

BEFORE THE WASHINGTON STATE UTILITIES
AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE CONTROL, INC.,

Respondent.

DOCKET TG-140560

MOTION FOR CLARIFICATION OF
FINAL ORDER NO. 13 MODIFYING
INITIAL ORDER

- 1 Respondent Waste Control, Inc. (“WCI,” “Respondent,” or “the Company”) files the
following motion seeking to clarify Order No. 13 served August 6, 2015 in the above-
captioned proceeding.
- 2 **Rules and Statutes at Issue.** WAC 480-07-835; WAC 480-07-820; WAC 480-07-825(9);
RCW 81.28 et seq.; RCW 34.05.464; and RCW 81.77.030.
- 3 **Issue Presented.** Should this Motion for Clarification of Final Order 13 to adjust the
calculation of land rent expense for Respondent Waste Control, Inc. for the rate year be
granted?
- 4 **Relief Requested.** WCI, pursuant to WAC 480-07-835(1), now asks that, upon review of
this Motion, Orders No. 12 and No. 13 and the considerable record produced in this
proceeding to date, the Commission make a technical change to the land rent allowance as
described at ¶29, page 16 of Order No. 13 to reflect the actual amount to be recovered in
land rent expense as revised from the \$80,250.00 amount also referenced in Finding and
Conclusion 18, ¶74, page 31 of the Order, to the figure of \$102,013.00. This reflects the
addition of the truck shop property which was not contained in the previous 2009 rate

expense due to its addition to the rate base in the first quarter in 2014 shortly after the original test period closed and which was used and useful from that period forward.

5 **Evidence Relied Upon and Argument in Support of Motion.** This pro forma adjustment was previously identified and recommended in revised Exhibit MC-6¹ (now Exhibit 4), submitted by the staff on October 21, 2014 and further described in Excel Spreadsheet Tab No. 5 and Schedule 4, 6E to that exhibit, setting forth the truck shop asset valuation and depreciation amounts, totaling \$21,763.00. This asset would therefore appropriately be included in the land rental amounts allowed to be recovered in the approved test year expense.

6 The Final Order appears to have inadvertently transposed the Staff allowed and disallowed rental amounts. Staff actually proposed to allow \$85,217 as reflected in revised Exhibit 4 (attached hereto as Exhibit A). Section 29 of Final Order 13 refers to a Staff recommended adjustment of \$85,217 to WCI's proposed operating land rents of \$138,000. However, Staff actually recommended an adjustment of \$52,783 and allowed rents of \$85,217 which is also reflected in Table 2, page 30 of Initial Order 12. Including the truck shop facility in land rent expense accurately captures the rental properties utilized by the regulated company in the test year, as adjusted, yet remains fully consistent with Order 13's ruling on land rent expense based on the 2009 previously approved rental amounts with the simple addition of the used and useful regulated property/truck shop already accepted by staff in October.

7 WCI does not intend that this technical change accomplish anything other than match the Commission's ordering principle to the data and the record and the agreed-upon addition to annualized rent expense utilizing the 2009 base amounts now established by the Commission. Omitting this adjustment would unfortunately leave the Company at a **lower**

¹ As more particularly described in the record in Exhibit JD-43T, page 19:18-21 and included in the Staff Response to Bench Request No. 1, as noted.

rental allowance amount than even the staff proposed in October of 2014 on Partial Settlement and would appear inconsistent with the Commission's discussion at pages 16-20 of its Order and contrary to Order 13's reference to a renewed focus on the regulated company's capital structure relevant to the determination of costs allowed for recovery in rates.² WCI should therefore be permitted to recover the \$102,013.00 figure as allowable rent in rates³ which is based on the capitalized value of the property of \$1,596,950 to which Ms. Davis further testified.⁴

8 Inclusion of this property in the allowed rental expense calculation is thus fully consistent with the staff's own identification of appropriate properties upon which computation of annualized rent expense is based. That property is simply added to Order 13's premise in using 2009 land rent recovery amounts modified by the uncontroverted addition of a known and measurable, "used and useful" facility placed into service in early 2014 pertinent to forecasted rate year expenses. Moreover, addition of this rental property now would also likely assist in mitigating the need for any accelerated successive general rate increase filing which all parties to this proceeding unquestionably wish to avoid in the near future.

9 **Conclusion/Prayer for Relief.** While WCI recognizes that motions to clarify do not automatically allow for a responsive pleading under WAC 480-07-835(3), it has provided the Staff and the intervenor this Motion to Clarify in advance and is informed neither party would intend to seek to file responsive pleadings. As noted, WCI believes the issue raised in this motion is fully consistent with the intent of the procedural rules on Final Order clarification and is not here seeking reconsideration of rationale, theories or holdings

² ¶36, Order 13 at page 19.

³ While the Company also presented evidence as to other modifications and improvements to WCI rental properties (such as those known as the "Boneyard Improvements," Exhibit JD-43T, p. 19:2 and Exhibit JD-46), the Staff and Company continued to disagree about their respective valuations and only the truck shop asset addition valuation was agreed to at the time of the partial settlement date.

⁴ Exhibit JD-43T, p.19.

otherwise set forth in Order 13. Finally, Petitioner Waste Control, Inc. asserts that this motion is consistent with the public interest, Commission procedural regulations and policy and therefore asks that it be granted.

Dated this 13 day of August, 2015 at SEATTLE, Washington.

RESPECTFULLY SUBMITTED,

By 
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Attorneys for Waste Control, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on August 13, 2015, I caused to be served the original and five (5) copies of the foregoing document to the following address via first class mail, postage prepaid to:

Steven V. King, Executive Director and Secretary
Attn.: Records Center
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

I certify I have also provided to the Washington Utilities and Transportation Commission's Secretary an official electronic file containing the foregoing document via email to: records@utc.wa.gov


and an electronic copy via email and first class mail, postage prepaid, to:

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Signed at Seattle, Washington this 13th day of August, 2015.


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