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3 BEFORE THE WASHINGTON UTILITIES AND  
4 TRANSPORTATION COMMISSION

5 WASHINGTON UTILITIES AND  
6 TRANSPORTATION COMMISSION

7 Complainant,

8 v.

9 HAROLD LEMAY ENTERPRISES, INC.,  
10 d/b/a JOE'S REFUSE SERVICE,

11 Respondent.

DOCKET NO. TG-091769

NARRATIVE STATEMENT OF THE  
RESPONDENT IN SUPPORT OF  
PROPOSED SETTLEMENT

12 I. PRELIMINARY STATEMENT

13 1 This narrative statement is filed pursuant to WAC 480-07-740(2)(a), in support of and  
14 response to the settlement agreement being filed simultaneously by the staff of the  
15 Washington Utilities and Transportation Commission ("Staff").

16 2 Respondent Joe's Refuse Service (hereinafter "Joe's" or "Respondent") files this  
17 statement endorsing the proposed settlement agreement and pertinent documentation  
18 addressing the settlement for revised general rates to be published by Respondent on  
19 Commission approval and Order.

20 II. SETTLEMENT PROPOSAL REVIEW PROCESS

21 3 Respondent, through counsel, and an accounting and/or operating witness will appear at  
22 any special public hearing on this matter proposed to be set either on Thursday,  
23 September 30, 2010 or at any alternative date and time to be fixed by the Commission,  
24 and will be prepared to present argument and evidence, if necessary, and assert various  
25 rights devolving to them as parties to the settlement under WAC 480-07-740.

1 III. POSITION OF RESPONDENT SUPPORTING SETTLEMENT AS CONSISTENT  
2 WITH THE COMPANY'S AND THE PUBLIC'S INTEREST

3 4 As outlined in the memorandum and stipulations attached to the Staff's submissions,  
4 the Respondent company believes that the proposed revenue requirement and rate  
5 design and rate spread, as described in Attachments A, B and C, satisfy statutory  
6 requirements that rates be just, reasonable and compensatory, pursuant to RCW  
7 81.28.230, and contend that the settlement represents a fair compromise of the positions  
8 of the parties with respect to the proposed rate levels to be assessed by Respondent and  
9 considered for approval and implementation by the Commission. As directed by  
10 Washington law and the Order originally suspending the proposed rates, the  
11 Respondent has the burden of proving the justness, fairness, reasonableness and  
12 sufficiency of the proposed rates to allow it to pay reasonable operating expenses and  
13 earn a reasonable return.

14 5 Through its general rate filing and Staff's audit, review and negotiation process, the  
15 Respondent believes the settling parties have arrived at a revenue requirement and rate  
16 spread/design agreement predicated on a thorough audit of Respondent's submission  
17 and supporting data that satisfies all of these criteria and, on the other hand, believes  
18 that disputing any remaining individual, isolated expense items disallowance or  
19 diminution by Staff in any contested case setting would be contrary to its own and the  
20 ratepayer public's interest from a cost-benefit standpoint.

21 6 The proposed rates constitute a considered revision to Respondent's originally filed  
22 rates and the parties submit this settlement in reflection of that premise, recognizing  
23 that certain of the accounting adjustments bearing on the ultimate revenue requirement  
24 were originally contested but again, have negotiated a compromise in proposed  
25

1 resolution of those matters based on a lengthy examination of the Company's books  
2 and records.

3 7 As noted, the Respondent believes that further litigation of the items potentially in  
4 dispute would not be cost effective for it or the ratepayers and believes the proposed  
5 settlement fairly addresses the statutory issues involved in a general rate filing and the  
6 requirements of the Commission under law, rule and the public interest.

7 8 As provided in Order 1 of December 23, 2009, the chief issue to be decided in this  
8 proceeding was whether the proposed rates of the Respondent are just fair, reasonable  
9 and sufficient and satisfy, among other legal requirements, the Commission's form and  
10 content provisions under WAC 480-70-241, 480-70-251 and the customer notice  
11 requirements as potentially modified by the Commission by its final order pursuant to  
12 WAC 480-70-271, and requirements set forth by the Commission in its procedural rules  
13 at WAC 480-07-505 and WAC 480-70-520, *inter alia*, as cited above. Again,  
14 Respondent believes all of those regulatory standards are satisfied by the proposed  
15 settlement being submitted today.

#### 16 IV. CONCLUSION/REQUEST FOR RELIEF

17 9 WHEREFORE, having outlined in the above its rationale and justification for the  
18 proposed settlement and incorporating for reference herein the audited results of  
19 operations as described in attachments to the Staff's filing in support of settlement,  
20 Respondent Harold LeMay Enterprises, Inc. d/b/a Joe's Refuse Service asks that the  
21 settlement be approved by the Commission in an Order adopting the proposed tariffs  
22 and that the Commission authorize and order those rates to be effective no later than  
23 November 1, 2010.

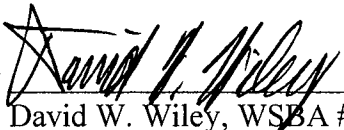
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1 DATED this 2<sup>nd</sup> day of September, 2010.

2 Respectfully submitted,

3 WILLIAMS, KASTNER & GIBBS PLLC

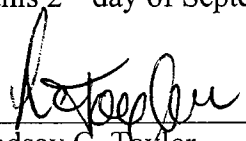
4  
5 By   
6 David W. Wiley, WSBA #08614  
7 Attorneys for Respondent

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding, by the method as indicated below, pursuant to WAC 480-07-150.

<p><b>Commission:</b></p> <p>Washington Utilities and Transportation Commission  1300 S. Evergreen Park Dr. SW  P.O. Box 47250  Olympia, WA 98504-7250</p>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via U.S. Mail <input type="checkbox"/> Via Email <input checked="" type="checkbox"/> Via Web Portal
<p>Robert D. Cedarbaum  Assistant Attorney General  Office of Attorney General  1400 S. Evergreen Park Drive S.  PO Box 40128  Olympia, WA 98504-0128  Phone: (360) 664-1188  Fax: (360) 586-5522  Email: <a href="mailto:bcedarba@utc.wa.gov">bcedarba@utc.wa.gov</a></p>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via U.S. Mail <input checked="" type="checkbox"/> Via Email
<p><b>Representative:</b></p> <p>James K. Sells  Ryan Sells Uptegraft, Inc. P.S.  9657 Levin Road NW, Suite 240  Silverdale, WA 98383  Phone: 360.307.8860  Fax: 360.307.8865  Email: <a href="mailto:jimsells@rsulaw.com">jimsells@rsulaw.com</a></p>	<input type="checkbox"/> Via Legal Messenger <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via U.S. Mail <input checked="" type="checkbox"/> Via Email

DATED at Seattle, Washington, this 2<sup>nd</sup> day of September, 2010.

  
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Lyndsay C. Taylor