



Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

July 31, 2013

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

2013 AUG - 1 AM 8:34
STATE OF WASH
UTIL AND TRANSPORTATION DIVISION
COMMUNICATIONS MANAGER

RE: *WUTC v. Murrey's Disposal Co., Inc. and American Disposal Co., Inc.*
Dockets TG-130501 and TG-130502 (consolidated)

Dear Mr. King:

Enclosed for filing in the above-referenced docket are the original and seven copies of a Settlement Agreement, Commission Staff's Narrative in Support of Settlement Agreement, Narrative Statement of the Respondent in Support of Proposed Settlement, and Certificate of Service.

Sincerely,

STEVEN W. SMITH
Assistant Attorney General

SWS/emd
Enclosures
cc: David W. Wiley w/enc.

Dockets TG-130501/TG-130502
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached Settlement Agreement and supporting Narrative upon the persons and entities listed on the Service List below via e-mail and by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 31st day of July, 2013.



ELIZABETH M. DeMARCO

***For Murrey's Disposal Co., Inc. and
American Disposal Co., Inc.:***

David W. Wiley
Attorney at Law
Williams, Kastner & Gibbs PLLC
Two Union Square
601 Union Street, Suite 4100
Seattle, WA 98101
Phone: (206) 233-2895
E-mail: dwiley@williamskastner.com

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

MURREY'S DISPOSAL COMPANY,
INC., G-9,

Respondent.

.....
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AMERICAN DISPOSAL COMPANY,
INC., G-87,

Respondent.

DOCKETS TG-130501
and TG-130502 (*consolidated*)

SETTLEMENT AGREEMENT

RECEIVED
ACCOUNTS MANAGER
2013 AUG - 1 AM 8:35
STATE OF WA
UTI AND TRP
COMMISSION

I. PARTIES

1 This Settlement Agreement (Settlement) is entered into by Murrey's Disposal Company, Inc. ("Murrey's"), American Disposal Company, Inc. ("American") (or "the Companies"), and the Staff of the Washington Utilities and Transportation Commission ("Staff"), collectively referred to as the Settling Parties. The Settling Parties agree that this Settlement is in the public interest and should be accepted as a full resolution of all issues in

these dockets. The Settling Parties understand this Settlement is subject to approval of the Washington Utilities and Transportation Commission (the "Commission").

II. INTRODUCTION

2 On April 08, 2013, the Companies filed with the Commission certain tariff revisions designed to increase general rates for the collection, transportation, and disposal of garbage, residential recycling, and residential yard waste in their certificated service territories. The Companies requested an increase in residential, commercial, and drop box service garbage rates of \$ 953,667 (4.21 percent) additional annual revenue; an increase in residential yard waste rates of \$ 299,865 (15.85 percent) additional annual revenue; and an increase in residential recycling rates of \$1,033,470 (25.27 percent) additional annual revenue.

3 On May 10, 2013, the Commission entered Order 01 in Docket TG-130501 and Order 01 in Docket TG-130502, suspending the tariff revisions in those dockets. A Prehearing Conference Order (Order 02) issued on May 21, 2013, consolidated the two dockets and, among other things, established a procedural schedule. On June 20, 2013, and July 11, 2013, the Commission granted motions for continuances of testimony filing dates while the parties discussed settlement.

4 The Parties have reached Settlement of all rate issues in this proceeding and wish to present their agreement for the Commission's consideration. The settling parties therefore adopt the following Settlement, including Attachments A, B and C attached hereto, in the interest of reaching a fair disposition of the issues in this proceeding.

III. SETTLEMENT

A. Rate Increase and Effective Date

5 The Settling Parties agree that the Companies shall be authorized to implement rate changes designed to increase its annual revenues from its residential, commercial, and drop box services garbage customers by \$ 0.00 (zero percent); from its residential yard waste customers by \$198,530 (10.51 percent on average); and from its residential recycling customers by \$845,436 (20.98 percent on average).

6 The changes summarized in paragraph 5 are set forth in greater detail in Attachment A to this Settlement.

7 The Settling Parties agree that the rate changes identified herein should be effective the first day of the month after the Commission approves the Agreement.

B. Rate Spread and Rate Design for Revenue Increase

8 The Settling Parties agree that the agreed total revenue increase of \$1,043,966 will be implemented as shown on Attachment B to this Settlement. Attachment C to this Settlement contains draft tariff sheets that implement this rate spread and rate design.

C. Amortization Period and Requirement to File a General Rate Case

9 The Settling Parties agree that the companies can amortize the expenses of both the loss on the sale of assets and prior year insurance claims over three years, provided that the Companies shall file, no later than April 1, 2016, a general rate case using calendar year 2015 as the 12-month test period. This requirement does not however preclude the company from filing a general rate case(s) prior to this time.

D. Waiver of Initial Order

10 The Settling Parties request that the Commission directly issue its order on this Settlement 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. Garbage Rates

11 The Settling Parties agree that the current, effective garbage rates will not change.

F. General Provisions

12 1. The Settling Parties agree that this Settlement 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 as a settlement of all contested issues in this proceeding. The Settling Parties further agree that this Settlement, upon its approval by the Commission, resolves and concludes this docket. The Settling Parties understand that this Settlement is not binding on the Commission or any settling party unless and until it is approved.

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

14 3. The Settling Parties agree this Settlement 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, 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 as an integrated document. Accordingly, the Settling Parties recommend that the Commission adopt this Settlement in its entirety.

15 4. The Settling Parties shall cooperate in submitting this Settlement promptly to the Commission for acceptance, and cooperate in supporting this Settlement throughout the Commission's consideration of this Settlement. 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 throughout the Commission's consideration of this Settlement, and abide by the procedures determined by the Commission for its review of this Settlement. If necessary, each Settling Parties will provide a witness to sponsor and support this Settlement 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. In the event the Commission rejects this Settlement, the provisions of WAC 480 07 750(2)(a) shall apply. In the event the Commission accepts the Settlement upon conditions not proposed herein, the provisions of WAC 480-07-750(2)(b) shall apply. In the event the Commission accepts the Settlement upon conditions not proposed herein, or approves resolution of this proceeding through provisions that are different than recommended in this Settlement, 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.

16 5. In the event the Commission determines that it will reject the Settlement or accept the Settlement 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.

17 6. The Settling Parties enter into this Settlement to avoid further expense, inconvenience, uncertainty, and delay. By executing this Settlement, 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 Settlement, nor shall any party be deemed to have agreed that any provision of this Settlement is appropriate for resolving issues in any other proceeding, except to the extent expressly set forth in the Settlement.

18 7. This Settlement 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.

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

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

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

Entered into this 31st day of July 2013.

Companies:

By: David W. Wiley, by Steven W. Smith
David W. Wiley
Counsel for Murrey's Disposal Co., Inc. and
American Disposal Co., Inc. *per authorization*

Staff:

By: Steven W. Smith
Steven W. Smith
Assistant Attorney General