

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

| | | |
|--------------------------|---|-----------------------------|
| WASHINGTON UTILITIES AND |) | DOCKET NO. TG-050075 |
| TRANSPORTATION |) | |
| COMMISSION, |) | ORDER NO. 01 |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | |
| |) | COMPLAINT AND ORDER |
| MURREY'S DISPOSAL |) | SUSPENDING TARIFF; ALLOWING |
| COMPANY, INC., G-9 |) | RATES ON A TEMPORARY BASIS, |
| |) | AND REQUIRING RECYCLE |
| Respondent. |) | REPORTING |
| |) | |

BACKGROUND

- 1 On January 14, 2005, Murrey's Disposal Company, Inc., (Murrey's) filed with the Commission a new Tariff No. 25. The stated effective date is March 1, 2005. Subsequent revised pages were received February 11, 2005.
- 2 The filing would among other things:
- 3 (1) Increase the recycling commodity adjustment to a \$.51 credit per month for residential curbside can customers and \$.15 per yard credit for multi-family customers with container service.
- 4 (2) Increase the residential recycling rate from \$2.56 to \$4.23 to implement single-cart curbside recycling per Pierce County Code Chapter 8.29.
- 5 (3) Implement recycle Revenue Sharing under the provisions of RCW 81.77.185 in accordance with a Commodity Revenue Sharing Plan that has been certified by the appropriate local government authority.

6 (4) Increase garbage collection rates passing through higher disposal fees.

7 Staff testified about its concern regarding the value that Murrey's receives from
commodities sent to Tacoma Recycling, Inc., an affiliate per RCW 81.16, and the
impact those values have on the resulting deferred credits returned to curbside
and multi-family customers.

8 By December 2, 2005, the Commission must provide a report to the Legislature
that evaluates the effectiveness of revenue sharing as an incentive to increase
recycling in the state, and the effect of revenue sharing on costs to customers.
Murrey's will therefore have to report certain recycling information of the new
program to the Commission.

9 In order for the Staff to determine the cost and effectiveness of revenue sharing,
it is necessary that Murrey's provide data and information on its recycling and
solid waste programs. Murrey's is therefore required to submit:

10 (1) Copies of all quarterly reports required by the Pierce County
Recycling Plan.

11 (2) On a quarterly basis, multi-family statistics that include the tons of solid
waste disposed and recycle commodities collected and a count of multi-
family customers subscribing to each level of garbage collection.

12 (3) On a quarterly basis, for each month in the quarter, the number of
residential customers, by service level.

13 (4) On a quarterly basis, a schedule detailing the costs associated with the
coordinated public outreach program.

14 (5) A copy of the four years of residential baseline data that is being shared with Pierce County.

15 (6) Any other information that may be needed to evaluate the effectiveness and cost of the programs.

16 Following review of the filing and the accompanying financial justification, Murrey's has not demonstrated that the proposed rates and charges for residential curbside recycling, and the deferred credits for curbside recycling and multi-family recycling are fair, just, and reasonable. Those items are contained in Item 100, Page 21, Item 105, Page 25, Item 105, Page 28, and Item 105, Page 30. Because those items might injuriously affect the rights and interests of the public, the Commission suspends the tariff filings, but allows the rates to become effective on March 1, 2005, on a temporary basis subject to refund, and will hold public hearings if necessary to determine whether the proposed increases are fair, just, and reasonable.

FINDINGS AND CONCLUSIONS

17 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, affiliated transactions, and transfers of public service companies, including solid waste companies. *RCW 80.01.040; Chapter 81.01 RCW; Chapter 81.04 RCW; Chapter 81.28 R; Chapter 81.16 RCW; and Chapter 81.77 RCW.*

18 (2) Murrey's is a solid waste company and is a public service company subject to the jurisdiction of the Commission.

- 19 (3) This matter was brought before the Commission at its regularly scheduled meeting on February 23, 2005.
- 20 (4) The tariff revisions filed by Murrey's on January 14, 2005, would amend all garbage collection rates in accordance with increased tip fees, and these proposed increases should be allowed to become effective.
- 21 (5) The tariff revisions filed by Murrey's on January 14, 2005, would also amend residential recycling commodity rates and their deferred credits, and deferred credits for multi-family customers.
- 22 (6) Murrey's has not yet demonstrated that the provisions for residential curbside recycle collection and deferred credits, and deferred credits for multi-family recycling are fair, just, reasonable, and sufficient. Those rates are in Item 100, Page 21; Item 105, Page 25; Item 105, Page 28; and Item 105, Page 30. The Commission finds it reasonable to allow the rates to become effective on a temporary basis, subject to refund.
- 23 (7) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 81.04.130, the Commission believes it is necessary to investigate Murrey's books, accounts, practices and activities; to make a valuation or appraisal of Murrey's property; and to investigate and appraise various phases of Murrey's operations, including its affiliated recycle processing facility, Tacoma Recycling, Inc., both of whose books and records shall be made available to the Commission or its representatives upon request.
- 24 (8) As required by RCW 81.04.130, Murrey's bears the burden of proof to show that the present and proposed rate increases and commodity values are fair, just and reasonable.

- 25 (9) Murrey's may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 26 (1) The proposed garbage collection rates to recover increased tip fees should be allowed to become effective.
- 27 (2) The tariff revision(s) filed on January 14th related to increased rates for residential curbside recyclable collection and their deferred credits, deferred credits for multi-family customers as contained in Item 100, Page 21; Item 105, Page 25; Item 105, Page 28; and Item 105, Page 30 are suspended.
- 28 (3) The suspended rates and commodity credits should be allowed to become effective March 1, 2005, on a temporary basis, subject to refund.
- 29 (4) The Commission will hold hearings at such times and places as may be required.
- 30 (5) Murrey's Disposal Company, Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 31 (6) The Commission will institute an investigation of Murrey's Disposal Company, Inc.'s books, accounts, practices, activities, property and operations as necessary and as described above, including its affiliate,

Tacoma Recycling, Inc. Both entities will make their books and records available to the Commission or its representatives upon request.

- 32 (7) Murrey's Disposal Company, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 81.20 RCW.
- 33 (8) Murrey's Disposal Company, Inc., will file timely file with the Commission the above-requested information in Paragraphs 10 through 15 regarding its residential curbside and multi-family recycling programs.

DATED at Olympia, Washington, and effective this 23rd day of February, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner