

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Tariff Revisions to  
Increase Rates Due to a General Rate  
Case, Disposal Fee Increase, and Annual  
Commodity Credit Filed by

MURREY'S DISPOSAL COMPANY,  
INC., AND AMERICAN DISPOSAL  
COMPANY, INC.

Certificates G-9 and G-87

DOCKET TG-170036  
DOCKET TG-170037

ORDER 01

ORDER GRANTING EXEMPTION  
FROM RULE; ALLOWING  
REVISED RATES TO GO INTO  
EFFECT BY OPERATION OF LAW

**BACKGROUND**

- 1 On January 10, 2017, Murrey's Disposal Company, Inc. and American Disposal Company, Inc. (Murrey's and American or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariffs No. 27 in Dockets TG-170021 and TG-170023 to recover the increased cost of disposal fees. The Company's filing includes a request for an exemption from the work paper filing requirements of WAC 480-07-520(4).
- 2 Also on January 10, 2017, Murrey's and American filed commodity credit adjustments in Dockets TG-170020 and TG-170022.
- 3 On January 13, 2017, Murrey's and American filed with the Commission requests for general rate increases in Dockets TG-170036 and TG-170037. The requested increases would generate approximately \$1,663,000 (6.4 percent) in additional annual revenue.<sup>1</sup> The Company's request was prompted by its transition to automated garbage collection, which required significant investment in new trucks and garbage containers. The Company's filing includes a petition for exemption from portions of the work paper filing requirements of WAC 480-07-520(4) and WAC 480-07-520(5). Murrey's and American serve approximately 34,600 residential, multifamily, and commercial customers in Pierce County. The Company's last general rate increase became effective on June 1, 2016.<sup>2</sup>

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<sup>1</sup> For reporting purposes, Murrey's and American are separate business entities, but Murrey's and American use identical tariffs. Although the general rate cases and disposal fee increases were filed in four separate dockets, Commission staff (Staff) treats these as a single tariff filing for the purposes of determining whether the proposed increases are fair, just, reasonable, and sufficient.

<sup>2</sup> See Dockets TG-160232 and TG-160233. The 2016 general rate increase was required by the terms of a settlement agreement in Dockets TG-130501 and TG-130502.

**Request for Exemption – Disposal Fee Increase**

- 4 A disposal fee increase falls within the definition of a general rate increase pursuant to WAC 480-07-505. WAC 480-07-520 lists the minimum required information the Company must provide in a general rate increase filing.
- 5 On March 1, 2017, Pierce County will increase disposal fees from \$145.84 per ton to \$153.48 per ton at the LRI Landfill. Murrey’s and American provided information relevant to the disposal fee increase but did not provide the remainder of the information required by the rule, and requests an exemption from the work paper filing requirements of WAC 480-07-520(4).
- 6 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.<sup>3</sup>
- 7 Staff reviewed the proposed tariff revision and recommends the Commission allow the tariff to become effective by operation of law. Staff further recommends the Commission grant the Company an exemption from WAC 480-07-520(4), work paper filing requirements, for the following reasons:
- (a) Any changes that occurred since the last rate increase became effective on June 1, 2016, were addressed in the general rate case in Dockets TG-170036 and TG-170037.
  - (b) The increased disposal fees are set by Pierce County and are required as a part of the Company’s operations.
  - (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 disposal fees, is fair, just, and reasonable.
- 8 Staff recommends the Commission grant the Company’s request for an exemption from the work paper filing requirements of WAC 480-07-520(4) as those requirements relate to the Company’s requested disposal fee increase.

**Request for Exemption – General Rate Case Filings**

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<sup>3</sup> See also WAC 480-70-051.

9 In connection with its general rate case filings, the Company requests an exemption from certain portions of the Commission’s work paper filing requirements to allow the Company to submit work papers for the tariff-filing entities rather than the certificate holder as a whole. The Company further requests that it not be required to resubmit various work papers and documentation filed in connection with the Company’s 2016 general rate case.

10 The Company recently purchased new trucks, containers, and equipment for the purpose of automating its residential, multifamily, and commercial garbage collection. Accordingly, the Company proposes an expedited rate filing using the same financial information from its 2016 general rate case, but including the new assets purchased and a payroll increase for its automated drivers, and adjusting for the projected cost savings from its transition to automated collection.

11 Staff recommends the Commission grant the Company’s petition for exemption from the work paper filing requirements of WAC 480-07-520(4) and WAC 480-07-520(5) as those requirements relate to the Company’s general rate increase request. Between the Company’s previous rate case filing and the updates made in these dockets, Staff finds that the Company has provided sufficient information to enable it to determine whether the Company’s proposed rate increase is fair, just, reasonable, and sufficient.

### **Staff Recommendation**

12 Staff’s review found that the proposed general rate increase would result in excessive revenue. Staff removed a Company-proposed adjustment for a prospective loss of “extra” revenue from transitioning to automated carts. Additionally, Staff updated the depreciation expense and made an adjustment to the Company-proposed payroll expense.

13 The Company and Staff have agreed to a revised revenue requirement of approximately \$1,026,720 (4.0 percent) additional annual revenue, which includes both the general rate increase and disposal fee increase requests. On February 15, 2017, the Company filed revised rates at Staff-recommended levels. Staff recommends the Commission allow the Company’s revised tariff revisions – which include a general rate increase, a disposal fee increase, and a commodity credit adjustment – to go into effect by operation of law.

## DISCUSSION

- 14 The Commission concurs with Staff's recommendation and grants the Company's petitions for exemptions from the work paper filing requirements related to both its general rate case filing and its disposal fee increase request. The purpose of the work paper filing requirements in WAC 480-07-520 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 adequate information to enable the Commission to make that determination. Moreover, because the Company filed all required work papers in connection with its 2016 general rate case, requiring the Company to resubmit that information would be unnecessary and unduly burdensome. As Staff notes, the Company provided all of the information necessary for Staff to conduct its analysis and make its final recommendation. Accordingly, an exemption from this requirement is consistent with the public interest and the purposes underlying the rule, and should be granted.
- 15 The Commission also agrees with Staff's conclusion that the revised rates are fair, just, reasonable, and sufficient. The Commission will therefore allow the Company's proposed tariff filing, as revised on February 15, 2017, to go into effect by operation of law on March 1, 2017.

## FINDINGS AND CONCLUSIONS

- 16 (1) The 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.
- 17 (2) Murrey's and American 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.
- 18 (3) Murrey's and American 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 required work papers in connection with its disposal fee increase request.
- 19 (4) Murrey's and American also requested an exemption from WAC 480-07-520(4) and WAC 480-07-520(5) in connection with its request for a general rate increase because the required work papers were previously submitted in connection with

the Company's 2016 general rate case. In addition, the Company filed work papers specific to the tariff-filing entity rather than the certificate holder as a whole.

- 20 (4) This matter came before the Commission at its regularly scheduled meeting on February 23, 2017.
- 21 (5) An exemption from the general rate increase filing requirements set forth in WAC 480-07-520(4) and WAC 480-07-520(5) for the filings in this docket is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.
- 22 (6) It is in the public interest to allow the revisions to Tariff 27 filed on January 10, 2017, and on January 13, 2017, as revised on February 15, 2017, to become effective on March 1, 2017, by operation of law.

### ORDER

- 23 **THE COMMISSION GRANTS** Murrey's Disposal Company, Inc. and American Disposal Company, Inc.'s request for an exemption from WAC 480-07-520(4) and WAC 480-07-520(5) for purposes of the tariff revisions filed in Docket TG-170036, TG-170037, TG-170021, and TG-170023 on January 10, 2017, and January 13, 2017, as revised on February 15, 2017.

DATED at Olympia, Washington, and effective February 23, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner

