

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Tariff Revisions to)	DOCKET TG-152374
Increase Rates Due to a Disposal Fee)	
Increase Filed by)	ORDER 01
)	
RABANCO LTD d/b/a LYNNWOOD)	
DISPOSAL, REPUBLIC SERVICES)	ORDER GRANTING EXEMPTION
)	FROM RULE; ALLOWING TARIFF
Certificate Certificate No. G-12)	REVISIONS TO GO INTO EFFECT
.....)	BY OPERATION OF LAW

BACKGROUND

- 1 On December 17, 2015, Rabanco LTD d/b/a Lynnwood Disposal, Republic Services (Lynnwood Disposal or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to Tariff No. 4. The tariff revision represents a \$3.92 (5.7 percent) increase in the recycling processing fee (per ton) charged by the materials recovery facility (MRF). The tariff revision will raise the residential recycling rate \$0.12 (1.7 percent) per month. The tariff revisions result in approximately \$23,500 (0.25 percent) additional annual revenue. The Company serves 16,845 residential recycling customers in King County. The Company’s last rate increase became effective August 1, 2012.
- 2 On June 3, 2014, the City of Seattle approved Ordinance 124490, phasing in a minimum wage increase over two years. The Ordinance became effective on April 1, 2015. Rabanco LTD owns an MRF located at 2733 3rd Avenue South, Seattle, Washington. The MRF, which has an affiliate agreement with Lynnwood Disposal, is increasing its residential recycling rate from \$68.39 to \$72.31 per ton due to the increased labor costs mandated by the city of Seattle.¹ Lynnwood Disposal is requesting an increase to the

¹ RCW 81.16.020 provides that, “Every public service company shall file with the commission a verified copy, or a verified summary if unwritten, of a contract or arrangement providing for the furnishing of management, supervisory construction, engineering, accounting, legal, financial, or similar services, or any contract or arrangement for the purchase, sale, lease, or exchange of any property, right, or thing, or for the furnishing of any service, property, right, or thing, other than those enumerated in this section, hereafter made or entered into between a public service company and any affiliated interest as defined in this chapter, including open account advances from or to the affiliated interests. The filing must be made prior to the effective date of the contract or arrangement. Modifications or amendments to the contracts or arrangements with affiliated interests must be filed with the commission prior to the effective date of the modification or amendment. The commission may at any time after receipt of the contract or arrangement institute an investigation and disapprove the contract, arrangement, or amendment thereto if the commission finds the public service company has failed to prove that it is

residential recycling rate to recover the fee increase. Lynnwood Disposal is also requesting an exemption from the work paper filing requirements of WAC 480-07-520(4).

3 Based on Commission Staff's (Staff) discussions with the Company and its review of the Company's work papers, Staff found that the only positions with a mandated wage increase are the "line sorters" who pull non-recyclable material from the recycle stream. The MRF fills these positions through a contract with a staffing agency, Leadpoint USA (Leadpoint). The MRF and Leadpoint will execute a contract addendum at each phase of the Seattle minimum wage increase to reflect the new hourly wage.

4 This filing is intended to provide temporary relief while the minimum wage increase is phased in. Once the final increase becomes effective on January 1, 2017, Lynnwood Disposal will file a general rate case. Staff does not believe the Commission's decision to approve the tariff revision sets a precedent for Lynnwood Disposal, or any other solid waste company.

5 WAC 480-07-110 allows the Commission to grant an exemption from or modify the application of its rules if consistent with the public interest, the purposes underlying regulation, and applicable statutes.²

6 Based on its analysis, Staff finds that proposed increase in recycling rates is fair, just, reasonable, and sufficient. Staff recommends the Commission allow the tariff to become effective by operation of law, and grant the Company an exemption from WAC 480-07-520(4), work paper filing requirements for this filing for the following reasons:

- (a) There have not been any significant changes since the last rate case that became effective on August 1, 2012. Reviewing the rate case documents, customer numbers are relatively unchanged, inflation has been low, and the Company has not changed its collection methods.
- (b) The increased recycling processing fees are set by Rabanco LTD's Materials Recovery Facility and are required as a part of the Company's operations.

reasonable and consistent with the public interest. The commission may disapprove any such contract or arrangement if satisfactory proof is not submitted to the commission of the cost to the affiliated interest of rendering the services or of furnishing the property or service described in this section."

² See also WAC 480-70-051.

- (c) The Company's financial information supports the proposed revenue requirement and the proposed rates.
- (d) Staff concluded the proposed rate increase, by reason of the increase in recycling fees, is fair, just, and reasonable.

DISCUSSION

7 The Commission concurs with Staff's recommendation. The purpose of the work paper filing requirements in WAC 480-07-520(4) is to provide the Commission with information to determine whether a proposed rate increase is fair, just, reasonable, and sufficient. Here, the Company has provided sufficient information to enable the Commission to make that determination, and providing the additional information the rule requires would be unnecessary and unduly burdensome. Accordingly, an exemption from this requirement for purposes of the filing in this docket is consistent with the public interest and the purposes underlying the rule and should be granted.

FINDINGS AND CONCLUSIONS

- 8 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including solid waste companies.
- 9 (2) Lynnwood Disposal is engaged in the business of providing solid waste services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 10 (3) Lynnwood Disposal is subject to the filing requirements of WAC 480-07-520, for general rate increase proposals. The Company requested an exemption from WAC 480-07-520(4) and did not file the work papers required by WAC 480-07-520(4).
- 11 (4) This matter came before the Commission at its regularly scheduled meeting on January 28, 2016.
- 12 (5) An exemption from the general rate increase filing requirements set forth in WAC 480-07-520(4) for the filing in this docket is in the public interest and is consistent

with the purposes underlying the regulation and applicable statutes and should be granted.

- 13 (6) It is in the public interest to allow the revisions to Tariff No. 4 filed on December 17, 2015, and revised on January 20, 2016, to become effective on February 1, 2016, by operation of law.

ORDER

- 14 (1) Rabanco LTD d/b/a Lynnwood Disposal, Republic Services' request for an exemption from WAC 480-07-520(4), for purposes of the tariff revisions filed in Docket TG-152374 on December 17, 2015, and revised on January 20, 2016, is granted.
- 15 (2) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Olympia, Washington, and effective January 28, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner