

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of

SANITARY SERVICE COMPANY, INC.

Petitioner,

Seeking Exemption from the Provisions of
WAC 480-70-351(2) Relating to
Recycling Credits or Charges

DOCKET TG-190375

ORDER 01

ORDER GRANTING EXEMPTION
FROM RULE; ALLOWING TARIFF
REVISIONS TO BECOME
EFFECTIVE BY OPERATION OF
LAW

BACKGROUND

- 1 On May 10, 2019, Sanitary Service Company, Inc., (Sanitary Service or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an exemption from WAC 480-70-351(2) – Rates, recycling programs, credits, or charges (Petition).
- 2 WAC 480-70-351(2) states that solid waste companies that estimate the revenue from the sales of recyclable materials collected in residential curbside programs as part of a deferred accounting program to return recycling revenues or charges to customers must use the most recent 12-month historical period to estimate revenue for the next 12 months.
- 3 In its Petition, the Company asserts that the recycling commodity markets have become more volatile, and a shorter projection period for calculating commodity adjustments would avoid large swings in the credit or debit to customers based on changing commodity values. Due to the decreased value of recyclable commodities, the Company seeks approval to use a 6-month, rather than 12-month, average to calculate its proposed recycling commodity adjustment.
- 4 Commission staff (Staff) reviewed the Petition and determined that the request for an exemption from the 12-month historical period requirement is reasonable. Staff recommends granting Sanitary Service’s request for exemption.

DISCUSSION

5 We agree with Staff's recommendation and grant Sanitary Service's Petition for
exemption from WAC 480-70-351(2). Using the most recent 6-month historical period
to estimate revenues is reasonable because it reflects a more realistic estimate of
recyclable commodity revenue. Accordingly, we find that granting the Company's
request for an exemption is consistent with the public interest, the purposes underlying
that regulation, and applicable statutes.¹

FINDINGS AND CONCLUSIONS

- 6 (1) The Commission is an agency of the State of Washington vested by statute with
the authority to regulate the rates, regulations, practices, accounts, and affiliated
interests of public service companies, including solid waste companies.
- 7 (2) Sanitary Service is a solid waste company and a public service company subject
to Commission jurisdiction.
- 8 (3) Sanitary Service is subject to WAC 480-70-351(2), which requires solid waste
companies that estimate the revenue from the sales of recyclable materials
collected in residential curbside programs as part of a deferred accounting
program to return recycling revenues or charges to customers to use the most
recent 12-month historical period to estimate the revenue for the next 12 months.
- 9 (4) Under WAC 480-70-051, the Commission may grant an exemption from the
provisions of any rule in WAC 480-70 if doing so is consistent with the public
interest, the purposes underlying regulation, and applicable statutes. See also
WAC 480-07-110.
- 10 (5) Staff recommends the Commission grant Sanitary Service's request for exemption
from WAC 480-70-031(2).
- 11 (6) This matter came before the Commission at its regularly scheduled meeting on
June 27, 2019.

¹ See WAC 480-70-051 and WAC 480-07-110.

- 12 (7) After reviewing Sanitary Service's proposed tariff revisions filed on May 10, 2019, in Docket TG-190375 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested exemption is in the public interest, is consistent with the purposes underlying the regulation and applicable statutes and should be granted, and that the proposed tariff revisions should become effective July 1, 2019, by operation of law.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The Commission grants Sanitary Service Company, Inc.'s petition for an exemption from WAC 480-70-351(2). Sanitary Service Company, Inc. may use the most recent six months of historical revenues to calculate its recycling commodity adjustment.
- 14 (2) The tariff that Sanitary Service Company, Inc., filed on May 10, 2019, will become effective on July 1, 2019, by operation of law.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective June 27, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary