Exh. SS-1T Docket TG-181023 Witness: Scott Sevall

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In re Application of

**DOCKET TG-181023** 

SUPERIOR WASTE & RECYCLE LLC

For Authority to Operate as a Solid Waste Collection Company in Washington

**TESTIMONY OF** 

**SCOTT SEVALL** 

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Direct Testimony

May 15, 2019

## TABLE OF CONTENTS

I.	INTRO	DDUCTION	1
II.	APPLI	CATION – REVIEW OF FITNESS	3
III.	CONC	LUSION	4
		LIST OF EXHIBITS	
Exh.	SS-2	Staff Financial Review Worksheets	
Exh.	SS-3	Staff Financial Review Memorandum	
Exh.	SS-4	Staff Notes from Meeting with Daniel Stein	

1		I. INTRODUCTION
2		
3	Q.	Please state your name and business address.
4	A.	My name is Scott Sevall. My business address is the Richard Hemstad Building,
5		1300 South Evergreen Park Drive SW, P.O. Box 47250, Olympia, Washington
6		98504.
7		
8	Q.	By whom are you employed and in what capacity?
9	A.	I am employed by the Washington Utilities and Transportation Commission
10		(Commission) as a Regulatory Analyst. Among other duties, I am responsible for
11		conducting tariff and financial reviews for application filings and making
12		recommendations pertaining to those filings to the Commission.
13		
14	Q.	How long have you been employed by the Commission?
15	A.	I have been employed by the Commission since August 2014.
16		
17	Q.	Would you please state your educational and professional background?
18	A.	I hold a Bachelor's Degree in Business Administration focused in Accounting from
19		Washington State University. After graduating I worked for the Washington
20		Department of Ecology performing multiple accounting duties. Previous to
21		attending Washington State University, I was in the United States Navy from 2001 to
22		2007. I have also attended the National Association of Regulatory Utility
23		Commissioners (NARUC) Utility Rate School in 2015.

1	Q.	Have you previously testified before the Commission?
2	A.	Yes.
3		
4	Q.	What topics will you be discussing in your testimony?
5	A.	I will discuss the financial fitness of the applicant to receive a certificate of
6		convenience and necessity (certificate) under Washington statute and Commission
7		rules.
8		
9	Q.	Have you reviewed the application by Superior Waste & Recycle LLC for solid
10		waste collection?
11	A.	Yes.
12		
13	Q.	Have you prepared exhibits in this docket?
14	A.	Yes. I have prepared three exhibits.
15		• Exhibit No. SS-2 Staff Financial Review Worksheets
16		• Exhibit No. SS-3 Staff Financial Review Memorandum
17		• Exhibit No. SS-4 Staff Notes from Meeting with Daniel Stein
18		

1		II. APPLICATION – REVIEW OF FITNESS
2		
3	Q.	Does state statute require a financial review for applications to provide solid
4		waste collection?
5	A.	No. However, it is required by statute for other industries and Commission staff find
6		it a best practice, especially when the applicant does not currently hold a certificate
7		of public convenience and necessity for providing solid waste collection service.
8		
9	Q.	What was your conclusion regarding the applicant's ability to provide service?
10	A.	I concluded that the applicant has the financial resources to operate the proposed
11		service for at least 12 months.
12		
13	Q.	Please describe how you arrived at your conclusion.
14	A.	I first considered the assets of the applicant. The company balance sheet filed with it
15		application reflects assets of \$46,671, \$8,000 of which is cash. The remaining assets
16		are a vehicle and equipment equaling \$38,671 <sup>1</sup> .
17		Based on my review, it is my opinion that the company has the assets and
18		current working capital required to provide the service level proposed.
19		
20	Q.	Did you perform a review of customers and revenue forecast?
21	A.	Yes. I reviewed the company's estimate of \$24,864 in annual revenue, and found it
22		a reasonable estimate of expected annual revenue for a company of this size and

<sup>1</sup> See Exhibit No. SS-2.

1		nature <sup>2</sup> . I further reviewed the company's projected \$21,944 in annual expenses and
2		concluded the expenses listed by the company seem appropriate for the level of
3		service and the type of business <sup>3</sup> .
4		
5	Q.	In your opinion, does the company have the financial ability to provide the
6		proposed service for at least 12 months?
7	A.	Yes. With the current cash balance of \$8,000, and with the company's estimated
8		earnings before taxes and interest of \$2,920, the company has the working capital
9		and liquidity to maintain service for the 12-month period <sup>4</sup> .
10		
11		III. CONCLUSION
12		
13	Q.	Is Staff ready to make a recommendation to the Commission?
14	A.	No, the only conclusion I have made is that I believe the applicant has the finances to
15		provide the applied for service for at least 12 months.
16		
17	Q.	Does this conclude your testimony?
18	A.	Yes.

Id.
Id.
Id.
Id.