

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

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET TG-091774
)	
Complainant,)	
)	
v.)	SETTLEMENT STIPULATION AND
)	REQUEST FOR COMMISSION
HAROLD LEMAY ENTERPRISES, INC., d/b/a RURAL GARBAGE SERVICE,)	APPROVAL
)	
Respondent.)	
)	
.....)	

I. INTRODUCTION

1 This Settlement Stipulation is entered into by and between Harold LeMay Enterprises, Inc., d/b/a Rural Garbage Service (“Rural” or the “Company”) and the Staff of the Washington Utilities and Transportation Commission (referred to hereinafter jointly as the “Settling Parties” or individually as a “Settling Party”) to resolve all matters in dispute among them regarding the Company’s pending general rate case. The Settling Parties represent all parties to this docket. Thus, this Settlement Stipulation is a “full settlement” pursuant to WAC 480-07-730(1).

2 The Settling Parties understand that this Settlement Stipulation is subject to Commission approval, and hereby respectfully request that the Commission issue an order approving the Settlement Stipulation so that new rates can go into effect no later than November 1, 2010. The Settling Parties agree that the Settlement Stipulation is in the public interest and will result in rates that are just, fair, reasonable and sufficient.

II. PROCEDURAL BACKGROUND

3 On November 12, 2009, the Company filed with the Commission tariff revisions designed to increase rates due to an increase in a disposal fee at the Thurston County Waste and Recovery Center. Substitute tariff pages were filed by the Company on November 13, 2009, December 11, 2009, and December 22, 2009.

4 By Order 01, entered December 23, 2009, the Commission suspended the operation of the tariff revisions, including the substitute pages, and allowed the revisions to go into effect January 1, 2010, on a temporary basis, subject to refund. The Commission also held that the Company's tariff filing constituted a general rate case pursuant to WAC 480-07-505, and ordered the Company to file all documents required for a general rate case as provided in WAC 480-07-520(4), by March 1, 2010. The Commission, by Order 02, extended the document filing compliance date to May 14, 2010, at the request of the Company. The Commission also granted the Company's request to waive the 10-month suspension period of RCW 81.04.130 to accommodate the delay.

5 On May 12, 2010, the Company requested a partial exemption from the document filing requirements of WAC 480-07-520(4). The Settling Parties thereafter filed a stipulation with respect to the request. By Order 03, entered June 15, 2010, the Commission approved the stipulation and the Company thereafter filed the necessary documents as required by Order 03.

6 Since mid-June 2010, the Settling Parties have been engaged in informal and formal data exchange, and negotiations, in a good faith effort to resolve all issues in dispute in this general rate case. This Settlement Stipulation is the product of those good faith efforts and consists of this document and Attachments A, B, C and D, attached hereto.

III. SETTLEMENT TERMS AND REQUEST FOR APPROVAL

A. Revenue Increase and Rate Effective Date

7 The Settling Parties agree that the Company should be authorized to implement rate changes designed to increase its total annual revenues from Rural's customers by \$381,827 (14.3 percent). Attachment A to this Settlement Stipulation supports this annual amount, which is comprised of an increase of \$204,288 (page 1, column AI, line 27) to recover increased disposal fees and an increase of \$177,539 (page 1, column AI, line 27) for other operating expenses.

8 The Settling Parties agree that the agreed rate changes identified herein should become effective as soon as possible after 30-days notice to customers, as discussed below, but no later than November 1, 2010.

B. Rate Spread and Rate Design for Revenue Increase

9 The Settling Parties agree that the agreed total revenue increase will be implemented as shown on Attachment B to this Settlement Stipulation. Attachment C to this Settlement Stipulation contains draft tariff sheets that implement this rate spread and rate design.

10 Attachments B and C include a small decrease from existing temporary rates for customers of Rural's garbage service. The Settling Parties agree that this decrease will be implemented through a one-time credit to all applicable customers. The Settling Parties further agree that, within one (1) month after the issuance of such one-time credit to all applicable customers, the Company will file a report with the Commission identifying each service for which the Company issued credits, the number of customers per service that received a credit, and the total dollar amount of credits the Company issued.

C. Customer Notice

11 The Settling Parties agree that customers will receive 30-days notice in advance of the effective date of the agreed rate increases, as required by WAC 480-70-271(1).

Attachment D to this Settlement Stipulation contains the customer notices the Settling Parties have agreed upon to effectuate customer notice.

D. Waiver of Initial Order

12 The Settling Parties request that the Commission directly issue its order on this Settlement Stipulation without an initial order by the Administrative Law Judge. The Settling Parties agree to waive an initial order, if necessary to implement this request.

E. General Provisions

13 1. The Settling Parties agree that this Settlement Stipulation is in the public interest and would produce rates for the Company that are fair, just, reasonable, and sufficient. The Settling Parties agree to support this Settlement Stipulation as a settlement of all contested issues in this proceeding. The Settling Parties further agree that this Settlement Stipulation, upon its approval by the Commission, resolves and concludes this docket. The Settling Parties understand that this Settlement Stipulation is not binding on the Commission or any Settling Party unless and until it is approved.

14 2. The Settling Parties agree that this Settlement Stipulation represents a compromise in the positions of the Settling Parties. As such, conduct, statements, and documents (excluding those documents attached to this Settlement Stipulation, Company responses to data requests, and documents filed in response to WAC 480-07-520(4) and Order 03) that were disclosed in the negotiation of this Settlement Stipulation shall not be admissible as evidence in this or any other proceeding.

15 3. The Settling Parties agree this Settlement Stipulation represents the entire agreement of the Settling Parties, and it supersedes any and all prior oral or written understandings or agreements related to this docket or this Settlement Stipulation, if any, and no such prior understanding, agreement or representation shall be relied upon by any Settling Party. The Settling Parties have negotiated this Settlement Stipulation as an integrated document. Accordingly, the Settling Parties recommend that the Commission adopt this Settlement Stipulation in its entirety.

16 4. The Settling Parties shall cooperate in submitting this Settlement Stipulation promptly to the Commission for acceptance, and cooperate in supporting this Settlement Stipulation throughout the Commission's consideration of this Settlement Stipulation. In particular, each Settling Party shall cooperate in filing supporting documentation, as described in WAC 480-07-740(2)(a) and (b). The Settling Parties agree to support the Settlement Stipulation throughout the Commission's consideration of this Settlement Stipulation, and abide by the procedures determined by the Commission for its review of this Settlement Stipulation. If necessary, each Settling Party will provide a witness to sponsor and support this Settlement Stipulation at a Commission hearing. If the Commission decides to hold such a hearing, each Settling Party will recommend that the Commission issue an order adopting the Settlement Stipulation. In the event the Commission rejects this Settlement Stipulation, the provisions of WAC 480-07-750(2)(a) shall apply. In the event the Commission accepts the Settlement Stipulation upon conditions not proposed herein, the provisions of WAC 480-07-750(2)(b) shall apply. In the event the Commission accepts the Settlement Stipulation upon conditions not proposed herein, or approves resolution of this proceeding through provisions that are different than

recommended in this Settlement Stipulation, each Settling Party reserves the right, upon written notice to the Commission and all parties to this proceeding within five (5) days of the Commission's order, to state its rejection of the conditions. If any Settling Party rejects a proposed new condition, the Settling Parties will: (1) request the prompt reconvening of a prehearing conference for purposes of establishing a procedural schedule for the completion of the case pursuant to WAC 480-07-750(2)(a); and, (2) cooperate in development of a schedule that concludes the proceeding on the earliest possible date, taking into account the needs of the Settling Parties in participating in hearings and preparing briefs.

17 5. In the event the Commission determines that it will reject the Settlement Stipulation or accept the Settlement Stipulation upon conditions not proposed herein, the Settling Parties request that the Commission issue an order as soon as possible so that the Settling Parties may promptly invoke the provisions of WAC 480-07-750.

18 6. The Settling Parties enter into this Settlement Stipulation to avoid further expense, inconvenience, uncertainty, and delay. By executing this Settlement Stipulation, no Settling Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Stipulation, nor shall any Party be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding, except to the extent expressly set forth in the Stipulation.

19 7. This Settlement Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document. A Settling Party may authorize the other Settling Party to sign on the first Settling Party's behalf. A signed signature page that is faxed or emailed is acceptable as an original signature page signed by that Settling Party.

20 8. This Settlement Stipulation is the product of negotiation and no part shall be
construed against any Settling Party on the basis that it was the drafter.

21 9. The effective date of this Settlement Stipulation is the date of the
Commission order approving it, subject to the procedures described in paragraph 15 above.


22 This Settlement Stipulation is entered into by each Settling Party as of the date
entered below.

DATED this 2nd day of September, 2010.

**HAROLD LeMAY ENTERPRISES, INC.,
d/b/a RURAL GARBAGE SERVICE**

**WASHINGTON UTILITIES AND
TRANSPORTATION
COMMISSION STAFF**

By _____
DAVID W. WILEY
Attorney for Harold LeMay Enterprises,
Inc., d/b/a Rural Garbage Service

By  _____
ROBERT D. CEDARBAUM
Assistant Attorney General

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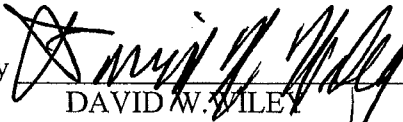
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