

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

In the Matter of Petition GA-79110) DOCKET NO. TG-021299
of)
)
William D. Hearn, d/b/a Bingen)
Garbage Service,)
)
For Authority to Mortgage)
Certificate of Public Convenience) ORDER GRANTING
and Necessity No. G-51) PETITION
.....)

BACKGROUND

- 1 On October 7, 2002, William D. Hearn, d/b/a Bingen Garbage Service, filed a petition with this Commission under the provisions of RCW 81.77.040 for authority to mortgage Certificate of Public Convenience and Necessity No. G-51 for operation of its solid waste collection company.

- 2 Together with Skamania County Sanitary Service, Inc., G-48, a regulated affiliate, the requested authority is for the purpose of jointly securing the combined sum of \$60,000 from Columbia River Bank to purchase garbage containers and remodel existing office space.

- 3 The bank obligation is evidenced by a \$60,000 promissory note dated May 2, 2001, written for a five-year term with monthly installments of \$1,287.92, including interest at a rate of 7.75%. The current principal balance is \$41,058. As partial security for the note, the applicant has granted the bank a security interest in Certificate G-51 and in all equipment and rolling stock.

- 4 In Dockets TG-991400 and TG-991402 the Commission earlier approved a similar five-year joint mortgage for these same two companies in the amount of \$201,000. Its current principal balance is now \$74,056, and the interest rate is

6.25%. Monthly installments on this note for the two companies total \$2,873. Since this new arrangement was an extension of the original loan agreement, William Hearn inadvertently neglected to apply for this authorization earlier. The bank states that the borrowers have handled all of their existing accounts with them in a very satisfactory manner.

- 5 Combined internally generated funds of both applicants as set forth in their petitions are sufficient to meet their share of the principal and interest obligations of both notes. Under this circumstance, the applicants do not appear to be adversely affected by the mortgaging of their rights to do business as a public service company.

FINDINGS AND CONCLUSIONS

- 6 The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including auto transportation companies. *RCW 80.01.040; Chapter 81.01 RCW; Chapter 81.04 RCW and Chapter 81.77 RCW.*

- 7 (1) William D. Hearn, d/b/a Bingen Garbage Service, is a public service company subject to the jurisdiction of this Commission under the provisions of Chapter 81.77 RCW.
- 8 (2) As to form, the petition filed herein satisfies the provisions of RCW 81.77.04.
- 9 (3) This matter was brought before the Commission at its regularly scheduled meeting on March 12, 2003. Staff reviewed the petition in Docket TC-021299 and recommended it be granted.

- 10 (4) In the event the proposed indebtedness of the applicants is not repaid, and in a foreclosure action the bank acquires the assets of the applicant and Certificate of Public Convenience and Necessity No. G-51, the authority granted by this Order cannot be construed as waiving the requirements of either Chapter 81.77 RCW or the Commission's rules in WAC 480-30 adopted pursuant thereto as related to the transfer of said certificate to Columbia River Bank.
- 11 (5) Any proposed transfer, assignment or sale of Certificate of Public Convenience and Necessity No. G-51 to any other party is not a matter under consideration in this Order and must be the subject of another application filed in accordance with the rules and regulations of this Commission and the applicable statutes.
- 12 (6) The proposed mortgage of Certificate of Public Convenience and Necessity No. G-51 is not contrary to the public interest and should, therefore, be approved subject to the conditions of this Order.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Together with Skamania County Sanitary Service, Inc., G-48, a regulated affiliate, after the effective date of this Order and subject to the provisions hereof, William D. Hearn, d/b/a Bingen Garbage Service, is hereby authorized to mortgage Certificate of Public Convenience and Necessity No. G-51 to Columbia River Bank as partial security for a promissory note payable to said bank in the combined principal amount of \$60,000 due five years from the date of issue, all in accordance with the terms of the petition and attached exhibits filed in this Docket.

- 14 (2) Within 30 days after discharging the \$60,000 promissory note payable to Columbia River Bank, William D. Hearn, d/b/a Bingen Garbage Service, shall notify the Commission of this fact and file the original Certificate of Public Convenience and Necessity No. G-51 with the Commission in order to record the release of the mortgage lien.
- 15 (3) The authority granted by this Order shall not be construed as authorizing the transfer, assignment or sale of Certificate of Public Convenience and Necessity No. G-51 for any reason whatsoever.
- 16 (4) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
- 17 The Commissioners, being fully advised and having determined this matter to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 12th day of March, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary