEY:

7 Q Good afternoon, Mr. Vandenburg. You've spelled
8 your name, I think, for the record.

9 So could you please tell us your title at Waste
10 Connections, please.

11 A I am a pricing analyst.

12 Q And in that capacity, are you familiar with the
13 operations and economics of Washington regulated
14 companies at Waste Connections?

15 A I am.

16 Q And could you describe what your job duties
17 are, briefly, for the record?

18 A As related to this, I am involved in the
19 preparation of these rate filings, putting together the
20 financials that ultimately go into the LG model.

21 I'm involved with interactions with staff
22 responding to data requests, and coming to a mutually
23 agreed consensus or conclusion.

24 Q And for the record, could you describe
25 Mr. Wonderlick's title and your relationship to

1 Mr. Wonderlick?

2 A Yeah. Mr. Wonderlick is the pricing manager.
3 So not only does he oversee and manage the pricing
4 department which files in the State of Washington, we
5 also are involved in filings and various activities in
6 the states of Alaska, Oregon, and California, primarily.
7 And so he's managed and overseen this particular filing
8 and case.

9 Q What role did you have in preparing the Olympic
10 Disposal filing that was submitted on or about September
11 15, 2023?

12 A I was involved along with some coworkers in the
13 preparation of this filing, and then as well as the
14 primary point of contact during the informal data request
15 period.

16 Q And during that time, have you been the
17 responsible person, along with Mr. Wonderlick, for
18 updating the results of operations, calculations, and
19 other fiscal impacts of the current rate level and the
20 proposed rates adjustment?

21 A Yes.

22 Q Okay. In that regard, can you please look at
23 the exhibit that's been identified as Exhibit JW-30 for
24 this proceeding?

25 Do you have that in front of you on a screen,

Page 40

1 or --

2 A Yes, I do.

3 Q Could you please give us some background and
4 explain this exhibit to the best of your ability?

5 A Certainly. I would say the main purpose of
6 this exhibit is really to highlight the fact that the
7 ratepayer is not at risk of being overcharged, even if
8 they were to move away; that while the company recognizes
9 that the interim rates are subject to refund, what we
10 asked for at a level of about 990,000, at that point the
11 ratepayers are not at risk, because if we factor in what
12 we proposed in our March testimony, and we take out all
13 of the items contested by staff in their testimony, we
14 still -- the result of that is still higher than what
15 we've asked for in interim rates. And even, I think if
16 we look at Exhibit BS-11, it is also higher than what we
17 asked for.

18 So really, again, it's the higher rate. There
19 is no risk to ratepayers of being overcharged in this
20 process.

21 Q Before we get to that kind of bottom line, can
22 you walk us through some of the entries in this exhibit
23 for background, not just for the judge, but for the
24 record and for the parties, please.

25 For instance, what is Exhibit 30 depicting?

1 What is the intent of its depiction, please?

2 A So yeah, I can walk through it, or you can ask
3 me questions as we go along. But ordinarily we start
4 with the test period revenue that was filed in March. So
5 it's what was earned.

6 And then there's an adjustment in there for a
7 dump fee filing that occurred after submissions after the
8 test period.

9 Then based off that --

10 Q Excuse me, Mr. Vandenburg. When you say March
11 19 filing, can you clarify for the record what you're
12 talking about?

13 A That's our official testimony, official
14 position.

15 Q The opening testimony of --

16 A Yeah.

17 Q -- the --

18 A Correct.

19 Q All right.

20 A Yes. This -- the result of that was part of
21 our official testimony in March; resulted in a request
22 for a \$1.6 million revenue increase, or 12.88 percent.

23 Q Can you point out in the record where that
24 exhibit is, please, on Exhibit 30.

25 A I believe we provided a PDF. But it is below

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1 the total period revenue. It's labeled Proposed Increase
2 per Company's March 18 -- but I believe that should have
3 been March 19 -- Testimony.

4 Q Thank you.

5 A Yeah. So then below that we have labeled less
6 items contested in staff testimony. So these are the
7 items that staff explicitly contests in their testimony,
8 and they are the contested op ex, operating expenses,
9 amount totals.

10 So these numbers are transposed from -- or
11 transferred, not transposed; hopefully, they're not
12 transposed -- transferred from staff's testimony. And
13 where there is disagreement, I'll say between staff's
14 testimony and what is in the company's position in their
15 March 19 filing, we went with the company's position.

16 And that is attempted to be explained, or that
17 variance is attempted to be explained, I think, in page 2
18 of the PDF.

19 So we have the amount total for the company,
20 and then we have presented an allocator, which just means
21 that depending on the type of expense, how that gets
22 assigned to regulated and nonregulated activity, we come
23 up with a contested regulated amount, or the amount that
24 regulated ratepayers are responsible for. And so we add
25 all that up and we're over 500,000, around 500,000.

1 And from there, we move on to the estimated LG
2 margin on contested matters. And basically that is not
3 only do we get the -- not only do we get revenue to cover
4 the expenses, but to earn a fair and reasonable margin on
5 top of that. And so that's what that 53,000 represents.

6 Q Mr. Vandenburg, if I could interrupt for the
7 judge's benefit particularly, could you explain what the
8 LG methodology is and why that line item is pertinent to
9 the overall revenue requirement calculation?

10 A Yeah. That line item is pertinent because it's
11 -- yeah, it's profit we get with our revenue. We would
12 not only lose out on revenue to cover the expense dollar
13 for dollar, but the operating ratio to the profit on top
14 of that.

15 And so when we're looking at the LG amongst
16 other factors, we're looking at our revenue, our expenses
17 for regulated areas, our average foot value, those
18 things. And that gets factored into revenue requirement.

19 And the comparison between the company's test
20 period revenue and what it should be earning to cover all
21 of its expenses is really that proposed increase. And --

22 Q What is the LG, just simply for the record,
23 please? Can you just divine that?

24 A Laredo Gallagher (phonetic) model.

25 Q And that's a methodology by which rates are set

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1 by the commission; is that correct?

2 A Yes, that's my understanding.

3 Q Okay.

4 A And so yeah, when we factor all of that in and
5 we take the proposed increase per company's -- I'll call
6 it the proposed increase per company's March 18 testimony
7 of 1.6 million, we subtract out all the contested
8 expenses, plus the estimated Laredo Gallagher margin on
9 contested matters.

10 We come up with an increase as calculated by
11 the company of staff's contested matters of a million 38
12 in an increase in revenue.

13 And the company asked for 989,000.

14 So again, trying to highlight the fact that we
15 asked for 990. Staff's result is resulting in more.
16 There's at least a \$50,000 difference. And so we don't
17 believe, again, that the ratepayers are at risk of
18 overpaying and thus being entitled to their fair refund.

19 Q Why did the company not just propose the
20 staff's recommended revenue requirement in its petition
21 for interim rate relief?

22 A I would say twofold. Again, we recognize that
23 we bear -- I would say bear the burden, bear some of the
24 burden of those whole process. And we did not want --
25 like, we didn't want to run the risk of overcharging

1 customers. We don't think that's fair to them.

2 So we tried to provide a safety net to factor
3 in any potential unforeseen circumstances as well as
4 again, not overcharging customers.

5 Q And what is page 2 of Exhibit JW-30 showing
6 further, please?

7 A Yeah, this primarily is a reconciliation with
8 staff members' contested issues and what the company
9 proposed in their official testimony in March of 2014.

10 We believe staff was using numbers in their
11 testimony that were from the company's original filing
12 back in September of '23, which again has been superseded
13 by the March 2024 filing.

14 And so really, it's to hopefully relieve any
15 confusion and provide clarity as to why the numbers used
16 in this exhibit may differ from what is in staff's
17 testimony.

18 Q Did the company also provide with its petition
19 an exhibit demonstrating the price-out or revenue spread
20 of the proposed interim rates?

21 A I believe we provided the tariff that, yeah,
22 are associated with our ask for interim rates.

23 Q And to the best of your knowledge, is that
24 Exhibit B-2 the petition for interim rates?

25 A To the best of my knowledge, yes.

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1 ATTORNEY WILEY: Thank you. I have no
2 further questions at this point, your Honor.

3 I tender the witness and offer Exhibit
4 JW-30. Oh, you've already admitted that. Sorry.

5 JUDGE BONFRISCO: Sorry. I was on mute.
6 My apologies.

7 ATTORNEY WILEY: No problem.

8 JUDGE BONFRISCO: I said yes, I believe we
9 stipulated to that, and it's reflected as admitted in the
10 record. Thank you.

11 And do we have any cross from commission
12 staff?

13 ATTORNEY ROBERSON: I have no cross for
14 Mr. Vandenburg.

15 JUDGE BONFRISCO: Okay. And any
16 redirect?

17 ATTORNEY WILEY: No, your Honor.

18 JUDGE BONFRISCO: Okay. I do have just
19 one kind of housekeeping matter. When I was reviewing
20 through the documents, I noted that Exhibit JW-7C, that's
21 cross referenced in the exhibit, was submitted to us in a
22 PDF format. And I want to know if you could identify
23 anywhere in the record if that was ever submitted in an
24 actual Excel version native format.

25 ATTORNEY WILEY: I think Mr. Vandenburg

1 could probably acknowledge that or address it. I believe
2 it was. We did have a problem with some of the internal
3 work paper page numberings that we corrected. But as far
4 as I'm aware, it was submitted in native format.

5 Mr. Vandenburg, am I incorrect on that?

6 THE WITNESS: To the best of my knowledge,
7 it was. And if it is missing somewhere or for some
8 reason it was not provided in Excel, I'm more than happy
9 to provide that, because I know I would want that.

10 JUDGE BONFRISCO: Yes. So at this
11 juncture in going through the records, if we could have
12 that resubmitted in that native Excel format, I would
13 just request that Murrey's counsel do that.

14 And if we could do that, you know, and
15 provide a copy to all parties, say, within five business
16 days of today's date, or -- I guess that would make it
17 around July 25. Would that work?

18 ATTORNEY WILEY: Yes, it would, your
19 Honor. And we should have it. And I don't know if it's
20 just missing from the docket or wasn't filed. But I know
21 we can supply it.

22 JUDGE BONFRISCO: Yes, and just to
23 clarify, we have the PDF format. But I think we want to
24 insure that we have that Excel format on record as well.

25 ATTORNEY WILEY: Yes.

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1 JUDGE BONFRISCO: Okay. Perfect.

2 And I think, you know, one of the areas
3 that, you know, I just want to clarify, you know, before
4 we move on, is try to get a better understanding for you
5 to elaborate, you know -- and I think you cross
6 referenced it -- that you're focused more on the undue
7 hardship prong; but what Murrey's believes is the
8 extraordinary circumstances or the emergent reasons that
9 would warrant this interim rate relief, because I think
10 you've talked more about those other prongs, but not
11 specifically what those emergent conditions would be.

12 ATTORNEY LUHRS: Well, your Honor, as
13 indicated, harm to owners certainly exists in the form of
14 the \$100,000 that's lost on a monthly basis to
15 shareholders, which we deem to satisfy that standard,
16 your Honor.

17 I think that that reality is also
18 inequitable. So it's just the financial losses, your
19 Honor, satisfy those standards.

20 ATTORNEY WILEY: Right.

21 ATTORNEY LUHRS: And again, to reference
22 the fact that it's not the mere reality that 13 years has
23 passed, which shall alone be dispositive, but it's just
24 the realities of what that passage of time means:
25 Inflationary pressures, increases in costs, fuel costs,

1 labor costs, et cetera.

2 The reality is that there is a very
3 different economic environment which prevails today than
4 was the case 13 years ago, as indicated in the financial
5 submissions that are part of the record, your Honor.

6 JUDGE BONFRISCO: Okay. And I guess the
7 only other point -- and I heard it reiterated several
8 times in the argument -- that it would be set up to
9 actually refund the customer base; but just to kind of
10 get further elaboration on how you feel that's also
11 consistent with public interest?

12 ATTORNEY LUHRS: Certainly, your Honor.
13 So it's codified in the rule. So 480-07-520 (6), which
14 contemplates interim rates, reads in part as follows:
15 Interim rates subject to refund granted pursuant to this
16 section shall be limited to those companies that
17 demonstrate; and then it goes on to spell out the
18 standard.

19 And so it is a mandate that a refund be
20 made to ratepayers if the general rate case diverges from
21 the finding that interim relief is appropriate here to
22 date.

23 So I cannot imagine more protection for
24 ratepayers than a right to refund, in fact, a requirement
25 for refunds actually spelled out in the prevailing

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1 provision of the administrative code.

2 JUDGE BONFRISCO: But I guess to clarify
3 in one other piece, have there been -- in light of just
4 the financial circumstances, is there concerns of any
5 service interruptions to your customer base?

6 ATTORNEY WILEY: If I can answer that
7 because I've represented them for decades, your Honor.

8 The answer is to our knowledge there
9 isn't, but the prolonged inability to recoup any profit
10 margin does portend of problems down the road.

11 And one other point I wanted to make in
12 answer to your earlier question, which is solid waste
13 industry is the only one that I find in the general rate
14 case rules for the commission for energy, for water, for
15 pilotage that even provides for interim rates in the
16 general rate case for paper rule. That's significant.

17 In addition, I agree with Mr. Roberson the
18 codification of concept is very important. I think the
19 fact that this recognizes an industry that is subject to
20 interim rate relief is very significant, and makes it
21 very different than the utility, phone, and energy cases
22 that staff is relying upon.

23 JUDGE BONFRISCO: Thank you so much for
24 answering each of those questions.

25 Let's see. So Mr. Roberson, if you're ready

1 to proceed to your witness, Mr. Sharbono, I can go ahead
2 and swear him in.

3 ATTORNEY ROBERSON: Absolutely.

4 JUDGE BONFRISCO: Okay. If you would,
5 please, Mr. Sharbono.

6 THE WITNESS: Sharbono.

7 JUDGE BONFRISCO: My apologies.

8 THE WITNESS: Got it right the first time.

9 JUDGE BONFRISCO: Mr. Sharbono, if you
10 would please raise your right hand and I'll swear you in.

11 Do you solemnly swear or affirm that the
12 testimony you're about to give today will be the truth,
13 the whole truth and nothing but the truth?

14 THE WITNESS: I affirm it.

15 JUDGE BONFRISCO: Okay. Perfect. Thank
16 you. The witness is yours.

17

18 BENJAMIN SHARBONO, witness herein, having been duly
19 sworn on oath, testified as
20 follows:

21

22 DIRECT EXAMINATION

23 BY ATTORNEY ROBERSON:

24 Q Good afternoon. Would you please state your
25 name and spell your last name for the record.

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1 A My name is Benjamin Sharbono. My last name is
2 spelt S-H-A-R-B-O-N-O.

3 Q Who employs you?

4 A I am employed by the Washington Utilities and
5 Transportation Commission.

6 Q And what position do you hold at the
7 commission?

8 A I am a Regulatory Analyst 3.

9 Q How long have you held that position with the
10 commission?

11 A I have been a Regulatory Analyst 3 for
12 (inaudible).

13 ATTORNEY WILEY: I'm having trouble
14 hearing him. I don't know what the problem is, your
15 Honor, but maybe it's just my ancient ears. But I
16 haven't had that problem with any other witness.

17 ATTORNEY ROBERSON: He is a little faint.

18 Mr. Sharbono, can you just speak up a
19 little bit?

20 THE WITNESS: I can try, but it's probably
21 not going to help much with the mic (inaudible).

22 ATTORNEY ROBERSON: Well, I guess we'll do
23 what we can.

24 Q (By Attorney Roberson) Have you received any
25 training or education to enable you to carry out your

1 duties as a Regulatory Analyst 3?

2 A Yes, I have.

3 Q And could you please describe those?

4 A I hold a bachelors of arts in accounting as
5 well as a masters in business administration.

6 I have also attended the (inaudible) school as
7 well as received on-the-job training for the last
8 approximately eight years as I have worked for the
9 commission.

10 Q Are you familiar with the companies called
11 Murrey's Disposal?

12 A I am.

13 Q How are you familiar with Murrey's?

14 A Murrey's Disposal is a regulated company
15 regulated by the Washington Utilities and Transportation
16 Commission as a solid waste company.

17 I work in the solid waste section of the
18 regulatory services division of the Washington Utilities
19 and Transportation Commission. And I have worked on
20 several filings from this company and the other companies
21 that they have (inaudible).

22 Q Are you familiar with the general rate case
23 filed by Murrey's in Docket TG-230778?

24 A Yes.

25 Q How are you familiar with that rate case?

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1 A I am assigned as the lead staff in Docket
2 TG-230778.

3 Q Are you familiar with the petition for interim
4 rate relief that Murrey's filed in that same docket?

5 A Yes.

6 Q How are you familiar with the petition?

7 A As the lead staff of the docket in question, I
8 (inaudible) and review all documents (inaudible) into the
9 docket to reveal and see what is contained within it and
10 (inaudible) petition for (inaudible).

11 ATTORNEY WILEY: He's fading out, your
12 Honor, at the end of every sentence.

13 JUDGE BONFRISCO: Mr. Sharbono, is there a
14 way to maybe adjust the speaker just to get it a little
15 closer, if you could just speak maybe a little louder?

16 THE WITNESS: Is this any better?

17 JUDGE BONFRISCO: It's still a little
18 quiet. Sorry.

19 THE WITNESS: (Inaudible).

20 JUDGE BONFRISCO: It's a little muffled.
21 My apologies.

22 ATTORNEY WILEY: Mr. Roberson, I'm fine
23 with you translating. I know that you'll do it
24 accurately so that I don't have to hold up the process.
25 But he's fading out at the end of every sentence.

1 ATTORNEY ROBERSON: I'm having a little
2 trouble with it too, so.

3 JUDGE BONFRISCO: There's always an issue
4 with technology, right?

5 ATTORNEY WILEY: Thank you post-COVID,
6 huh?

7 ATTORNEY ROBERSON: Are we post-COVID? I
8 have a hearing tomorrow, and half the people have COVID.

9 ATTORNEY WILEY: I know. Including the
10 president.

11 ATTORNEY ROBERSON: Yeah.

12 ATTORNEY WILEY: Judge, how long have you
13 been at the commission? Recently I assume, right?

14 JUDGE BONFRISCO: I am new. I started on
15 July 1.

16 ATTORNEY WILEY: Congrats.

17 JUDGE BONFRISCO: Thank you.

18 Okay. Benjamin, welcome back.

19 THE WITNESS: Can you hear me now?

20 ATTORNEY WILEY: That's better.

21 JUDGE BONFRISCO: That's much better.

22 Thank you.

23 ATTORNEY WILEY: I'll to have to tell them
24 that I actually need a real microphone.

25 Q (By Attorney Roberson) Turning back to

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1 Murrey's itself, does Murrey's -- I believe you may have
2 answered this. Does Murrey's have any names that it
3 carries business on -- under in Washington?

4 A Murrey's Disposal operates under the trade name
5 of Olympic Disposal.

6 Q Is Olympic a separate corporate entity?

7 A No.

8 Q Does Olympic have a separate certificate on
9 file with the commission authorizing it to engage in
10 business as a solid waste collection company?

11 A No.

12 Q So then does Murrey's have a single certificate
13 that covers all of its operations including the Olympic
14 operations?

15 A Yes.

16 Q Okay. I'd like to talk about Murrey's
17 petition. What hardships does Murrey's identify in its
18 petition as justifications for interim rate relief?

19 A The petition identifies the erosion of rates
20 over the period of time since its last rate filing, the
21 loss of the nonregulated city contract, and the mill
22 hauls cases that were before the commission.

23 Q Did staff engage in discovery to investigate
24 the events and factors that Murrey's claims led to it
25 filing this petition for interim rate relief?

1 A Yes.

2 Q And how did staff do that?

3 A Staff requested data requests from the company
4 on questions that would identify and verify various
5 factors within their request.

6 Q Would you please turn to the exhibit marked
7 BS-13?

8 A Yes.

9 Q Would you please identify that exhibit?

10 A This exhibit is the company's responses to
11 commission staff's data requests 21 through 31.

12 Q And generally, what are the topics of those
13 data requests, very generally?

14 A The general topics of these data requests are
15 information or questions related to the company's
16 financial health, if there's an emergency, hardship, or
17 inequity.

18 Q And is that a true and correct copy of Murrey's
19 responses to staff's data requests?

20 A Yes.

21 Q I'd like to turn now to the specific claims of
22 hardship. The first thing I'd like to talk about is the
23 loss of the city contract. Would you please explain what
24 the city contract was?

25 A The city contract was for a contract to provide

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1 nonregulated solid waste services to the City of Port
2 Angeles, Washington, for the collection of solid waste
3 materials and their disposal.

4 Q And when did the city terminate the contract?

5 A February of 2022.

6 Q When Murrey's filed its general rate case, did
7 it identify the loss of the contract as a substantial
8 factor in its request for rate relief?

9 A No.

10 ATTORNEY WILEY: Objection to the form of
11 that question. Your Honor, I don't know how it can do
12 that specifically. When he said did they identify, is he
13 referring to a form, or what is he referring to?

14 ATTORNEY ROBERSON: I can rephrase.

15 JUDGE BONFRISCO: Yes, if you would
16 rephrase, thank you.

17 Q (By Attorney Roberson) Did Murrey's offer
18 testimony about the loss of the city contract when it
19 filed its general rate case?

20 A No.

21 Q Did Murrey's receive any compensation for the
22 loss of the city contract?

23 A Yes.

24 Q And how much compensation did it receive?

25 A Approximately \$2 million.

1 Q Did Murrey's allocate any of that compensation
2 to ratepayers?

3 A Not that I'm aware of.

4 Q And what was the basis for the decision not to
5 allocate any of that to ratepayers?

6 A That was a non-regulated entity, or
7 non-regulated contract. So as far as I'm aware, the
8 company would have no reason to need to allocate any of
9 that to ratepayers.

10 Q I'd like to turn next to the mill hauls
11 litigation that you referenced. Can you please explain
12 kind of the disputed issue in the mill hauls litigation?

13 A The dispute issue in the mill hauls litigation
14 was that another company, Waste Management of Washington,
15 was providing service to customers that were within the
16 territory of Murrey's Disposal, and that the company had
17 requested the commission to step in and force the company
18 to cease and desist and allowed them to return the
19 customers to Murrey's Disposal.

20 Q When did Murrey's file the complaint asking the
21 commission to order Waste Management to cease and desist?

22 A In 2020.

23 Q And when did the commission enter the order
24 that resolved that litigation at the administrative
25 level?

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1 A In 2021.

2 Q The order dissolving the dispute, did either
3 the commission or the Superior Court stay it?

4 A No.

5 Q When did Murrey's begin providing the service
6 that Waste Management had provided the mills?

7 A In July 2021.

8 Q Would the authorization of interim rates here
9 fund ongoing litigation?

10 A No.

11 Q To your knowledge, does Murrey's have any
12 ongoing debt payments or other expenses stemming from the
13 concluded mill hauls litigation?

14 A Not to my knowledge.

15 Q Did Murrey's see an increase in ratepayers
16 after the conclusion of the mill hauls litigation?

17 A Yes.

18 Q How many?

19 A Two.

20 Q And what types of customers?

21 A They recovered two customers that were for
22 paper mills and the hauling of waste from those paper
23 mills.

24 Q Did Murrey's see an increase in revenue after
25 the conclusion of the case?

1 A Yes.

2 Q The last thing I'd like to talk about is kind
3 of material changes to Murrey's economic conditions.
4 When did Murrey's Olympic file its last general rate
5 case?

6 A Murrey's DBA Olympic filed their last general
7 rate case in 2011.

8 Q Are you aware of any settlement in which
9 Murrey's Olympic agreed to stay out and not file a rate
10 case after it filed that last rate case?

11 A No.

12 Q So Murrey's could have filed a rate case at any
13 time, correct?

14 A Yes.

15 Q Did the commission order Murrey's to file the
16 data necessary for a rate case before Murrey's filed the
17 rate case docketed at 230778?

18 A Yes.

19 Q And did Murrey's file that information as
20 initially required by the commission?

21 A No.

22 Q And why not?

23 A The company requested a six-month extension
24 onto the effective -- or the due dates of the initial
25 request or initial order so that they would have time to

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1 put together the rate case, as well as to get additional
2 data.

3 Q What amount of time elapsed between when the
4 commission issued the order requiring Murrey's to make
5 that compliance filing and the date when it submitted the
6 general rate case which is the one here docketed at
7 230778?

8 A Approximately two years.

9 Q Do you know the typical length of time for a
10 solid waste company in terms of what it needs to prepare
11 a general rate case?

12 ATTORNEY WILEY: Objection. Foundation.

13 Q (By Attorney Roberson) Mr. Sharbono, have you
14 reviewed solid waste company rate cases?

15 A Yes.

16 Q Have you reviewed more than a few?

17 A Yes.

18 Q How many?

19 A Ballpark figure would be somewhere around
20 40-ish.

21 Q Are you familiar with what it takes to file a
22 general rate case?

23 A Yes.

24 Q How long does it normally take a solid waste
25 collection company to file a rate case?

1 ATTORNEY WILEY: Objection to the form of
2 the question.

3 Are you asking how long an average
4 interval between rate case filings is, or are you asking
5 what a private company requires in terms of time to
6 prepare and submit a rate case?

7 ATTORNEY ROBERSON: I can rephrase.

8 JUDGE BONFRISCO: Yes. Go ahead and
9 rephrase.

10 Q (By Attorney Roberson) How long does it
11 normally take a solid waste collection company to prepare
12 and file a rate case?

13 A From the companies I've spoken to, it takes
14 approximately six months.

15 Q I'd like to turn now to Murrey's and Olympic's
16 financial state, if that's okay. The solid waste
17 collection companies file annual reports with the
18 commission?

19 A Yes.

20 Q Do those annual reports show a company's gross
21 intrastate revenues?

22 A Yes.

23 Q Where are those reports stored?

24 A Those reports are stored in the commission's
25 annual report tracking system.

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1 Q And does staff have access to that system and
2 to those reports?

3 A Yes.

4 Q Has Murrey's filed those reports over the last
5 decade or so?

6 A Yes.

7 Q Have you looked at those reports for Murrey's?

8 A Yes.

9 Q How many years worth of reports did you locate?

10 A I have six years of reports that I was able to
11 locate.

12 Q Would you please turn to the exhibit marked
13 BS-12?

14 A Yes.

15 Q Would you please identify that exhibit?

16 A These are the six years that staff was able to
17 find of the annual reports, actual forms that -- and
18 these are the regulatory fee calculation schedules from
19 those reports.

20 Q So that's not the complete report; it's just a
21 single page from each of the reports over the last six
22 years?

23 A Yes. This is the non-confidential page report
24 that the companies fill out for the regulatory fee
25 calculation.

1 Q Is that a true and correct copy of the
2 regulatory fee calculation page of Murrey's annual
3 reports for the last six years?

4 A Yes.

5 Q What do the annual reports show concerning
6 Murrey's gross intrastate revenues for the last six
7 years?

8 A It shows that the company has seen continual
9 increases in the gross intrastate operating revenue over
10 the last six years.

11 Q And ballpark, over the last six years, about
12 how much has the company's revenue grown?

13 A About 20 million.

14 ATTORNEY WILEY: Your Honor, can I just
15 say that the exhibits speak for themselves. We can all
16 make those extrapolations. And it's clear there has been
17 increases consecutively.

18 I don't know how much longer we're going
19 to analyze these, but they do speak for themselves.

20 JUDGE BONFRISCO: I do want to clarify for
21 the record, you know, on the first objection that you
22 raised, I went ahead and allowed staff to proceed on
23 that.

24 You know, the second, you know, allowed
25 him to reframe.

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1 Now on your most recent objection, could
2 you just clarify that for the record?

3 ATTORNEY WILEY: My objection is that the
4 exhibits speak for themselves. And we don't need to
5 extrapolate, you know, conclusions from some things that
6 are clear on their face.

7 JUDGE BONFRISCO: I'm going to overrule
8 that objection.

9 You can go ahead and proceed,
10 Mr. Roberson.

11 Q (By Attorney Roberson) Roughly what is the
12 increase over the last six years?

13 A Rough increase over the last six years is
14 approximately 20 million dollars.

15 Q And that was my last question on the subject,
16 so let's move on.

17 Did you review Murrey's rate filing, the one
18 docketed in 230778?

19 A Yes.

20 Q What does the Regulatory Analyst 3 do when
21 reviewing a rate filing?

22 A A regulatory analyst reviews the rate filing by
23 taking the company's submitted information and reviewing
24 the income statements, balance sheets, depreciation, and
25 asset lists and other documents that are required to be

1 submitted in or by the WAC 408-07-420 (4) in particular.

2 The staff then goes through those materials,
3 identifies what accounts and materials the company would
4 need to provide in order to validate and prove the
5 materials, which may include things like the general
6 ledger, where we go through each individual item and see
7 if the amounts there make sense and if there are any
8 questionable items.

9 Staff then requests from the company, through
10 informal data requests, additional information and/or
11 records in order to verify and review those materials.

12 Staff then makes revenue adjustments in order --
13 revenue and expense adjustments to reflect the policies,
14 practices, and rules or statutory requirements in order
15 to make a recommendation of revenue requirements and
16 rates to the commission for fair and just reasonable and
17 sufficient rates for the company.

18 Q Did you perform those steps when you reviewed
19 Murrey's rate filing docketed in 230778?

20 A Yes.

21 Q And did you use any tools when you performed
22 that review?

23 A Yes.

24 Q And what are those tools?

25 A The tools used by staff are the company's

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1 submitted model.

2 Q And I'm hoping you have it in front of you.
3 It's an Excel spreadsheet. Would you please turn to the
4 exhibit marked B S-11?

5 A Yes.

6 Q Would you please identify that exhibit?

7 A This is the staff's working -- the staff's
8 working book for the company's rate case based on the
9 company's model that they have submitted.

10 Q Is that a true and correct copy of the exhibit?

11 A Yes.

12 Q At the end of your review, did you determine
13 whether Olympic was generating that revenue?

14 A Yes.

15 Q Was it?

16 A Yes.

17 Q As part of your discovery which we talked about
18 above, did staff look for evidence that Murrey's faced
19 emergency or undue hardship?

20 A Yes.

21 Q And did Murrey's produce any minutes in which
22 the company took steps to deal with an emergency or
23 hardship?

24 A Yes.

25 Q It produced minutes?

1 A No, the company did not produce.

2 Staff requested that the company submit them if
3 they were available.

4 Q So then to be clear, did they produce any
5 minutes?

6 A No.

7 Q Did Murrey's produce a plan for dealing with
8 any emergency?

9 A No.

10 Q Was Murrey's able to produce any evidence the
11 company was at risk of a credit downgrade?

12 A No.

13 Q Did Murrey's produce any evidence that the
14 company was at risk of insolvency?

15 A No.

16 Q Did it produce any evidence that the company
17 was at risk of bankruptcy?

18 A No.

19 Q Did Murrey's offer anything to show that it
20 would be unable to continue to provide regulated
21 services?

22 A No.

23 Q Did it identify any expenses that it was
24 refraining from incurring or planning on refraining from
25 incurring?

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1 A No.

2 Q Did it identify any investments that it was not
3 making or planning on not making?

4 A No.

5 Q Did it identify any large investments that it
6 needed to make before the commission issues its final
7 order in this matter?

8 A No.

9 Q Did Murrey's show you any other evidence that
10 would indicate a financial emergency, undue hardship, or
11 inequity?

12 A No.

13 Q The last topic I would like to cover with you
14 is the requested remedy. When is the commission's final
15 order due in this matter?

16 A The commission's final order is due November 1.

17 Q So how far from today, roughly speaking?

18 A Approximately 3.5 months.

19 Q Does that fact concern staff?

20 A Yes.

21 Q And why so?

22 A Staff believes that having multiple rate
23 increases over a shortened period of time will result in
24 rate instability. In other words, customers will
25 essentially see multiple rate increases in rapid

1 succession, which customers generally do not like.

2 Q Okay. Does staff consider the grant of interim
3 rate subject to refund a neutral remedy?

4 A No.

5 Q And why not?

6 A Due to the fact that it's in a neutral remedy,
7 the customer that is charged the rate, if there is an
8 issue with that rate, would be the one that receives the
9 benefits of receiving payment back.

10 However, under the conditions that this is,
11 we're looking at a 3.5 month period, and it is possible
12 that customers who have paid a rate may end up leaving
13 the area or otherwise not being the ones to receive the
14 benefits if there was a rate -- if there was a return on
15 those rates from overcollection.

16 ATTORNEY ROBERSON: I have no further
17 questions.

18 JUDGE BONFRISCO: Okay. Thank you,
19 Mr. Roberson.

20 Do you have any cross?

21 ATTORNEY WILEY: Yes, I do, your Honor.
22 We're going to hop around a little bit. I apologize.
23 But he covered a lot of ground.

24

25

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1 CROSS-EXAMINATION

2 BY ATTORNEY WILEY:

3 Q Mr. Sharbono, good afternoon. How long did you
4 say you've been with the commission?

5 A Approximately eight years.

6 Q And in that time, have you been in the -- your
7 current section, the water and transportation section the
8 whole time?

9 A Yes.

10 Q And how long have you been a rate analyst in
11 that section for, please?

12 A Approximately 6.5 years.

13 Q Okay. And before that, were you in charge of
14 annual report formatting for the commission?

15 A That is also including that.

16 Q So you -- by also including that, are you
17 saying you did both jobs in that 6.5 year period?

18 A Yes.

19 Q When did you stop doing the annual report
20 review and compilation?

21 A I stopped doing that in approximately 2019.

22 Q And is that when you started to do water
23 company and solid waste company audits exclusively?

24 A That would be when I did them exclusively, yes.

25 Q And that was during the period, then,

1 afterwards was the COVID period and the remote working
2 period that encompassed that; is that correct?

3 A Yes.

4 Q Okay. How many contested solid waste cases
5 have you been involved in?

6 And by that, I mean that are adjudicated
7 formally by the administrative law division.

8 A This is the first.

9 Q So you've never testified before in a WUTC
10 proceeding; is that correct?

11 A Not in a formal proceeding, no.

12 Q When you talked about looking at the annual
13 reports for Murrey's Disposal, did you happen -- because
14 of the contrast to the Spokane case, did you happen to
15 look at the Waste Management annual reports?

16 A No.

17 Q Have you ever seen the G237, which is Waste
18 Management's G Certificate annual reports?

19 A Yes.

20 Q And isn't it true that their revenues greatly
21 exceed that of Olympic Disposal as reported under G237?

22 A Yes.

23 Q What percentage of overall revenues is Olympic
24 Disposal within the Murrey's Disposal operation, based on
25 your knowledge of this rate case and the separation

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1 that's required by the commission staff of different
2 tariff divisions?

3 A Repeat the question, please.

4 Q Yes. I'm asking you -- the first part of the
5 question is what percentage of Murrey's overall reported
6 annual revenues, which you've indicated could be as much
7 as 65 million recently, what percentage does Olympic
8 Disposal represent of that 65 million?

9 A Needing to refer to Exhibit BS-11C, and using
10 the operating expenses -- or operating revenues that were
11 reported in staff's exhibit --

12 ATTORNEY ROBERSON: Judge Bonfrisco, just
13 so that we're clear, Mr. Sharbono, is this confidential
14 information?

15 THE WITNESS: Yes. That would be,
16 actually, confidential information. It's on a
17 confidential report.

18 JUDGE BONFRISCO: Thank you for flagging
19 that, Mr. Roberson.

20 At this point, we would need to go off the
21 record if we were going to review the specifics on any
22 proprietary and confidential information with respect to
23 that.

24 And looking at who we have here,
25 Mr. Roberson, I believe the majority of our participants

1 have signed a protective order. But I think at this
2 point, it's best that we go into a closed session so that
3 we can address this.

4 ATTORNEY ROBERSON: Yes. I can say with
5 some confidence that Mr. Lone (phonetic) has not signed
6 the confidentiality agreement. I'm not sure about
7 Mr. Savall (phonetic), Mr. -- well, Mr. Callahan hasn't.
8 So a closed session is probably the way to go.

9 JUDGE BONFRISCO: Okay.

10 ATTORNEY WILEY: Your Honor, would you
11 like to do that at the end of my -- I don't have that
12 many more questions. I'm just wondering what would be
13 most expedient.

14 And I'm not seeing who's all on the call,
15 so I appreciate Mr. Roberson identifying that.

16 JUDGE BONFRISCO: Yes. Go ahead,
17 Mr. Sharbono.

18 THE WITNESS: Mr. Savall has signed the
19 confidentiality.

20 ATTORNEY WILEY: He has signed, yes.

21 JUDGE BONFRISCO: Okay. And what about
22 Mr. Steven Peters (phonetic)?

23 MR. PETERS: I have not signed anything.

24 JUDGE BONFRISCO: Okay. So for our
25 records staff, if you could send all of the parties who

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1 have actually signed the protective order and
2 confidentiality agreement to a breakout room, if that's
3 how we typically do this for this confidential session.

4 UNIDENTIFIED SPEAKER: I just want to
5 interject for a moment.

6 JUDGE BONFRISCO: Sure.

7 UNIDENTIFIED SPEAKER: Typically when we
8 go into these breakout sessions, we usually have a court
9 reporter present. And it's not something that's being
10 recorded and then sent to them later to transcribe. I'm
11 not sure how that works in this instance.

12 JUDGE BONFRISCO: So maybe if we -- I want
13 to make sure we make it a closed session so that it's not
14 on the record, just for the confidential purpose of any
15 of the specific financials that are cross referenced that
16 might be proprietary.

17 UNIDENTIFIED SPEAKER: I can go ahead and
18 pause the recording.

19 JUDGE BONFRISCO: Okay.

20 UNIDENTIFIED SPEAKER: And open up a
21 breakout room. I think what might be easiest is to just
22 go ahead and create a breakout room that anyone can join
23 and then letting people join, because I don't have that
24 list of the staff who have signed confidentiality
25 agreements -- or not just staff, but parties. And I want

1 to just make sure that no one incidentally gets put in
2 there that shouldn't. Would that work?

3 JUDGE BONFRISCO: Yes, because I'm looking
4 really quick just at the records. And I think at this
5 juncture, if we -- maybe if we just do the breakout room
6 for, you know, legal counsel and myself -- legal counsel
7 for both sides, myself, and then leave the other parties
8 here until we rejoin, is that the easiest way to do it
9 Ryan?

10 ATTORNEY SYKES: Your Honor, public
11 counsel would request to be part of the closed session.
12 We've signed confidentiality agreements.

13 JUDGE BONFRISCO: Okay. Perfect. Then we
14 would want to include public counsel on that.

15 And is this Tad speaking? Sorry.

16 ATTORNEY SYKES: No, your Honor, this is
17 Robert Sykes.

18 JUDGE BONFRISCO: Robert Sykes. Thank
19 you, Robert.

20 Yes. So Ryan, if you could set the -- you
21 know, the breakout room for -- it would be Mr. Roberson,
22 our witness Sharbono, our public counsel, our staff
23 counsel, Murrey's counsel, and, you know, you can -- that
24 should work. And then we can come back on. We can
25 rejoin the main session if that's the easiest way to do

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1 this.

2 UNIDENTIFIED SPEAKER: That works. Let me
3 go ahead and pause the recording for now, and then we can
4 start moving people into that session.

5 (Pause in recorded proceedings)

6 JUDGE BONFRISCO: Okay. Are you -- do you
7 have further cross testimony?

8 ATTORNEY WILEY: I have further cross,
9 your Honor.

10 JUDGE BONFRISCO: Okay. Go ahead and
11 proceed.

12 (Overlapping speech)

13 Q (By Attorney Wiley) Mr. Sharbono, you
14 testified that the company, when it prevailed ultimately
15 in the complaint case, picked up two additional
16 customers. Is it also true that the corollary is that
17 during that time the company was losing those customers,
18 it lost revenue?

19 A My understanding as an accountant would be yes,
20 they'd lose revenue from those customers in the period of
21 time that the customers were being serviced by a
22 different company.

23 Q Do you happen to know how long that period of
24 time was?

25 A I do not.

1 Q Are you aware -- did you ever look at the
2 complaint or the data request that described the
3 chronology at all?

4 A I read through the data request. I did not
5 review the orders.

6 Q Okay. And would it surprise you to learn that
7 it was between five to ten years in general?

8 A It would not surprise me if that were the case.

9 Q You testified that there was some delay in the
10 company being able to file the general rate case that the
11 commission had asked it to file. Are you aware why there
12 was delay?

13 A The initial delay was, in my understanding, so
14 that the company could collect additional data and get
15 their materials put together.

16 Q Were you aware of any need to reroute its
17 entire operational system because of the loss of that
18 contiguous city contract?

19 A I would need to review the materials in order
20 to verify.

21 Q Would you accept that rerouting had to occur
22 when the contiguous city contract was lost?

23 A Subject to verification, I could agree that
24 that may be the case.

25 Q And based on your experience with solid waste

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1 cases, with solid waste rate cases, I assume you
2 understand that many companies have shared routes between
3 regulated and nonregulated territory, correct? Same
4 equipment, regulated and nonregulated service?

5 A Yes.

6 Q Okay. The -- you testified you looked at about
7 -- you've had experience with approximately 40 rate
8 cases. And is that the basis of your projection that it
9 takes about six months to prepare a rate case?

10 A Having spoken with several companies within
11 those 40, yes.

12 Q And could you identify which companies those
13 were that you spoke with to find out how long an average
14 preparation period takes?

15 A Offhand I could not.

16 Q Okay. And do you know if that interval would
17 be affected by the size of the company, the nature of the
18 operations, whether it was recycling, special services?

19 I assume you would acknowledge that the length
20 of time to prepare an extensive rate case, particularly
21 one that is more than a decade since the last one, would
22 take a considerable period of time?

23 A Please repeat the question.

24 Q Yeah. I'm sorry. It was a little compound to
25 bin with. First of all, do you acknowledge that the

1 length of time to prepare a rate case would be affected
2 by the size of the company, the nature of its operations
3 and likely the geography?

4 A I would agree that is likely the case.

5 Q So it's -- would it be fair to say it's very
6 difficult to project with accuracy how long the typical
7 company would take to prepare a rate case?

8 It would be often longer than six months or
9 possibly shorter than six months?

10 A In my experience, and from those that I have
11 talked to, it is usually six months, maybe seven months
12 at most. And part of that is due to the test year must
13 remain fresh because if it becomes too old, the process
14 would have to restart due to a stale test year.

15 Q And you can't identify any companies that you
16 spoke to to arrive at that, again, correct?

17 A Not off the top of my head. I'd have to go
18 back over several years and through mostly phone calls
19 and in-person discussions.

20 Q You indicated that you didn't see any
21 company-prepared minutes that addressed the state of
22 Olympic Disposal's operations. Are you aware whether
23 they produced minutes generally about operational issues,
24 and was their response that indicated they don't
25 routinely do that?

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1 A That was the response that the company
2 provided.

3 Q And have you asked in your data requests
4 anything specifically about hardship and inequity in
5 comparison to the, for instance, Spokane case facts?

6 Did you ever formulate a question asking for
7 contrast about hardship and inequity experienced by
8 Olympic similar to that by -- that's reported in the
9 Spokane case?

10 A No.

11 Q Your Honor, I'm just checking my notes.

12 Oh, Mr. Sharbono, when the company filed in
13 September of 2015, did the staff ask for any extensions
14 of the completion of it for the completion of its audit?

15 A Can you repeat the question?

16 Q Yes. When the company filed this TG-230778,
17 September of 2015, did the staff request any extensions
18 of its audit period?

19 A This case was filed in September of 2023.

20 Q Yes.

21 A Not 2015.

22 Q (Inaudible).

23 A And yes, staff did request that the company
24 extend on two occasions before entering into suspension.

25 Q Okay. And in that period, which would be 60

1 days, correct, in 2023, yes or no, correct, 60 days?

2 A That would have been an extension of 60 days,
3 yes.

4 Q And during that time, the company gets no
5 relief for its requested rate increase, does it?

6 A No.

7 Q And that then would be tacked on to your
8 concern about 3.5 months between now and when the
9 commission decides this case, would it not?

10 A No.

11 Q It wouldn't? Wouldn't that be a period that
12 extends the overall time that this company has to wait to
13 get a rate adjustment, because if you hasn't asked for
14 the extensions, it could have proceeded in adjudication
15 in October, correct?

16 A Staff -- I can go review the emails that I
17 have. So subject to check, staff and the company -- the
18 company stated in October that without the adjustment for
19 the issues that will be addressed in the rest of the
20 hearing process, that the -- they wanted to go to a --
21 wanted to go formal.

22 However, when staff eventually proposed that
23 yes, we will go formal and request suspension, the
24 company was the one that identified and decided to extend
25 in the interest of --

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1 Q Mr. Sharbono, I've got to interrupt -- excuse
2 me. I've got interrupt you because we're making a record
3 here.

4 A Mm-hm.

5 Q My question was, did not the two extension
6 periods that staff initially requested before suspension
7 extend the overall ultimate relief date that the company
8 would benefit from in getting adjusted rates?

9 A My statement stands, that the --

10 Q Is that yes?

11 A -- staff did not request; the company proposed
12 the extensions.

13 Q So now you're testifying that staff didn't
14 request extensions; that it was the company that
15 requested extensions?

16 A It was the company that stated that they wanted
17 to suspend, and that then they switched to extensions
18 rather than suspending immediately.

19 Q My question, though, Mr. Sharbono, is did the
20 staff want and request the extensions of the 60 days, 30
21 and 30?

22 ATTORNEY ROBERSON: Objection. This seems
23 asked and answered.

24 ATTORNEY WILEY: Well, he's gone back --

25 JUDGE BONFRISCO: Sustained. Objection

1 sustained. Sorry. It is asked and answered for the
2 record. I believe the witness has addressed this.

3 ATTORNEY WILEY: Okay. Your Honor, if the
4 record is clear on that, fine. I thought he contradicted
5 himself, which is why I asked the followup question.

6 So that's all I have.

7 JUDGE BONFRISCO: Okay. Thank you,
8 Mr. Wiley.

9 Mr. Roberson, do you have any redirect for
10 Mr. Sharbono?

11 ATTORNEY ROBERSON: I have just a couple
12 of questions, your Honor.

13 JUDGE BONFRISCO: Okay. Perfect.

14

15 REDIRECT EXAMINATION

16 BY ATTORNEY ROBERSON:

17 Q Mr. Sharbono, do you remember when Mr. Wiley
18 was asking you about the mill hauls cases?

19 A Yes.

20 Q And he asked you about lost revenue, correct?

21 A Yes.

22 Q The company wouldn't have had expenses for
23 serving the mills during that period, correct?

24 A That is correct.

25 Q And I believe he asked you to agree that the

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1 period for which they lost those customers was five to
2 ten years, correct?

3 A He did.

4 Q They could have -- well, could Murrey's have
5 filed the rate case at any point during those five or ten
6 years?

7 A Yes.

8 Q Did it?

9 A No.

10 Q Okay. Do you remember he was asking you about
11 the length of time it normally takes to prepare a solid
12 waste general rate case?

13 A Yes.

14 Q In your direct testimony, you were asked about
15 the company's extending the filing date for its
16 compliance filing. Do you remember that?

17 A Yes.

18 Q Do you remember how long an extension the
19 company wanted in order to prepare its general rate case?

20 A Yes.

21 Q How long was it?

22 A Six months.

23 Q Mr. Wiley asked you about the minutes produced
24 by the company. And so is it your understanding that the
25 company doesn't generally take minutes of its, kind of,

1 board meetings?

2 A That is my understanding.

3 Q Does that create concerns on staff's part,
4 given the way kind of contemporaneous recordkeeping works
5 for prudence analysis?

6 A Yes.

7 ATTORNEY ROBERSON: Okay. Actually,
8 that's all I have. Thank you.

9 JUDGE BONFRISCO: Okay, Mr. Roberson.

10 And at this point, I just want to confirm,
11 I don't believe public counsel submitted for any
12 testimony today, correct?

13 ATTORNEY SYKE: That is correct.

14 JUDGE BONFRISCO: Okay. I just want to
15 clarify that for the record.

16 So basically, I want to thank you all for
17 your testimony today. At this juncture, I am going to
18 take all of this under advisement and issue an order
19 soon.

20

21 SCHEDULING DISCUSSION

22 JUDGE BONFRISCO: But before we adjourn,
23 I'd like to request -- and one last thing I just want to
24 confirm. And I'm going to back up. My apologies. My
25 understanding prior to coming in to today is we have no

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1 further witnesses scheduled, correct?

2 ATTORNEY ROBERSON: Not for this portion
3 of the proceeding.

4 I would like to make one comment, which is
5 again, staff would very much like to brief the issues and
6 submit that briefing before you issue the order, so I
7 just want to make sure we're providing for that space.
8 And I would ask that you set just a deadline that you
9 think is acceptable. Again, I think we can turn the
10 brief around in seven days, if that works.

11 JUDGE BONFRISCO: So seven days from now
12 would be -- let me just pull up a calendar. So are we
13 looking at, like, a Monday, July 29? Would that work?

14 A That would work.

15 Q Okay. And then I know, Mr. Wiley, you wanted
16 to also send in a reply. Are you wanting, what, another
17 seven days out from that July 29?

18 ATTORNEY WILEY: That sounds fine, your
19 Honor.

20 JUDGE BONFRISCO: So that would put us at
21 -- let's see -- around August 6. Does that look right to
22 you?

23 ATTORNEY WILEY: That sounds fine, your
24 Honor.

25 JUDGE BONFRISCO: Okay. Perfect. Thank

1 you for clarifying that for the record.

2 And I do want to thank you all for your
3 testimony today. And like I said, I am going to take
4 this under advisement and look forward to reviewing those
5 briefs.

6 And in lieu of that, given that it's going
7 to take me about seven to ten days to get the transcript
8 as well as review the supplemental materials, I would
9 just like to request that the parties waive the standard
10 ten-day requirement. Is that something the parties are
11 willing to do?

12 (Overlapping speech)

13 JUDGE BONFRISCO: Sorry. Go ahead.

14 ATTORNEY ROBERSON: Staff is willing.

15 JUDGE BONFRISCO: Thank you, Mr. Roberson.
16 Mr. Wiley?

17 ATTORNEY WILEY: Yes, your Honor.

18 Absolutely.

19 ATTORNEY LUHRS: And your Honor, quick
20 question, clarification. For the briefing deadline for
21 the company, was that August 5 or August 6?

22 I just wanted to make sure that I jotted
23 it down correctly, your Honor.

24 ATTORNEY WILEY: 6th, I think she said.

25 JUDGE BONFRISCO: I think we said the 6th.

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1 ATTORNEY LUHRS: Okay.

2 JUDGE BONFRISCO: Let me just make sure
3 I'm counting the seven.

4 So yeah, that looks like that would be
5 seven days from the 29th. So August 6, that's correct.

6 ATTORNEY LUHRS: Thank you, your Honor.

7 JUDGE BONFRISCO: You're welcome. Does
8 any -- go ahead.

9 ATTORNEY WILEY: Your Honor, I just wanted
10 to clarify. On that native document you want, that's
11 JW-7C, and you want it by July 25 as I --

12 JUDGE BONFRISCO: That is correct.
13 Basically five business days from today, which I believe
14 that is correct.

15 So I guess with that, does any of the
16 parties have any other further questions?

17 UNIDENTIFIED SPEAKER: (Inaudible).

18 JUDGE BONFRISCO: No? Okay. With that, I
19 just want to thank you all for coming here today and for
20 all your time.

21 And with that, we're off the record. And
22 I hope you have a wonderful afternoon. Thank you.

23 (Proceedings concluded at 3:32 p.m.)

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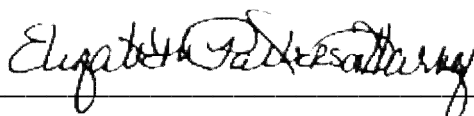

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STATE OF WASHINGTON)
) ss
COUNTY OF KING)

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IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of July, 2024.

Elizabeth Patterson Harvey, CCR 2731