



Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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January 29, 2014

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *Washington Utilities and Transportation Commission v. Waste Control, Inc.*
Docket TG-131794

Dear Mr. King:

Enclosed for filing in the above-referenced docket are the original and five copies of Commission Staff's Response to Waste Control's Motion for Approval of Temporary Special Fuel Surcharge, and Certificate of Service.

Sincerely,

STEVEN W. SMITH
Assistant Attorney General

SWS/emd
Enclosures
cc: Parties w/enc.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE CONTROL, INC.,

Respondent.

DOCKET TG-131794

RESPONSE OF COMMISSION STAFF
TO WASTE CONTROL MOTION FOR
SPECIAL FUEL SURCHARGE

I. INTRODUCTION

1 Pursuant to the Notice of Opportunity to Respond dated January 24, 2014, Staff of
the Washington utilities and Transportation Commission (Commission) submits this
Response to Waste Control, Inc.'s (Company) Motion for Fuel Surcharge.

II. ARGUMENT

2 Staff has reviewed the Special Fuel Surcharge Supplement filed by the Company in
Docket TG-131794 on January 22, 2014, and identified the following issues.

3 The Company's cover letter states it attached a "Special Fuel Surcharge Supplement
No. 11 to Tariff No. 14." The Special Fuel Surcharge Supplement page states, "Special Fuel
Surcharge Supplement No. 11, applies on Carrier's Tariff No. 15."

4 In Docket TG-131794, the Company filed Tariff No. 15, which is currently
suspended, but rates for increased disposal fees only were allowed to go into effect on a
temporary basis subject to refund by Order 01, dated November 27, 2013. The correct tariff
publication to revise current rates is Tariff No. 15, Supplement No. 1.

5 The Company filed a 1.13 percent fuel surcharge in all rates and charges.

6 The Fuel Surcharge Worksheet (Solid Waste) requires the company to enter
“Regulated Revenue (most recent filing with the UTC).” The Company entered \$3,931,979
as the most recent revenue filed with the UTC in its 2012 Annual Report. Order 01, dated
November 27, 2013, in Docket TG-131794 allowed increased rates filed in Tariff No. 15
that included a disposal fee increase of \$176,638 to go into effect on a temporary basis
subject to refund on December 1, 2013. Therefore, the most recent regulated revenue filed
with the UTC is \$3,931,979, plus an additional \$176,638 for the disposal fee increase,
giving a total revenue amount of \$4,108,617, which generates a fuel surcharge of 0.82
percent. Therefore, the Company’s request, as filed, would generate excessive revenue.

7 The Company stated on the Special Fuel Surcharge Supplement that for customers
billed monthly for services in arrears, customers billed at month’s end in February would
have a fuel surcharge applied to all services provided in the month of February; and
customers billed at month’s end in March would have a fuel surcharge applied to all services
provided in the month of March.

8 The definition of “arrears” as it applies to billings in this context refers to billings
issued after the end of a period as opposed to “in advance,” which refers to billings issued
before the beginning of a period. Therefore the fuel surcharge should be applied for services
provided in February and March for customers “billed in arrears” in March and April,
respectively.

9 The Company requested a Special Fuel Surcharge Supplement for increased fuel
costs incurred by the Company during the months of November 2013 and December 2013.
The Company stated on the Special Fuel Surcharge Supplement that for customers billed bi-

monthly for services, two months in advance, that customers billed at month's end in March would have a fuel surcharge applied to all services provided in the month of April.

10 The Company filed to recover increased fuel costs for two months of 2013. The Special Fuel Surcharge Supplement would apply fuel surcharges for customers billed bi-monthly at month's end in March to April only, but for customers billed bi-monthly at month's end in February the surcharge would apply to March and April. This treats customers differently. One group paying the surcharge for one month and the other group paying the surcharge for two months. The correct treatment is to apply the surcharge to customers billed bi-monthly at month's end in March for services provided in April 2013 and May 2013.

11 The Company stated on the Special Fuel Surcharge Supplement that for customers billed bi-monthly for services, current month and one month in advance, that customers billed at month's end in March would have a fuel surcharge applied to all services provided in the months of March and April.

12 The Company did not indicate how the fuel surcharge would apply to customers billed bi-monthly for services, current month and one month in advance, billed at month's end in February. The correct treatment is to apply the surcharge to customers billed bi-monthly at month's end in February for services provided in February 2013 and March 2013.

13 For the foregoing reasons, Staff concludes that the Special Fuel Surcharge Supplement as filed in Docket TG-131794 would unfairly discriminate between customers on different billing cycles and generate excessive revenue.

14 Mr. Wiley's letter, dated January 22, 2014, states:

Therefore the applicant requests, pursuant to RCW 81.28.050 and consistent with the public interest, that the current suspension Order be lifted for the sole purpose of considering and approving the fuel surcharge filing.

15 Ms. Davis's letter, dated January 22, 2014, requests the commission approve the fuel surcharge on less than statutory notice (LSN). Staff notes that the Company submitted a proposed LSN order that contains the same defects that staff addressed above in the proposed Tariff Supplement.

16 Order 01, dated November 27, 2013, issued in Docket TG-131794, suspended the proposed rates and allowed revised rates, reflecting only increased disposal fees, to become effective on a temporary basis, subject to refund. Ordering paragraph 4 states:

(4) Waste Control, Inc., must not change or alter the tariffs filed in this Docket during the suspension period, unless authorized by the Commission.

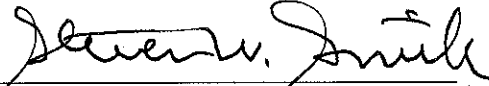
17 Assuming that the Company corrects the issues identified above, Staff does not think it is necessary to "lift" the current suspension to implement a fuel surcharge. Instead, Staff recommends that the commission, consistent with Ms. Davis's request:

1. Authorize the company to file a fuel surcharge to Tariff 15, and
2. Approve the fuel surcharge to become effective on less than statutory notice.

Dated this 29th day of January, 2014.

Respectfully submitted,

ROBERT W. FERGUSON
Attorney General


STEVEN W. SMITH
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

Docket TG-131794
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached Response to Waste Control's Motion for Approval of Temporary Special Fuel Surcharge upon the persons and entities listed on the Service List below via e-mail and by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 29th day of January, 2014.


ELIZABETH M. DeMARCO

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